

# Popularity-Seeking Politicians Force Business to Collect Taxes

BY RAYMOND MOLEY

A friend, William Feather of Cleveland, who has long since served American business as a printer and author of company house organs, makes an interesting and arresting suggestion of a reason why, in political affairs and otherwise, the corporations are not so popular as they should be.

It is true that millions of Americans are sufficiently well disposed toward American businesses to invest their hundred billions of savings and maintenance money in stock and products.

But the habit of politicians of lambasting business, especially big business, is still found an easy means of getting votes.

Feather believes that business has lost popularity because government has made it a tax collector.

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"Business collects the employee's income tax, the Social Security payment and the gasoline, tobacco, liquor, entertainment, sales and all other excise taxes. On top of this, business collects its own profits tax by a necessary levy on consumers. What it all adds up to is that business takes and Congress gives."

A great deal can be said for this suggestion. Since these taxes have been col-

lected for some years through businesses and all were not levied at the same time, it might be difficult to determine exactly whether the politicians who made the laws planned it that way to play Santa Claus with money collected by business.

Perhaps it was not deliberate. But the political mind has been conditioned over the centuries to arts of exacting revenue in the most painless way possible and thus retaining all possible goodwill for itself.

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Many of the taxes mentioned were levied back in the 1930s and 1940s when some very crafty people were at work planting embarrassments in the path of business while they were winning elections by blasting opponents as friends of business.

The delegation of taxing power is very old. Under ancient regimes governors were supposed to exact taxes in the areas for which they were responsible and made a lot for themselves in the process. More modern nations, like France, have farmed out taxes to grimy characters with sticky hands.

Present-day business, however, gets no percentage for itself. In fact, it must pay for and worry about the vast bookkeeping essential to the col-

lections. The cost of that, of course, is a business expense which is deductible but for which, in the long run, other taxpayers must compensate.

Some businesses are quite properly giving consumers notice of what is going on by listing the taxes separately from the price of the goods. Companies tell employees what has been deducted from their take-home pay and what the deductions are for. But unfortunately consumers and employees generally consider only what they pay for what they buy and what they get for their work.

The constitutionality of this sort of delegation of the taxing power has been challenged without success. But judges too often find constitutional grounds for the tricks of the political regimes which have invested them with their robes of office.

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Hidden taxes of any kind are wrong, and the government which contrives them may well be an instrument of tyranny. Adam Smith's maxim that a tax should be plainly known to the taxpayer and should be collected by the most direct means possible was published in the year our Declaration of Independence was signed and is almost as important.