TAXATION
By John D. Goerke

The Real Why and Wherefore of Taxation Scientifically Explained

Tax "Issues," as Bait To Catch Wage-Earners' Votes, Exposed

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The organization of the Industrial Workers of the World, at Chicago, July 10, 1905, marked an epoch in the history of the Labor Movement in America, for the reason that, as the preamble to the constitution declares, there can be no peace between the exploited working class and the exploiting capitalist class; the I. W. W. organized on that basis—the recognition of the class struggle.
The question of taxation is taken up in the literature of the Socialist Labor Party mainly for two reasons: (1) In a purely scientific spirit an analysis of the question is presented as a contribution to the better general understanding of the present economic and political system. (2) The Socialist Labor Party has a practical interest in the matter, not that there is anything in taxation that may be made use of to the ends of Socialism, but that the political atmosphere must be cleared of the blinding and confusing dust that is being constantly agitated about this subject. In brief then, the Socialist Labor Party's chief interest in the tax question is to be rid of it.

That taxation is both an economic and a political factor in our social system is obvious. The support of the government, with its armies and navies and its politicians is expensive. Taxation is the immediate means of providing for this expense. And thus taxation is unavoidably an economic matter. But, in applying taxation to the purpose of providing for governmental expenses, partiality is practised by the political administration. And, therefore, contending economic classes fight for political power, each determined by control of that power, to throw the burden of taxation upon the other. Thus taxation becomes a political matter, a matter that is being exploited politically out of all proportion to its deserts or its importance. It is an old and hackneyed question, and a
question to which there is no possibility of a final solution under capitalism.

There can be no final solution to the problem of taxation under capitalism for the reason that so long as there are economic classes it will still remain to the interest of each capitalist class faction to throw more of the tax burden upon the other. And this state of affairs obtains regardless of what sort of tax adjustment may at any moment be in force. Taxation, then, is by its very nature a perennial issue among capitalist factions. They have long made it a political issue. What is still more unfortunate, throughout all these campaigns the votes and political forces of the working class have been drawn from the real issue to be frittered away in the interests of these contending capitalist factions. It is high time, therefore, that the working class should be effectively warned that the tax issue can never be laid to rest by their support.

The tax question can be laid to rest only by the withdrawal of working class support from tax campaigns and tax issues. It can be put to rest by pushing the real issue to the front. The Socialist Labor Party has bent its forces to this task, the task of demolishing false issues, of relegating unimportant issues to unimportant positions, and of demanding a clear field for the burning issue that turns upon the all-important matter of industrial administration, the issue of Industrial Democracy vs. Industrial Feudalism, the issue of Socialism vs. Capitalism.

In the performance of this great task of political clarification the Socialist Labor Party has, unfortunately, no political ally. At the very inception of the so-called Socialist party the men who were to become the leaders of that party began by running amuck on the question of taxation—with what disastrous effect is illustrated by the
confessions of the late executive secretary of the Socialist party Mayor of Schenectady, N. Y., the Rev. George D. Lunn. From that day to this they have sinned hardly more gravely by demanding government ownership instead of Industrial Democracy, and by the falsity of their other aspirations, than they have by pushing to the front all manner of petty questions to obscure and befog the real issue of Socialism vs. Capitalism.

The Socialist Labor Party, then, takes up the tax question not to emphasize it but to relegate it. In order to do that the Socialist teacher must know exactly the why and the wherefore of each separate phase of the tax question in all of its ramifications, that he may lead the tax-puzzled working man out of his bewilderment. It is to accomplish that end that this pamphlet is published and circulated.

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Taxation

THE NECESSITY OF TAXATION.

It requires enormous amounts of money to maintain the various Governmental institutions of the land. This necessary money the Government obtains by the collection of taxes.

The income of the National Government consists of internal revenue collected mainly from the liquor and tobacco trade, and of import duties. The expenses of State and Local Governments are met by taxes levied upon the real estate within the respective borders and upon the personal property of the inhabitants. Some additional income is derived through the collection of a variety of fees and fines.

