HAT OUR NEIGHBORS SAY

e Question of Protection for Deer in Vermont.

(From the Rutland News.)

t appears from reports made to the rmont general assembly that only $11,0 s been expended by the fish and game mmissioners out of the fund of a thou nd dollars given by M. E. Wheeler of is city, to meet all just claims made farmers or others for damage to crops deer. There has been in a few sec ons of the State quite a hue and cry er the increase of deer and of the dam ge done by the animals. This report hould effectually dispose of any such laims.

Mr. Wheeler made his tender of this ind to the State two years ago in con deration of the Legislature not extend g the hunting season for deer, as was en proposed. The season is at present n days long. This is certainly long ough, if indeed not too long. The leg lators will be wise if they abolish the unting season altogether, for at least ve years to come. The original scope f the Wheeler donation was later en rged so that the fund is available for e propagation and protection of all kinds f fish and game.

As has been shown in the news columns f the News, deer in Vermont were prac ally extinct 50 years ago. There were those days no restrictions in shooting em. About 30 years ago several of the ue sportsmen of Rutland raised a fund nd purchased a small herd of bucks and es in the Adirondacks and brought hem to this city. The Legislature passed law prohibiting shooting deer for a eries of years and this small herd was eleased in the Green mountains. The eer were well protected and multiplied o a satisfactory extent. Practically all f the deer which roam Vermont forests oday are the descendants of that little herd. They are none too numerous either rom an esthetic or a practical viewpoint.

Referring to the movement in Rutland mentioned above, for restocking Vermont woods with deer, the Burlington News comments in part as follows: "The movement originated in Rutland and was carried out by a small group of the best sportsmen who ever lived in Vermont. The success of the movement is known to everybody. Let us not fail to protect the innocent animals thus brought to breed in the freedom of our forests."

How fitting it is then for Rutland, when efforts are made to assail the deer, to produce men who will carry on the early work thus started and work for the further protection of these beautiful animals, that will never at the most be any considerable menace to the lives, the safety or the property of Vermont's taxpayers.

MORRISVILLE'S PULL.

(From the Waterbury Record.)

Morrisville lawyers are plum getters. Here is the list: The Hon. H. H. Powers, attorney for Rutland railroad; the Hon. George W. Powers, one of the supreme court judges; the Hon. Frederick Fleetwood, secretary of State; Thomas Cheney, Esq., clerk of the house of representatives. It is no wonder Morrisville has ambitious boys to study law.

ADEQUATE FIRE PROTECTION.

(From the Rutland News.)

The proposition of the Vermont Marble company to establish and maintain an adequate fire department at Center Rutland is most laudable. Such department has been much needed at that point, as the numerous fires that have occurred there in recent months fully attest.

There should be no hesitancy on the part of the city to make the short extension of the water main in that direction required by the supplementary system. The company will put in no less than three hydrants if it secures city water, will maintain hose cart and other paraphernalia and will give not only their own property but all other property in the vicinity ample fire protection.

GOV. BELL'S EXCELLENT MESSAGE.

(From the Waterbury Record.)

Governor C. J. Bell's message is receiving much favorable comment. It was short, crisp and right to the point. He advanced no new ideas but believed in working along old lines, only doing the work more thoroughly, thus better results will be accomplished. In speaking of the election of the United States senator, he says that "so long as we are represented in the Senate of the United States by such men as Edmunds and Morrill, Proctor and Dillingham, we shall be heard from in national affairs and Vermont will as in the past, continue to occupy a commanding position in matters of national legislation."

SPEAKER MERRIFIELD'S GOOD WORK.

(From the Barre Times.)

With the standing committees of the house of representatives appointed the real work of the session in that branch of the Legislature may be considered as begun. Speaker Merrifield has had a difficult task in selecting the men best fitted for their positions although a fair amount of seasoned material was at his disposal for the heads of the more important committees. These veterans he has placed in positions where their experience will count for the most. In his results appointment of Representative Pope Barre city has no reason to complain as the general committe is one of the few upon whom devolves a great amount of work. As its chairman Mr. Pope will have plenty of work on hand and will have to other committee work to distract him.

