

opportunist. He stands for liberty rather than law. He advocates political more than moral reforms.—The World To-Day, for November.

THE MISTAKE OF MODERN CIVILIZATION, AND HOW ITS CORRECTION WOULD ADVANCE BOTH CAPITAL AND LABOR.

An abstract of an address before the Inter-Parish Debating association, of Fall River, Mass., December 16, 1903, by the Hon. L. F. C. Garvin, governor of Rhode Island, etc.

Gov. Garvin began his address with a full statement of what he believed to be the fundamental mistake of Modern Civilization. This mistake consists in an unwise and unjust system of taxation which engenders certain artificial and law-made monopolies.

The remedy he proposed is the exemption from taxation of all personal property and improvements. Such taxes, he showed, are paid out of interest, which is the return to the capital, and out of wages, which is the return to labor.

A reduction of wages has just occurred in Southern New England, acquiesced in by the operatives affected, because the returns to the capital invested in the manufacture of cotton fabrics are now admittedly small.

What are the influences which always handicap capital, and which from time to time become so strong as to lead to prolonged business depressions?

They are high taxes, high cost of power and raw materials, and high-priced land, which limits the opportunity for the investment of capital, and finally the diversion of wealth into monopolistic enterprises which, by promising quick and vast returns, foster a spirit of speculation.

All of these impediments to a legitimate production of wealth are magnified, if not created, by the taxes we lay upon commodities. One of the effects of the annual fines placed upon the products of capital and labor is to discourage and materially lessen the amount of wealth produced. Every product upon which a fine is laid, whether it is a horse, a stock of goods, or a building, is thereby augmented in price. Every such increase of price falls upon the consumer, taking from him a part of his wages, and, if he has saved anything for investment, a part of his interest.

In some towns in Massachusetts the local taxes amount to two per cent. of the assessed value of the property. Not infrequently all of the taxable property of widows and orphans consists of personality. Now if the guardian makes his investments carefully the very highest

return he can expect to secure is six per centum. Therefore, upon an estate of \$20,000, the annual income will be \$1,200, of which sum, if the law be enforced, \$400 will go to the municipality in taxes. When it is considered that these local taxes are but a part, and a minor part, of the total loss to the individual from our tax laws, we may form some comprehension of the burden they impose as a whole.

In one city of this country the folly of local taxes upon personal property is fully understood. For many years Philadelphia has exempted personal property, including machinery, from taxation. Not only has no injury resulted, but the Quaker city has become the Mecca of men whose wealth consisted of personal property, and in the course of time, no doubt, that wealth has found its way into real estate to the advantage of the municipality and the increase of its taxable property. Not only has Philadelphia not suffered in consequence, but it stands first among the great cities of the United States as a manufacturing center. By the census of 1890 the amount of capital per capita invested in manufactures was: In Boston, \$263; in New York, \$281; in Chicago, \$327; in Philadelphia, \$358.

The unwisdom of taxing personal property has long been known to political economists, and has given rise to the saying: "Nothing should be taxed that can run away." Equally true is it that nothing should be taxed that can stay away. Our so-called taxes upon improvements, which are nothing but annual fines imposed upon the enterprising, are the rankest folly, and no section of the country is suffering from them more than is New England.

That manufacturers realize the incubus upon their business of taxes upon mills, tenement houses and machinery, is proved by their efforts to have their plants exempted from taxation. In Rhode Island quite a number of valuable manufacturing establishments are relieved of all taxes for a period of ten years. In some of the Southern States a standing invitation is extended to capitalists to invest through laws exempting their plants from all taxes. This policy accounts in part for the fact that the chief industry of Massachusetts and Rhode Island, the manufacture of cotton fabrics, is growing far more rapidly in the South than in New England.

Our policy, therefore, is plain. It is to exempt from taxation by a simple State law personal property and improvements of all kinds. Such exemption would necessitate an increase of the amount of taxes now levied upon

land values. Taking taxes off the products of labor and capital lowers their price to the consumer, imposing taxes upon land also lowers its selling price to the user; so that in two ways both capital and laborer will find their income materially increased as compared with their expenditure.

As a practical legislative measure, a law should be passed enabling any town or city which so desired to exempt from local taxation all personal property and improvements; in other words, to derive all local revenue from a tax on land values only.

This is the direct method by which New England may maintain her high standing as a manufacturing center.

"FROM NARROW THINGS TO GREAT."

A Latin phrase has come down to us, from how far a past I do not know, which brings a sense of larger room and deeper breaths of windy air, and peace. "De angusta ad augusta"—"from narrow things to great." By implication we are urged to make the journey.

And what of that journey? It is truly "into a far country," but it is neither long nor arduous. It is not "the thorny way that leads to the stars," of the other Latin phrase. It is a way of pleasantness which leads to a land of peace.

For the narrow things—"the narrow things of the house," as Horace calls some of them—are just the outside things, separated in our thought of them from the inside forces which should be their souls.

Drudgery, sordidness and petty fears are of the narrow things of the house which darken and contract the lives of many good women who are carefully paying tithes of mint and anise and cummin. They are doing the right things. They are carefully and economically ordering their houses and making pleasant homes for those they love. But they think of their work as laborious, and monotonously reiterative, and as a hindrance to their intellectual and spiritual development.

And yet right there in labors for the great, simple, primitive needs of human life lies the very work which is the outside expression of the most tremendous things God does for man.

Food, clothing, shelter—these are the things alike necessary to primeval and savage man, and to the most civilized man of the latest hour. Spiritual food, clothing and shelter we never make for ourselves; the Divine Father always provides them for us in their entirety—