Well, what do you make of it all? We have at least learned that an income is a pleasurable sensation. We can only suggest that the pleasure is in proportion to the size of the income, that the larger it is the more pleasurable the sensation. But did it need a professor of economics to tell us that?

How can one deal with this extraordinary gibberish? Are these men thinking? *Can* they think? Or do they just start their mouths going and then go away and leave them to chortle on? Is it automatic writing of a sort? Is it a phonograph going of itself, left to its own devices, so to speak, and instinct with some impish motive power undirected by any human intelligence?

And then the naive and almost impudent assumption that this clotted nonsense is needed for the guidance of the legislator lest he go astray and "flounder" in the usual way of legislators. After this we suppose there is no excuse for further floundering. Fortunate lawmakers! Their task is now made easy.

The Lesson of Prohibition

FOR many years the proposal for the suppression of the liquor traffic was anathema among Single Taxers whose philosophy made them consistent supporters of personal liberty in its most extreme form. They felt that the elimination of the drink evil, which they viewed all the more adversely because the great majority of them were total abstainers, would greatly benefit human society, but they also recognized that bad social conditions lay at the root of intemperance and they preferred to see intemperance eliminated by the curing of the bad fundamental conditions rather than by artificial legislation.

A new aspect of the case began to force itself upon many of them, twelve to fifteen years ago. They found the liquor interests lined up solidly with the monopolies in every political contest, evidently with the expectation that the monopolists would stand by them whenever an attempt was made to put them out of business by legal enactment. In this expectation the liquor people were badly deceived; they would have been wiser to have remembered the warning, "Put not your trust in princes." They were thrown to the wolves, if such a simile may be permitted when one is referring to the godly. Monopolists have such bad consciences that they are looking over their shoulders all the time, and don't want to assume the burden of other people's sins. For generations liquor dealers have been held up to public reprobation as the real causes of all the poverty and misery afflicting humanity. A large proportion of the public came to believe this legend in spite of the disturbing fact which the general public took no notice of, that poverty and misery exist among nations and races whose faith prohibits the use of alcohol in any form and who live up to their beliefs, and we think it is true that most of them concluded that while they could not consistently support a policy of repression, they would not on the other hand fight for the salvation of their enemies.

One fact, however, emerges from the Prohibition fight, assuming that the Eighteenth Amendment stands, and that is the recognized legality of an Act which confiscates, without compensation, property whose value depends upon legal rights conferred. A most weighty objection urged against the taxation of land values has been that it was confiscatory, but what is sauce for the goose is sauce for the gander, and some of our most powerful and influential property owners support prohibition on the theory that the consequences of the traffic are shocking to humanity. If the principle underlying the statement is sound, then another institution which has similar effects may be subjected to like treatment. Never in its most prosperous days did the liquor traffic exact a tithe of the tribute levied by land monopoly and all the horde of young monopolies of which it is the prolific and legitimate parent.

Blind Leaders of the Blind

ONCE more the lair of the Sacred Codfish furnishes us with an illustration of the dictum, "With how little wisdom the affairs of men are governed." Under the holy seal of the City of Boston, which bears as a motto in Latin, the stand-pat prayer "May God be as good to us as he was to our fathers!" there has been issued a "final report of the *Committee on New Sources of Revenue*," signed by nine men who doubtless incarnate the civic wisdom of the Hub. We do not print their names for we have high hopes that some day they may wish to disclaim association with their findings and we would place no obstacles in the path of their progress toward a merciful oblivion.

The fact that the City found it necessary to appoint such a committee makes it clear that present revenues are inadequate. It has made preliminary reports to the Mayor and out of its wisdom evolved a tax on cleanliness by raising the water rates, a tax on itinerant merchants, which we presume is Bostonese for peddlers, a tax on transportation in the form of a tax on special taxicab stands and motor vehicles in general.

An increase of fees in the Building Department, and finally an additional tax on intoxicating liquors sold by druggists operating under sixth-class licenses; the report sadly adds, "Nothing has come of this suggestion," probably because drink in Boston costs quite enough already. Well may Boston stand in amzze at this monument of fiscal wisdom!

But perhaps the committee is not entitled to so much blame when it is considered that the Mayor who appointed it, put in his letter: "The burden on real estate is already heavy and should be diminished rather than increased." This dictum naturally closed the gate leading to the only alley in which relief might hopefully be sought. But to do the committee justice, it finds itself in harmony with the Mayor. Hear it: "Real estate in Boston.....pays much more than its fair share of the total burden of taxation." How the committee arrives at a computation of "real estate's fair share" is not revealed. Not only so, but it states further, "the committee met no serious claim that real estate is not paying too much both absolutely and relatively." This statement is untrue or discourteous for later in the report we find reference to a brief filed by Mr. John R. Codman, whom we opine to be as respected and intelligent a citizen of Boston as any of the committee members, in which he urges that the way to find new revenue is by imposing an excise tax on land holding. Of course, Mr. Codman, being a life long student of taxation, is waved aside as a mere theorist.

