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Taxation—the Greatest Power for Good or Ill Known to Peaceful Society!

THE BULLETIN

OF THE MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE

(Formerly "The Committee of Manufacturers and Merchants on Federal Taxation", Inc.)

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Cut Down Taxes on Business—Here's How To Do It!

Schuylkill County, Pennsylvania, Takes a Forward Step in Taxation that Other Localities and the Nation May Profitably Follow

Read this, you over-loaded and tax-ridden business men of the country if you want to know how to get tax relief—and gather in more business at the same time!

A year or two ago Schuylkill County, lying in the heart of the anthracite coal regions of the Keystone state, was bordering on virtual bankruptcy. Its schools were closing; its roads and highways were badly out of repair; its police and fire departments unable to cope with the situation confronting them; its borrowing power strained to the limit—in short, every function of the local government was suffering for want of funds which it didn't have and seemingly couldn't get. Yet the business interests and the work people of the county were struggling under a back-breaking tax burden heavier than ever before. So burdensome in fact were the taxes resting upon the enterprising citizens of the county that industrial development and improvement were being checked in every direction—many of the local merchants and shopkeepers going so far as to move out of the county altogether. In short, Schuylkill County a year or two ago had already reached that critical point in governmental affairs to which our whole nation is madly rushing at headlong pace.

But the government of Schuylkill County, like other governments had to live, and to live it had to have more taxes. How could it get them? Apparently only by raising the rates on the already suffering merchants, manufacturers and work people of the community. But higher taxes on these over-loaded classes meant just one thing—general stagnation of industry and wholesale commercial ruin.

To many of the citizens of the county it seemed that the final chapter had come: either the local government would have to go broke, or industry would be ruined by excessive taxation.

But which happened? Neither!

Schuylkill County is fortunate enough to have some big men who step forward when the occasion requires. One of these big men is Frank C. Reese. Reese arose and said:

"Friends and citizens of Schuylkill County: our tax system is all wrong. There's too big a burden on legitimate business and industry, and too small a burden on the holders of our natural resources. There's too heavy a drain on the "earned" incomes of human effort and too light a drain on the "unearned" incomes of monopoly. While our merchants, our manufacturers, our laborers and our producers are groaning under the weight of taxes resting upon them, our coal land owners are paying but a pitifully small share of what they justly ought to pay. Numerous tracts of valuable coal lands are held out of use without paying a single cent of taxes. Some of these tracts, in fact, are not even on the assessment books.

"This is bad—very bad. Not only is it breaking the backs of our industry and enterprise; not only is it forcing our county into bankruptcy, but worse yet it is preventing the development of our coal resources upon which the livelihood of our miners and the comfort of our coal consumers depend.

"Let's change the tax law. Let us make the "unearned" incomes of monopoly pay more, and have the "earned" incomes of thrift and enterprise pay less. Let's increase the taxes on our coal lands and decrease the taxes on improvements, business property and homes. That's just and that's sound. That will give our county more revenue. That will lighten the load on the industrious and enterprising. And that, moreover, will compel the owners of idle coal lands to develop their lands, thus making more work for everybody and at the same time placing on the market a larger supply of anthracite coal."

When the powerful anthracite coal land owners heard such talk of course they were astonished. Perhaps it would be better to say they were amused. That the common business folks and ordinary working people in Schuylkill County should have the impertinence to suggest levying higher taxes on **THEM**—the owners of the world's richest natural resource—well, it was to laugh!

But the "common business folks" of Schuylkill County meant real business. They were in earnest—dead earnest. It was either their own "skins" or the "skins" of the coal land owners, and they went right ahead with their plans.

Soon the smile disappeared from the countenance of the coal monopoly. A frown took its place, and like a cat playing with a small mouse the monopoly raised it's huge paw to strike.

But the business interests of the county stood firm. They yielded not an inch. They did more than that; they stripped for real action. With Napoleonic courage and generalship their leaders assembled, mustered their forces, placed their sharpshooters in the front line ranks, brought up the ammunition, loaded their guns and opened fire on the enemy. The battle was on!

