

Land and Freedom

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Comment and Reflection

DAVID LAWRENCE, editor of the *United States News*, also conducts a daily syndicated column designated "Today in Washington." It is widely read by a conservative reading public. His connection with a newspaper, having its seat of publication in the Nation's Capital, combined with such a title for his column, is apt to carry much weight with the average reader.

ONE of his recent articles bore the sub-title "Inequitable Taxation Declared One Cause of Unemployment." Only *one* cause of unemployment? What a vision would have been his could he have said, *the* one cause of unemployment. But this he does not see nor do the great masses of men. A one and only cause! Impossible, there must of necessity be many! Yet we take courage when one writer, so widely read, gives publicity to the idea that even a kind of taxation causes unemployment. Can it be that the terrible burden of taxation now engulfing civilization and acutely affecting the middle class, is stirring thought on the subject? Such a sub-title is bound to attract the attention of not only his regular readers but also those who are fundamentally concerned with the incidence of taxation. We find him saying "this subject has been confused with the question of soaking the rich" but now "is being discovered to be a direct cause of unemployment." Direct cause! An able writer is doing some thinking. He is getting closer. Possibly he visualizes indirect taxes and how they are shifted and pyramided.

HE then points to the payroll tax as the biggest single factor and cites figures concerning a survey made in a particular industry and the devastating effects of this tax upon business and industry. Again a glimpse of the truth! Can it be he reflects the inarticulate thought of his conservative readers? If so we must forgive his not thinking it through when he offers *his* program. Like those who profess to have a knowledge of the Science of Political Economy (but never admitting its scientific aspects) Mr. Lawrence suggests "a pay-as-you-go financing out of general taxation on a *capacity-to-pay* basis."

Let us not be too critical. Taxation on the basis of capacity (or ability) to pay is an old concept, one hard to

dislodge from the average mind. It is associated with the idea of contributions and that if one has wealth or property he ought to be willing to pay and should pay in proportion. No consideration is given to the idea that this payer is entitled to receive an equivalent for his payment or on the other hand that a tax on wealth may be passed on, shifted to those less able to pay. We, too, are opposed to "soaking the rich" and we are equally opposed to soaking anyone. We are opposed to the capacity-to-pay theory of taxation, because it can do nothing *but* soak the rich, and the poor and everyone else. We, as Georgists, are concerned with the capacity and willingness to learn the truth about this subject of taxation. It is a big subject, yet properly approached, a simple one. We applaud David Lawrence. He is approaching the truth.

STILL another, but yet more definite approach to the truth, has come to our notice. In making a bid for new advertising business, the *Omaha World-Herald* of Omaha, Nebraska, has very intelligently called attention to the seriousness of the tax situation throughout the country. They state in their advertisement that:

Nebraska has
No income tax
No sales tax
No bonded debt
More money for living and spending.

Naturally, we are aware that many more No's could be added, thereby providing so much "more money for living and spending," not only for the good people of Nebraska, but for everyone in the entire world. The *Omaha World-Herald* has indicated a trend of thought in the direction of sound economics. This trend needs only to be followed through.

IF capacity-to-pay is intended as a means of attaining moral and economic uplift, we wonder at the lack of its observance, except as applied to the proverbial charity of the poor, and the levying of taxes on the production of the workers.

In practice, the formula seems to take on the somewhat paradoxical corollary that the greater the paucity of means to pay, the greater becomes the capacity for pauperiza-