VERMONT'S GRATIFYIN CHECKOUT IN RELATION TO HIGHER EDUCATION.

(From the Rutland News.)

The Barre Times recently commented on the increased attendance this fall at Vermont's three higher institutions of learning but concluded by saying that "Vermont has not yet reached the college-going period as in some States, but the proportion is growing nevertheless." To this conclusion the News disagreed saying: "We have no doubt that if the statistics were collected it would be found that Vermont had a larger percentage of colleges attending youth than the great majority of the States—perhaps not exceeded by a half dozen States in the Union. And the percentage is happily on the increase, as the Times says. One of the strongest bulwarks any people can build is that of the higher education among the masses. We rejoice that the University of Vermont is making special efforts to enlist students from the home State."

It is with no small degree of satisfaction that we find that the statement made by the News is corroborated by the best of authority. Walter E. Ranger, State superintendent of education, writes us as follows: "Your position relative to higher education among Vermonters can be well sustained. We had during the year ending March last enrolled in the public schools of the State 36,335 pupils and in high schools and academies 6,613 pupils. As a result of a careful investigation made a year and a half ago, Vermont had more than a thousand students in colleges and universities."

Figuring on the usual basis of the construction of families there are not, on a generous basis of calculation ,over 20,000 (probably not far from 15,000 youths in this commonwealth of the college-going age, that is, from 19 to 24 years. If there are more than a thousand students, as Mr. Ranger states, in colleges and universities the proportion of the young men and women of Vermont who are seeking the advanced institutions of learning probably excels that of every other State in the Union, with the possible single exception of Massachusetts.

The showing is a truly magnificent one, and we fully expect that the proportion of young Vermonters who see the advantages of the higher education will steadily increase decade by decade. We furthermore sincerely hope that they will appreciate the fact that more thorough training cannot be found in any colleges than that offered by those in this State.

INSIDE OF MAN AND OUTSIDE OF HORSE

(From the St. Johnsbury Republican.)

Excise W. W. Stickney of Ludlow has to be introduced to his friends. He does not look natural with his beard gone, but he is greatly improved in health. He gives the credit to horseback riding. He says: "There's nothing better for the inside of a man than the outside of a horse!"

THE PARDON POWER.

(From the Montpelier Journal.)

It is certainly to be hoped that Governor Bell will use the pardoning power with discretion tempered by conservatism. He must have a very good idea of the effect upon the public of the granting of an unusual number of pardons, such as has been seen during the past two years. Not that in all cases the governor should bow to the apparent public will, but should sometimes act on his own judgment even though it requires contrary action, but this matter is a dangerous one in which to manifest executive independence. The courts can be trusted to do what is right in the matter of sentence in so far as they have knowledge of the cases, and it is in only very exceptional cases that new evidence will turn up to prove that there has been a miscarriage of justice. Encroachment by the executive upon the proper domain of the courts is to be looked upon with disapproval.

TAXATION OF CHURCH PROPERTY

(From the Barre Telegram.)

The bill introduced yesterday by Representative Hutchinson of Enosburgh omitting the exemption from taxation of church property not actually held and used for church, parsonage, school or convent purposes seems to have much of merit. This might seem to cause occasional hardships, but the good secured through the removal of all cause for criticism would more than counterbalance the harm which might result. It is doubtless true that there are but few religious societies in the State which would be affected by the passage of this bill: most of them have all that they can do to struggle along and keep their heads above water.

But we have two amendments to suggest one is that any society which is in debt, and we have in mind such a one, be allowed to hold real estate other than for church purposes equal in list value to the face of its actual debts. This simply places such a church on a par with those societies which are out of debt and have no outside holdings.