As the days went by the intensity of the fight increased. Now one side would give a little, now the other, but constantly above the din and the noise of it all could be heard the heavy artillery of that sturdy paper—the Pottsville Republican—pounding away at the entrenchments and pouring shot after shot of facts and figures into the weakening ranks of the opposition.

(Turn to page 3)

WORSE TAX TROUBLES IN STORE FOR BUSINESS MEN

H. Archibald Harris of Chicago, Counselor on Accounting and Taxation for the Indiana Bankers Association and Illinois Bankers Association in a recent address before the Indiana Bankers Association gave a timely warning of the grave menace of our present taxes to business stability and prosperity. In forecasting future tax levies Mr. Harris said:

"A return of the excess profits tax is assured. To my mind this is best indicated by the election of many Congressmen and Senators on an excess profits tax platform, the increased strength of progressives and democrats, the two groups fighting hardest for the return of this tax, and the very obvious desire of the people to return to a tax on wealth.

* * *

Around two billion dollars issued in stock dividends in the latter part of 1922 has convinced a great many members of congress that corporations are attempting to avoid the tax on money which is held in the business in excess of the company's needs. The recent furor raised at Washington by Mr. Frear, representative from Wisconsin, is largely the result of the many melon-cutting parties wherein the stock dividend played the part of the melons.

A bill recently introduced in Congress to tax the stock dividends in the hands of the issuing corporation, will have strong support. I look for it to pass either in special session this year or at the latest in the next regular session."

IN THE NECK!

(From the Chicago Herald-Examiner)

THE BULLETIN

of the Manufacturers and Merchants Federal Tax League

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OUR TIMBER SUPPLY

At the rate the forests of the United States are disappearing it will be only a few short years before they are completely gone. Originally there were in this country, writes Louis Albert Lamp in "Commerce and Finance," over 822,000,000 acres of standing timber, Now there are only 137,000,000 acres—less than one-sixth of the original supply. And only one-fourth of our annual consumption of lumber is being replaced by new growth.

There is, of course, more than one reason for this rapid depletion of our timber supply, but the biggest one—by far the biggest one—is our childishly stupid policy of taxing the trees themselves. Here's a little illustration, given by the legal head of one of the greatest American lumber companies, of how the taxation of standing trees is sweeping away the forests of our country.

"We cut over about 400 acres of land in one county. We left some hardwood, small trees and some big red heart trees, none commercially valuable but good for a farmer to have when he started to cultivate and needed fences, firewood, etc. The county sent a man out who estimated that there were about 400,000 feet of standing timber on the 400 acres. He admitted that it had no commercial value but the board assessed it at $5.00 a thousand. This would have meant $100 a year taxes, not only for this year but for each succeeding year. So we sent some men up and cut down everything over two inches thick and let it lie where it fell. Under such a tax law, so administered, reforesting is impossible. The tax law not only prevents reforesting but compels destruction."

There! That ought to convince the most stubborn advocate of "things as they are."

As we have pointed out before, one way of escape is open, and only one, and that way is simply to quit taxing the standing trees themselves, both naturally and artificially grown, and base the tax on the value of the land only. When this is done timber destruction will cease and reforestation begin. But not before.

EARNED vs. UNEARNED INCOMES

When tax revision was under way in the last Congress Senator Harris writes us, he introduced a resolution urging that a distinction be made between incomes that are earned and incomes that are unearned, and the first taxed at an appreciably lower rate than the second. The resolution created a good deal of favorable comment in the Senate Chamber, but owing to the brief time for discussion, it failed of adoption.

There is considerable more sentiment in favor of classifying incomes between earned and unearned, we believe, than most of us realize. And it is a sentiment we are glad to note, that is steadily increasing. Roosevelt—keen politician that he was—knew that he had struck a chord that held great promises in it, when he came out in advocacy of such a classification shortly before he died. McAdoo—equally keen—has already publicly thrown out his approval of the same principle. So have a good many of our lesser lights—Governor Preus of Minnesota, for instance, urging the idea upon the Minnesota Legislature in his last inaugural message.

It is argued of course—and we agree—that such a classification is not as fundamental as it might be. Nevertheless the very crudest distinction that could be made between the two kinds of incomes would be vastly better for business, industry and agriculture than having no distinction at all. It is a proposition that has real life in it and it will grow.

