THE OMAHA SUNDAY BEE: MAY 10, 1914.

HARRISON DISCUSSES TAXES

Practical and Theoretical Phases of Important Subject.

ANALYZES CONDITIONS HERE

The Function and History of Taxation Are Carefully Beviewed and Causes Compared with Effects of Legislation.

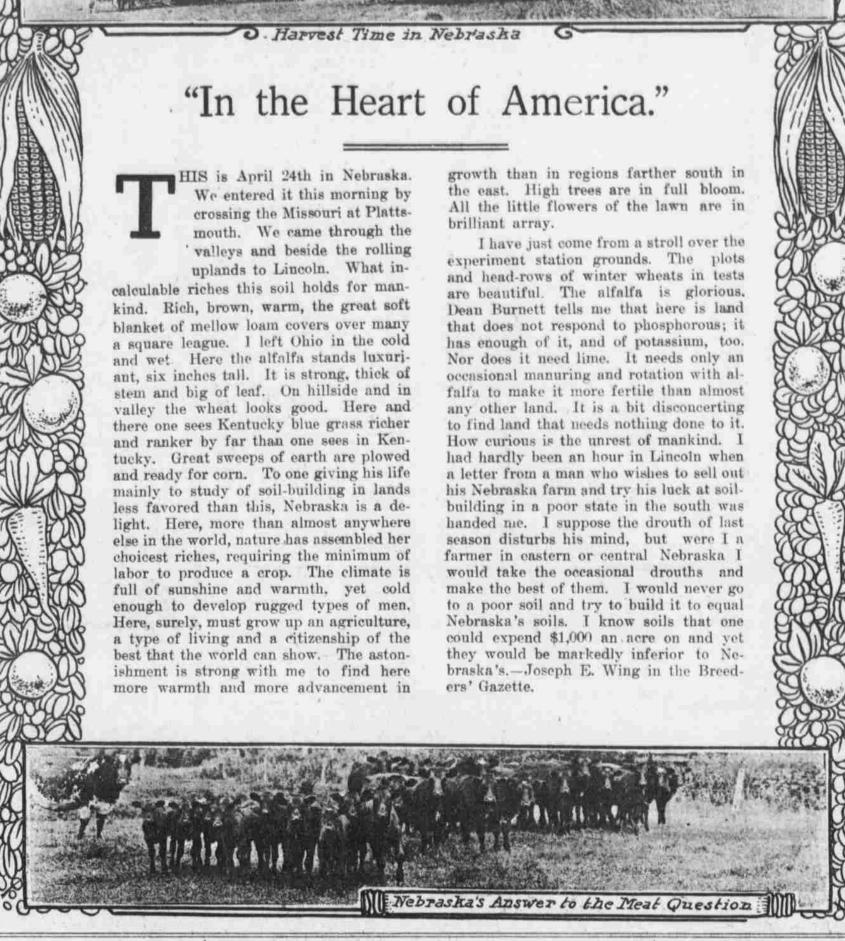
By CHARLES F. HARRISON. Of the Harrison & Morton Co. will take up the question of taxation m two ways, one of which is highly theoretical and the other practical. If anyone is interested only in the theoretical side of taxation, he need not read the other part, and if only interested in the practical side, he need not read the theoretical part. Of course, in case he is interested in neither, he may be relieved from reading any of the article. From the theoretical side. I cannot make as a sort of a text anything more ideal than that of the motto put at the front page of Henry George's book, entitled "Progress and Poverty," which is as follows: "To those who, seeing the vice and misery that spring from unequal distribution of wealth and privilege, feel the possibility of a higher social state, and would strive for its attainment."

Importance of Subject.

Taxation ideally considered has to do with the entire social fabric. It is a surrendering to the state certain contributions in return for benefits received. It was at first thought that the state could be regarded as a corporation in which the individual's interest was determined by the value of his property. This is the theory upon which the revenue systems of the states of the United States are based in their constitutions and organic laws. The flat rate property tax system, while still probably the main source of public revenue in the states of the United States, has now proven anything but satisfactory in some of its features. This is due to two causes. One that the theory is wrong, and the other is that it is impossible to carry out the theory even if it were right. The whole question of taxation could be summed up in one word, proportion. What proportion should the individual contribute of his cans for governmental support? Is that proportion to be measured by the value of his tangible property or are there other means of measuring the amount he should pay? Under the single tax theory the whole matter is solved, not by taxing more property, but by taxing less property, and not attempting to tax personal property, either tangible or intangible. The best tax experts are not prepared to accept the single tax in theory, and even it accepted in theory it would have to be demonstrated to be a success before it could be safely relied upon for public revenue.

The Single Tax.

