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EDITOR :

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WISE AND FOOLISH TAXES.

Levying a tax brings two results :

- (1) It raises revenue.
- (2) It discourages the activity on which the tax is laid.

The necessity of raising revenue is generally so urgent that we consider only what is the easiest way of raising the money, and forget the second part. The harm that may result from stupidity in this direction is illustrated in the case of the French window tax. At one time householders in France were taxed in accordance with the number and size of their windows. The result is thousands of houses from which the sunlight is needlessly excluded. On the other hand the second function of taxes

may be turned to account. To keep down the number of saloons in a town, the high license principle is applied. If we wish to discourage the importation of merchandise of foreign manufacture, we levy a tax on imports.

Why not take account of this secondary effect in all of our taxation? We want business activity, but much of the United States internal revenue is derived from taxes on business transactions. We want to encourage people to improve their property, but when they do so their taxes are increased. We do **not** want people to hold land that they are not using, but by light taxes on land we make it easy and profitable for them to do so.

E. W. KELLOGG.

