Hall of Records,

New York, June 10, 1912.

My dear Mr. Pleydell:

I entirely agree with you that the proposed Oregon graduated land tax is contrary to the principles advocated by Henry George.

Has it occurred to you that as the graduation depends upon the amount of land owned in a county the measure contravenes the XIV amendment to the United States Constitution? That amendment guarantees the equal protection of the laws and has been held to prohibit designedly unequal taxation. The amendment is not regarded by the Supreme Court as prohibiting classification of any reasonable sort, and it has even upheld a classification which seems to me to be economically unsound. I cannot conceive, however, that it would uphold this Oregon proposal which may produce the following results:

A. $200,000. in one county. Tax, $4,150.

B. $200,000, not more than $20,000. being in any one county. Total tax, $250.

C. $200,000, not more than $10,000 in any one county. No tax at all.

Remember that this is primarily a tax for State purposes. A would contribute $4,150. and C would contribute nothing, although they each own land within the State of the same value. Illustrations of this inequality could be multiplied indefinitely. It is no accidental inequality, but a designed system.

There is another provision of the amendment that is curious and under it some queer things are bound to happen. For purposes of assessment the heirs of a deceased person are to be regarded as one person. A and B died three months before assessment day, each leaving $500,000. worth of land in one county to five sons. Prior to assessment day the five sons of A partition the real estate, each taking $100,000 in severalty. On assessment day B's five sons own their $500,000. worth of real estate in common. The tax imposed on the five sons of A will be $5,750, whereas the five sons of B will be called upon to pay $13,150.

The name "public service corporation" is defined as including every corporation which has a franchise from the State. The term "franchise" is not defined, and, of course, any corporation chartered by the State of Oregon has a franchise to be a corporation from the State of Oregon, hence all Oregon corporations are "public service corporations." Every corporation is therefore required to pay a tax on the value of its franchise within the county. I do not suppose that this effect was intended, and it is obvious that all sorts of difficulties will arise in distinguishing between goodwill and franchises.

The amendment provides that land shall be forfeited if it is transferred to a corporation to evade the tax, and if transferred to a natural person to evade the tax it becomes the property of such person. I suppose these provisions are inserted to ~~fine~~ frighten people. It does not seem probable that they could be enforced.

A serious study of the amendment in the light of the existing

Oregon Laws would be likely to reveal all sorts of difficulties which do not strike me upon a casual reading of it.

Yours very truly,

Lawrence [illegible]

Some other queer things I have not remembered