Mr. Seligman, in his essays on taxation, while paying a very high tribute to the value of the agitation of the single tax because "In some countries it has served to direct attention to the abuses of the mediaeval land system, and in the United States has helped to disclose the shortcomings of the antiquated general property tax, and everyone has done yeoman's service in emphasizing the question unjust privilege." Despite the high encomium which Mr. Seligman gives to the agitation of the single tax, he is unable to accept its demands and has objected to it as being defective in four particulars: fiscally, politically, morally and economically. He says, first, "It would be would intensify the inenelastic



the taxing power for the leveling up of than equal to the increase of the general APARTMENT AS INVESTMENT ranged properly for the class of that are going to occupy them. conditions of society is a modern prin- wealth of the state.

A DUNDEE HOME "There is a satisfaction and a pleasure in offering a home to the public when you know that it is, in its class, the tastiest, most substantial, and the best home on the market." The Shades and Rods for this residence were furnished by BEATON & LAIER CO. 415-17 South 16th St. Lumber Furnished by GEO. A. HOAGLAND & CO. We furnished the mirrors and art glass. **Omaha Mirror & Art Glass Company** We also carry a complete line of paints, oils, varnishes and painters' supplies. Tile Work Furnished and Installed by Omaha Marble & Tile Co. Contractor for Tile and Marble Work, Slate, Tile and Gravel Roofing 110-112 North 14th St. Phone Douglas 1689. Foundation of Imported Granite Face Stone, Reinforced Concrete Porch Floor, Sidewalks and All Masonry Work Done by Omaha Concrete Stone Co. Phone Webster 886. 28th Ave. and Sahler Sodding Done by V. E. HOOVER Landscape Gardener, Sodding and Grading. Phone Harney 4298. 512 North 28th Ave. EVERYTHING ELECTRICAL **Omaha Electrical Works** Phone Doug. 1181. 1214 Harney St.



qualities resulting from unjust assessments." Secondly, "Although it is pro- ciple. It may be proper to say that a posed chiefly from social considerations, senator from Nebraska has suggested of taxation, and would seriously exag- dividual rights. gerate the differences between profits

from land and profits from other sources, and finally, that it would be entirely inadequate in the poor communities, and conditions of taxation as are in process ence on farmers, and even in the large for a moment oppose it; but the matter Is at best an experiment and not a triedout plan. The theory of it is so revolutionary that it is quite likely that it will be very reluctantly adopted, even as an experiment, by any large community. The theoretical trend of taxation is away from property and towards what the writers call faculty or ability to pay.

From the Constitution.

In the early history of the United fect union which the constitution of the States and at the time of the adoption of the constitution, undoubtedly! limitations put upon the taxing power grew out of a protest against arbitrary taxation which has prevailed in the countries of the old world, and against which right to life, liberty and happiness. the new world was more or less in revolt. The taxing clauses in the na-

Practical Suggestions. Referring now to a few practical sugtional constitution, and in the state constitutions as well, all emphasize the gestions concerning taxation, probably I Wights of the individual rather than the cannot do better than suggest the pracco-operative power and rights of the tical operation of the revenue law of the state as a whole. The purpose of or- state of Nebraska. Under the constituranic law seemed to be to protect the tion adopted in 1875 the state of Nebraska ideas which are advocated by tax experts individual from imposition on the part collects revenue upon all property at a as well as those who have experience in business can be of great value, as he of the government rather than exercis- fixed rate, according to value. The act- the practical administration of revenue is the man who knows what the people ing the coercive power upon the indi- ual wording of the provision is as fol- affairs. vidual, compelling him to support the lows: "The legislature shall provide such

government. It was not until the adop- revenue as may be needful by levying a ARTIST TO BEAUTIFY tion of the sixteenth amendment to the tax by valuation so that every person constitution that a change in the pro- and corporation shall pay according gram of taxation was made in the na- to the value of his, her or 11.0 tional government. Under it an income property or franchise." At the last tax law was passed, the study of which session of the legislature the state will show that there has been more or appointed a tax commission to consider ty-eighth and Jones streets, has secured icas of a revolution from the old ideas a reformation of the revenue system of the services of the noted B. Terrell Hoyt, upon which the constitution was based that state, and this commission is now landscape architect, to superintend and The revenue plan provides not only for collecting data and considering all the plan the grounds of "The Knickerbocker." a tax on incomes, but provides that this modern phases of taxation. The trouble, Mr. Johnston intends to make this ground to see a competent architect, and owner. ix may be graduated; that is to say, in making any change in the revenue one of the most beautiful apartment architect and rental man should then far diar with local real estate conditions, that a higher rate may be extracted as system of a large and going concern like house lawns in the central west. Mr. work out the details of the plan of the the income is greater. This is a rec- a state or province is that no experi- Hoyt has just finished beautifying the apartment. The most important thing to estition of an almost revolutionary prin- ments can be made which involve the grounds of the John L. Kennedy and siple in taxation. It is true that in possibility of too great a deficit in cur- George Brandels homes in "Fairacres." some countries like New Zealand and rent revenue needed. A general over-Australia the graduation of taxes has hauling of the revenue system is somebeen in vogue for many years; that is times attempted and made, but great to say, in those countries the general care is needed to keep an equilibrium of property tax is a graduated tax; that is, the revenue; that is, providing sufficient

