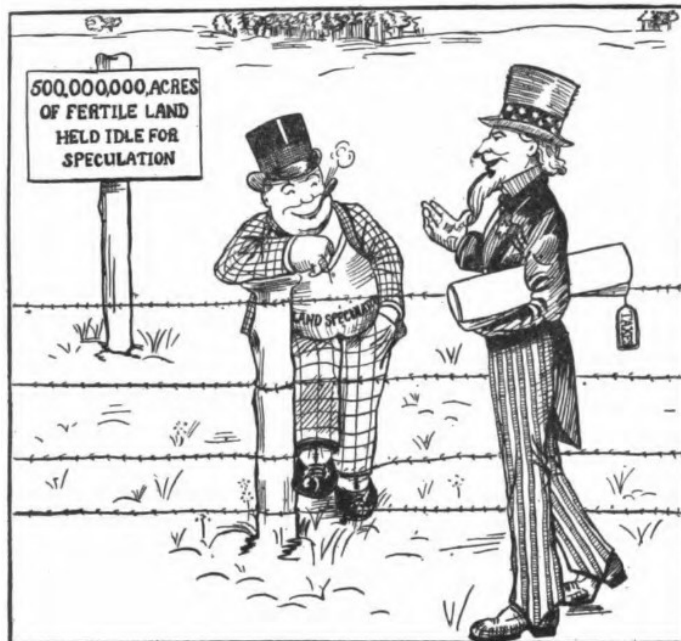


The Strange Fiscal Behavior of Uncle Sam



AFFABLY BENIGN TO STERILE MONOPOLY

THE essence of our present tax system is truthfully revealed in the above cartoon.

It is a fact that our governments (national, State and municipal) favor, by means of discriminating tax distribution, the non-productive holding of American land.

Even the strain and stress of war—when the honor and very existence of the Nation depended upon productive industry—have not served to change our fiscal procedure.

No effort was made by State or national governments to make unproductive holding of land unprofitable. On the contrary, the burden of war expenditure and war obligations of every kind have been heaped upon the industrious, and capital has been encouraged to seek inaction and a safe cover in tax-immune land investments.

We have seen that even the supreme duty of providing a foothold in their own country for our heroic youth, returned from their great crusade for democracy and civilization, has not opened the eyes of State or national governments to the criminal enormity of our fiscal aberration. The needs of the war, combined with our fiscal folly, have actually stimulated the shameful traffic in what is, in equity, the natural birthright of America's loyal manhood and womanhood.

While hundreds of millions of acres of the country's most fertile and best placed land are held in idle speculative possession, our governments have not blushed to offer to our returned heroes, on rigid terms of purchase, the discarded land remnants on the very outskirts of economic opportunity.

It is a mockery of justice, without even the kindliness of charity.



STERNLY SEVERE TO FRUITFUL INDUSTRY

But while this insulting proposal to our returned soldiers is repugnant to elementary instincts of conscience, it is after all only a piece of the same stuff as our whole fiscal system, satirized in the above cartoon.

Do our industrial leaders and commercial magnates themselves realize that the fiscal system they accept and support places them in a false, unfair and humiliating position?

The evils of this system—which distributes tax obligations not according to the value of economic opportunity, but according to the use made thereof—have been enormously aggravated by the burdens imposed by the war. It must surely be becoming apparent by now to the more thoughtful that a fiscal system which violates justice and common sense is doomed to disastrous failure, as an edifice rising out of plumb is bound to fall. The industrious and commercial community is plainly uneasy over the flood of fantastic fiscal schemes pouring from Congress, legislatures and municipal bodies—all of them prejudicial to productive initiative, and all safeguarding the unjust privileges of vacant inadequately or used land.

But is the business community going to waste its energy in fighting this swarm of vicious fiscal projects and laws one by one? Is it not time to search for the lair from which the unwholesome brood spring? This breeding place will be found in the privilege accorded to vacant or inadequately used land. That privilege can be destroyed only by distributing the tax burden in strict proportion to the economic or potential value of land. When that is done, initiative, enterprise, and actual production and consumption will suffer no unfair discrimination.