Our "Prosperity Taxation" Program

Introduced into the House of Representatives June 2, 1921, by Hon. Oscar E. Keller of Minnesota.

Congressional Bill No. 6767

This bill repeals all existing sales and commodity taxes except those on tobacco, distilled spirits, oleomargarine, habit forming drugs and products of child labor. The bill also repeals the present tax on the incomes of corporations.

Congressional Bill No. 6769

This bill amends the income tax law so as to distinguish between "earned" and "unearned" income. The tax on "unearned" incomes together with the super-taxes is retained, but the tax on "earned" incomes is cut in two. All salaries, wages, etc., together with all profits derived from businesses personally conducted or in partnership are classed as "earned" incomes.

Congressional Bill No. 6768

This bill amends the inheritance tax. Beginning with estates of $20,000 to $35,000 there is a tax of one per cent; $35,000 to $50,000 two per cent; $50,000 to $100,000 four per cent; $150,000 to $250,000 six per cent, and so on until the point of $100 000,000 is reached after which the tax is about 75% of the entire estate. [Note: This bill is now being amended and the rates reduced to a maximum of 50% instead of 75%]

Congressional Bill No. 6773

This bill provides for a federal tax of one per cent on the privilege of holding lands and natural resources worth over $10,000, after deducting the value of all buildings, personal property and improvements. In the case of farms, cost of clearing, draining, plowing and cultivation, together with soil fertility are classed as improvement values. This bill will exempt over 98% of all actual farmers. It also exempts standing timber from taxation whether naturally or artificially grown.

This bill aims to relieve business, industry and agriculture by taxing monopoly holders of vacant natural resources, valuable "sites" in cities and the holding of land in general out of use. The revenue raised under this bill will be about one billion dollars annually.

This revenue program would relieve producing business of about $1,250,000 annually, and the people of from three to five times this amount in inflated living costs.

AN EXPENSIVE LUXURY THIS!

Mr. M. W. Kreigh of Washington, an official of the American Mining Congress, has published figures to the effect that it costs the tax payers of this country $150 million annually to comply with the Federal tax laws. He estimates that the preparation of returns and their accompanying schedules, lawyer's fees, the cost of conferences, preparation of evidence, general bookkeeping, and so forth, come to about this sum. Adding to this the cost of administering these laws, the actual upkeep of the Bureau of Internal Revenue, which last year was a little over $56 million, one finds that the total annual cost is very nearly ten per cent of the total taxes collected.

This is an outrage and a disgrace. Any tax that costs ten per cent of its sum to get itself collected is not a tax; it is blackmail. If the American people tolerate that kind of administration, they deserve what they get.

TAX ACCORDING TO "BENEFITS RECEIVED"

Mr. W. H. Babcock, a prominent real estate man in Chicago said in a recent lecture before the Y. M. C. A. School of Commerce:

"Contemplated public improvements such as projected street widenings, new bridges, viaducts and contemplated new streets have been tremendously important elements in making land values. The land along and abutting on such improvements frequently double, treble or quadruple in value."

Just what we are trying to point out. It's improvements by the government that make land values and therefore land values ought to pay for the support of the government. If land values don't pay then business and industry must pay which is bad for business and industry and unfair to the whole community.

AUSTRALIANS LIKE LAND VALUE TAX

"The land value tax has reduced the rates of a very large proportion of the rate [tax] payers, although we are raising a larger revenue. It has stimulated the building trade, employment is more constant, and business generally is on a much sounder footing. It has induced a number of rate payers to build, or dispose of land which they were not able or willing to use themselves. . . . . It specially benefits those rate payers whose use of land is most effective and creditable to the municipality, while it has put effective pressure upon a number of owners of idle or partly used land to change their tactics."—From a recent statement signed by 90 Mayors and Aldermen in New South Wales.

China is increasing her tariff to keep American goods out. Not strange. An American workingman is paid one hundred times as much as a Chinaman is paid, but he produces in a day about one thousand times more than a Chinaman.

CUT DOWN TAXES ON BUSINESS— HERE'S HOW TO DO IT!

