A BYSTANDER'S NOTES.

The war in the East is at an end. As England got no credit at its initiation, so now she wins none in its conclusion. The British Premier, knowing no honor but that which prevails among thieves and regarding politics and diplomacy as only varying degrees of trickery, has been outmatched in the game of subterfuge and whatever credit there is goes to the account of the Russian bear. Russia spoke and England and Germany at once fell into the background. When news came of the mobilization of the Bulgarian troops, the Sultan called off his forces and submitted to the inevitable—the abandonment of further designs against Grecian territory.

It is a terrible rebuke to that spurious humbug, "the union of the great powers."

As long as the Porte had only "the powers" to deal with, the German policy of wiping Greece off the map went on without interruption. England turned her attention to enlarging her area of influence in Southern Africa and tightening her hold on Egypt, confident that the result in the Levant would be an enhancement of Turkish indebtedness—the issue of new bonds at a higher rate, to the advantage of British capitalists. Through the whole crisis the Porte has shown the utmost contempt for English policy and English pretense. And this contempt has been well deserved. But, when Russia spoke the case was entirely different. Turkey fears Russia because she knows that Russia is the only nation of Europe which is sincerely hostile to Moslem rule and policy. The least growl of the bear was, therefore, sufficient to silence the Turkish guns and leave Greece, humiliated and beaten it is true, but alive and intact.

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The legislation of the past winter has been peculiarly favorable to the principle of cumulative taxation, that is, the principle of increasing the rate of taxation according to the amount of property belonging to one individual subject to a particular tax.

Thus far this principle has been applied only to inheritances, and in most cases only to collateral inheritances, or inheritances which do not follow the right line of descent. In a considerable number of the states it has now become the law, fully sustained by the courts of last resort, that bequests made to others than the direct descendants of the decedent shall be subject to tax, varying in rate according to the amount thus diverted from the direct succession by the decedent.

The theories on which this legislation has been based by various legislative bodies have been curiously inconsistent. As a rule, it may perhaps be safe to say that two ideas have predominated among those who have given it support. (1) That collateral legatees ought to be willing to submit to such taxation with cheerfulness, bucause such inheritances are in a special manner the result of a legalized power of bequest. The reasoning is in every sense fallacious, since inheritance of every sort is entirely the result of legal provision. There is no natural right inhering in A. by which he is authorized to get control of specific values, either in realty or personalty, and leave them to B. after his own demise. This right is a pure creation of law, as well with regard to direct as collateral inheritances.

It has also been urged in support of such taxation that its influence tends to prevent the dissipation of great estates and encouraging the proper recognition and care of the direct heirs of the decedent. Both assumptions are visionary, if not absurd. The real reason for such taxation no doubt lies in the belief that it will be acceptable to the masses of the people, in that it shifts the burthen of taxation from the shoulders of the many to those of a few—a few who are entirely able to sustain such burthen and who can never combine to make popular resistance to the same.

Another, and most potent reason for the adoption of such legislation, is the fact that there is, literally, no means of avoiding its collection, as all legacies must be paid through the intervention of the courts, by regular bonded officials. Because of this the collateral inheritance tax becomes a peculiarly favorable field for a first application of the philosophical theory of cumulative taxation.

Broadly stated, this theory is based upon the principle that the burdens of government should be placed upon the shoulders of those able to sustain them, in exact proportion to such ability.

Civilization imposes upon all two great responsibilities—first, that of self-support, and, second, that of contribution to the maintenance of those institutions deemed essential to the common welfare. The former of these obligations rests upon all without regard to wealth or ability. Every man must provide for himself and family, or become a criminal. The man who begs or filches is thrust outside the pale of society and becomes a vagrant or convict.

The other common burden, the maintenance of political institutions and municipal functions, has heretofore, professedly at least, been laid upon property in proportion to each one's possessions. The creation of new forms of personalty and the ease with which luxuries and credits are concealed permit the rich to avoid the payment of even their due share of this proportion assigned to them under this system of collection and the power of wealth has also led to the heaping of taxation directly, or indirectly, on those of small means.

The attempt to remedy this by the taxation of incomes was not only a manifest injustice, because the man of great possessions may so invest his funds as to have for a long series of years a small income, but it is, also, nearly impossible correctly to assess such a tax, except through such scrutiny of each individual's business affairs as has a smack of oppression.

