

Every pound of freight unloaded in United States ports and destined for the American consumer, should pass through the Canal toll-free.

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EDITORIAL CORRESPONDENCE

THE TAX QUESTION IN LOUISIANA.*

New Iberia, La.

Louisiana has just passed through a campaign which for a time gave promise of placing it among the more progressive States in the Union as regards taxation. But the special interests became active and defeated the proposition by a large majority.



More than six years ago, at the request of Governor Blanchard, the legislature authorized the appointment of a tax commission of fifteen members to suggest an improved system of taxation. The chairman was Edgar H. Farrar, recently President of the American Bar Association, a man with Freetrade tendencies and a personal friend of Thomas G. Shearman. The Secretary, David Blackshear, is a Single-taxer and did much to incline the work of the commission towards more modern lines. Among the members were two strong and forceful Singletaxers, namely, Hampton Carver of Natchitoches, and Solomon Wolf of New Orleans. Mr. Carver is doubtless the best authority on taxation in this State. These two being the best posted members of the Commission, were able largely to direct its proceedings. They finally wrote most of the report to the legislature.

The report was immediately recognized as an able presentation of the subject.

Among other changes, it recommended the segregation of State from local sources of taxation, and a large measure of home rule in taxation for the various localities.

Governor Sanders, whose term began with the filing of the tax report, gave reason to hope that a special session of the legislature would be called to act upon it. Little was accomplished, however, during his administration, save agitation.



In Louisiana the Democratic nomination is equivalent to election; and in 1911, during the campaign to elect Governor Sanders' successor, the three candidates for the Democratic nomination, including the successful one, Judge Hall, openly pledged themselves to tax reform. Accordingly, before the convening of the legislature last May, Governor Hall urged the question. As a result, a second Commission was appointed to prepare amendments to the Constitution and to report them to a special session of the legislature for submission to a vote of the people at the election of November 5.

Among the thirty-two members composing the second Commission, which met late in July, was Mr. Hampton Carver, above mentioned; also Mr. Edgar H. Farrar, who again became chairman, and Mr. David Blackshear, again secretary. Another member

was Dr. Morton Aldrich, a professor at Tulane University, who has also given considerable study to the problem. These became the leaders in the work of the second Commission.

At present our State derives its revenue chiefly from the general property tax, with the requirement that taxation be equal and uniform, and a system of occupation or license taxes; there being also some minor sources of revenue.

When the second Commission assembled last July, Mr. Carver proposed that it simply suggest the expunging from the Constitution of its many restraints upon the legislature in reference to tax matters, he contending that it is within the province of the people, through their representatives, to adopt and modify their tax laws at pleasure, without the hindrance of Constitutional prohibition. The majority, however, were opposed to this. Several amendments were therefore prepared, embodying in detail the proposed system of taxation. After much discussion and many changes, all these amendments were reported to the legislature by the unanimous vote of the Commission.

The legislature, in special session, after some further minor changes, submitted the propositions to a vote of the people at the November election.

While the proposed system contained many features justly open to criticism, as a whole it was a great improvement over what we now have. The amendments proposed the segregation of sources of State revenue from those of local taxation, the State drawing its support chiefly from taxes upon public service corporations, banks, mines, oil wells, and some other subjects designated, and from an inheritance tax. All subjects not thus segregated were reserved to the local authorities, including lands, improvements and personality. On these, the State could impose no tax. The State was also prohibited from imposing license taxes, save on the liquor business and occupations particularly requiring police regulations. The local authorities could impose licenses on these, and also on some other occupations, but only under such restraints that it would be impracticable in most cases for them to attempt to impose licenses on occupations other than those permitted by the State. The amendments also provided for geographical arrangements of assessments, to be published in pamphlets; that improvements should be assessed separately from the land; and that improvements and personality might, at the option of the taxing body, be assessed on a lower basis than land values. To this last clause there was no limitation, so that improvements and personality might have been relieved almost wholly of taxation, and the burden thrown on land values, as soon as the people were brought to a realization of the advantages of this system. The amendments also proposed the exemption from taxation of all money; also, of improvements to be erected by immigrants on their homesteads; and, by vote of the people of any community, the exemption of improvements to the amount of \$2,000 on any property actually occupied by the owner as a home.

The foregoing provisions were great improvements over our present tax system, and justified hearty support of the measure by tax reformers. However, the proposed system contained many objectionable

*See Public of November 29, page 1138.

features which were not defensible, and which aroused much opposition.