(Continued from page 1)

It was a hard and long and stubborn fight—a fight that did not end until the Supreme Court had been reached, but when the firing once ceased and the smoke of battle had cleared away, industry and enterprise had successfully carried the front line trenches! The powerful coal monopoly had yielded! The assessment of the coal lands throughout the county were raised from $53,000,000 to $433,000,000—more than eight times its previous amount.* And the local rate of taxation on homes, business property and other improvements were cut down to one-third of what it was before.

Thus ended what the spokesmen of the mercantile and manufacturing interests of Schuylkill County declare is but the first skirmish in their fight for the cause of just taxation.

* * *

Let us now turn from the romance of battle to the more practical aspects of the proposition and see what the results have been.

First, is the new revenue law of Schuylkill County with its lower taxes on the earned values of business and industry and its higher taxes on the unearned value of land yielding sufficient revenue?

Yes; more than enough to take care of the economic needs of the county.

Second, has it brought substantial relief to the owners of homes, business and improved property?

Yes; the taxes on these classes throughout the county have been cut in two with further reductions still to come.

Third, is it showing any indication of promoting industry, of stimulating the development of idle coal lands, and of bringing both people and capital into the county instead of driving them out?

Yes; such indications in plenty are already to be seen. The following article taken from the Pottsville Evening Republican of February 27, 1923, (Pottsville is the county seat of Schuylkill County and has a population of 22,000) speaks for itself:

COAL LAND TAX TO START BOOM

"Pottsville has some unusually big things in store for it that will, in the next twelve or twenty-four months bring a largely increased population, wider prominence in coal and manufacturing circles and at the same time add much to its local business affairs for fortune, happiness and notoriety, and give the citizens better advantages

Just as soon as the Reading's long-drawn out segregation litigation is ended, the new coal company organization may immediately arrange to centralize all clerical work here, and, to accommodate the additional force, it will be necessary to enlarge headquarter facilities which among other things will require a quarter million dollar extension and more stories to the office building at Second and Mahantongo, this city; an additional storehouse along Coal Street; an improvement to the supply building on South Centre Street, the plans for this work being already well forwarded.

With this year new impetus is to be given to the coal mining improvements from Pottsville west, all the way to Tremont and Tower City, at which prospecting has been going on for some time, but now the real actual work may be started any day, so coal circles say. This will mean the opening of two more big collieries and increase of present operations, which will add largely, when under way to the population and mercantile trade of this section.

That hundred thousand a year dead royalty that is said to be required by the ground floor owners of valuable coal land near Minersville cannot be kept up indefinitely and there are indications that big new developments are at hand. No little reason for this is that the new taxes on coal land will require their operation in order to have some kind of "a tax earner."

Every indication points to early development of the Seitsinger lands of the Lehigh Valley, just west of Pottsville, and east of Minersville and this may mean additional prosperity for both towns. Coal land can no longer be left unused because of small cost to owners, as the new taxes are to change all this, and property heretofore long idle must now be put working for the owners.

Yes, the Reading segregation and the new tax assessment are going to give a big urge to mining development and increase of business and new population hereabouts, and that is why this paper wants to see city and citizens planning in time to get ready for the new prosperity which is sure to come."

Again in the Pottsville "Morning Paper" of March 1, 1923, a prominent local capitalist among other things writes:

"The recent increased tax assessment will force all coal land people to promptly utilize their idle coal land properties. I know that coal interests are considering the expenditure within the next ten years in the immediate vicinity of Pottsville of ten to twenty million dollars in developing new operations, and that is certain. Pottsville, at the next census seven years away will show nearer fifty thousand population than the present twenty-five thousand."

* * *

Let us now leave the example set by Schuylkill County and pass for a moment to our Federal government. Here we find exactly the same tendencies at work that brought on the crisis in the County above mentioned. Our federal government, of course, is not yet bankrupt but it is finding it increasingly difficult each passing year to obtain its required revenue. And when taxes are increased by the federal government on whom are they levied? On the business and industrial classes of the nation! In the next session of Congress the revenue laws will be revised again. How have the majority of Congressmen pledged to revise them? By raising the present income tax rates, by restoring the excess profits tax, by placing a tax on stock dividends—in a word by throwing a still heavier burden on the already over-loaded producing interests of the country!

