

# EQUITABLE TAXATION

That the present revenue law is not giving satisfaction is evidenced by the protests of all parties against its operation. The real underlying objection to the law is more against the system of taxation upon which it is based than upon the details of the law itself. This truth is readily discovered when one comes to examine into it, and discover the real nature of it. There is one very good thing this law has done, however. It has made the people look into the subject and study the great underlying principles involved in the question of taxation.

The truth is just beginning to dawn upon many people that taxation may be so applied as to completely cripple enterprise and thrift. The people who have supported a protective tariff have recognized this fact, but it never seemed to dawn upon their minds that if a tax could keep out foreign goods from our markets, a tax might as truly prevent the making of those goods at home. Yet the whole principle involved in a protective tariff is just simply this. It proposes to levy a tax upon goods imported into the United States from other countries. It proposes to levy this tax for two purposes—to raise revenue and to prevent the importation of these goods. That this proposition is paradoxical never seems to dawn upon the protectionist mind. For how could the tax be raised if the importation be prevented?

A certain man who never thinks of raising revenue enough to pay its expenses, it would not have to go in debt by selling bonds. Then he added that if he had his way he would raise all taxes for the support of the government by tariff duties on imports, and that he would make them so high that foreigners could not send their goods here at all. Then he lost his patience when the questioner asked "How then would the government receive any revenue?"

The very title of the McKinley bill recognized this great truth. The chief agitation and "paramount issue" in those days was that these tariff duties had piled up an enormous surplus in the treasury of the United States. Therefore the McKinley bill proposed to raise these tariff taxes to a higher point. The McKinley tariff act of 1890 was the highest tariff duty list that had been enacted up to that time, yet it was entitled, "An act to reduce the revenues of the United States." Its proposition was to fix the rate so high that importation of certain things would be practically impossible and thereby afford the domestic manufacturer an absolute monopoly of the home market. This it quite well accomplished. So much so that the revenues of the government fell so low that Harrison prepared to issue bonds to make up for a deficit, which the administration shifted on to the incoming Cleveland administration.

That are scores of examples of this fact which everybody may see on every side, and yet when it comes to applying them, so few seem to see that they are underlying truths that affect every form of tax. There can be no tax at all that does not check the production of the thing upon which it is levied. It therefore follows that no tax law should ever be enacted that would tax anything which the people desire and need. Tax everything the production of which is a public nuisance and evil upon the people, but never tax those things that the people need and require.

Even the aspiring republican candidates for the senate and legislature this year, recognize the need of reform in this matter of revenue. They are pledging that if elected they will adopt a more equitable revenue bill. But can those who have no definite idea of a more equitable measure help the

people any? What do they offer? Nothing but hot air.

The Independent would suggest to these republicans and to all others as well, at least one detail that may well be incorporated into the new revenue law. That is, to take the revenue law of the state of New York and copy its provisions relating to the relative assessment of lands and landed improvements. The benefits of this law in New York have been marked. The law has not only enabled the people to ascertain the relative values of land separate from the improvements thereon, but it has enabled boards of equalization to make more equitable levies.

For example: It is a well recognized law of economics that the values of all improvements are reflected in the value of the land upon which they rest. Here are two city lots. Their value is \$500 each. The owner of one of them puts upon his lot a house worth \$1,000. In a year or two the assessor levies upon this house for taxation and fixes the total value not at \$1,500, but more likely at \$1,600 or \$1,700. Of course, this is assuming that an attempt is made to get the actual market value. On the other hand, the owner of the lot adjoining continues to pay a tax upon the old value of \$500. It will therefore be seen that the application of such a tax has tended to discourage the man who improves his land, while encouraging the owner who allows his land to lie idle.

If the law provides for the separation of these two items of assessment, making the valuation of the land solely upon its unimproved selling price, then these two lots, so far as their respective values are concerned would be taxed alike. It would afford a chance to all boards of equalization to justly fix the values of these two pieces of realty. Such a provision would not tend to discourage those who improve their lands while offering a premium to those who prefer to allow their lands to remain idle, expecting thereby to pocket the increase in their value. The encouragement of thrift and enterprise and the discouragement of idleness and monopoly should be the controlling influence with all who frame revenue laws.

