

least stand upon a common level." So ran the newspaper report of a Christian pastor's suggestion to his mixed congregation of rich and poor in one of our great cities last week—no matter what city; the incident might have occurred in any American city, and the lesson in one would have been as pointed as in another. So a rich lady of the congregation, generous and well meaning and at heart altogether human no doubt, invited the rich and poor of the congregation to meet at her palatial home. But only the rich came; the poor remained away. The poor had no notion of coming up to the level of the rich just for an afternoon. Perhaps their motives were as inexplicable to themselves as they were baffling to their disappointed hostess and her friends. But one has only to put himself in their place to realize the bitterness of the offense against them. One might do better than try to realize it; he might try to analyze it. If he did that, with sound reason and good feeling, he might conclude that economic justice, and not social condescension, is what the rich owe to the poor; and that the social condescension which plays at social equality for an afternoon, is something very far away from the brotherly love which the Founder of that clergyman's church has inculcated.

The reformed Mormon who in testifying at Washington is exposing the blood-curdling oaths of the Mormon temple rites, must be a student of Morgan's exposure of Free Masonry. Or, if he is not, the Mormons must have plagiarized from that historic book. At any rate there is to readers of Morgan something familiar in all that this witness tells of such Mormon penalties for violated oaths as cutting the throat from ear to ear and tearing off the tongue, as cutting the breast asunder and tearing out the heart and vitals, and as severing the body at the middle and cutting out the bowels. Did Morgan invent the Mormon oaths or is the revealer of Mormon secrets faking from Morgan?

Nearly a month has elapsed since Thomas W. Lawson publicly made specific accusations against John A. McCall with reference to the management of the New York Life Insurance company, and Henry M. Whitney with reference to a case of wholesale bribery of the Massachusetts legislature. These accusations are so serious as to demand a response from the persons accused, and so circumstantial as to admit of easy refutation if they are false. But there is no attempt at refutation. Should this silence continue, Lawson's revelations must be taken as true.

It is not enough to pass the word along that Lawson is a notorious liar. That is aside from the question until his word has been balanced off by some one else's. The question is not whether he is a notorious liar, but whether these accusations are admitted by McCall and Whitney. Neither is it enough to say that Lawson was a conspirator with Whitney. If such crimes as Whitney is charged with are to come to light at all, they must come to light through the revelations of co-conspirators. Again, it is not enough to call Lawson a "squealer." Though criminals may detest the "pal" who "squeals," their victims are not always so regardful of the ethics of crime. Lawson may be a "squealer," a "liar," a "fakir," and all the rest; but what of it? What the public want to know from Mr. McCall and Mr. Whitney direct, is whether they admit or deny. If they deny, the question of veracious reputation will become of more or less importance; if they do not deny, then the accusations must be taken as true by confession.

UNCOLLECTED PUBLIC REVENUES.

The irrepressible question of taxation is discussed in a good part of the 19 volumes published by the United States Industrial Commission. In vol. xix, pp. 1031-1069, Mr. Max West contributes an elaborate paper on taxation, and also seven recommendations suggested by the commission for

alterations in national, State and local taxation. Indirect taxation, taxation of incomes, of notes, mortgages, stocks and bonds, and other vicious and unscientific methods of raising revenue are supported and recommended.

One would suppose from reading these recommendations and suggestions and discussions that the raising of public revenue for a municipality or State or nation was one of the most mysterious and complicated and difficult problems requiring solution by human society. It is really one of the simplest.

A mind not abnormally disposed to make mystery and muddle of everything must turn with intense depression from the mist and mystification roused by these learned discussions of the simple problem of paying for public expenses. Our taxation methods are as unscientific as was the system of cosmogony when men began by assuming the geocentric instead of the heliocentric theory of the universe. That false beginning led to interminable error and confusion.

The theory of raising public revenue which we practice to-day consists in squeezing as much wealth out of the taxpayer as you can. Wherever you see wealth take some of it is practically the rule of statesmen. Our erroneous theories of taxation begin by assuming that a government has some divine right to tax citizens; that a government has a better right, and a different right to take part of a citizen's wealth than his next-door neighbor has. It has no right whatever to collect a dollar from any citizen in any manner except for services rendered.

There is but one true theory of taxation, and that is that taxation is an exchange of wealth for services between a citizen and his government.

On this theory the extent of the services indicates the extent of the citizen's liability, and at the same time indicates the source from which the government should derive its revenue. Can any reasonable objection be urged against the statement that government should be provided with the necessary expenses incurred in rendering necessary services to its citizens? Or against the

statement that a citizen should pay only for the services that he receives and not for the services rendered to some other more favored citizen; and that he should pay, merely enough for all practical purposes, in proportion to the value of the services he enjoys?