This cannot go on. If it does go on industry and democracy are lost. You cannot continue the excessive taxation of manufacturers without crippling manufacturers, you cannot continue the excessive taxation of merchants without injuring merchants, you cannot continue the excessive taxation of capital and labor in any form without destroying capital and labor, and when you do this you not only dry up the sources of revenue, but you bring commercial ruin and disaster upon the entire nation.

But just as Schuylkill County has found its salvation in the heavier taxation of land values so also can our federal government find its salvation in the same thing. There are now pending before Congress two revenue bills designed to relieve the intolerable tax pressure upon industry and enterprise. They are known as the Keller bills. One bill calls for a distinction to be made between "earned" and "unearned" incomes, taxing the first at half the rate of the second, and the other bill calls for a one per cent tax on the privilege of holding lands and natural resources valued, after deducting all improvements, over $10,000. While the first bill may stand the best show of early passage, the second bill is by far the most important. Not only will this bill alone permit a billion dollars in federal taxes to be removed from the over-burdened industries of the country, but, by discouraging land speculation and stimulating the proper utilization of our natural resources, while at the same time giving one hundred million consumers a vastly enlarged purchasing power, it will result in a state of permanent industrial prosperity a thousand times as extensive as that already enjoyed in sanely taxed Pittsburgh, and which is just beginning in Schuylkill County, Pennsylvania.

*After all, $433,000,000 is only a small fraction of the actual value of the anthracite coal lands in Schuylkill County. The royalties paid by operators for coal in the ground runs up to $1.50 per ton—the average royalty on the Girard lands for example being $1.33 in 1921. Throughout the county, mining experts say the royalty should average at least 50 cents per ton. Since mining experts have also estimated the known coal deposits in Schuylkill County to approximate 40 billion tons, this would, on a 50 cents per ton basis, make these deposits worth $20,000,000,000 in the ground which is a long ways from the new assessment of $433,000,000. Twenty billion dollars—the value of the coal deposits in one county only—is over one-third of the 1922 valuation of all the farm property in the United States.

Goose and Golden Egg

Taxes May Operate to Kill Business

(Copyright 1923, by Frank Crane)

By Dr. Frank Crane.

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Always the greed and the short sight of men tempt them to kill the goose that lays the golden egg.

The goose, economically speaking, is our old and much-abused acquaintance, capitalism.

The golden egg is employment.

We complain a good deal, in the United States and elsewhere, of unemployment. And when men are hungry and cold they are inclined to strike at the rich man who is full and warm under the impulse of the same kind of reasoning which induces a child to take a hatchet and chop the piano because he bumped into it in the dark and hurt himself. For men in the mass do about as little thinking as children.

Even the slightest reflection ought to advise us that people cannot be employed unless there is somebody to employ them. And that which employs labor is capital.

Perhaps that is the best definiton of capital. For if capital does not continue to employ labor, if it ceases to do so and begins to spend itself in other ways, it does not live long.

Capital is absolutely dependent upon labor for its preservation, even as labor is dependent upon capital.

Where there is no capital there is no civilization, for civilization is just another name for society with a surplus.

A movement has been recently set on foot to organize the thinkers and business men, or perhaps we had better say the business men who happen to be thinkers, to study taxation.

If they go at this with an open mind it ought to do much good, for nothing is more stupid than the principles upon which taxation is usually carried out.

One of the commonest delusions is that the most equitable tax is one that bears down upon the rich and spares the poor.

This never works out, for the simple reason that it is the rich who employ the poor, and for the additional reason that the rich are experts in the art of passing the buck. So that a tax levied upon them is speedily handed on to the laborer.

One of the most iniquitous taxes is the income tax; for it penalizes the rich man for putting his money into productive industries, and pushes him toward investing in municipal bonds and other non-productive securities.

The very first principle of taxation ought to be that if a man is producing something, and thereby giving other people employment, he should be rewarded and not punished.

Of course, there is a deeper principle even than that, the principle that taxation should merely be payment to the government for services rendered by the government to the individual.

This is the north star and ever-fixed pole of any rational system of taxation.