Another needed amendment. This bill should not apply to those religious societies whose church and parsonage properties combined have a list value less than $1000. There are quite a number of struggling churches in the State where the total valuation of church and parsonage property is from $800 down to $400, or even less. Some one, once a member of the society, forsaw the later decline in population and the consequent decrease of current income for the church, and left a fund to supplement the scanty dole the people are able to give to support the services in the waning settlements. Such churches as these—and there are more than a few of them, as every well informed citizen should know,—ought to be allowed to hold a limited amount of property other than that actually used for church and parsonage purposes and have the same exempt from taxation. Beyond this, if a religious society is out of debt and has a large and handsome property, and desires to maintain a parish house or a public library, or any other institution for the good of the community and not a money making project, such holding may properly be free from taxation, since such property is for legitimate church purposes in the broad sense of the term.

But a society, out of debt, with a home property worth at least $10,000 ought not to be allowed to hold real estate not used for church purposes without paying taxes on the same. Such a society can afford to pay taxes called for by the bill.

We predict that this bill will, before the session is over, cause not a little discussion, as it ought. Before the final vote its provisions should become generally known, and a chance be given for the sentiment of the State to make itself felt. In our opinion Dr. Hutchinson has done the commonwealth a real service in presenting the bill.

DESERVED TRIBUTE TO DEBOER.

(From the Rutland News.)

H. L. Hindley, special writer for the Brattleboro Reformer, says: "De Boer, inquisitor: A finer thing hasn't happened in Vermont for years than a man, whose time is worth $6 a day, putting in three days to clear beyond all question the record of a successful political rival. Charlie Walter tells me, and he wasn't exactly a De Boer man, that for energy, concentration, grasp and ability, Mr. DeBoer's conduct of the investigation of the Bell vouchers made a profound impression on his associates and won't be forgotten in a hurry. The report shows it. Full, explicit and yet absolutely unbiased and without one needless word, the document is a model. Men less wise might have made it a political instrument, whereas it is now a plain, severe statement of unquestioned facts that constitute about the hardest spanking that even Belknap of the Falls could wish for poor old Davenport. A strong wide-angled man is that same Joseph A. De Boer. As a few of us have believed for some time."

MUST BE ASHAMED.

(From the Fair Haven Era.)

The vindication of Governor Charles J. Bell, from the charges brought against him by the democrats during the gubernatorial campaign in Vermont of collecting pay for more days services in a year than there are days on the calendar is no more nor less than those acquainted with his excellency expected. After a thorough investigation by a committee, consisting of three republicans and three democrats they reported that the charges made against Mr. Bell were without foundation. The story was simply a campaign fabrication and was unworthy of its author who is doubtless now very much ashamed of his connection with the affair. Some of the campaign orators who did their best to discredit the republican nominee for governor by circulating the canard have lowered themselves quite a bit in the estimation of fair-minded people and they will be given anything but an overture on their future appearance in Fair Haven.

AFRAID TO WAIT FOR TRUTH?

(From the St. Albans Messenger.)

The Brattleboro Reformer agrees with the Messenger that the democratic charges against Governor Bell in the recent campaign went off half-cocked, but thinks this paper is straining a point when it contends that they should not have been preferred at all unless the truth had been ascertained and was behind them to prove every assertion. It says "the whole importance of the charge to the democrats was in the making of it public before election." That's just it. They wanted people to believe Bell was dishonest because it would lose him votes. If they didn't they would have been willing to wait until after election. It would help them none to prove Bell honest before election. That wasn't what they were after.

The Reformer says "The fact that they were willing to investigate is to their credit." Is it? What else should they have done? Is it to the credit of anybody that, having blackened the reputation of a public man from one end of the State to the other, they are willing to turn in and join with him afterward in finding out whether they told the truth or not, because they didn't even know themselves?

THE ROSS MUD SLINGER.

(From the Hardwick Gazette.)

It isn't always the unexpected that happens after all, as was very emphatically shown last week. Had Governor Bell been found in the least degree guilty of the charges made against him by that loss mud slinger, Davenport of Brattleboro, the unexpected would have happened. The Gazette does not believe anybody, not even Davenport himself, thought there was anything crooked about Mr. Bell's accounts with the State, and the investigation proves there was not only no crookedness but no unreasonableness in his charges.