A minimum amount of personal property, such as necessary household effects, and so forth, is exempt from taxation.

In politics the question of taxation, the manner and method in which taxes are collected and the way the realized moneys are afterwards expended, has become a perpetual issue. There is not a political campaign but what the tax question looms up in some form or another. Candidates for office will promise, and pledge themselves, to work for "just and equal distribution" of the tax burden and also see to it that "the peoples' money" in the governmental treasuries is properly guarded, "economically expended" and the largest possible results obtained. In
fact, a "Business Administration" is regarded as the very last word in good government.

One result of this persistent discussion of the question of taxation is the highly indignant attitude with which wage-workers face this subject. Their anger is aroused when they are confronted with facts that prove the unjust distribution of the tax burden. Rich and powerful corporations and individual capitalists, whose demands upon the Government for protection of their interests, both at home and abroad, are the heaviest and always the first considered, are the most unscrupulous tax dodgers on record. As a rule, they manage to roll quantities of their share of the taxes upon the shoulders of others. The vastness of their possessions, together with the nature of their holdings in properties that are in the form of stocks, bonds and mortgages, gives them ample opportunity for concealment and enables them to successfully sidestep the more or less watchful eyes of the tax assessor. Downright fraud and perjury they commit with impunity. The Sugar Trust was but recently convicted for defrauding the Federal Government out of millions of import duties by "adjusting" the scales of the custom house.

But the expenses of Government must be met and it naturally follows, that that amount of taxes which the Big Interests dodge must be borne by those whose possessions are smaller and more tangible, and consequently more visible and more difficult to conceal.

The troubles and the struggles of the taxpayers do not end here. There is still more to contend with. The money that has been so reluctantly handed over by the tax payers is now in the hands of politicians in public office. Eager office-seekers will scramble and vie with each other for a
place at the political pie counter. Contractors and other capitalist interests that deal in things the Government needs are ever eager to land a contract or make a sale. A generous supply of "grease" to smooth uneven places in the path that leads to those who have power to grant contracts or make purchases for the Government, will help to gather handsome profits. And thus the poor taxpayers' money is wasted. Corruption in the handling of public funds is the rule. The very fact, that an occasional administration performs its duties along that line with any degree of decency will create a sensation throughout the land, proves that such is the exception.

THE WORKER'S RELATION TO THE TAX QUESTION.

Confronted with such a state of affairs it is not at all unnatural that the keen sense of justice and decency of an unsophisticated working class is offended; it's anger is justly aroused and wage-workers allow the tax question to influence them in their political actions.

In doing so, however, they are wasting their time and energy; nay more, they are neglecting their own interests. While making other peoples quarrels their affairs, these very other people have a free and undisputed field to better victimize and exploit the working class, which so thoughtlessly allows itself to be drawn into quarrels in which it has no material interest.

It makes no material difference to the working class as to who pays the taxes; whether it be the capitalists of large or those of small possessions.

There is one thing that every workingman knows. He knows that the working class has no property of any kind
that can be taxed. It is a sad but uncontrovertible fact
that the great majority of the people, the working class,
the class whose labor produces all wealth, owns absolutely
no wealth of any kind. The few pieces of household goods,
which, in the first place, were of the cheapest kind and
which at most times are in a perpetual state of collapse
are not wealth; they are junk. In matters of clothing
and shoes it is not the supply on hand, but the lack thereof
that causes the workingman worry and trouble.

The working class owns no taxable property and therefore
it does not pay any taxes. The taxes of the land
are paid by those who own the property of the land, the
capitalist class.

The average workingman, however, is prone to chal-
lenge that statement. He will argue that while it is true
that the propertyless working class does not pay taxes di-
rectly; but in the end it pays the bulk of all taxes indi-
rectly. His notion on the subject is, that it is to his in-
terest to keep taxes as low as possible. He holds that, for
instance, the owner of the house in which he lives, no
doubt, pays the taxes for the same; but the money with
which he pays them he first collects from his tenant in
the shape of rent; hence it is not the owner but the renter
who pays the taxes.