These objections do not hold against the determination of each one's actual possessions at a certain date, which is the basis of ordinary assessment as well as of the principle of cumulative taxation.

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The theory on which taxation is based is that the man of large means can well afford to pay a higher rate as well as a larger sum for the support of the government, to the protection and care of which all his accumulations are due.

This theory would put the burden of government especially on the shoulders of those who are best able to bear it, leaving to the man of small means only the other and more imperative duty of self-support and the maintenance of those dependent upon him. The question whether such system of taxation is in conformity with our American system of equal taxation has been decided in the recent adjudications of the cumulative collateral inheritance tax cases. This fact constitutes such decisions a very important step in the adjustment of collective burthens to the new conditions of civilization. It a step in the right direction, which may ultimately open the way for more valuable and general legislation.

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The legislation in South Dakota and Nebraska, in regard to the incorporation of the popular initiative and referendum in legislation into our American system of government, both state and municipal, is an experiment well worthy of the most careful consideration and giving promise of amelioration and rating, if not remedying some of the serious defects of our present system.

The South Dakota statute merely provides for submitting a constitutional amendment authorizing such legislation to the people; the Nebraska statute makes provision for applying this method to the government of cities in that state.

The right to propose ordinances for the government of any city or municipal subdivision is vested in the voters of the city as well as the mayor and council. The word "ordinance" is defined as including also all orders, resolves, agreements, contracts, and any other measure within the powers of the legislative authorities of the city. It is provided that the proposal for legislation shall contain the full text of the ordinance proposed, and, to be mandatory, must be signed by at least 15 per cent of the voters of the city making the same. At least ten of the persons signing the proposal shall make oath before a competent officer that they are duly qualified voters and that they believe all the other persons who signed the proposal are qualified and that the signatures are genuine. This proposal shall be filed with the city clerk; but if 20 per cent of the voters shall request that the ordinance proposed shall be submitted to the voters to be voted on at a special election, the clerk shall obey their wishes and call the election. If no special election is asked for, the proposal shall be submitted to the voters of the city at the first regular election held after the expiration of thirty days from the filing of the proposal, unless the council meanwhile makes it a law. If the proposal receives a majority of the votes it shall become a law. This is the initiative.

It is provided, for the referendum, that no ordinance for the government of any city, except as specially provided, shall go into effect until thirty days after the passage of the same. If in the interim a petition signed by at least 5 per cent of the voters of the city is filed requesting its submission to a vote of the people it shall be submitted. If the number of signers represents 10 per cent of the voters, a special election shall be held within twenty days; if less, not until the next regular election. Excepted from the operation of this section are all ordinances relating to the immediate preservation of the public peace or health or items of appropriation for current expenses of the departments of the city which do not exceed the corresponding appropriations of the preceding year, all of which must be passed by a unanimous vote.

The initiative and referendum ought to be of great practical value in several directions, especially in developing better citizenship and through placing the responsibility for good government more closely upon the people, and in opening the way for individual action outside of the present restricted opportunity afforded by the election of officials and the barriers of party organization.

The problem of government by the people, for the benefit and advantage of the people, is one of varying conditions, and must be solved by every country for itself. It seems incontestible that the nearer it can be brought to the individual citizen the more certain is the probability of success, if the people are sufficiently intelligent and patriotic. The tendency of the movement for municipal reform thus far has been almost wholly in the direction not of larger power in the citizen, but in the direction of restricted opportunity for the voter and autocratic power in municipal control. Distrust of the people has been the keynote to such an extent that the doctrine has been openly promulgated that the American citizen must be lured into a voluntary restriction of the power he now holds for his own good. This infamous theory has received the approval of many of the most influential writers and thinkers upon our American system. It is based upon two false premises: (1) The belief that greed overpowers and blights the patriotic instinct in the American people; and (2), the belief that the masses of the people are both ignorant of public affairs and almost universally corruptible. In other words, most of our municipal reform movements have been based on distrust of the people.

The initiative and referendum reverse this tendency. They have worked well in Switzerland, and ought to mark the beginning of a new political day in the United States.

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Mayville, N. Y., May 19, 1897.

COUNTY NY HISTORICAL SOCIETY 2013