Conditions in Omaha. At the risk of disloyalty to my own

The names of forty-six individual citi-

it would prevent the government from that the control of corporations and state in criticising the unequal conditions utilizing the taxing power for other social trusts be worked out through a system which arise under the administration of purposes and would divorce the interests of taxation. Undoubtedly society has a the Nebraska revenue law, but feeling of the people from those of the govern. right to use the taxing power for any sure that this will be forgiven when the LOCATION IS ALSO FACTOR rental man and architect should be able ment." Thirdly, "It would offend against general beneficial purpose, which does same condition is generally found else the canons of universality and equality not involve improper deprivation of in- where, the following actual examination made in the city of Omaha, in the interest of enlightenment, may be made:

Theory in Canada,

United States inaugurated by its adop-

So far I have referred to the theoretical zens were taken from the tax rolls and court records and an investigation made would generally have an injurious influ- of being worked out in the United States, of the assessment of each one of these but the condition in Canada, I under- citizens in the year in which he died, and urban centers it would exempt large sec- stand, is very similar. Indeed, under the the amount of the estate as shown by the tions of the population without bringing more elastic government of Canada, elas- court records was taken and compared any substantial relief to the poorer tic in the sense that Canada has no bind- with the actual assessment of his perclasses." It is not the purpose of this ing written constitution, such as the conal property. The resume of the data paper to go into theoretical discussion United States, new schemes of taxation will have interest to tax students, not beupon taxation that did not mention it single tax has been adopted in some of actual figures are taken from the recwould be at fault. If the condition of the municipalities and provinces of Can- ords. Of the forty-seven persons twentysociety, which it is contended would be ada. In any theoretical discussion of four persons were not assessed at all brought about by the adoption of the taxation it should be borne in mind con- The personal property of these twentysingle tax, would be effected, no one stantly that no scheme will ever be per- four the probate records disclose to be invested. having the good of society at heart, re- fect or permanent, but that there will the value of \$23,607,37. The records gardless of his personal interest, would always be needed changes to keep pace showed that the twenty-three persons with new conditions. The income tax, who were assessed for \$354,920 had perto be inadequate in the future, as society sessed to its value was 7% per cent. No should always be borne in mind that the United States, especially in large cities. The detail records show that the ments that they themselves would like schemes of government and taxation are simply means to an end, the real purpose personal property tax is escaped not only by the rich, but by all classes. The of both being the happiness and wellbeing of the individual. The more per-

> taxation which is to be voted upon in tion as a program of government was to November,' 1914, and is as follows: promote the things enumerated in the "The rules of taxation shall be uniform "Declaration of Independence," namely, equality of all men and the inalienable levied upon such property as the legis-

> > uated and progressive, and reasonable live in. exemptions may be provided, in addition to those hereinafter specifically men-

Ed Johnston, builder and owner of "The Knickerbocker" apartment house at Thir-

MISS PORTER SELLS HER

PROPERTY ON 27TH STREET posed to live is doomed if it is poorly Wilson & Warren, Bee building, have lighted and badly ventilated.

Aracting a different rate of taxation ac-tording to the amount and value of the propery. This is a revolutionary prime tiple, and yet toward the adoption of which, to some degree, at least, all civ-sined countries are tending. The use of purchased the Louise A. Porter property, Next, the size and arrangement of the

Purnishings of Building The floor plan being decided upon, the

ment.

ment of the building. These questions the

the practicability of the finish and equip-

Men to Give Talks

on the Home Towns

At a meeting held by the committee in

harge of the annual banquet of the Uni-

versity club yesterday noon it was de-

cided that in as much as the visiting

members of the executive committee of

It is the first time that the local ex-

change has had this opportunity. This

exchange of ideas is one of the objects

will be present

Apartments in Omaha rent well and

George T. Porter Writes of the Way next important questions that confront They Are Made to Pay. the builder are the finishing and equip-

to answer for him, as the rental man knows what the people want and are Prospective Builder Should Seek the willing to pay and the architect can Aid of Those Who Know How to Edvise the owner as to the cost and

Go About the Building of Apartments.

