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THE TAX REFORM MOVEMENT.
Marion Mills Miller.

THAT reformers as a class are essentially religious is indicated by the fashion in which advocates of every conceivable cause or interest, whether it be temperance, telepathy, or taxes, promulgate and promote their doctrines. Leaders are "prophets" and "evangelists," and their adherents "devotees" and "disciples." Every illumination thrown on the subject is the light of "millennial dawn." Even the cant of the religious revival is perpetuated in the new evangel, and expected to be there revered by those who scoff at it in its old connection.

This tendency explains why many economic or social reforms flourish so amazingly at their inception, and then pass away so quickly "without our special wonder." In the beginning, the people of religious temperament, to whom conversion is a pleasurable excitation of the emotions, are quickly enrolled. But these Pentecostal days soon pass away, leaving the great heathen public bewildered, but unmoved. It cannot understand, for example, how a question of revenue, a matter of plain "bread and wine," can be transubstantiated into the elements of divinity—the "Fatherhood of God" and the "brotherhood of man." And, in this attitude, "the children of this world are wiser than the children of light."

What is the natural order of progress, if not from the material and practical toward the spiritual and ideal? Why set in the beginning a goal impossible of conception to all but the enthusiasts, and impossible of attainment by the enthusiasts if they are to act alone?

Humanitarians of the heroic mold of Henry George and Father McGlynn—children of light though they were—could not illumine the world at once with the heavenly glory that so irradiated in their own minds the mundane subject of taxation; and if the end for which they strove is to be obtained, it will not be through a ministry imitative of theirs. Everything that is practical in the crusade which they so exalted may be secured through fiscal reform movements which, beginning obscurely in widely separated parts of the country, are now for the first time coming into the light with the prestige of practical achievement.

Back in the days following the civil war, an artisan of Racine, Wis., Burgess by name, formulated certain practical methods for reforming prevailing abuses and inequalities in taxation, and for returning to a natural and equitable system for providing public revenue. He believed that taxes on industry were generally unnecessary and specifically injurious. He drew up a bill, for presentation to the Legislature, that would give local option in taxation, and thus permit each locality to remove those taxes oppressive to its local interests and industries. He believed that an "ad valorem land tax" was not oppressive to any productive industry, and that this would be the only tax remaining after each industry had freed itself from

all burdening imposts. Had he believed in any other tax as non-oppressive, or the least oppressive, his mode of action would still have been the same. In immediate result, his work was ineffective, not because of any weakness of plan, but because he lacked the organizing power necessary to secure the proper influences that would compel the Legislature to give due consideration to his measure.

In 1871, Enoch Ensley, a landowner of Tennessee, wrote a letter to Governor Brown advocating a principle of taxation and a plan of securing its adoption very similar to that of Burgess, but even more practical in the limitation of abolition of unjust taxation to one class of wealth—namely, movable property. The substance of his letter may be summed up in this three-fold rule of taxation, which he said should be engraved in letters of gold on the wall of every hall of legislation: “never tax anything

THAT WOULD BE OF VALUE TO YOUR STATE,
THAT COULD AND WOULD RUN AWAY, OR
THAT COULD AND WOULD COME TO YOU.”

As an illustration of Ensley’s hard-headed sense, the closing paragraph of his letter is here quoted:

“To undertake to enforce a very oppressive tax on money is ridiculous nonsense. It is impossible. The Maker of all things has forbidden it, in giving to all things their peculiar nature. He has forbidden an oppressive tax on money, by giving it that easy mobility that it can go in a fortnight from Tennessee almost to the uttermost parts of the world. And just so, to some extent, with other kinds of movable property. It would be about as wise for the Legislature to pass a law enacting that, from and after this date, the great bulk of the water of the Mississippi River shall flow toward Cairo instead of toward New Orleans, as to enact that the great bulk of the money of Memphis shall pay 4½ percent tax per annum. It is wise in man to deal with things as they are, and will he in spite of hint, and not as he may think they should be. Don't kick against the pricks!”