During the early stages of the campaign, the prospects of carrying the amendments were excellent. The Governor and the State administration as a whole were earnestly in their favor, and actively advocated their adoption. The leading papers throughout the State were either outspoken in favor of the amendments, including the New Orleans Times-Democrat and Daily Item, or were silent concerning it. The supporters of the movement were organized to some extent, while, at first, there seemed to be no inclination to organize in opposition. But during the last three weeks of the campaign, special interests took alarm, gathered about them the "ring" influences, and were joined by the Bishop and Archbishop of the Catholic Church in this State. It then became evident that the amendments would not carry.

The opposition urged that the plan meant increased taxation; and once the voter is led to the belief that new taxes are to be imposed on him, it requires a long and persistent campaign to remove this impression. They were well supplied with money, and were furnished with arguments by attorneys of various special interests, including the railroads, the banks and the Catholic clergy. The campaign therefore ended in the defeat of the proposition by a large majority.



Just what the future will bring forth it is as yet too early to say. The people have been awakened to the injustice of our present tax laws, and it is probable that they will insist on relief in some form. But how and when this will come, no one can say.

To those of us, however, who have long favored tax reform, the situation is encouraging. Heretofore it was difficult to obtain a consideration for tax problems, for the reason that it is impossible to obtain any relief under our Constitution; but the campaign has made tax reform a live issue in Louisiana. The leaders in the recent movement are largely men who have heretofore been most conservative, and were against any alteration in taxation. They now fully realize the necessity for a change and have worked earnestly to accomplish it.

Much credit should be given to Mr. Hampton Carver for his good work as a member of the two Commissions. He openly declared himself a Singletaxer before each Commission, and made his fight for improved taxation entirely from that standpoint. To him is largely due the credit of obtaining the provisions permitting the assessment of lands and improvements on a lower basis than land values, and also for the many exemptions on improvements and personalty which the proposed amendments permit. Had his counsel been followed many of the errors in the work would have been avoided.



It might be of interest to know why the Archbishop of the Catholic Church should have cast the influence, of himself and, so far as he could, of his clergy, against the tax amendments. The reason

given by him is that the inheritance tax provided for would fall on donations to churches and educational bodies, when the amount of the bequest or donation exceeded one-half of the disposable property of the donor. For this reason he claimed that the Church had a special interest in defeating the amendments.

Special interests urged on behalf of ecclesiastical corporations have been even more disastrous to governments than those urged on behalf of political corporations. Such claims peculiarly lead to deplorable divisions and discord among the people of a country, and therefore, from either a religious or political standpoint, should not be attempted. There is a strong sentiment to this effect in the State among the intelligent voters of all creeds.



The City of New Iberia and the Parish of Iberia were both carried for the amendments, though only in the face of a stubborn fight.

EDWARD T. WEEKS.



ADVANCE IN CHINA.

From a Private Letter from the Missionary Physician, Dr. Macklin.

Nankang, China.

I am busy translating Henry George's "Protection or Free Trade." It is one of the most important things now to get before the Chinese. I don't plan to make a word-for-word translation, but to translate the idea into good, clear Chinese. I am also translating the "Life of Thomas Jefferson." I have also just finished translating that fine article in one of the late Scribner's on Garden Cities in England, by Frederic C. Howe. It shows these garden cities run on a Singletax basis.

Our Singletax colonization scheme has taken on national proportions. The government has authorized all the governors to foster it.

I am making a strong effort now to get the government to adopt a heavy tax on waste land; since there is no tax at all on waste land, owners can hold the land idle indefinitely.

Nearly all my missionary friends are entirely sympathetic with me in my propaganda, and the missionary society has never made any objection to it; it is an essential part of my Christian platform.

Dr. Sun Yat Sen is very enthusiastic about Singletax, but I don't know how much headway he has made in arguing the matter with President Yuan Shih Kai and the Assembly. He has done a great and noble work in unifying the parties and bridging over the differences between the North and the South. He has done in a way what Bryan did in America, eliminated himself for the good of the cause. By so doing he is really a bigger man than the President.

I have been taking extra good care of my health for the past year by the advice of physicians. I take an immense amount of exercise—horseback riding, farming, gardening, walking, and shooting, and am feeling a good deal better, but I cannot longer stand the strain of caring for the sick and dying, so I am trying to get rid of this work. We are selling the hospital to a union of eight missions, and I