

Fire the Tax Collector Or the Law?

The ingrained respect of the average American for his democratic government amounts almost to reverence. True, he rather good-humoredly recognizes a certain amount of graft in politics, but it must reach the proportion of a Teapot Dome before he gets mad enough to call for a housecleaning. This done, he settles back again confident that there is nothing basically wrong with his "government of the people, by the people and for the people." Faced now with major Internal Revenue Bureau scandals, let us hope that the American people will not be satisfied with a righteous glow if their indignation forces a machine-elected president to carry through with a dramatic ousting of officials. That will not suffice. Nothing short of a fundamental re-education on the canons of taxation, the type of currency used, and the emotional maturity of officials and electorate alike, is in order.

OUT of the tax-collection scandals should grow a widespread objection to the federal income tax itself. It rests on such a faulty base that no official, even a Moses, could enforce it fairly. Corruption is a natural result of a completely mistaken and indefensible system. For years now, freedom groups have been saying and writing that a basic plank in the Marxist program is a graduated income tax. The current disclosures of dishonesty should swell the response to those groups working to repeal the income tax amendment. Chief of these is "Fighting Fund for Freedom and States' Rights," 1004 Morada Place, Altadena, California. Mr. Ray Lynd, director, reports that five of our readers responded to our mention of it in July 1st *Interpreter*. We hope hundreds of others will write him now for his material.

To our way of thinking, there are twelve pages of type that cannot be surpassed in setting forth sense and justice for a good tax system. They were written in 1879 and have become a classic statement of the Canons of Taxation. The best tax, it holds, will bear as lightly as possible upon production; will be easily and cheaply collected; will be certain, with least temptation to evasion; and bear equally so as to give no citizen an advantage over others.

"Taxation which falls upon the process of production interposes an artificial obstacle to the creation of wealth. Taxation which diminishes the earnings of the laborer or the returns of the owner of capital, tends to render the one less industrious and intelligent, the other less disposed to save and invest. . . .

"The great class of taxes from which revenue may be derived without interfering with production are taxes upon monopolies—for the profit of monopoly is in itself a tax levied upon production, and to tax it is simply to divert into the public coffers what production must in any event pay. . . .

"All monopolies are trivial in extent as compared with the monopoly of land. . . . Taxes levied upon the value of land cannot check production until they exceed rent. . . . The value of land does not express the reward of production. . . . It expresses the exchange value of monopoly. . . .

"Taxes on the value of land do not check, but tend to increase, production by destroying speculative rent. . . . Moreover a tax on land values does not add to prices, because land is not a thing of human production. A tax on rent compels the land owner to pay more and reduces the price of land."

We are tempted to long quotes, but this is a matter for study and re-education. We recommend pages 408-421 in *Progress and Poverty* by America's famed economist, Henry George. We recommend throwing out the income tax law and substituting a tax on land-site rent as much more fruitful than throwing out a few income tax collectors.—M. J. L.

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