The movement, however, that has been most effective, both directly in its work in the home State and indirectly through the agitation of a brood of similar organizations in other States that have taken it for an example, is the New York Tax Reform Association. This movement had a natural origin in the efforts of a number of business organizations of New York City to resist certain personal and listing tax bills that were introduced at Albany in the winter of 1890. The Chamber of Commerce and the Board of Trade and Transportation had temporarily succeeded in defeating these obnoxious measures by the time-worn expedient of securing the “appointment of a commission” to investigate the subject of taxation.

To Thomas G. Shearman and Bolton Hall is due the credit of demonstrating the inadequacy of such an expedient and persuading merchants and their fellow real-estate men to a trial of their practical proposition. This was, to secure the passage

of a bill giving local option in taxation to the individual counties of the State, and so to enable each locality to settle its fiscal problems for itself. The fairness of the measure attracted support from business associations, economic bodies, and more particularly the labor unions, whose knowledge of economics probably was, and has been, greater than that of professedly learned societies—certainly greater than the information possessed by the busy man of affairs.

This "Local Option in Taxation" bill received a most respectful hearing from the legislative committee to which it was referred. Its first good effect was to call forth from one of the committee a vigorous speech against the double taxation resultant from the listing of mortgages as taxable property, against which injustice a vigorous fight has been made in the present legislative session (1901). The committee reported favorably on the Local Option bill, and had it not been for a legislative deadlock on other issues it would undoubtedly have passed. Indeed, from an educational point of view, it was most fortunate that the bill failed of passage, since the agitation was continued. Year after year until 1895 the bill was reported, being set aside in 1893 by a motion to recommit which a change of one vote would have defeated. Year after year, subsequent to 1895, has the bill been introduced, setting up a standard around which gathers an ever-growing body of adherents, better and better educated in sound economic principles and more and more resolved upon their complete enforcement when the opposition has been worn out by indomitable persistence.

In the-meantime, movements designed for general education on taxation and other economic reforms by purely evangelistic methods have waxed and waned, and their originators have grown discouraged, wondering at the lack of interest and support exhibited by the public. "The children of this world are wiser than the children of light." They demand a contest for a concrete object, and rightly, since all progress is only to be comprehended in its material results. W. T. Croasdale, a leading tax-reformer of a decade ago, uttered a profound psychological truth when he denied the name of "adherent" of a school of economic thought to one who claimed it because of his belief in the principles of the school: "No, sir! A Single Taxer is a man who does something for the Single Tax." Croasdale himself was a reformer of this type. An even better example was the late lamented Thomas G. Shearman, author of "Natural Taxation," who, while holding opinions far more radical than those of the New York Tax Reform Association, recognized the wisdom of its promotion of legislative measures rather than of economic theories. With him, in the early days of the Association, was joined the distinguished economist, David A. Wells, whose committee reports before legislative bodies in New York and other States have had the strongest influence for good in the present trend toward tax reform.

In 1889 Mr. Shearman addressed in person the Legislature of Ohio, and the outcome of the interest then aroused has been the Ohio Tax Reform League, which models its agitation upon the methods of the New York Association. In 1899 it formulated a Local Option Tax bill, which was presented to the State

Legislature, having the indorsement of almost every commercial and trade organization in the State. The writer, who was then in Ohio, appeared before the committee to which the bill was referred and can testify that only the lack of partizan interest in the measure prevented its recommendation. Indeed, the non-partizan character of such legislation is the greatest obstacle to its passage. No party capital can be made out of its success.

The tax reform movements in other States than Ohio have also followed New York methods. By invitation the present secretary of the New York Tax Reform Association, Mr. Lawson Purdy, has twice addressed legislative committees of Rhode Island when a local option tax bill had been there introduced.

In Vermont, a commission of three men was appointed by the Governor to report on reforms in taxation. Literature and advice were given by Mr. Purdy, and the committee in its report strongly inveighed against the injustice of double taxation and specifically recommended the exemption from the tax list of mortgages.

In Massachusetts the tax reform movement has proceeded upon lines similar to those in New York, but independent of New York influences and with methods of agitation peculiarly its own. A local option in taxation bill has been introduced in the Legislature and favorably received.