A large part of the committee's report is devoted to deploring the excessive burdens on real estate; we are forced to conclude that it never occurred to the committee to analyze real estate and ascertain what is included in that most misleading title. We go a long way with the committee in condemning the crushing taxation imposed on buildings, especially dwellings. We share their view that such taxation should be lightened where possible and we believe, abolished if possible, but as to the other element in real estate—land—we have quite contrary views. Heavy taxation of buildings makes home ownership difficult—taxation of land up to its full annual value makes home ownership easy. We can humbly accept this conclusion of the committee which it italicizes: "*What is needed is a system of taxes which will spread the burden of government more equitably over all persons having taxable ability*."

Having thus concluded that it must abandon the idea of getting more taxes out of real estate, the committee proceeds to make affirmative suggestions. First and foremost it proceeds to take nearly everything which adds a little joy to life; "theatres, movies, concerts, operas, circuses, exhibitions and other forms of amusement, billiard and pool rooms, bowling alleys, dance halls, scenic railways, etc." These are supposed to be proper subjects for taxation—not that they are exempt in Boston now, but they get off much lighter than in other centres of civilization. As the sapient committee points out, if a man does not wish to contribute to these taxes, he can stay at home—"loaf and invite his soul" as it were. And this in the birthplace of the Symphony Orchestra, and the home of the "Pops."

Then the following classes of persons could be fined annually for permission to pursue their criminal callings: "Auctioneers, hackney drivers, junk collectors, manicurists, peddlers, used car dealers, wagon drivers, common victuallers, innholders." Just why a manicure comes in this list, and not a chiropodist does not clearly appear, nor why a dealer in used cars, if not in new cars—perhaps used cars are presumed to be purloined and that therefore the dealer should be grateful for permission to sell them.

Then obstacles must be placed in the way of electric wiring. Fees charged for permits to turn on current, etc. We used to laugh at the French window tax, but we are quite serious about its American correlative.

Then we come to signs—for putting up a clock on a building to tell the time to the public a fine of $2.00 shall be paid, but if the clock be on the sidewalk the tax is $5.00. We offer the committee gratis the suggestion that it would produce more revenue to let time vendors put out their clocks without charge but fine them every time the clocks stopped or were incorrect. Awnings and marquess are also anathema and must be taxed. As if horse-drawn vehicles were not disappearing rapidly enough their disappearance is to be accelerated by a tax, probably to reimburse the municipality for the cost of removing the horse droppings.

Saloons being eliminated, the committee recommends a license on soft drink establishments. The reason given is amusing if not convincing. "Many of the objections to places where liquor was formerly sold apply to these places. For example, the danger of men and women being allowed *to mingle without control or regulation* by licensing authorities, thus giving opportunity for immoral solicitation, unsanitary conditions and temptation to sell liquor secretly." Of course if the same conditions occur in a place which is taxed they are all right.

The recommendation to tax special taxicab stands is backed up by amusing reasoning. The stands are usually located in front of hotels, clubs and restaurants. They are used as instruments to gouge the public. The committee in substance asks, shall the city stand idly by and not share in the graft?

But the real progressiveness of the committee is revealed in its proposal for a sales tax of 1% on all articles purchased for final consumption. Of course the idea is not original because the Federal government is already considering the idea for national purposes. The committee reprehends this action and says in substance, " if the municipalities do not rush in and shake out these sources of revenue the Federal government will preempt them all and then what will the cities do, poor things?" They will actually be forced to raise all their taxes on "real estate" and they will be even as Nineveh and Tyre. To do the committee justice, it sets forth the fact that not all authorities are agreed as to the desirability of the Sales Tax. Their conclusion is that it has considerable advantages and the objections are not "insurmountable." We may judge how much store the committee sets by this proposal from the fact that it expects all the other taxes to net about $1,200,000 annually, while from this source it counts upon $4,000,000.

A subdivision of the report is given up to an examination of the Taxation of Site Value as a remedy for insufficient revenue. The proposal was made in a brief filed by Mr. John S. Codman. On this subject the committee is of "opinion that an excise on site values as they now exist in Boston would in fact be shifted to the tenant and to the consumer in the form of higher rent and prices, *all theories to the contrary notwithstanding*." The awful experience of Western Canada is cited as well as the impartial report of the Manitoba Assessment and Taxation Commission, on which we commented in a previous issue of the REVIEW. The committee then commits itself to the following *obiter dictum*, which may be said to indicate that fine spirit of impartiality which informs its whole report; "The committee on new sources of revenue is of the opinion that the proposal to levy a special tax on the privilege of holding land in Boston is but an entering wedge in the direction of the Single Tax, which is unsound in theory and impossible in practice."