Upon this theme is submitted some questions to The Independent by a very thoughtful student of Lincoln as follows:

"Editor Independent: Discussion of our revenue law has been carried on for weeks, and anyone who wishes can find abundant evidence of its iniquity by simply referring to recent files of the leading reform papers of the state. But with all this agitation there is a strange, strange silence among both reform parties when the question of remedy is touched. Will you kindly enlighten your readers on the most important feature of the whole discussion?"

"The absolute repeal of the law has been equivalent to pledging the enactment of another of very different character? If not, where is the need for repeal? If so, will you indicate to us something of what we may expect from fusion victory? Don't tell us to wait until the legislature meets and observe for ourselves."

The republicans for years have been admonishing us to trust to the wisdom of republican statesmanship, and I, for one, am getting tired of the practice. It has given us laws that could never stand a referendum vote. As voters, the people of Nebraska are entitled to more definite information. Will you kindly give it through the columns of The Independent?

"A. C. GAYLORD."

As set out in the beginning of this article, the real objection to the present revenue law is more against the system upon which the law is based, than against the law itself. There is a fundamental injustice in this system which must be revised. The Independent can not speak for the legislature next winter. That legislature, whether composed of populists and democrats or by republicans, will very likely repeal the present law. Whether it will substitute for it a better law, is a question for it to determine. Unfortunately this matter is not left for The Independent or for the people to decide. If it were, it is safe to say that a revenue law would be adopted that would apportion taxes justly among all the people, and not levy them as now against those least able to bear them, and under least obligation to bear them.

There can be no subject that so vitally affects the people of any community as the subject of taxation. There can be applied no economic measure that will tend to check ad-

vancement any more than an unwise tax law. There can be no legislative enactment that may speak for a larger prosperity for all the people than a tax system based upon sound economic principles.

It must be recognized by every student of public affairs that a tax may not only check production of anything, but if made high enough will totally prohibit the production of it. Upon what principle of common sense, then, can anybody justify any tax upon food or clothes, upon farm implements or workmen's tools, upon household furniture or houses of the people? Are not all of these things desirable? If so, why tax them, as though they were things offensive to the common good? Why prevent the production of those things that the people not only so much need and desire, but which they must have opportunity to produce, in order to live?

There are many other things that the people do not need and that they do not produce by their labor, the private ownership of which enables some to demand tribute from those who must needs use them. Most conspicuous among these are franchises and the values of monopolized land. Why not tax these things and free production from the blight of taxes? Can anybody submit an honest reason why?

All such systems of taxation as we see in force today, tend to discourage all who try to make an honest livelihood; all who are enterprising; all who are industrious and useful citizens. At the same time we seem to think that franchises ought to go untaxed, and that the land monopolist, the man who neither uses nor allows others to use the land that Almighty God placed here for all of us, or if he allows others to use it, does so only upon monopoly terms. We seem to think that these should escape the burden of taxation. What statesmanship! What stupidity!

L. J. QUINBY,  
Associate Editor.

### Likes the Letter

Vincennes, Ind. Sept. 26, 1904.—Hon. Thomas H. Tibbles, Lincoln, Neb., Dear Sir and Bro.: I have before me the full text of your letter of acceptance and I have to say that in concise manner and patriotic spirit, you have said the right thing, in the right way, at the right time. You have the honor of being the first nominee to have the courage to mention the land question and what you say on that subject will, I know, merit the approval of every voter in the United States "who has seen the cat."

I am proud of your letter and proud of our nominee for Vice President.

Yours for populism,  
SAMUEL W. WILLIAMS.

### SPECIAL MARKET LETTER

FROM NYE & BUCHANAN CO., LIVE STOCK COMMISSION MERCHANTS, SO. OMAHA, NEB.

South Omaha, Oct. 6.

Receipts of cattle have been much short of last week and as a result the market has advanced on stockers, feeders and canned beef. A large proportion of receipts are western steers from 4 to 6 years old. There is an increasing demand for one and two year old steers of good quality. Fleeshy feeders are moving fast. We quote:

Corn-feds—Choice steers, \$5.50@6.00; fair to good, \$4.50@5.40; cows and heifers, \$3.00@4.00.

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Hog receipts light but the market is wavering. Range, \$5.70@5.90.

Receipts of sheep are light this week owing to a shortage of cars in the west. Market is steady.

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**SEND YOUR ADDRESS ON POSTAL CARD**  
Commercial Club, Great Falls, Mont., for pamphlet on wheat lands of Montana.

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