If government serves one citizen by protecting him in the enjoyment and possession of the best corner lot in the heart of the city, and another citizen in possession of a lot in one of the back streets, should not each of these citizens pay what the consensus of public opinion has appraised these privileges at; in one case, say, \$200 per square foot, and in the other 50 cents? And if government protects one corporation in the use and enjoyment of 70,000 acres of the best coal in the world, and another corporation in the use and enjoyment of only 7,000 acres of the same kind, should not the former corporation pay ten times more for government services than the latter? And, further, if government protects Mr. Baer in possession and control of 700,000,000 tons of iron deposits, and of "practically all the coal there is in the world" of a certain valuable kind, and in possession of railways and steamships and other properties and opportunities; and protects another citizen only in his right to work for Mr. Baer in his mine for less than a dollar a day, should not each pay in proportion to the government's services? The services rendered Mr. Baer are millions of times more valuable than those rendered the average working miner. Should he not pay millions of times more for them? And should not his payment in taxes be derived from every acre of the mines he is privileged to control? If he objects to paying on the value of 70,000 acres he might pay on 10,000 acres and let other citizens have and pay for the rest. Mr. Baer might object to pay a fair equivalent for the services rendered, but the other partner in Mr. Baer's firm, "God in his imperial wisdom," could never object to anything so eternally and unquestionably just.

In the light of this simple and scientific theory that taxation is payment by the citizen for services rendered by government the mists and mystifications and confusions and difficulties in which

the whole subject is involved disappear. There is never any difficulty in deciding what the government's services are and there is seldom any real difficulty in ascertaining the extent and value of them. This is commonly done by the "higgling of the market," whether the matter for decision be the annual value of a city lot; or of a farm in the country; or the right to use the streets of a city for a tramway; or the control of a million acres of coal land. In cases of real difficulty, which are very few, public auction will satisfactorily settle the value of any franchise or property or opportunity as it now settles the yearly payment for the right to work a ferry. As a last resort, if the case presents unusual complications and difficulties, the citizen may be allowed to fix his own amount of taxation. This is done now in thousands of cases. Many a rich citizen pays just what he decides to pay, and the assessor accepts his dictation, even when he knows that the payment is not one-tenth of what it should be. But the present extensively prevailing usage by which many rich men actually fix the amount of taxes they choose to pay, can be very greatly improved upon by a simple legal provision which would empower the government or the local authorities to acquire such property or franchises at the value fixed for purposes of taxation by the owners themselves. This would be only fair to all other taxpayers and could not be unjust to the owners.

A true history of taxation for centuries past would represent human governments as incessantly hunting for something to tax; and they have taxed, or tried to tax, everything under heaven, and even the light of heaven.

Yet the most voracious government has always been defeated by the caution and self-interest of its citizens, and has never obtained as much wealth as a better system of taxation would have raised with less inconvenience to the taxpayers; for the method by which public revenue is secured is even more important than the total amount.

Under our present methods it is well known and acknowledged that many hundreds of millions of

property annually escape taxation altogether. But the amount of taxable value which annually escapes assessment through the dishonesty, or false returns, of the owners is but a fraction of the value which escapes taxation entirely through our absurd methods of raising public revenue. We adhere to the practice of taxing wealth instead of taxing valuable privileges.

The values of privileges indicate the values of the services which government renders to their beneficiaries respectively, yet in our stubborn infatuation for taxing wealth these immense values are scarcely touched. The true natural revenues of the nation are almost entirely uncollected. In the aggregate the monopolies and franchises which measure the value of the government's services, are equal to about one-third of the national income. They include the ground rents of cities and towns; the values of the rights of way for telegraphs, telephones, street cars, steam railroads, terminal facilities, the annual value of oil lands, of iron and coal lands and other monopolies.

We make a fundamental mistake in taxing the output of mines, or the annual incomes from any industries or enterprises. What constitutes the natural revenue, and should be the basis of taxation, is the annual value of the privilege of holding and controlling these opportunities. Whether citizens hold valuable city lots, or millions of acres of coal and iron lands, and keep them idle, excluding all the rest of mankind from their use, such citizens should pay into the public treasury the annual value of their monopolies whether they use them or not. There is neither justice nor common sense in allowing rich corporations to control millions of acres of coal lands which they can never use and do not intend to use. A community of ants or crows would not be guilty of this supreme folly. Every salable acre of land in the country, and every salable foot of land in the city, owned and held out of use, should bring revenue to the public treasury. The fact that they are held out of use should not be taken into account in assessing these privileges for taxing purposes. A citizen is less

serviceable to the community in keeping land or mines idle than in using them, and should not be rewarded for being useless by reducing his taxes.

There are thousands of acres of rich coal lands held out of use in Pennsylvania, which are valued at \$25,000 or \$30,000 per acre; but because their owners keep them in useless idleness they are assessed at less than a thousandth part of their value,—some of them as low as \$3 per acre. Not what these acres produce now, but what they are worth for use as appraised in the open market is the value for which they should be taxed. Every other taxpayer is defrauded by this under assessment; and the amount of wealth production, and the demand for capital and the demand for labor are thereby greatly reduced.