This may sound plausible; but this very plausibility
hides the error of the idea. And no one knows this better
than the landlord. He is ever ready to make use of it
whenever he sees a chance to raise the rent, in order to
lend a color of justice to his action. The high rate of
taxes is very often the excuse of the landlord to raise rents
but not the cause thereof. Rents will rise or fall according
to the supply and the demand of rentable places. If the
demand for living quarters is brisk and the supply limited the landlord will exact as high a rent as conditions will yield, no matter whether taxes are high or low. If conditions, as above stated, will allow he will pull the shirt off his tenant’s back, even if the Government paid him a premium for owning the property instead of collecting taxes for the same.

If there be any connection whatever between the rate of taxes and the rate of rent, it certainly is not that the rate of taxes determines the rate of rent. To the contrary, when the Government’s agents, the appraisers of property for tax valuation, make their estimates they are, as a rule, guided by the amount of rent that such a property yields and fix the tax valuation accordingly. So, while it may be true, that the landlord pays the taxes with part of the money which he has previously collected from his tenant, it makes no difference to the workingman tenant how much of that the landlord is compelled to hand over in taxes; he, the tenant, has already been held up and forced to yield his pound of flesh. Nay more; if this working man tenant were of a vindictive nature he would be tempted to remark: serves the old skinflint right; soak it to him!

**THE RENTER AND THE HOME-OWNER.**

Workingmen who live in rented quarters, and most of them do, are not taxpayers. They have no more interest in their landlord’s tax burden than the sparrows that nest in the eavestrough. No matter how often he may offer the hypocritical excuse that he is compelled to raise rents because his taxes have increased, the landlord is not likely to reduce rents if he should succeed in reducing his taxes.
Owners of renting property, whether large or small, are not going to take part in political agitation, contribute to campaign funds and bribe, corrupt or coerce public officials to regulate their taxes downward, and after they have succeeded in doing so, hand it over to their working class tenants in the shape of reduced rents. Business is not done that way. The working class voters are merely used as political pawns. Having a vote, in fact being the voting majority, they are being double-crossed in tax reform politics; they decide the tax controversies between the large and small capitalist taxpayers, and are being blinded as to their own interests at the same time.

But what about the workingman who owns his own home, is not he a taxpayer? Yes, indeed, he is a taxpayer; but he will not be one very long. While his “shiftless” fellow workman, who lives in rent, who has no other ambition than to sit and rest in his rented quarters, after a hard day’s grind and toil of from eight to twelve hours’ work in his capitalist master’s shop, who is, as best he can, recuperating some of the used up tissues in the work of producing profits for his boss; who is perhaps enjoying his pipe and a good book, possibly reading some sound and instructive SOCIALIST LABOR PARTY literature; while he is doing all this his “thrifty” neighbor, who is, or rather hopes to be, a home-owner some day, is otherwise engaged—he is somewhere around his premises with a lantern, tinkering around his shanty. He is too “ambitious” to rest; too “level-headed” and busy to improve his mind; he is improving his property upon which some capitalist has plastered a mortgage. In the meantime, and just around the corner, stands waiting an enterprising undertaker. And when before very long additional gloom is added to the
already too sombre atmosphere of a proletarian neighborhood; when a hearse stops at his door to receive his remains, his widow will scarcely realize enough from the equity that he owns in his home to buy him a descent lot in a graveyard.

Pity the workingman who is a home-owner and a taxpayer; who is buying a home on the monthly installment plan. Depending upon permanent employment and continued health, which indeed is a violent hope, trusting that the holder of the mortgage will not foreclose, when inevitable, periodical delinquencies occur, in about fifteen to twenty years he will be a home-owner. And if the owner is not worn out by that time the home certainly is. The old shack is ready to tumble down on him. He must therefore go to some Mortgage and Loan institution, which exists for his special convenience and well being, borrow money to build another house and repeat his former experience. Finally, when he dies he leaves to his heirs as a legacy—the mortgage.