By GEORGE T. PORTER. will continue to be in great demand, as the people are educated to the many Secretary Payne & Elater Company. advantages in living in them. The peo-Heated apartments in the estimation of ple are beginning to realize that they the writer is one of the best investments can live more economically in an apartthere is in real estate, owing to the fact ment than they can in either a St. Louis that a large number of tenants can be flat or a detached house and have a of the single tax, although any paper are more easily adopted. Even the radical cause of its unusualness, but because the housed in a small space; yet there are great many more accommodations. While many people in Omaha and other cities small cottages that are well located are in great demand and always will be, who own apartment houses who have the St. Louis flat is losing its prestige never realized a fair return on the money on account of having all the disadvantages of apartments and none of its ad-

When one decides to invest in apart- vantages, nor having the advantages of ments, he should get in touch with the a detached dwelling.

It is a well known fact that tenants best informed rental man he knows and which seems to be so well adapted to the sonal property amounting to \$4,510,051.54. decide with him what class of apart- are fast learning that they can actually present condition of society, may prove The relation of the personal property as- ments he is going to build. This is reduce the cost of living by moving where many owners have made their out of cottages and St. Louis flats, rentchanges under economic conditions. It doubt the same condition exists all over first mistake, as they have, with the ing from \$25 to \$55, into apartments rentassistance of an architect, planned apart- ing from \$40 to \$50.

> to live in, or have put up buildings on Visiting Realty trend of taxation in Nebraska may be struct and expect to get a large return shown by a provision passed by the leg- on the money invested, never giving islature at its last seasion relating to the most important question a thoughtwhat class of tenants would care to oc cupy the apartments and how much rent

as to any given class and taxes shall be layied upon such property as the lagis. lature shall prescribe. Taxes may also people who can advise the prospective be imposed on incomes, privileges and builder, with any accuracy, what kind ccupations, which taxes may be grad- of a home a given class would care to

the National Association of Real Estate Next, after deciding what kind of a Men will come from all parts of the building one is going to put up, he United States, and as they are perhaps tioned in section 2 of this article." This should choose a suitable location for the most efficient men in the real esprovision embodies many of the modern such a building. Here again, a man who tate business, in place of having a set has made a specialty of the rental program at the banquet to be held Monday night, to have each and all of the visitors make a short talk on their difwant and what they object to. The sucferent cities and give their methods of

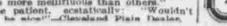
cess of most any building depends on doing business. This will give the local its location, and this is especially true members the benefit of the experience of of apartments. In choosing an apart-APARTMENT GROUNDS ment site, one must be thoroughly fathe twenty or twenty-five members who

alliar with its every advantage and disadvantage for the particular class of tenants he intends to rent to.

Seek Competent Architect. which real estate men have developed Having decided on what kind of an through organization. It is given as one apartment house one is going to build of the reasons why investors should do and carefully selected the site, it is time business with the members of the Omaha Real Estate exchange, who are not only but through its affiliation with the national association are in touch with all vemember in planning an apartment house sections of the United States and Canada. is that it is folly to try to chest the The watchword of the modern real es-

tenant out of light and air. Have fewer tate man is "service" and he is continapartments and more light and air, as ually getting ideas that enable him to the building in which people are supgive better service.

Making Her Selection



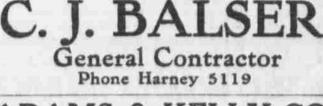
you have the best. The fact that the advertisers in these columns are anxious for you to see their share of the construction of the home is one of its best recommendations. They are all proud of their work and the owner is antisfied that they represent the best in their respective lines.

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og room. Columned openings.	Clothes chute.
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nd besides these an everlasting all	concrete porch with reinforced floor

and granite baluster railing-nothing to rot or paint-nine art glass winand granite baluster railing—nothing to rot or paint—nine art glass win-dows downstairs, majestic coal chute, 850 square feet floor space in base-ment, two linen closets, electric lights in closets and others that you can-not appreciate until you see. The interior decorating is the best to be had. 6 **BOOMS**—55,650.00—5017 **CUMING STREET**. The home will be open this afternoon and all day Monday. If you are interested at all in homes of this type, drive out and see this one. It is a model by which you can judge other propositions and we urge that you see all on the market before you make up your mind. W. L. SELEY, Phone Douglas 1510 **W** 1. SELEY, **126 BOOME**

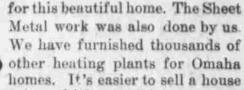
436 Board of Trade. Phone Douglas 1510. Yale Locks and Hardware furnished for this residence by Jas. Morton & Son Co. 1511-13 Dodge St. The Hardware People. The plumbing in this residence was installed by **Clarence R. Dodds** Plumbing and Heating Contractor.

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