

ARTICLE I.

INDIRECT CONSUMPTIVE TAXATION AND LAND RENTS; HOW SHIFTED ON CONSUMERS TO PAY.

GO to any grocery store in any city, and purchase a sack of flour; say it costs five dollars; it is hard to know just what the flour itself costs, as the bill you get is not itemized; it reads, "One sack of flour, \$5.00," but you are paying for something besides flour, which the bill does not show. It is safe to say that the cost of the flour, itself, is not more than 40% on the dollar of what you pay. The cost of raising the wheat, of elevators, milling, and transportation, wholesale and retail, from farmer to consumer, with cost of handling, is not more than \$2.00 for the flour, on a basis of fair and moral profit to all engaged in the transactions, if it were not for abnormally high land rents and indirect consumptive taxation, all of which must be added to the goods, so that when the goods are sold to the consumers the high price is made higher. This applies to all goods.

We must pay \$5.00 for a sack of flour that should cost us about \$2.00 only. Where does the three dollars go? The wheat must pass through from three to six different hands from producer to consumer, in the process of manufacturing and exchange. Each of those through whose hands

the wheat must pass has to pay abnormal land rents, also merchant's tax, occupation tax and city licenses, besides personal property taxes; and on top of all this, come excessive freight rates and price fixing associations. Adding all these together we may plainly see that land rents and the different kinds of consumptive taxes are assessed from 35 to 65 times. All unnecessary expense added to the cost of production of goods, whether it be flour or any other kind of goods, is shifted on the consumers, when they buy. It is easy to see where the \$3.00 go when once analyzed.

Here is where and how the \$3.00 go: The farmer who raises the wheat must pay personal taxes on buildings, machinery, stock, household goods and grain, all of which make production cost more, raising the price of grain and stock a little higher when sold. Then the country elevator buys the wheat, making the cost a little more. The elevator owners must pay personal taxes on all their buildings, machinery, and must also pay for from 2 to 6 kinds of licenses, and must pay land rents as well. These expenses are all added together for the next to pay when the wheat is sold.

The next to buy are the large elevator owners in the great centers; here the land rents are abnormally high, and there are switch yards and rents to increase the expense, besides personal property taxes on buildings, machinery, and grain, and from 2 to 6 kinds of licenses. All

these are added to the cost and shifted on the next to buy and to pay.

The next in line to buy are the millers. They, too, are put through the same ordeal, in regard to high land rents and personal and license taxes. The millers add their own load to those that were handed down the line, and the entire amount is shifted on the next to buy and pay.

The retailers are the next in line; they, also, must pay high land rents, personal taxes and city taxes, merchants' and occupation taxes. All of these land rents and personal taxes and licenses, from the producer to the consumer, are added together for the consumer to pay.

At last comes the consumer to buy a sack of flour. In each exchange, from the farmer to consumer, there are land rents and personal taxes, besides from 2 to 6 different kinds of licenses, all adding to the cost of production, and the whole is shifted to the consumer. In the aggregate there are from 30 to 65 different licenses, land rents and taxes, shifted to the consumer, and which he is unable to shift farther, so the joke is on him.

From this it may be clearly seen that we do not pay taxes in proportion to the privileges each holds and possesses; but we are paying in proportion to the amount of goods each consumes. By this method we are letting privilege and monopoly escape the payment of their just proportion of taxes. There has never been a way found

to make wealth pay taxes, and there never will be, and it would be wrong, if we could find a way — it would be taking private property for public use, and that would be a breach of true ethics, destroying the sacred rights of private property.

Wrong methods of taxation make low wages and curtail consumption, which, in turn, close factories, bringing unemployment and hard times, interfering with natural co-operation between the farmers and artisans of the factories. When the industrial does not receive sufficient wages to buy and consume the product of its own production, we are working in contravention of the law of nature, and the plan must inevitably defeat itself, after we have reached the state of science and discovery which we have achieved in the past sixty years.

William Pitt said in Parliament: "There is a method by which you can tax the last rag from the back and the last bite from the mouth, without causing a murmur against high taxes; and that is to tax a great many articles of daily use and necessity so indirectly that the people will pay them and not know it. Their grumbling, then, will be of hard times, but they will not know that the hard times are caused by taxation."

This is the almost invisible mystery that is baffling civilization at this time, of the entire globe, and which has been the case for the past forty years.

Taxation of land values is the only tax that stays where it is put, and is impossible to shift upon others, because levied upon a thing that is unconsumable, hence cannot fall on consumption. Properly, it is not a tax at all, as it is a value that is created by the thrift and frugality of the people, as a whole, collectively, and by right of nature belongs to its creators, the public, for the public use. But now it falls into the hands of the possessor of the land, without any effort on his part, by reason of special privilege, which he holds, granted and guaranteed by the nation, making him a debtor to the people. The value may come from location, productivity or site.

Suppose that two persons own 40 acres of land each; that the land is of the same value as to productiveness, as each 40 acres will yield the same amount of wheat, with the same efforts and labor. Say that each will yield 1,000 bushels a year, on an average, one year with another.

Mr. Jones' 40 acres is 20 miles from the elevator to which he must haul and sell his wheat, and on account of the long haul, costs him \$100.00. Mr. Smith's 40 acres is only one mile from this same elevator, where he must sell and deliver, and since the elevator is so much closer than to Mr. Jones' 40 acres, it costs Mr. Smith only \$25.00 to deliver.

Thus:

Mr. Jones' haul and delivery costs him...	\$100.00
Mr. Smith's costs him only.....	25.00
Which shows a difference in favor of Mr. _____	
Smith, of	\$ 75.00

This difference falls into Smith's hands without any effort on his part, at all; it is an advantage he has by reason of the location of his 40 acres, and which he owes to the public and to the state which guarantees his holding. This is not a tax, at all; and after paying this difference, he still has full and undivided ownership, and of all that others pay into the public fund, as well. When this method is properly classified it is government free from taxation.

The instance given here, relates to location, only, but there are several other reasons, not necessary to bring in, as I feel that all that is desired to see, will be easily seen.

What takes place by the purchase of flour is the same when we buy a suit of clothes, shoes, a reaper, a cultivator or a sewing machine, or any kind of goods, it makes no difference what.

The world is full of those who are ready and willing to criticise and grumble; but there are few who are willing or able to propose an equitable remedy and stand by it.

When this subject is studied with great care and meditated upon, one cannot help but see the guiding star to true liberty.