In most of the large cities the question of "home owning" on the part of workingmen does not enter into the discussion. For various reasons the prospect of wage-workers owning their own homes is simply impossible. But in smaller towns, and even numerous large cities, the energies and aspirations of many workingmen are directed toward independence from the landlord. Upon investigation it is hard to decide which one of the two, the one who pays rent or the one who pays off the mortgage is the worst off. It would appear that when peace of mind and the added impulse and incentive, on the part of the prospective home-owner, to still farther stint himself and his family of the common necessities of life in order to
meet his obligations, are considered, the renter seems to have the better of the argument.

However this may be decided, both must pay for shelter, the one in the form of rent, the other in interest upon the mortgage; both are equally dependent upon the employing class for a job, for a chance to live at all. Their interests are identical as wage-workers and as such they should seek to further those interests. Not from the standpoint of taxpayers, but from the standpoint of members of an exploited working class.

The argument mainly used by politicians, when attempting to have workingmen see things through the spectacles of a taxpayer, is that every time a workingman buys a pair of shoes, a pound of meat or flour or anything that he needs for his daily living, the taxes of the country are being collected from him through the various channels of trade by an additional margin that is being added to the prices which he pays for the articles of his daily need. From this the workingman concludes that if taxes were lower the prices that he pays would be correspondingly lower and hence, with his weekly wage, he could procure correspondingly more or better food, clothing and shelter.

Even if such were the case, the propertyless wage-earner would only be interested in the sum total of the taxes collected. To him it would make no difference how the tax burden would be distributed between the big and the middle class capitalists. Why should he take up the cause of the latter? Indeed, why should even the middle class worry about it if in the end the tax burden is rolled upon the working class? If this theory were correct it should be immaterial to the little fellow in business how much the big interests shift the taxes upon them; all they would
need to do would be to pass it on to the working class; all they need to do, to recoup their losses, is to raise the prices of the things in which they deal.

And why, on the other hand, should the big interests, the large and powerful corporations and individual capitalists, be so anxious to dodge taxes; why should they go to the length of swearing falsely to statements of their wealth when the same are being prepared for the purpose of tax valuations? If it were but a matter of adding the amount they pay in taxes to the prices of the commodities which they manufacture or deal in, they surely are in a better position to do so than the little man in business. They then could reimburse themselves in a legitimate manner without the violation of any laws upon the statute-books. No matter how unscrupulous the capitalist may be, he is not likely to violate the law, which he so strenuously claims to uphold, unless his interests require it.

Or furthermore, if, in the last instance, it be the working class that bears the burden of the taxes, why not go at the thing more directly by simply collecting the necessary amount from them on pay-day, or, in other words, why does not the capitalist class reimburse itself by reducing wages? Such a method would be much simpler and less costly than to corrupt public officials and subsidize the newspapers or contribute so plentifully to campaign funds. The argument that the capitalist prefers to rob the wage-worker in a more or less indirect manner, to pay with one hand and take with another does not fit the case. Later on it will be shown why it does not fit the case. The fact of the matter is that, taxes high or taxes low, taxes equally or unequally distributed among the tax-
paying capitalists, the working class is being skinned to the bone in either case.

**TAX REFORM IN OHIO.**

The State of Ohio furnishes a case in point to prove the foregoing statement. An agitation along the lines of tax reform, covering a period of about ten years, has finally terminated in something really tangible. A special correspondent to the Cleveland, O., “Plain Dealer,” from Columbus, O., published in its issue of December 24th, 1911, is certainly cheerful news to the man who groans under unjust tax burdens.* Among other things one reads as follows:

"Property in Ohio worth hundreds of millions, that escaped taxation in the past, has been placed on the tax duplicate through the operation and application of the 1 per cent. law in the hands of the tax commission."