CONGRESSMAN FOSTER'S EFFECTIVE WORK.

(From the Fair Haven Era.)

Congressman Foster has been a busy man this campaign. He did effective work in Vermont and Maine previous to election in those States and he has now gone West to do his best to have the voters of that section follow the good examples set for them in the East.

GOVERNOR BELL'S SCHOLARSHIP.

(From the Waterbury Record.)

Walking a mile and a half to school after milking ten cows is the way Vermont's newly elected governor secured a part of his education. Young men take courage.

RUTLAND RAILROAD STOCK.

(From the Middlebury Register.)

The price of Rutland railroad preferred stock is advancing rapidly. Two weeks ago it was selling at $28 to $30 a share. The offerings have all been taken by those well posted, it is said, on the affairs of the company, and the price has advanced to $42 per share, the largest advance of any stock sold on the Boston stock exchange. The present management of the Rutland is operating the road on business principles, not for stock jobbing purposes. During the past two years more new steel bridges have been put on in place of old wooden ones, than ever before in the history of the road, and its physical condition has been improved. These improvements have been paid for out of the earnings and charged to operating expenses instead of by the issue of bonds or stocks as is customary with most roads. One of the railroad commissioners told us, after his inspection of the road, that the public had no idea how the road was being improved and put in shape to handle a big traffic economically. When the improvements now in progress are completed, the road can easily pay dividends on its preferred stock. This is why it is being picked up as fast as it is ordered.

WILL PROMOTE VOTING MACHINES.

(From the Ludlow Tribune.)

Cases are common where plain Vermont people stay at home election day rather than wrestle with the intricacies of the Australian ballot. What would they say if they voted in New York this year, with seven national tickets, 39 presidential electors, besides the regular State and county tickets? If the multiplication of parties continues, voting machines will grow in favor and be adopted.

THE PLACE FOR LEGAL NOTICES.

(From the Landmark.)

It is urged in many sections that among the many needed reforms in Vermont is the enactment of measures that will secure a just and equitable publicity for all legal notices. As the law and custom is at present, a scheming and hard-hearted creditor can take an unjust advantage of a debtor. While this practice is not as common as in years gone by, there is opportunity for its continuance if a creditor is inclined to be exacting. Other States have adopted measures aiming to secure to the debtor class the equity that is its due in all legal processes, but in Vermont the properly constituted authority can still, "according to law," tack up on tree, fence, or post a written notice, warning the people to take due notice. It matters not that the notice is put up in an out-of-the-way place, or is written in hieroglyphic characters, it answers the law. In such instances the "public" neither sees nor can read the notice. To obviate the possibility of injustice and the taking of undue advantage all legal notices should appear in the press and then the public will have fair "warning" and fair chance to govern itself accordingly. This is the plan long since adopted in other States and the sooner it is adopted in Vermont the sooner will a step be taken in the right direction.

THERE SHOULD BE LIMITATIONS ON THE EXAMINATION OF PUBLIC RECORDS.

(From the Newport Express.)

In one sense of the word we hardly think Auditor Graham made a mistake. In another sense we believe all the records in the auditor's office should be open to the inspection of the public. But there should be some system about it. That any man can go into an auditor's office and say, "I want to look at your books," and then have them handed out to him to examine at his own discretion would hardly seem the proper thing. Permits should be given by someone higher in authority than the auditor, and a man furnished to assist the examiner and to protect the books while being examined. We asked to see the auditor's books last spring with reference to the "spotters'" fees, and were refused them unless the auditor himself was present. We believe this to be right, and yet it deprived us from obtaining the information we wanted when we wanted it. So, while the books should be examined, there should be some form or rule about it, to save embarrassment on both sides.

STATE AUDITOR'S LUCID REPORT.

(From the Rutland News.)