The only trouble with it is that you cannot follow it very far until you come to single tax.

If the rationality of single tax, however, seems too remote from our present standpoint of confusion, we ought at least so to adjust our taxes as to encourage business and not to penalize the accumulation of money, which is the source of business initiative.

Reginald McKenna, former chancellor of Great Britain and now chairman of one of the largest banks in the world, denounced the other day that policy of taxation which would "deprive business men of the stimulus of a reasonable return for their labor. In such conditions," he continued, "business men become stagnant, and stagnation means unemployment."

FARM TENANCY IN CALIFORNIA — AND ELSEWHERE

Competition is the Life of Trade; Monopoly is Its Disease. Therefore Get Rid of Monopoly!

By George L. Tideman.

The attention of this Organization has been called to a report on the findings of a committee of The Commonwealth Club of California, on land tenancy in their state.

The Commonwealth Club deserves much praise for this well planned careful analysis of a subject which bears so heavily on the general welfare and specifically on business conditions. The farm population constitutes one-third of the people of the country. Their buying power must certainly be fixed by what of this world's goods they have left, after paying, among other things, their rent. When it is kept in mind that a large land owner has but little more, if any more, of the needs of commodities than the most humble farmer, one must conclude that business conditions depend very largely indeed on the buying power of our farmers. Correlatively it is to be admitted that the farmer depends largely on the buying power of the urban population. The problem that these facts suggest is: how can a balance be established which will bring a wholesome exchange of service between the two basic industries—agriculture and manufacture.

The problem of the farmer in this connection has been given much light by the investigation of The Commonwealth Club. While their findings and conclusions trench largely on the social effects of tenancy, there is much that concerns its financial aspect. For instance we quote:

"One of the surest ways to remove many of the problems now entering into the tenant situation is to bring land prices and income to a balance which will make ultimate ownership possible to the tenant who is thrifty, ambitious, hard-working, and striving to be a true citizen."

And again:

"The opinion is almost unanimously expressed that a man cannot purchase land at present prices on the income from the yield of the soil. Both landlords and tenants (including some who have benefited by the high price of land) have agreed that in most places land values are too high." But these lines are preceded earlier in the report by—"One of the most important results of our study is the conclusion that tenancy does not provide a means to ownership under existing conditions of high priced lands, short length of tenure, and relatively small returns."

The Manufacturers and Merchants Federal Tax League has directed its attention largely to prosperity in the cities and we see in these findings much to indicate that the problem of the farmer has a great deal in common with that of the metropolitan.

It is a pleasure to read the bold declaration: "We are unanimous in the belief that the safety of the commonwealth depends, in large measure, upon the ownership of land by those who farm it." The committee does make recommendations for alleviating the condition of the tenant, but "leaves open" the question as to how more universal ownership of farms by farmers may be effected. The capability of the Commonwealth club's investigators would, if applied to carrying further the inquiry to this end that they have begun, be well worth another thousand dollar appropriation. The commonwealth has much need of responsible men who can look forward with open minds and are not afraid.

We take the position that this point of leaving off is a very good one at which to begin. Social problems become less difficult as the financial (economic) ones are settled right. People are less quarrelsome when they are prosperous.

The findings of this committee are in all probability a fair average of the conditions throughout the country and they seem to recognize this for they say: "The public domain has virtually been exhausted so far as productive farming land is concerned. Prices of available land for farming and stock-raising have greatly increased in every section of the country . . . and the increase in variety of farming machinery has made it necessary for the tenant to have very much more capital than was required in the days when grain was sown and reaped by hand and the horse and ox were the only kinds of motive power."

Here in Illinois we see the same tendencies they point out, of tenancy on the increase. We also see land values so high that even owning farmers can not realize a fair return on the gross investment.

A system of taxation which places virtually the whole burden of public expense and debt on the production and exchange of commodities, leaving the natural resources exempt, naturally fosters an extreme of speculation in land and a disposition to hold on to it for either a rise in value or to collect the unearned increment that attaches to desirable land. We have repeatedly pointed out that idle lands held for whatever reason, out of reach of industrious people, inure only to lessening the purchasing power of the people and could be forced into the market at prices that would make them actually available for production and exchange by shifting the burden of taxation off of business and on to the monopoly value of land.