* * *

"The figures, now being compiled for the annual report of the commission, are startling in the showing they present. They will make the most choice reading the small taxpayer of the State has had supplied from the State House for a generation. Advocates of the new taxation law point to the figures and claim they answer every objection that has been urged at any time against it."

* * *

"The report will be issued early in the year, and will be fill 1 with surprising statements. The figures tell the reason of high tax rates in the past. The showing is plain why the small home owner has carried a tax that was burdensome, while the big corporation has had a rate that
TAXATION.

was trivial, compared with its opportunities for profits in the exercise of its business opportunities.”

* * *

“More than fifty freight transportation companies, doing business in the State, and employing equipment of enormous value, had been suffered to go ahead year after year without paying a penny of tax or in any other way contributing to the revenues of the State. Over 100 corporations, owning and operating telephone and electric light plants, had been in business for from one to ten years without paying a cent of taxes. Three railroad lines were operated in the State, with thousands of dollars invested, and had failed ever to make a return for taxation.”

* * *

“As a result of the work of the commission the railroad companies of the State will pay in taxes this year $1,500,000 more than during the past years. Traction lines of the State paid last year on a total value of $15,000,000, but this year will pay on a value of $68,000,000.”

* * *

“The Buckeye Pipe Co. last year paid on a valuation of $4,635,000, but this year it will pay on $28,281,806. Mineral land value in the State has been increased $17,850,623. The Pennsylvania Railroad increased from $53,000,000 to $184,000,000. The Baltimore & Ohio road from $19,000,000 to $90,000,000. The New York Central lines from $41,000,000 to $117,000,000. The electric lines of the State were raised from $6,000,000 to $28,000,000. The natural gas companies from $20,000,000 to $77,000,000. The artificial gas companies from $251,000 to $1,100,000.”

* * *
"Similar increases have been made in other lines of property, the idea being to get the real value of all the property in the State included in the total tax duplicate. The work of the commission never ends. It is still certifying the values of property uncovered to the auditors of the counties in which it is located. During the past week the auditor of one county received a certificate covering over $1,000,000 of value that had never been taxed before. Another county had overlooked a water works company doing business, while the commission found a value of $300,000 which it certified. Another county had a value of $50,000 on a lighting plant where the commission made an investigation and raised the value to nearly $1,000,000, fixing the value almost wholly on the financial showing made by the company."

These statements of the "Plain Dealer's" correspondent are no mere juggling with large figures. They are concrete facts which are corroborated by the further concrete fact that the tax rate for the City of Cleveland has dropped from $3.47 for every $100 worth of taxable property to $1.51. Every owner of property which is being rented by workingmen for living quarters has had his taxes reduced considerably; in many instances as much as fifty per cent. But rents have not come down one penny!—to the contrary, the tendency is still upwards. And inasmuch as the city continues to grow in population there is no abatement in sight.

The merchants of the State, from whom the working class buys its supply of daily necessaries of life have, no doubt, also been benefited by the new tax arrangement. While it is likely that their stocks of merchandise may
have been appraised at a somewhat higher figure than formerly, it is certain that the increase does not compensate the decrease in the rate of taxation, that is, from $3.47 to $1.51. In fact, the general approval, by the little fellow in business of the results of the new tax laws would prove that their taxes have been reduced. But they have failed to reduce prices. The high cost of living shows no signs of abatement. The working class in Ohio has not benefited in the least from the much praised readjustment of taxation for which it has been hustling and voting for the last ten years.

As in similar other instances, the circumstance is prominently mentioned that the little home owner is decidedly a gainer. This is done to convey the idea that the working class has been benefited because those among them who own their own homes have had their taxes reduced. The City of Cleveland, though the sixth city in the country, due to its peculiar topography, is a town of individual houses and cottages. The tenement-house mode of habitation is here an exception. Due to these conditions it is a veritable paradise for the allotment shark, and those that are imbued with local pride love to refer to Cleveland as the "city of home-owners." But after investigation one finds that all this is based more upon imagination than upon facts.