The value for use of all the properties and privileges of the United States Steel company, according to their own estimate, is \$1,300,000,000. An assessment of 3 per cent. on this valuation would turn \$39,000,000 into the public treasury annually. The Northern Securities Company was capitalized at \$400,000,000; the Amalgamated Copper Company at \$155,000,000; Bay State Gas Company at \$100,000,000; Standard Oil Company at \$70,000,000. These capitalizations were the estimates of the several companies of the value of their properties and privileges. The total capitalization of 287 trusts amounts to \$5,803,281,600. This total, after deducting their actual wealth, which ought not to be taxed, would form the basis for estimating the natural revenues which belong to the community, and should be paid in annual taxation.

If all these uncollected revenues were paid in annually not a dollar of our present taxes would be required, and millions of dollars would be available for a hundred useful purposes in the community. It would require only a part of these revenues to meet all present public expenditures.

These uncollected natural revenues of the nation are not wealth which has been made by the owners of the land and miners and monopolies; they are simply the annual values of the privileges in possession of which the government protects the owners. These

valuable services rendered by the government are now paid for out of the general taxation of the country, by those who have no share in the benefits. The present methods of raising public revenue, which leave these benefits in the hands of those who have not created them, necessitating resort to taxation of capital and labor and wealth, are the source of public corruption, and ever must be the cause of nearly all the poverty and misery and crime which afflict and disgrace the nation. No mind can conceive the injury inflicted on the material and moral interests of mankind by our plundering methods of raising revenue; nor the moral elevation and material advancement and universal prosperity and happiness which would result from a system which placed the incidence of taxation on the privileges instead of the properties and industries of citizens.

SAMUEL BRAZIER

EDITORIAL CORRESPONDENCE.

WASHINGTON.

Washington, D. C., Dec. 10.—Demoralized is probably not too strong a term to describe the condition of the Democratic party, so far as its representatives in Congress are concerned. Not merely is there a listlessness and lack of earnestness in the performance of their Congressional duties, but something like two score have not even come to Washington, although the House has been in session all the week; while not a third of those who are in the city are regular in attendance. Under the circumstances it is not surprising that the legislative, judicial and executive appropriation bill, carrying appropriations of nearly thirty millions, was rushed through in two days, nor that most of the criticisms of the bill came from Republicans.

There is good ground for the criticism of Champ Clark and others, that it is unfair to members to have such a bill called up for action before members have an opportunity to familiarize themselves with its provisions and study the different items for which appropriations are made. Certainly the rules should be amended to provide that all appropriation bills should be printed and be on members' desks three days before being called up.

It is needless to say that this should apply to all bills. It should be a further rule that if a bill is not called up within a week of the time it is reported to the House, then a further three-day notice must be given before it can be considered. As it is now, those who desire to oppose a bill may be on the lookout for weeks, expecting it to

be called up by the member interested, and after they are tired out with an apparently needless watching, someday, during their temporary absence, the bill may be taken from the calendar and passed.

Even with the most diligent attention bills would sneak through, and my experience leads me to believe that legislation of a general character, calling for bridges over navigable streams, for grants to individuals, or to railroads or other corporations, should not be acted upon by the House until they have been approved by an affirmative vote of the locality—town or county—affected and where the property is located. As it is, bill after bill is log-rolled through, containing grants of valuable privileges, as to which no one in the House has probably any knowledge except the member introducing it there, and not always even he.

Two resolutions were introduced by me on the first day of the session, in re the Steel Rail association—the steel rail pool—reciting the existence of that combination to limit production and boost prices. One directed the Secretary of the Treasury to suspend the collection of the tax of \$7.84 a ton on steel rails until the United States Steel corporation and the other companies which constitute the pool, produce conclusive evidence that they pay more to their employes for the labor in producing a ton of steel rails than is paid by English steel rail manufacturers; the other called for a report from the attorney general as to what steps he had taken to criminally prosecute those who have formed this combination in restraint of trade. The first was referred to the ways and means, the second to the judiciary, committee.

The latter has already performed its duty to the Steel Trust by voting to report the resolution to the House with the recommendation that it lie upon the table. The ostensible ground for this action being that the facts recited in my resolution are mere rumor. As I said in a brief speech later in the day, the steel rail pool is the most substantial rumor in the country! It is so strenuous, so strong, so powerful, that it can (and does) take the American people by the throat and exact a tribute of some thirty millions a year. As I also pointed out on the floor, while the existence of this combination is known of all men, while it meets regularly, and regularly gives out a statement of the results of its "deliberations" to the press, yet the Department of Commerce and Labor (called into being for the express purpose of supplying the public demand for information as to the trusts) has apparently never heard of it, nor will a single Republican member of Congress publicly admit that he knows of any such combination.