The New York Association has supplied, at their request, the Legislatures of Alabama, Texas, and Kansas with tax reform literature, and, as a result, local option tax bills have been introduced in these States with indications of passage at not far distant sessions.

It is in Illinois, however—where, next to New York, the greatest need of tax reform exists—that the New York example has been of most educational benefit. Of this agitation a recent editorial in the Buffalo (N. Y.) Enquirer remarks as follows:

"Local option in taxation has become an issue in Illinois. a bill having been introduced in the Legislature of that State similar to the one now before the Assembly at Albany. The Illinois measure not merely proposes to grant to localities freedom in choosing their own methods of raising local revenues, but to abolish the State Board of Equalization, one of the most corrupt bodies in the State government. It is notorious that ever since this board was created it has been under complete control of the corporations whose assessments it fixes from year to year. Not merely have the equalizers permitted the railroads and other corporations, requiring a State charter, to escape on a small fraction of the taxes they ought to pay, but they have utterly failed to equalize the assessments between the different counties of the State.

“As in New York, the system has been a premium upon perjury among assessors. The scramble has been to return as little property as possible, in order to avoid

more than their share of State taxes. The assessors defend themselves by stating that they had to reduce the total assessment to protect the property owners from paying more than their share of State taxes, the tendency being for rural counties to undervalue property more and more.

“It is now proposed to apportion State taxes among the counties according to the gross amount raised for local purposes. This suggestion has come from New York State, a bill now being before the Legislature at Albany to accomplish the same object. Illinois newspapers are said to be generally in favor of the change as a remedy for the existing impracticable and unjust plan.

“Local option in raising public revenue is a wise extension of the principle of home rule, to which all citizens desirous of tax reform will readily assent.” The New Jersey Taxation Reform Association has been formed very recently to secure for that State the legislation that all the centers of capital and industry so greatly require. Delaware, which, like New Jersey, has opened the legislative sluice-ways for the befouled water of corporate capital to flow through its borders, in order that it may leave some of its dirty dregs behind, has also had the opportunity, in the form of a local option tax bill, to invite that enduring industry which will enrich with its solid contributions of wealth the hospitable soil of the far-seeing commonwealth.

In the Far West, actual legislative triumphs have been secured. In Washington a constitutional amendment permitting local option in taxation has been passed by the Legislature, and in California a bill for the same end has received a majority of the votes of the lower house.

Colorado, however, has gone into the whole question of tax reform more thoroughly and systematically than any other State in the Union. In 1899 its Senate appointed a committee to investigate the tax laws of Australasia, and from information there gained to recommend legislation for Colorado. In the following winter and spring, James W. Bucklin, the chairman, visited New Zealand and Australia, and on his return in 1900 reported the great cause of the peace and prosperity of those regions to be, not, as so often claimed, the so-called “labor laws” of compulsory arbitration, etc., nor even the municipal ownership of public utilities, but the permission of localities to exempt from taxation wealth that is the product of legitimate capital and industry as distinct from that which is of the nature of privilege. In order to bring about a similar condition in Colorado, the committee proposed an amendment to the State Constitution authorizing the “adoption of the Australasian system of home rule or local self-government in taxation,” a measure that seems, at the present moment, to be on the point of passage.

Let either Washington or Colorado take advantage of such permission, and experiment, for its specific good or ill, with theories of taxation, and the whole

country will profit by the object-lesson. It was in such a way that the "Australian" secret ballot swept the country despite the sneer implied in the appellation "kangaroo," given to it by certain journals that with cynical pseudo-wit endeavor to slur every unassailable movement for better conditions.

And, as in the ballot reform movement the children of light—prophet, priest, and poet—gave over vision and exordium and rhapsody for the more practical arts of the drafting of bills and the securing of signatures to petitions, and thereby led the children of this world one stumbling step out of darkness, so should they stand ready to guide the folk, when free of all legislative shackles, into the light of a social order a popular conception of which it were beyond all reason to have expected before.