According to the report rendered by John A. Zangerly, the Secretary of the Board of Quadrennial Real Estate Appraisers of Cuyahoga County, upon completion of its labor and term of office in 1910, 38 per cent. of the people in Cleveland live in their own homes. It is safe to assume that the greater portion of that percentage belongs to the capitalist class of either larger or smaller
possessions. Deducting from the remainder those working-men whose homes are mortgaged, the remaining number that own unincumbered homes are so few that they really have no weight in the discussion.

THE SOCIALIST PARTY ON TAXATION.

A local paper of the Socialist party which, of course, supports the theory that the working class is burdened by unjust taxation, comments at length upon the results of this tax revision. It criticizes the entire thing as a mere sop to the unthinking masses and maintains that the only relief to the burdened taxpayer can come through the Socialist party. It makes, among others, these arguments:

"In order to partly pacify the small home owners, a state law has created a corporation tax; which latter fact alone made the present one, or rather, one and one-half per cent. tax law at all possible."

* * *

"The common people are lead to believe that the corporations are really paying the taxes. Indeed, one can even read this in some Socialist papers which claim to know everything better."

* * *

"A corporation tax, however, is nothing else but a tax upon trade and industry; it belongs therefore to the category of indirect taxes. Corporations simply add the same to the prices of their commodities and the consumer pays it in the end."

* * *
"Political economists, even those of the liberal school, have long since proven that there are only two direct methods of taxation which really reach the owners of property in proportion to the size of their possessions, and these are the progressive income and inheritance tax."

* * *

"Real and genuine relief for those who are suffering under an unjust system of taxation can only be expected from the Socialist party."

In the first place let it be said that the Socialist party, instead of clarifying the minds of the working class, is adding to the confusion. The idea that taxes placed upon the property of the capitalist class is shifted upon the shoulders of the working class by raising prices and thereby making the working class pay the same as consumers is false.

Every seller of commodities, whether he be an individual, small middle class dealer, or whether it be a large corporation, will naturally follow the good old business policy and get the highest possible price under any and all conditions. No matter how low the taxes, the capitalist will exact as high a price as the state of the market will permit. To sell goods at a lower price than the market will yield is, as a general proposition, an offense against good business that no shrewd capitalist will commit. There simply is no chance to recoup for a raise of taxes because the possibilities of the market are exploited to the limit. An upward tendency of prices may occur simultaneous with a rise in taxes, but that does by no means prove that such is the result of the arbitrary acts of the capitalists. It would indeed be a bold suggestion to hold that prices
would have remained stationary if the capitalists' taxes had not increased.

The attempt to shoulder a greater portion of taxes upon the big interests in the business world by means of a progressive income and inheritance tax might succeed and it might fail. If indeed, it be true, as charged by the small fry business men, that the big interests have so far succeeded in evading their share of the tax burden, new tax laws will mean that they will adopt new tactics to get around the law. It is impossible to beat the capitalist at his own game. He owns the country and his influence determines the conduct of the Government. As long as the present system is in vogue, big interests hold both bowers and the joker against the little fellow, and the latter is euchered before the game starts.

**WAGES AND PROFITS.**

But all these evasions the working class can view with utter complacency. The conditions of the working class are miserable without question; but the system of taxation is neither the cause thereof nor is it contributory thereto. There is only one method whereby the working class can gain a livelihood, and that is by securing employment. There is no field of endeavor where competition is so keen as it is in the labor market. Utterly unable to eke out an existence save by the sale of their services to the employing class, which controls the jobs because it owns all the means of production, the workingmen's price, or their daily wage, is subject to the law of supply and demand in the labor market. And inasmuch as the supply of workingmen exceeds the demand
for them, the workers' wage is so low that it yields to them no more than a poor existence at best.

The capitalist employer, when contemplating the hiring of workingmen does not consult the tax duplicate for information as to the amount of wages that he should pay. He studies the condition of the labor market and will pay the lowest possible price for the particular kind of labor that he needs. And if ever he should make a miscalculation and bargain to pay a higher price than necessary, or if temporarily he is so situated as to be willing to pay a somewhat higher price than ordinarily, in order to overcome a passing difficulty, he will soon rectify the error or adjust his affairs and get down to normal.