A wholesome balance of exchange between the people of the farm and the city can never be established until industry is unshackled from these two weights: taxation, and the special privilege of privately appropriating the monopoly value of land.

Competition is the life of trade. By the same rule—Monopoly is its disease. Get rid of monopoly!

THERE'S NO ESCAPE FROM THE TAX TOLL

Your taxes start with the sound of your alarm clock in the morning. Your shaving and bathing materials are taxed, so are your linen and suit of clothes. Go to the breakfast table and you swallow a tax with every bite you eat. The gas that cooked your eggs, the electricity which browned your toast, the cream and sugar in your coffee, and even the glass of water you drink has its tax—the last named through the swarm of little taxes that went into the hundreds of materials in the water plant. The rug beneath your feet is taxed and so is your morning newspaper. Your auto at the door, or the trolley car, whichever you prefer, is taxed. Of course, your home is taxed. Your fuel has carried a goods tax right back into the mine and so on through the day you bump into a tax at every turn. Your pay envelope is taxed and the railroad which carries to you scores of daily wants has been taxed and, being no philanthropist, generally passes the taxes along to you Mr. Consumer. Death and taxes are said to be the two sure things, but death comes only once, whereas a tax comes with every tick of the watch. — Philadelphia "Inquirer."

One thing is sure—politicians need not be afraid of losing votes by separating earned from unearned incomes. They'll make 'em!

Can Private Industry Survive With The Investment Market Half Taxed and Half Free?

You've all noticed, haven't you, the terrific campaign that has broken loose throughout the country against tax-free securities?

It is argued that the taxed bonds of private industry, under our income tax law, can't compete in the money market with the untaxed bonds of states and municipalities.

In other words industry is finding it harder and harder to finance its **PRIVATE** enterprises (at least from the richer classes) while the state and municipal governments are finding it easier and easier to finance their **PUBLIC** enterprises.

To bring about an equality therefore—and an equality we must have—it is proposed to tax the public securities, thereby making it as difficult for the **PUBLIC** to finance its needs as **PRIVATE INDUSTRY** is now finding it.

But is this the logical and wise course to pursue? Should we place taxes on public securities the same as on private, and thereby make it as **HARD** for the one to do business as the other? Or should we instead remove taxes from private securities the same as on public securities, and thereby make it as **EASY** for the one as for the other?

The Manufacturers and Merchants Federal Tax League through its Bulletin and other literature is going to have a good deal to say about this as time goes on. Whatever course may be taken it is dead certain that private industry can no more survive with the money market half taxed and half free than our own nation in Lincoln's time could have survived with the states half slave and half free. It will either have to be made all one or all the other.

So put on your thinking cap. Be prepared to stand up for your rights. The regular annual membership dues of the League are only $5 per year—a sum easily within the reach of everyone. Yes, this puts you on our mailing list too. If you are not already a member of the League, fill out the enclosed blank and send in your check today. We'll do the rest.

MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE

1346 Altgeld St. Chicago

CANADA ATTRACTING AMERICAN FARMERS

Americans are contemplating thoughtfully the figures issued by the Department of Immigration and Colonization, Ottawa, Canada. According to this authority 748,095 persons moved from the United States to Canada during the ten years from 1911 to 1921. In western Canada, where nearly all these immigrants settled, the local government made a point of encouraging settlers by lightening the tax burden.

Rural communities in Manitoba have for the past twenty years exempted improvements from local taxes, and taxed land values. In cities, towns and villages improvements are taxed at two-thirds their value, but land is taxed at full value. Similar provisions obtain in the other provinces. The Provincial government of Alberta levies an annual tax of one per cent of the selling value on vacant lands held in large areas and capable of cultivation. There is also a tax of five per cent of the increment in the value of land (apart from improvements) when the land changes hands. British Columbia levies an annual Wild Land Tax, outside the boundaries of municipalities, of five per cent of the assessed selling value of land that has not improvements on it amounting to $2.50 per acre west of the Cascade Mountains, and $1.25 east of the Cascades.—From "Tax Facts," Los Angeles, Calif.