

imposed on them. I advocate consumption and general stamp taxes--such as every other belligerent country without exception has found it well to impose--because of the well attested fact that while productive of very large revenues in the aggregate, they are easily borne, causing no strain or dislocation, and automatically collected; and because of the further fact that they tend to induce economy than which nothing is more important at this time and which, as far as I can observe, is not being practised by the rank and file of our people to a degree comparable to what it is in England and France.

The tendency of the House Bill is to rely mostly on heavy taxation--in some respects unprecedentedly heavy--of a relatively limited selection of items. I am--as I have already said--in favor of the highest possible war profits tax and of at least as high a rate of income and inheritance taxation during the war as exist in any other country. But apart from these and a few other items which can naturally support very heavy taxation, such, for instance, as cigars and tobacco, I believe that the maximum of revenue and the minimum of economic disadvantage and dislocation can be secured not by the very heavy taxation of a relatively limited selection, but by comparatively light taxation distributed over a vast number of items. I believe such taxes would be productive enough to make good the impending revenue losses from Prohibition.

I think, for instance, the imposition of a tax of one per cent. on every single purchase exceeding, say, two dollars (the tax to be borne by the purchaser, not by the seller) would be productive of a large amount of revenue and be harmful to none. A similar tax was imposed in the course of the Civil War and appears to have functioned so well and met with such ready acceptance that it was not repealed until several years after the close of that war.

There is apparently small limit to the zeal of many politicians and others when it is a question of taxing business and business men, especially those guilty of success. We are, I believe, justified in inquiring to what extent there is a relation between this tendency and political considerations which ought to be remote from the treatment of economic subjects such as taxation.

Let us take, as an instance, the case of the farmer. I do not pretend to judge whether in these war times the farmers of the country are bearing an equitable share of taxation in proportion to other callings or not. I certainly recognize that they are entitled to be dealt with liberally, even generously, for I know the rigors of the farmers' life, the ups and downs of their industry's productivity, and fully appreciate that their work lies at the very basis of national existence. Everything that can fairly make for the contentment, well being and prosperity of the farmer is to be wholeheartedly welcomed and promoted.

Yet, we cannot avoid noticing that the average value of farm lands in this country is estimated to have increased between 1900 and 1918 more than 200 per cent., that the value of farm products has been vastly enhanced, but that according to the latest published details of income tax returns, the farmer contributes but a very small percentage to the total income tax collected. Of twenty-two selected occupations the farmers' class contributes the least in the aggregate, although it is numerically the largest class in the country.

Let it be clearly understood that I have not the remotest thought of suggesting "tax dodging" on the part of the farmers. I know well how fully they are doing their part towards winning the war, and am entirely certain that they are just as ready to carry patriotically their due share of the financial cost of achieving victory as the splendid young fellows taken from the farms, many of whom I met in Europe, have been ready to bear their full share of the cost in life and limb of achieving victory.

The point of my question is not the action and attitude of the farmer. But here is a great industry exempt from the excess profit and war profit tax and apparently not effectively reached by the income tax, which is entirely natural, because in this case the income tax can