The normal condition of the present capitalist system operates against the interests of the member of the working class. As a buyer of the daily necessaries of life the capitalist sellers will charge him the highest possible price that the condition of the market will allow, whether taxes are high or low, or whether they are equally or unequally distributed among the capitalist taxpayers. To the wage-worker, seeking employment, the capitalist employer will pay the lowest possible wage that the conditions of the labor market permit, no matter what the taxes may be or how they are paid.

Due to this operation of the capitalist system the working class is forced to accept a very small portion of the product of their labor; the largest part goes to the capitalist class as profits. Students of statistics place the proportion as one-fifth to the working class for wages and four-fifths to the capitalist class in profits. With this four-fifths of the wealth withheld from the working class the capitalist class does various things. The luxurious life
of idleness and debauchery, the fine mansions and automobiles, the costly yachts and racing stables together with the ostentatious display of wealth in the form of priceless jewelry and fine raiment is being paid for with wealth that the working class has produced but never gets. The taxes of the country come from the same source.

It needs no argument whatever to convince any workingman that his condition would not be improved in any way if the capitalists were to spend less money for their own pleasure. That would by no means imply better or more comforts for the working class. All that that would mean would be that the capitalists' pile would grow that much faster. The same argument applies to taxes. Lower taxes would not put anything into the pockets of the workingman. It would only mean that more could be spent for the above-mentioned luxuries of the rich or that more could be added to their large hoards. Taxes, like all the other things mentioned, are being paid for with wealth produced by the working class that is stolen from them in the first place. It is not good sense nor to the interests of the workers to worry as to how the plunderers spend or divide the plunder, but to assert themselves to the end that the plunder cease.

WORKERS ROBBED AS PRODUCERS, NOT AS CONSUMERS.

The working class is not being robbed as a consumer or indirect taxpayer, which means the same thing, in the field of commerce and trade, but as a producer in the field of production, in the work-shops, factories, mines and railroads, and so forth, of the country. But the idea that the working class is not being robbed as a consumer seems
rather foolish to the average workingman. This is not at all surprising. When he goes forth, with his week’s wages in pocket, to purchase his supplies, there is waiting for him a hungry horde of shopkeepers. And he had better be wary and cautious. If the “sturdy and upright” middle class merchant sees a chance he will cheat his workingman customer blind without compunction. But our workingman is supposed to know the ropes and, as a rule, he does and in the long run gets full value for his money. To what extent downright cheating is resorted to by middle class shopkeepers was demonstrated very recently by the Administration of the City of Cleveland. In one of the rooms of the City Hall were exhibited a choice lot of weights and measures confiscated by the city sealer. All manner of measures from pints to bushels could be seen with false bottoms and other deceptions; scales and weights that registered from one to four ounces short to the pound testified to the “scrupulous honesty” of the small man in business. And this is the class that cries “Thief!” and appeals to the working class to help it in its fight to make big interests pay their just share of taxes.

Another reason why it is hard for the average workingman to comprehend that he is not being robbed as a consumer but as a producer, is the fact that only due to the circumstance that he is a consumer can he at all be robbed as a producer. If it were not for the ever present appetite that craves food, and the inclemency of the climate that makes clothing and shelter necessary; in short, if the workingman had no wants that must be satisfied, no capitalist boss in the country would get a chance to rob him in the work-shop as a producer. It is the consuming proclivity of the working class that furnishes the handle
by which its nose is being held to the grindstone of production.

Hunger is the terrible and irresistible force that renders the working class pliable to the needs of capitalist interests. Driven by that force, labor takes the fearful risks of the mining industries, the railroads and all the other industries in which conditions prevail where the hired wage slave, for a few cents per hour, will risk limb and life. In spite of the hundreds and the thousands of workingmen killed and maimed in mines and railroads every year, in spite of the unhealthy condition of most of the industrial establishments, where the workers’ health is gradually undermined and their lives correspondingly shortened, there is no dearth of applications for vacant places. In fact, the dangers and risks encountered are not taken into consideration; if considered at all, they are regarded as a matter of course. The main object is to get a job and to hold it against competition when once procured. Hunger, furthermore, is the force that will drive men and women, when unable to secure employment, to the extremes of crime and prostitution.