So the committee writes its own epitaph. Committees to discover new sources of revenue have been appointed in many cities and States, during many years past; they made exhaustive inquiries, but made few contributions of merit to the literature of the practice of taxation. The reason is not far to seek. There *are* no untested sources of revenue. Democracy of the very qualified sort under which we live is all the time trying to make omelets without breaking eggs, to pay poor Peter without making monopolist Paul disgorge.

The nine wise men of Boston are not worse than their fellows elsewhere, except that usually there is found at least one person to testify for righteousness, but in this instance there is no minority report—all vote aye.

No blame attaches to the Committee for not being wiser than their fellows, but their report indicates bias, not impartial judgment. They wind up with a lame and impotent conclusion urging that in any event their minor recommendations be adopted which will result in an increase of one million dollars in city revenue. But the city needs much more. We suppose that it is quite hopeless to expect the committee to see that the assessed value of land is untaxed and might therefore properly be made to bear the excise tax which Mr. Codman proposed. But to do this would lead toward the cave of the Cyclops, where the sanguinary minded Single Taxers sit, waiting whom they may devour.

The Man at the Margin

SUPPORTERS of despotism have long recognized the influence of mystery on the minds of the masses and availed themselves of its power, by shrouding potentates in impenetrable veils or concealing them behind impregnable walls. Hence it is not surprising that the most powerful man in the world has never been identified and that many doubt his existence. The Man in the Iron Mask is not more of a mystery than the Man at the Margin. He is probably a mystery even to himself. He does not know that he is IT. Yet his influence on all the countries of the world, whether autocracies or democracies, is indisputable.

The power of the Man at the Margin consists in the fact that it is the average return for his normal labor, from working upon the economic margin, which fixes the wages of the world. But what is the economic margin? It is the point at which economic rent begins. If it were farther from the market, either in distance or accessibility, the cost of producing and bringing the goods to market would be more than the market price. Hence they could not be sold. If it were nearer in distance or accessibility, rent would appear. Naturally the location of the economic margin is constantly shifting, and it is different for different goods. Whenever by monopoly devices, such as withholding land from use, the normal margin is pushed further out than the natural conditions require, the Man at the Margin is forced into poverty, for though he determines involuntarily what other workers shall receive, he is powerless to help himself in the clutch of bad economic institutions. In a word, the Man at the Margin is the man who, enjoying no advantage of location, tries to extract from the earth by the exercise of his brain and brawn the wherewithal to live and support a family.

A Lesson in Incidence for Prof. Bullock

The proposed "overturn sales tax," according to its opponents, would give big business an unfair advantage over small manufacturers. Take the case of a small concern making steel products. Here's what would happen to it:

Mine sells iron ore to jobber—and pays a sales tax.

Jobber sells ore to blast furnace. Second sales tax.

Furnace sells pig iron to jobber. Third sales tax.

Jobber sells pig iron to small steel mill. Fourth sales tax.

Mill sells steel billets to small manufacturer of steel products. Fifth sales tax.

Mine sells coal to jobber. Sixth sales tax.

Jobber sells coal to coke oven. Seventh sales tax.

Oven sells coke to blast furnace, steel billet maker and manufacturer of finished products. Three more sales taxes, 10 sales taxes in all!

They are passed on to the small manufacturer of steel sheets, cold-rolled shafting, etc. While he in turn passes them on to his customers, still these 10 sales taxes become a part of his production costs and increase the minimum price at which he can sell.

On the other hand, take an outfit like the U. S. Steel corporation. In large part, it owns and mines its own coal and iron ore, makes its own coke, pig iron, steel billets and finished products. No sales tax would appear in U. S. Steel's production costs.

Result: U. S. Steel could undersell the small manufacturer whose costs would include at least 10 sales taxes.

South Bend (Ind.), *News-Times*.

WE vex the poor with indirect taxes, we squeeze the rich, we ransack heaven and earth to find some new impost palatable or tolerable, and all the time, these hardships going on, neglected or misapplied, there have lain at our feet a multitude of resources ample enough for all just common wants, growing as they grow, and so marked out that one may say they form Nature's budget. Such seems the rationale of the subject of which the land question forms a part. And so we may say that, if property in land be ever placed on a theoretically perfect basis, no private individual will be the recipient of economical rent.....

—JOHN MACDONNELL, 1873.

W. W. HUSBAND, new Commissioner of Immigration, wants to "put" immigrants on swamp lands in the Southwest. Isn't he kind?—H. M. H., in Cleveland *Citizen*.