

WISE TAXATION

HISTORY bears no record of any people who did not become expert tax dodgers when the shoe pinched. Taxation destroyed the later Roman Empire. The American Revolution began with a sales tax.

Small wonder that from time to time in the long course of history statesmen have arisen to call a halt to the theory that people exist for the tax collector. Some two thousand years ago the Hindu Manu observed that taxes "should press lightly on the people. There should be a graduated and flexible scale of taxation. *Taxes must be levied in kind so that the state gets a good share when the people are prosperous, and its taxes do not press so heavily when there is a depression.*"

Centuries earlier than the Manu's words of wisdom, a certain wise Jewish gentleman named Joseph became prime minister of Egypt and reorganized the Pharaoh's tax system. His policy was to save in the fat years against the coming lean years and to collect a definite share of the crops and industrial production and a definite period of public work from laborers for the benefit of the community. His system worked

so well that the wealth of Egypt came to be one of the wonders of the world.

Those principles are as applicable today as they ever were. The Mormons took up the old idea of the tithe—the tax in kind—and applied it to modern agriculture and industry. As a result, they made the Utah desert blossom like the rose.

What farmer in America would be affronted if you offered to take a fifth or even a third of all he produces instead of rent, mortgage dues, and taxes?

What worker would object if he could escape all of his indirect taxes by one day's unpaid work a month? What industry would object to turning over a tenth of its output in the place of all its present heavy taxes?

What salaried man but would feel vastly relieved if one tenth or one twelfth of his income were deducted at the pay roll, leaving him otherwise tax-free?

How could all this be done in modern America? One way has been suggested by what is called the Social Credit idea. This suggestion may not be entirely practical. Yet we must eventually come to some system

as painless as this one is in theory if we are to escape either being bled white or developing into expert tax dodgers.

We have let ourselves become hypnotized by the money angle of taxation. We still think the way to reform is by still higher taxes and by punishing the people with big incomes at the same time we make it necessary for them to earn those incomes in order to pay the taxes we have levied on them. The time to take a slice of their 1939 incomes is in 1939, not 1940. Otherwise we simply push them on to get richer still,

as in fact they have been doing.

There are people today who, with these considerations in mind, are advocating a type of taxation which, they contend, has worked well whenever it has been tried. They are for collecting from people the goods and services that people produce, instead of the money that our banks use as a means of exchanging goods and services.

They warn that, unless something of this sort is done, against his will the taxpayer will be forced to take part in the growing tax strike.—*Jay Franklin, condensed from Liberty.*



The Guarantee of Democracy

EVEN the most casual observation of human beings in possession of power reveals that the thirst for power is the original sin of rulers. It grows by what it feeds upon, dulling the perceptions, clouding the vision and leading its victims away from that contact with reality which is the very essence of democracy. There is an impatience of restraint, an intolerance of opposition, a conviction of personal rectitude that leads unerringly to the suppression of opposition. It imprisons its victim in the chill isolation of a self-created aura of intellectual infallibility.

In short, power in the social scheme of things is like thyroxin in the human body: too little may cause the individual to become dwarfish, vegetating, idiotic; too much will make him uncoordinated, incoherent, unstable.

And so democracy was born of the demonstrated imperfections of older forms of society and also of the demonstrated limitations of human beings.

Thus we find, in the Constitution, protection against the corroding influence of personal power, protection of the fundamental rights of individuals, and also the guarantee that the individual may have a voice in his own government through the process of election and representation. In short, the Constitution implicitly defines democracy as the guarantee of minority rights under majority rule.—*Raymond Moley, from Newsweek.*