

## THE FEDERAL INCOME TAX.

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(Address by Bolton Hall before the Economic Club, Providence, R. I. This address was also delivered before the Economic Club, Portland, Maine.)

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"The question and method of taxation are always with us. President Lincoln said that no question was ever settled until it was settled right. And that way is not the right way which seems most expedient, but the way that is morally right. On the ground of expediency there can be constructed by ingenious advocates almost unanswerable arguments on any side of any question; but if we wish to stand upon solid ground we will find that our only sure basis is the primary principle of right. The primitive title, the first ownership, the national law of property is that each man belongs to himself, that he is entitled to those values which he has created by means of those faculties which he possesses. That which man produces belongs to him—it is his. That principle is the basis to which we must go back in examining any system of taxation.

"We must ask if the system is in accordance with the moral law. Is it the taking away from the individual that which is his and only his? If so, then the system is wrong. We have been driven to many forms of taxation compromise. Now there come times when to compromise is right, but where principle is concerned, there is no room for compromise.

"The fundamental objection to the income tax, then, is that it is wrong in principle. It is based upon the fallacious theory that men should contribute to the expense of government in proportion to their ability. That is a glib phrase. The first objection to it is that it is not true. Men should contribute to anything in accordance to the value they receive. What would you think of one of your merchants who should run his store upon the principle laid down by every income tax defender, that his prices should be based upon the ability of his customers to pay—selling a hat to one for \$150 and to another for \$1.50?

"Yet the Government has something to sell you. It has been said that the way to make the streets of a city clean is for each man to clean the street in front of his own house. True, that is one way; but it is nevertheless, a stupid way. Why, even the most rascally board of street cleaning gives better service than we should get through individual work. It has been found by experience that it is better to maintain a police department than for each man to endeavor to secure his own protection. Corrupt as the police departments in America cities are, almost without exception, we find better results than if every man took his protection into his own hands.

"We buy from the government protection for our property rights. We pay through taxation. Then come these tax tinkers and say that we should pay for that protection in accordance with our ability. No! We should pay for what we get, and not one cent more!

"The second objection is that the income tax is not only an infraction of our civil rights, but, more important, an infraction of the moral law. Here,

we have a man with income of \$10,000 a year. He has a large family and a continual outgo of his money in meeting his living expenses. There, we have a bachelor with a like income but no drain upon him but his own desires. The Government now would step in and say that both these men should be taxed upon that income. But this would be obviously unfair. Why even our German cousins, who are thorough if sometimes illogical, have been forced to make exemptions in the income tax.

"If we do base an income tax upon what a man can pay, then we should cut out of that amount what he gives to charity. That is something he does not have for himself ; there are many other things that would have to be weighed in the same way. The very basis of an income tax is morally wrong and therefore impracticable, if not impossible. It is impossible to do a wrong thing right, and when we start on the wrong path the further we go the 'wronger' we get. I think that in England we shall see in 1910 a practical rubbing out of the whole thing and an attempt to go right. In Germany there is an income tax of six marks (\$1.50) on an income of 900 marks (\$225). That is not very much, but it shocks the conscience of mankind to pilfer from a pittance like that. And yet there must be some arbitrary line drawn somewhere, because it does not pay to collect a tax much smaller, and to draw that line arbitrarily anywhere forces us to see that we are not doing right.

"This tax is wrong in its inception, in its execution and its effect, and it is wrong in its intention also. Today there is a loud and bitter cry from those, who even under our great prosperity, find it increasingly hard to make a living, and they are asking us what about trusts, etc. Every once in a while some one high in office says the burdens must be taken from the shoulders of the poor and laid on the shoulders of the rich.

"Accordingly in England there is this new Budget. Lloyd-George says it is a tax on dukes, to relieve the poor and place the burden on land. Here in the West they have gone pretty wild over incomes, regardless of the fact that England is now dissatisfied with that form of taxation and is turning to the taxation of the value of land because income taxes do not equalize burdens. Yet in England there is some sense of civic honor in paying taxes; here where everyone evades taxes we would be unable to collect an income tax with anything like fairness.

"It will be here what the personal property tax has been everywhere—a means of inquisition, of blackmail, and a stimulus to perjury.

"Again and again we are shown that we can do a wrong thing right.

"It has been said that the best way to repeal an obnoxious law is to enforce it strictly. I say no. The best way is to evade it. And I say, too, that the man who evades a bad law is doing God service. He reiterates and illustrates the principle that it is impossible to do the wrong thing right. There is no force so strong as the public opinion, and in order to bring public opinion to favor a tax system it must be shown that it is first based upon the right.

"I, therefore, have no patience with those who would compromise on the petty expedient. It will be harder to get rid of a law which we accept as a

compromise; it will be a stumbling block in our path onward. Oh, the dismal history of compromise on the one hand—compromise with right and truth which deprives man of his ideals, of his highest development, and leaves him like 'Tomlinson' unfit either for heaven or hell; and on the other the exercise of justice, of adherence to principle that lifts man to the goodly fellowship of the Apostles high above the plane of temporizing and compromise.

"Thus to raise high the ideal, to encourage man to do the best of which he is capable, is today the duty of the teacher and the preacher, and to compromise on a makeshift like the income tax will only again bring out plainly that nothing is ever settled until it is settled right."

## LAND MONOPOLY, THE CURSE OF THE CENTURIES.

(FIFTH PAPER.)

American Land Monopolists—Continued.

(For the Review)

By H. MARTIN WILLIAMS.

**AUTHOR'S NOTE.**—In the list of land owners in California given in the November-December number of the *REVIEW*, the holdings of Miller & Lux were placed at 14,500,000 acres when the amount should have been 450,000 acres, and the name of Henry Miller, whose holdings are placed at the former figures, by Henry M. Hyde, in an article published in the *Technical World Magazine* for January, 1909, was entirely omitted from the list. The mistake occurred in transcribing my notes. I have found the work of compiling anything approaching correct list of large land holdings in the United States, most difficult. I have made up my lists from data considered reliable and authentic. If any readers of these articles are in possession of statistics of land ownership which have escaped my notice, or find inaccuracies in my lists, they will place me under obligations by calling my attention to them.—H. M. W.

### ILLINOIS.

The great, fertile, agricultural State of Illinois, with its five and a quarter millions of people, is not behind many of her sister States in supplying a "happy hunting ground," for the forestallers, speculators and land-grabbers. The meagre statistics of land ownership in this State, which I have been able to obtain, show that the land monopolist, like the busy bee has improved "each shining hour," and that he is still at work. Millions of acres of the richest agricultural and mineral lands are now owned by individuals and corporations, in amounts ranging from 1000 to 80,000 acres each. It is in Logan county, this State, that the Scully estate owns 80,000 acres, besides thousands of acres in adjacent counties. The largest holdings are in the rich corn belt which comprises the northern half of the State, although there are extensive holdings in the southern part of the State. The largest of these consist of coal