

he would like to do is to encourage mill men and manufacturers by exempting them from taxation, and to discourage land speculators by taxing land alone and in proportion to its value. Nevertheless, he explains, he must enforce the laws as they are. Therefore, he invites the merchants and manufacturers to meet him at their respective localities on particular dates, which he names for making his rounds of the county. To this invitation he adds the suggestion that—

each meeting appoint two committees, one to co-operate with the assessor's office in securing fair and equitable assessments as far as possible under the present law, and the other to co-operate with similar committees from the Seattle Manufacturers' Association, the Business Men's committee from Everett, and like committees from other cities, from the Grange, the Farmers' Union, the Federation of Labor, Teachers' clubs, etc., etc., to secure the submission of a Constitutional amendment granting to counties local option as to taxation as is now the law in British Columbia on the north and in Oregon on the south.

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### Tax Reform in Illinois.

In transmitting the report of his Tax Commission to the Illinois legislature, Governor Deneen correctly explains the effect of the Constitutional amendment it proposes. Should this amendment be adopted, the legislature would be free to exempt personal property altogether or by classification, as it chose; but it would not be free to exempt real estate improvements in the slightest degree, nor otherwise to discriminate against land monopoly values and in favor of improvement values.

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The proposed measure might be an acceptable fiscal reform as an entering wedge, if it were a legislative act; but as a Constitutional provision, its "thus far and no farther" deprives it of every wedge-like quality. That it could not be a legislative act is quite true. It could, however, have been drawn broadly enough as a Constitutional amendment to clear the way for exemptions by the legislature, of real estate improvements as well as personal property. Thus drawn, it would have enabled the legislature to distinguish between personal property which is so in fact, and that which is so only in law, being in fact mere evidence of legal title to public utility franchises and monopolized natural resources.

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This tax amendment should be withheld from popular vote by the legislature at the present session, because its presentation now would postpone

the presentation of the Initiative and Referendum amendment, which the people of Illinois demanded by a majority of 319,510 (p. 105) at the election last fall. The two amendments could not go to the people together, for the Illinois Constitution forbids submission of amendments to more than one of its articles at the same election, and tax regulations are in a different article from election regulations. Since one of these amendments must precede the other, that for the Initiative and Referendum is entitled to preference. In the first place it has been asked for by the people; the other has nothing behind it but an appointed commission whose chairman is known to be a professional representative of corporate interests. In the second place, the Initiative and Referendum comes first in reasonable order; with this power reserved to them, the people could control the class of tax exemptions and not be bound by "jack-pot" legislatures.

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Entirely apart, however, from all questions of preference, the proposed tax amendment should be defeated. Two of its objectionable features are alone enough to condemn it. (1) It would not permit the exemption from taxation of real estate improvements along with personal property. Consequently, the improvements of farms and the homes of workers, always worth more as a rule than their sites, would be subject to taxation by Constitutional requirement. To be sure they are subject to it now; but the possibility of so amending the Constitution as to exempt them would be greatly diminished after exemptions of certain so-called "personal property" had been secured. (2) By allowing legislatures to classify "personal property" for exemption while requiring them to tax real estate improvements, and in the absence of Initiative and Referendum powers, opportunity is afforded corporation interests to secure exemption for some of the most valuable kinds of land in the guise of "personal property." The capital stock of corporations in Illinois is now required to be taxed by a State board. In legal terms this is personal property; in fact, most of its value is land value—street car rights, water power rights, mineral rights, railroad rights of way, railroad terminals, etc. Through corruption, much of this property escaped taxation until the Chicago Teachers' Federation forced it into the courts; but if the proposed tax amendment were adopted, any "jack-pot" legislature could legalize the tax-dodging the Teachers exposed. And that is probably the principal object of the proposed amendment.