PRINCIPLES OF TAXATION*

When a bright, cultivated intellect sets itself to the task of preparing a work that shall embody the "Principles of Taxation," he will tell, or may tell, much that is important in the matter of incidence, but he will omit the principles. This he will not do by design; he will do it because he cannot help himself. For there are no principles of taxation. Taxation is unprincipled.

Taxation is merely a wrong way of doing a right thing. It is an evasive process; it is a body of expedients for exempting the only true source of revenue; it is a class of laws built up with the object of securing immunity to a single favored class. It is always robbery in order to perpetuate a greater robbery—the taking by a class of values that are per se community values, born with the birth of the community, increasing with its growth, and responding to its needs.

So why quarrel with Mr. Lyon who tells in this useful little book many things the assessor and student of incidence will want to know? What matter if he stumbles a little even on his own ground, as in the following example: After considering what taxes are paid for—the needs for which they are imposed—he passes in Chap. II to a consideration of what shall be taxed. After showing how an income from labor does not indicate the same ability to pay as an equivalent income from property, he says: "This is not of course to say that income from labor does not give ability to pay and ought not to be taxed." But on page 22 he says: "That one should pay for benefits received seems to be a sound proposition." And between these two theories of "Ability to pay" and "Benefits received" Mr. Lyon picks his way with the excessive caution of a footpad—and this is no reflection upon Mr. Lyon, but is due to the criminal nature of the subject matter.

Our readers will be more interested in the author's "refutation"—the millionth one—of the Single Tax. Mr. Lyon says: "The proposal is founded on the assumption that the existence of the community creates land values, and that, therefor, the community has a special right to appropriate these values to the general use." To this he says triumphantly:

"We cannot grant all these premises. To say that land derives its value from the existence of the community is to say that it is valuable because people want it. Is it in that respect any different from grain, cattle, and other things which have value because people want them? If it is objected that the community gives special value to land, that an acre in New York City has a vastly different value from an acre of Texas range land, it is also true that a beef carcass is more valuable in New York City than on the Texas range."

Now it is a very careless Single Taxer who says that the community creates land values, *and stops there*. In a sense all labor products have a value because there is a community to consume them. But land derives an instant value from the growth of the community, grows with its growth, and derives none of its value from the labor of the owner. A beef carcass in Texas intended for New York is no more valuable in New York, Mr. Lyon notwithstanding, than it is on the Texas range, if we except the labor value given to it by those engaged in dressing and transporting it, and these are not the community, but a small industrial group. Most things are more valuable indeed on the Texas range than they are in New York—pretty nearly all things save land. Bring population to the Texas range—five thousand, ten thousand, fifty thousand. Would the beef carcasses increase in value? Not a penny. What would increase? The value of land. Note the difference, Mr. Lyon.

But here is an argument that is an argument. Answering the contention of Single Taxers that the imposition of the land tax will force land into use, he says: "Holding land out of use may well lead to a conservation of capital." Well, we guess it does. It also acts as a deterrent to the production of capital, since one way to produce capital (wealth) is the application of labor and capital to a lot held out of use.

* Principles of Taxation, small 12 mo., Cloth, 133 pp. Price 75 Cents, net. Houghton, Mifflin Company, Boston and New York.

When the community recognizes that—a simple enough fact—our fight is ended and and our victory is won.—J. D. M.

THE WORLD STORM AND BEYOND.*

This is a series of essays on the great European war, its causes and probable consequences.

The author traces the spread of militarism northward from the days of Julius Caesar and Imperial Rome, through France and Bonaparte to the German Kaiser and the Russian Czar. The Kaiser, he intimates, may be an unconscious instrument for the furtherance of those democratic ideas which were undermining his throne when the war was precipitated. Whether militarism will finally take refuge in Russia, the only great power further north, remains to be seen. Germany he regards as a dual monarchy as much as Austro-Hungary, the military machine being imposed upon the Socialistic people, who really represent the modern projection of the ideas of the French Revolution. Karl Marx he calls the Rousseau of the Revolution beyond the Rhine, and the tremendous military machine, he thinks, was maintained as much to hold these two antagonistic parts together as to foster Pan-Germanism in Europe. The German people, if they did but know it, are in the throes of an internal revolution. The free institutions across the Rhine seem likely to be extended to them while the wonderful social and industrial progress of Germany bids fair to spread throughout Europe.

Whatever the outcome of the present war the author thinks the future belongs to Russia. She is a true cosmopolitan, ever eager to learn from other civilizations. But Russia dreams of the sea. "The open sea is the open mind. The oceans are civilization." The great nations of the earth are those that have conquered the oceans and so Russia has longed for ports, but all the other nations have opposed her ambitions even at the price of war. Europe has looked down upon Russia, but unjustly. Democracy means something more than government and the Russian people, in spite of their Czar and their bureaucracy, are democratic and this quality of the people will finally assert itself in the government. The centre of the real Russian life is the village, not Petrograd, and the Russian village is a democracy similar to the Saxon village of early England. In England excessive individualism has brought poverty while the Russian lends himself readily to cooperation. In England the baron has absorbed the property of the commune while in Russia the commune has absorbed the property of the baron. In the so-called civilized nations the miseries of the people are due to government and can only be remedied by a social revolution, while in Russia they can be changed by popular education in normal development. The Saxon mind is obsessed with politics but the Russian sees things more in their social aspect. The plutocratic aristocracy which is the curse of the Germanic people is traced back by the author to the gilds. The Russian institution known as the Artel he finds a true and native cooperative movement which is indigenous to Russia and may be taken as an indication of what the people will accomplish when they finally begin to move. Already the artels are entering the manufacturing field with the sanction of the autocratic government. The ruling house in Russia is half German and many of the influences that have worked harm to the Russian people during the past 200 years are Germanic in their origin. The true voice of the Russian people is found in Tolstoi.

There are two classes of wars, says the author, wars of conquest or personal ambition, and wars of human need. The land holdings of a people individually are generally in inverse ratio to the land holdings of their State; or, in other words, as the State begins to win the world the people of that State begin to lose their own farms. We have not perceived this patent truth because we read history for cultural, not for ethical reasons. In other matters we progress, but in the

*The World Storm and Beyond. By Edwin Davis Schoonmaker. 8 vo., Cloth, 294 pp. $2. net. The Century Company, N. Y. City.