Such is the economic distress under which the working class exists.

Let us now assume that, in spite of all that has been said, an adjustment of taxation would lower the cost of living to the working class. The result would be that the keen competition in the labor market would bring the price of labor (wages) down to the correspondingly lower cost of living and the working class would be no farther ahead.

The result could not be otherwise. The army of unemployed, a perpetual condition under capitalism, drives the
unfortunate wage workers to such extremes as above stated, and even to the extent of begging to be locked up in jails and workhouses in order to escape the intensified conditions brought on by the rigors of winter seasons. The logic of facts cannot be refuted that an easing up of the distress by a cheapening of prices could be of no benefit to the working class, when hunger dictates its acts in the competitive struggle in the labor market to the point of establishing the maxim, that he who works the cheapest gets the job.

**EXPENDITURE OF TAX MONEYS.**

That feature of the tax question, which concerns itself with expenditures of public funds after taxes have been collected, interests the working class no more than the paying of the same. The "people's money" in the governmental treasuries is just as far out of the reach of the working class as are the funds in the private vaults of the capitalist employers. Corruption in public office, the mismanagement of public funds or misappropriations and stealings of tax moneys does not take anything away from the working class, because the pockets of that class have already been so thoroughly cleaned out that there is nothing left.

It is, however, claimed that tax moneys could and should be expended in a manner beneficial to the working class. Political reform parties often make that phase of the proposition their important issue. Clean streets and other sanitary arrangements in proletarian neighborhoods are certainly very desirable, and working class quarters are, as a rule, neglected in that respect in favor of other sections of cities. Now, the reason that workingmen live
in such neglected parts of town is, that they cannot afford the higher rates of rent in the more desirable sections. If a city administration were to expend some of the tax money for a general house-cleaning of a proletarian district, the demand for quarters would immediately increase and the landlords would be the gainer, but not the workingman. Rents would be sure to go up. Clean streets, sanitary conditions, nice surroundings, beautiful parks and all other propositions of the same nature are certainly necessary and worth while, but all these things do not seem to cover the case of the man out of a job or in constant danger of losing it. He who would suggest a haircut and shave to a man who is asking for a loaf of bread, is not only mocking distress but is evading the unfortunate’s petition.

Tax moneys expended for municipal coal and wood yards, or for establishing city ice houses and other semi-charitable and paternal institutions, where the poor might procure these respective necessaries of life at cost, or at a reduction of prevailing prices in the open market (propositions largely and loudly advocated by the Socialist party), could not but have one result—cheaper living to the workers means cheaper wage slaves to the capitalist masters.

Turn whatever way one will the interests of the working class are outside the sphere of taxation. To say that governmental institutions for the care of the aged and infirm, the public soup-houses, and other municipal institutions of charity, where the unfortunate unemployed are taking their places in the bread line is tax money expended in the interest of the working class, is so much sophistry. The aim and ambition of every self-respecting workingman is
not to take advantage of these provisions, but to avoid them. Such institutions are not maintained for the benefit of the poor, but rather for the self-protection of the rich. If it were not for these, our capitalist masters might be disturbed and annoyed in the enjoyment of their stolen plunder by the consequences of unrelieved distress.

But lest we forget, let it be said that considerable sums of the taxpayers money are frequently spent directly and without stint upon the working class. When conditions in the workshops or other fields of production and distribution, where the robbery of the working class is being perpetrated, become so unbearable that protests in the form of strikes become unavoidable, public funds are available in plenty for the hire of police, deputy sheriffs and the militia. It is there where the workers become direct recipients of the disbursements of the taxpayers' money.

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