

# OUR FOREFATHERS RIOTED AGAINST CONSUMER TAXES; AND THE BRIGHTER ONES SUPPORTED A FEDERAL LAND TAX

On March 22, 1765, George III gave the royal sanction to the infamous stamp tax. This act taxed pamphlets, newspapers and almanacs and most of the instruments used in commercial proceedings. It even imposed a tax of two pounds sterling on every degree conferred by seminaries of learning. Fearful of the reaction, the government passed a bill authorizing the quartering of troops in the colonies. The aversion in America against the Stamp Tax led to the formation of a Stamp Act Congress, which was the first general meeting of the colonies to obtain redress for violation of their rights and duties. Petitions were drawn and sent to George III and the Parliament, objecting to this enormity. And merchants in New York, Philadelphia and Boston vowed to import no goods from England unless the stamp tax was repealed.

Stamp Act riots broke out. The house of Chief-Justice Hutchinson was attacked, his furniture and pictures destroyed, and valuable library books and manuscripts were burned. The houses of revenue officers, including that of Mr. Oliver, the distributor of stamps, were also looted. Those distributors of the stamps, who did not voluntarily resign, were compelled to do so by threats or force. On November 1, 1765, the day set forth for the Stamp Act to take effect, neither stamps nor stamp officers were to be found in America.

The Stamp Act was repealed. But, in May, 1767, Charles Townshend, Chancellor of the Exchequer, introduced a bill calling for taxes on glass, lead, paper, painter's material, and tea. The protests in America were again vociferous, including the refusal of merchants of Massachusetts, Connecticut, New York, and later of Pennsylvania and other colonies to import English goods until the Townshend Act was repealed. Alarmed at this opposition, Lord North, in March 1770, introduced a bill eliminating all the taxes, except for a small tax on tea.

But, even this was too much for the Colonists to tolerate, and on December 16, 1773, the famed Boston Tea party was held, in which tea was emptied into the harbor. Upon refusal of the government of Boston to pay for the tea, the British government closed the port of Boston. By this time reconciliation was impossible.

Today's Koch Brothers, National Tax-payers Union, Concord Alliance and Rockefeller's would have risen as one to support the imposition of what they consider the most propitious of tax levies.

And they might have had their houses looted, their goods burned, and been driven out of the country, as were many of the Tories who retained their allegiance to George III and to the British Sales Taxes.

## EARLY INCLINATIONS OF SUPPORT FOR A FEDERAL LAND TAX

Inasmuch as the States had considerable experience in taxing their own property, there was substantial support for the Federal government to raise taxes through a tax on land. The Articles of Confederation were ratified in January, 1781. Article 8 of the Articles read:

"Art. 8. All charges of war, and all other expenses that shall be incurred for the common defence or general warfare, and allowed by the United States in Congress assembled, shall be defrayed out of a common treasury, which shall be supplied by the several States, in proportion to the value of all land within each State, granted to or surveyed for any person, as such land, and the buildings and improvements thereon, shall be estimated, according to such mode as the United States in Congress assembled shall, from time to time, direct and appoint. The taxes for paying that proportion shall be laid and levied by the authority and direction of the legislatures of the several States within the time agreed upon by the United States in Congress assembled."

There were very heated arguments over what provisions should be incorporated into the U.S. Constitution enacted to replace the Articles of Confederation.

Pelotiah Webster was described by scholars as being responsible for "inventing" the plan of the Constitution, and his book was described as being responsible for "the epoch-making achievement" which "must forever stand forth as a beacon light in the World's history." Unfortunately, though much of Webster's 1783 *Dissertation on the Political Union and Constitution* was adopted, his recommendations relative to taxation were omitted. Webster referred to "The value of land, being created by population, as a natural and just standard of determining contributions to public revenue and unsettled land, the common property of the nation." The recommendation as to "unsettled lands" was unsavory to many of the Constitution creators, who had, themselves, speculated heavily in unsettled lands.

In March, 1783, Alexander Hamilton, the First Secretary of the Treasury, suggested levying direct taxes upon property

in the States, to be collected by appointees of Congress. But he found that due to public ignorance, such a plan would be politically unfeasible. On February 18, 1787, Hamilton unhappily admitted that direct taxes opposed "all the prejudices of the Community." Hamilton noted that: "There is not a farmer in the State who would not pay a shilling in the voluntary consumption of articles on which a duty is paid, rather than a penny imposed immediately on his house and land."

During the 1790's, tariffs and certain internal taxes, notably taxes on land and slaves, furnished all Federal revenues. But, from the time of Jefferson's election until 1861 (except for the period of the War of 1812), all internal taxes were abolished, the Federal government relying on import duties. Numerous internal taxes were instituted during the Civil War, but except for excise taxes on tobacco and liquor, were soon abandoned.

In January, 1894, Representative McMillin (Tenn.) introduced an amendment to the Wilson tariff bill which required a reduction of \$31,000,000 in Federal revenues. McMillan sought imposition of a 2% tax on all incomes over \$4,000. He argued that this would remove discontent among the laboring classes, remove part of the great burden resting on the consumer and place it upon accumulated wealth, and would be "less inquisitorial than customs and internal revenue taxes." Congressman Corkran (N.Y.) opposed the income tax as a "betrayal of our ancient principles, and treason to our faith, to our platform, to our traditions, to our heroes."

On January 31, 1894, James Maguire (Cal.) proposed as a substitute for the income tax, that a direct tax of \$31,125,000 be annually laid on land values, exclusive of improvements. Maguire stated:

"The income tax proposed by the gentleman from Tennessee can nearly all be shifted from the immediate payers to the shoulders of the poor, or comparatively poor, who consume the products of the industries out of which the incomes arise, or who borrow the money upon which incomes, in the form of interest are paid."

Maguire's amendment was defeated and the income tax was approved.

Today, the enormities of the income tax are well publicized. But high consumer taxes, such as those in Russia, the banana republics, and every other tyranny on the planet, are an even greater threat to our prosperity. Shouldn't Congress now reconsider a national land tax? ●●●●●●●●●●