Taxation in American states and cities

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AND CITIES.

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TAXATION

IN

AMERICAN STATES AND CITIES.

BY

RICHARD T. ELY, Ph.D., LL.D.

PROFESSOR OF POLITICAL ECONOMY AND DIRECTOR OF THE SCHOOL OF ECONOMICS, POLITICAL SCIENCE AND HISTORY, IN THE UNIVERSITY OF WISCONSIN.

ASSISTED BY

JOHN H. FINLEY, A.B.

PRESIDENT OF KNOX COLLEGE, GALAEBURG, ILL.

FOURTH THOUSAND.

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The present volume is not intended primarily for specialists, but for American citizens generally who are intelligent enough to appreciate the vast importance of the topic with which it deals. It is meant to be a popular work, but, it is hoped, in the better sense of the word. I have endeavored to keep the essential facts in mind, and to avoid all technical details which are not essential to an understanding of the main issues.

The work is larger than I thought it would be as it is; and had I written an exhaustive treatise, such as I would have tried to write had my book been designed primarily for lawyers or political economists, it would have been necessary to publish four or five volumes instead of one. The specialist will then understand why much has been omitted which he would gladly have seen inserted. Perhaps the general reader will obtain an idea of the largeness of the subject of taxation in states and cities, when told that the bill itself presented by the Maryland Tax Commission to the legislature covered one hundred and twenty-one printed octavo pages. An adequate explanation of all parts of the bill would have required at least as many additional pages.

A study of taxation is calculated to give one a rather pessimistic view of American laws, American institutions, and American character. As soon as one begins to examine the facts respecting taxes and tax-payers in our cities, one discovers that many an advocate of governmental reforms, loud in his professions, is
as unscrupulous a tax-dodger as any unregenerate politician of the "spoils" school; that many a man who plumes himself on the soundness of his Christianity, is but too ready to browbeat the tax-assessor and shift his just burden to the shoulders of the weak and defenceless; that many a one who figures in the lists of donors to charitable and philanthropic institutions, gives, after all, only a part of what he has withheld from the public treasury. On the other hand, it is encouraging to find rare instances of men of wealth who do not avail themselves of the means at their command to evade taxes, and who bear heavy burdens placed upon them by an antiquated and iniquitous system of taxation.

It would also be difficult for me to take too sombre a view of human nature, for in the preparation of this work I have been the recipient of so many kindnesses from so many people in every part of the United States, that I find myself embarrassed to know how to express my gratitude. Should I print simply a list of names of those who have aided me in one way and another, it would require two or three pages. I must thank the different officials of states and cities who have often, at no inconsiderable inconvenience to themselves, supplied me with public documents and written information on numerous points of the various systems of taxation with which they are concerned. It seems ungrateful not to mention them by name, but there are so many of them that it is impossible to do this.

Professor J. B. Clark, of Smith College, Northampton, Mass.; Professor E. R. A. Seligman, of Columbia College, N.Y.; Professor Arthur Yager, of Georgetown, Ky.; Professor Edward W. Beitz, of Vanderbilt University; Hon. P. Bliss, of Missouri; Hon. Seymour Dexter, of Elmira, N.Y.; Hon. James Alfred Pearce, of Kent County, Md.; Mr. J. R.
Lamar, of Augusta, Ga.; Mr. Stuart Wood, of Philadelphia; Mr. Francis T. King, of Baltimore; Hon. T. M. Cooley, of the Interstate Commerce Commission; my father, Mr. E. S. Ely, of Fredonia, N.Y.; Mr. W. B. Hill, of Macon, Ga.; Hon. Lewis Hopkins, of Baltimore; Professor George W. Knight, of the State University of Ohio; Professor Henry C. Adams, of the University of Michigan; and Colonel William P. Craighill, of Baltimore, have written me valuable and suggestive letters on some aspects of state or local finance. It is scarcely necessary to say that not one of these gentlemen is to be regarded as in any way responsible for the views I have expressed in this work.

I am indebted to Mr. Joseph A. Hill, graduate student of Harvard University, for the loan of a manuscript essay on "Taxation in States and Cities"; to Professor Arthur Yager for the loan of a manuscript essay on "Taxation in Kentucky"; to Mr. Henry B. Gardner, graduate student of the Johns Hopkins University, for the loan of his manuscript essay on "Taxation in Rhode Island"; and to my colleague, Professor George H. Emmott, for reading parts of this work, and discussing with me some of the legal aspects of taxation.

A considerable part of one chapter in this book appeared as an article in the Baltimore Sun, in my series, entitled, "Problems of To-Day." I must also make acknowledgment to the Sun for a few other extracts from the same series.

Finally, I desire to acknowledge the aid I have received in various ways from Mr. John P. Poe and Mr. Charles M. Armstrong, with whom I was associated both on the Baltimore City Tax Commission and the Maryland State Tax Commission; to Mr. Summerfield Baldwin, of the City Commission; and to Mr. James Alfred Pearce, of the State Commission.

I have omitted the names of many to whom I am indebted for
kindnesses which I sincerely appreciate. I must mention the very special aid I have received from Mr. John H. Finley, graduate student of the Johns Hopkins University, who for many weeks has devoted his entire time to this book, and has assisted me with extraordinary diligence and a display of unusual ability. Whatever merits this book may possess are due to no small extent to Mr. Finley, and it has seemed to me only proper to place his name on the title page.

It is extremely difficult to obtain the material needed for adequate presentation of the finances of all our states and cities. I hope in a future edition, should one be called for, to give a more nearly perfect account of the facts respecting the revenues of American states and cities, past and present, and I ask that all readers who have it in their power to assist me to complete my collection of official documents, will have the kindness to do so. I want reports of auditors and treasurers of states and cities, reports of tax commissions, governors' and mayors' messages; and, in short, all financial documents which I can secure. There are many such reports stored away in old garrets and out-of-the-way places, of no possible value to their present owners, which would be of use to me. The older reports are more difficult to obtain, and are on that account more valuable; but my collection of even recent documents is imperfect. I trust that I shall receive further assistance from members of legislatures and officials of states and cities.

Instruction in sewing and cooking has been introduced in some of our schools, and the results have been most satisfactory. I venture to express the hope that at least a few schools and colleges will use this work as a text-book on taxation, for the subject is of vital importance to all American citizens. The difference between a good system of taxation and
a poor one is to many of our fellow-citizens precisely the difference between having cloth to make into garments and going naked; the difference between having food to cook and going hungry.

RICHARD T. ELY.

JOHNS HOPKINS UNIVERSITY,
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