

Our Taxation System

It Is Considered Chief Cause of the Industrial Depression.

By Henry Ware Allen / Wichita, Kansas, 13 June, 1933

To the Editor of the New York Times:

It is interesting to note that long before the Christian era Plato complained that “whereas in simpler matters, like shoemaking, we think only a specially trained person will serve our purpose, in politics we presume that any one who knows how to get votes knows how to administer a city or a State.” How truly the present-day condition was thus described by Plato more than two thousand years ago!

That the government at Washington should put the cart before the horse and try to raise the prices of all products by artificial means was bad enough, but when it is understood that this accomplishment is to be an important part of the Economic Conference in London, then it becomes apparent that the United States is not alone in ignorance of the fundamentals of political economy.

An intelligent investigation as to the causes of our industrial depression reveals a monstrous system of taxation as its chief cause. Up to to the present time, however, this cause has been ignored and our political doctors have done very much as an unskilled medical man would be by plastering over a diseased part instead of removing in a radical way the cause of the disease. The Congress has neither taken any steps to reduce the iniquity of our tariff system, nor has it given the President power so to do. Meanwhile the chief cause of the depression continues to operate with inexorable force.

The same thing is true of the income tax, and notwithstanding the revelations at Washington, which demonstrate its criminal absurdities. This tax has already taken more than fifty billions of privately owned wealth without pretending to give equivalent service in return. We cannot intelligently expect prosperity worthy of the name while maintaining an iniquitous system of taxation. Economic rent, the rental value of land, in the United States is estimated to be more than thirteen billions annually. By taking this the government would take what rightfully belongs to it and could then abolish those taxes which now fall so heavily upon incomes, imports and industry.