

## Organize for the Income Tax

Unquestionably a majority of the democratic and republican parties favor the income tax. If proof on this point were necessary it is found in the fact that a republican congress has been forced by public sentiment to submit an income tax amendment. It is no secret, however, that the republican leaders who reluctantly yielded to this necessity expect that the proposed amendment will fail by reason of not having a sufficient number of states.

The clause in the federal constitution providing for the method of amendment is as follows:

"The congress, whenever two-thirds of both houses shall deem it necessary, shall propose amendments to this constitution or, on the application of the legislatures of two thirds of the several states, shall call a convention for proposing amendments, which in either case, shall be valid to all intents and purposes, as part of this constitution, when ratified by the legislatures of three-fourths of the several states, or by conventions of three-fourths thereof, as the one or the other mode of ratification may be proposed by the congress; provided, that no amendment which may be made prior to the year one thousand eight hundred and eight shall in any manner affect the first and fourth clauses in the ninth section of the first article; and that no state, without its consent, shall be deprived of its equal suffrage in the senate."

The fight for the income tax has only begun. The subject should, therefore, be studied by every citizen. It would be well if, in every precinct in the United States, men and women should congregate for the purpose of informing themselves upon this important topic.

### THE PROGRESS OF THE INCOME TAX AMENDMENT

The income tax amendment has thus far been before two state legislatures. Georgia has considered it in regular session and Alabama in a short special session. In Alabama special favor was shown the amendment by both houses, and it was hurried along the course to passage. In Georgia the amendment was not so fortunate. It has not been defeated, but its consideration has been blocked in the senate as the result of a vigorous lobby against it. Probably the lobby contented itself with blocking the measure because it knew itself too weak to defeat it. That is the way such situations are usually to be interpreted when lobbies are busily at work. Even if further consideration of the amendment should be postponed in Georgia till the next session of the legislature, that would come before the majority of the states have had a chance to act.

Barring some unexpected development, Illinois will be the next state to pass upon the amendment. That is on the assumption that a special session will meet in the fall. No doubt the anti-amendment lobby will spend more effort and more money to defeat the amendment in Illinois than in any other state. The fact that Illinois has the worst boss-ridden legislature in the west will give the lobbyists hope of success, while the further fact that Illinois will be taken by easterners to be a typical western state instead of a most exceptional one—so far as its legislature is concerned—will make the lobbyists especially interested in the example it sets.

It happens that the group of states to vote next winter is composed almost entirely of New England and adjoining eastern states which have annual sessions of their legislatures. Most of the states have biennial sessions which meet in the odd-numbered years, and so will not vote till 1911. If all the mechanism had been set for the purpose, the disadvantages the amendment will be under for passage could not have been greater. That is no reason for fearing its failure, since a tremendous strength in favor of it exists among the people in the west, and it will go hard at re-election time with any legislature which stands out in opposition. If the Illinois legislature should listen to its masters instead of to its constituents that will probably be the straw that breaks the camel's back. And the part of the camel in this case will not be played by the voters.—Chicago Record-Herald.

### THE AMENDMENT IN GEORGIA

An Atlanta, Ga., dispatch to the New York World Says:

Napoleon at Waterloo never faced a more forlorn hope than the friends of the ratification of the income tax by the Georgia state assembly.

With powerful enemies, few friends and no leaders on its side, and with the session practically at a close, there is only one chance in a thousand for it to pass. The session will close on Wednesday. The fight for the income tax ratification centers in the senate, not having been broached in the house. The senate has still to act upon the general tax act and the appropriation bill. In both instances there will be fights. The senate asks more appropriations than were granted by the house, and a fight is brewing in the senate over the near-beer section of the general tax act. This leaves practically no time for consideration of the Jackson resolution urging the ratification of the income tax. The opposition comes from friends of the state income tax, the fight being led by Senator Burwell. He says it is his wish to save this revenue to the states of the union. In a way he considers it an invasion of state rights. He argues that should the national government get this tax negroes might be used in the south for its collections. Senator Perry has declared that this issue will become a political one, and that its opponents in Georgia will go down in certain defeat. Up to date, however, there has been no political lineup, no party differences on the measure. For instance, Perry and Burwell are both strong Hoke Smith supporters. The governor has taken no stand in the matter. Perry says the measure is being fought by lobbyists. He refuses to give any names, and there is no proof of such influence. If the income tax is ever made an issue in Georgia it will be passed, is the general opinion. It will lose at this session through apathy and lack of time. It is believed it will pass at the next session.

### GET TO WORK

Former Governor Bates answers the objection that an income tax would be "inquisitorial" with the response that "so are all taxes upon personal property." He further declares (in an interview printed in yesterday's Post) that such objections as have been made against the income tax as a principle "seem of little consequence compared to the benefits to be derived."

Mr. Bates is but one out of many of the leaders and advanced thinkers of the republican party who have taken a stand which indicates that there will be little, if any, organized opposition in this state to the adoption of the income tax amendment. The action of Massachusetts undoubtedly will set the pace for other states, whether that decision be for or against the proposed amendment.

