Ohio's Strange Obsession

ACCORDING to George B. Chandler, Secretary of the Ohio Chamber of Commerce, the state is losing annually millions of dollars of industrial wealth because of "its numerous and oppressive tax laws." In support of his contention Mr. Chandler recently made the following detailed statement:

"Most of the major industries of the state are spending millions for expansion outside of Ohio, and there has not been a single new basic industry of any size located in the state for three years.

"The International Harvester Co. recently canvassed the entire middle west for a mammoth plant, which it finally placed at Fort Wayne, Ind., a few miles from the Ohio line. The United States Steel Corporation expended in the last year $25,000,000 in Pennsylvania and $20,000,000 in the Illinois-Indiana district, passing Ohio over entirely. Youngstown Sheet and Tube made its expansions in the Michigan district, and American Rolling Mills Co., another Ohio corporation, built additions in Ashland, Ky.

"Ohio, father and mother of aviation, is in danger of losing this industry to Detroit. There may be pressure upon the rubber industry in Akron some day.

"Capital has seven league boots. It goes where opportunity beckons. When, as in the case of the Carnegie Steel Co., and the Youngstown Sheet and Tube Co., taxes for a year equal or exceed the amount paid in dividends, there is something wrong. The Carnegie Steel Co. alone paid 24 different kinds of taxes in this state last year."

Capital has indeed "seven league boots" to carry it where opportunity offers, and the condition that has saved Ohio in the past is the fact that opportunity offered little choice among the taxation systems of a dozen American communities. The choicest industrial location on the globe, from the viewpoint of geographical location and natural resources, is a stretch westward from the Atlantic seaboard embracing Pennsylvania, Ohio, southern Michigan and northern Indiana and Illinois. Of these, Ohio has the best of it in the respects mentioned and has prospered accordingly.

But since the close of the world war other factors have entered. Chief of these is the element of taxation. While the war was on so great was the demand for every product of factory, farm and mine and so abnormal was our prosperity that slight heed was paid to mounting tax rates. But we have largely returned to normalcy in the last eight years and the pinch of local, state and federal taxes has become the heaviest burden industry has to bear. Ohio, by reason of the most archaic system of taxation of perhaps any state in the union, certainly of any of her immediate competitors, is gradually feeling the competitive strain despite her advantages in other respects.

The figures cited by Mr. Chandler are significant. Ohio has far greater agricultural resources than either Pennsylvania to the east or Michigan to the north. She has far greater mineral resources than either of her western competitors, Indiana and Illinois, while navigable waters form her entire northern and southern boundaries. Certainly a state so favored and lying in the heart of the greatest industrial region in the world and the center of the world's most populous and highly paid industrial district can blame only itself if it finds itself slipping in comparison with its neighbors.

That Mr. Chandler has put his finger on the one and only sore spot on Ohio's body politic is not doubted by competent and honest investigators within and without the state. Pennsylvania, especially, with her graded tax law is holding out a vital inducement to Ohio industries to cross the boundary. It was Webster, we believe, who said: "The power to tax is the power to destroy." It would seem that Ohio, the most favored spot in the universe today, is insanely trying to tax her golden industrial opportunity out of existence.

Coshocton (Ohio) *Tribune*.

The Land Owner's Rake off

ROYALTIES. There in one word—royalties—the landowners' "rake-off," is the underlying cause of the appalling situation that exists today in Great Britain. Why are the mine operators adamant in their stand against higher wages? Because so much of the profit of mining coal goes to the great estate owners that there is not a sufficient margin of profit in the industry. Why are miners underpaid and housed in misery? Because too great a margin of the profits of their labors have been going to persons who cared nothing about them; who took no interest whatever in the source of their income.

For centuries the men who mined the seams of coal thousands of feet underground have been enriching the owner of the peaceful meadows above them. Generation after generation of wealthy English families have lived comfortably in the belief that their income was their inherited birthright. Such a thing as questioning the ethics of levying toll upon an industry that couldn't pay a living wage to a million laborers never entered their minds.

—HALL O'FLAHERTY, London Correspondent of the Cincinnati *Times-Star*.

A FUNDAMENTAL law of economics, but which you won't find in Adam Smith or any orthodox books, is this:

That which the community creates, belongs to the community and should be enjoyed by all. That which the individual creates, without assistance or favor from the community, should belong to him and be left to his enjoyment and disposition, without interference or taxation by the community.

This is the first law of individualism, which is true democracy. Universally recognized, this law would open