It will be well, therefore, even thus early, to scan the attitude of candidates for the next legislature upon the question of the adoption of this, the most equitable of all forms of taxation.

It is now, before the "machines" have clinched their hold upon the organization of the next house and senate, that a distinct understanding should be obtained between voter and prospective legislator, to the end that Massachusetts may be enrolled among the leaders in the movement which former Governor Bates describes as "sound and equitable."—Boston Post.

### JUSTICE BREWER AND THE TAX

Literary Digest: As though in order to prevent the apathy which the advocates of the income tax provision in the tariff bill have said is their chief fear, Justice Brewer of the United States supreme court, by condemning the proposed amendment to the constitution, has made the discussion livelier than ever. In his much-quoted Milwaukee address Justice Brewer said:

"But now, after the hue and cry of a day, we must have the privilege of income taxes by the government. Supposing that law passes, as I presume it will, and congress sees fit to levy income taxes on all the income received from substantial, direct personal property and real estate, what will the states do in case they need large sums of money for their own revenue?"

"The power to tax, as John Marshall said, in the power to destroy. If once you give the power to the nation to tax all the incomes, you give them the power to tax states, not out of their existence, but out of their vitality."

There are not many papers that give Justice Brewer's statement their unqualified approval, but the New York Times strongly endorses his views in the following paragraphs:

"President Taft is putting into practical oper-

ation Secretary Root's threat that the national government would exercise the powers which the states neglected, and Justice Brewer dissents. Plainly the taxpayers are doubly burdened, or else the resources of the states are reduced if they waive the income tax which the nation takes. Corporations which might endure either tax might be oppressed by a double tax, and thus the nation could starve to death institutions created by the states. But, as Justice Brewer says, to cripple a state's resources is to assume 'power to tax the states, not out of their existence, but out of their vitality.'

"We have fallen too much into the way of passing bad laws and trusting to neglect of them to remedy the evils from their operation. We have been told that the income tax will be harmless while Taft is president, and we are providing him with new and disputatious laws to enforce, although he has not as yet remedied the demonstrated inefficiency of administration of existing laws which characterized his predecessor. It is the things which he has not done which entitle him to the greatest praise."

Yet the Wall Street Journal reviewing Justice Brewer's obiter dicta thus expresses its unqualified dissent:

"It would perhaps add to the sanctity of the law if our judges made it a rule to confine the expression of their opinions strictly to the bench. It is apt to lower the average man's respect for judicial opinion when he finds that the judge off the bench is only an ordinary man, with an average set of ideas, and even a human liability to say things off-hand not always distinguished for sound sense. Supreme Court Justice Brewer's decisions from the bench are always weighty as coming from a sound constitutional lawyer. It does not follow, however, that his private opinion on the income tax carries any more weight than that of another man.

"It is true that Chief Justice Marshall said that the power to tax was the power to destroy. Are we, therefore, to collect no taxes at all, or are we to be confined, as the supreme court confines the federal government now, to only two ways of raising them! There are many intelligent Americans who would be willing to collect less revenue through the customs house, and there are some who do not approve of the only alternative offered us. Because of what Chief Justice Marshall said, are we to be limited forever to tariff and excise?"

"So stringently has the federal government been restricted by the supreme court that the states have gradually appropriated a large number of methods of taxation entirely suitable for federal use. The only method remaining unappropriated by the sovereign state is the income tax. Justice Brewer's anxiety for the interest of the states seemed a little bit forced. The authorities he quotes could have had no real idea of modern conditions and necessities. Justice Brewer himself talks of 'iron-clads' under the impression that such vessels still exist, and some of his other opinions might be brought down to date with advantage.

"The crux of the matter is that nobody likes to pay taxes. Most of us are willing to encourage public expenditure and even public extravagance, but we greet with indignant horror any attempt to collect the cost from ourselves. If there is one tax in the world which has proved itself to be fair, flexible, cheap to collect and easy to adjust, it is the income tax. It is moreover sound in principle because public expenses are paid for out of income and not out of private capital, as they would be and are with inheritance taxes.

"Justice Brewer does not want to pay income tax, and that is the meaning of his obiter dicta. A great number of people will sympathize with him, but they must realize that a condition of excise and tariff exclusively, at the fiat of the supreme court of the United States, deprives the federal government of taxing facilities it should enjoy."

The New York World, while expressing the utmost respect for Justice Brewer's fearlessness and ability, confesses that it can not share his misgivings, and takes the opportunity thus to express its preference for an income tax over a tariff:

"Under the protective theory a system of taxation has been built up under which the national government, either for itself, or for privileged interests, taxes every ounce of meat that the citizen eats, every spoonful of sugar that sweetens his coffee, every thread of wool that goes into the clothes he wears, every fiber of cotton that makes up the stockings he buys for his children. It taxes him on his tobacco; it taxes him on his beer. It taxes him on his necessities and it taxes him on his luxuries. It taxes him