The report of State Auditor Horace F. Graham for the biennial period ending June 30, last, presents some statistics that are of great interest to the taxpayers of the commonwealth. His presentation of the conditions of his office is a particularly lucid one, and he who reads cannot fail to have a very accurate and comprehensive knowledge of the expenditures of the State government and the direction in which they have increased.

The apparent increase of expenditures for the two years covered by the report, over the preceding biennial term, is $188,-486.27. This amount is reduced to $151,208.-85, when the items which belong to the previous two years are deducted. From the latter figure there should be $30,249.95 deducted for the reason that the Legislature of 1902 made the new requirement that all public moneys be paid into the State in full and all disbursements should be made on the treasurer's order. So that this amount of $30,249.95 is simply a clerical or bookkeeping increase and does not represent any actual increase of State expenses.

The net amount of the increase of expenditures in the last two years over the preceding two years thus amounts to $121,958.90. Of this increase, the principal items are: Education, $8,198.62; libraries, $4,830.38; special appropriations of 1902, $11,881.94; in railroad commissioners' expenses, $5,394.24; special commissions, $7,049.14; bounties on noxious animals, $13,170; in cattle commission expenses, $8,765.32; in agricultural commission expenses, $6,750.70; in administration of justice, $31,867.88. It will be seen from this that the principal increases in the State's expenses, which should be ruthlessly eliminated altogether or cut down to the proper point, are from special appropriations, bounties, cattle commissions and courts.

The auditor's report is in one respect a startling revelation. It shows that between October 9, 1902, and June 30, 1904, the officer passed upon 8,722 claims, checked up monthly reports of four State institutions, and the quarterly accounts of the State laboratory, visited each county clerk's office four times and each probate district once, the six city and municipal courts quarterly. Add to this the correspondence of the office and oversight of all bookkeeping, and one has a fair idea of what this comptroller expects of one auditor at $1,500 a year with $200 a year allowance for clerk hire. It is no wonder that the auditor exclaims: "What firm or corporation doing business of $750,000 a year would expect that $3,000 expended in the supervision and management of its affairs would be sufficient to guarantee that the work would be properly and carefully done?"

One of the first things which this State should do is to revise and make effective its system of auditing accounts, and to do this it should not hesitate to double the amount now expended for that purpose, and if necessary to do even more than this.

CONTEMPTIBLE CAMPAIGN METHODS.

(From the Vergennes Enterprise.)

The State campaign in Vermont has finally come to a close and even the post-election exercises which were brought about by the democrats in their attempt to injure the reputation of Governor Bell have been finished and the result is a perfect vindication for Mr. Bell and a great victory to the Republican party. The motives of the democratic managers in employing such low and contemptible methods were undoubtedly for the purpose of gaining votes for their party, but why they should resort to false charges and fabulous statements, we are unable to comprehend. It appears as though, while they were sinking to defeat they were distracted and cast away all respect for decency, grasping whatever came within their reach and never once reflecting what the effect would be. Their only hope was to save themselves from utter ruin and to let the public know that they really had made some attempt to save their party. It was true that there was an error in the auditor's report which indicated that there had been an overcharge in the account, but to try and invent a charge of dishonesty out of a small mistake in a printed report was found to be an impossibility when the original vouchers were inspected. There are many ingenious inventions which are subject to a fatal drawback, in fact what might be called an invention is hardly an invention so much as a discovery of the way in which some new application may be made of immutable laws. The devices which do not work conflict with one or another of these laws. The democrats made a discovery and they were so eager to find some effective campaign ammunition that they produced an invention. Among the devices which did not work as was expected may safely be classed the misrepresentations and fabrications in which the democrats freely indulged. The people have seen these false charges disproved, and they will not be likely to seriously consider such invented yarns in the future.

ABUSE OF PARDONING POWER.

(From the Enosburgh Standard.)

The Randolph Herald and News is overlastingly right and is none too severe in its criticism of ex-Governor McCullough for his use in several conspicuous instances of the pardoning power in turning loose vicious and dangerous characters after they had served but a small portion of their sentence for their criminal acts. It is to be deeply regretted that an otherwise able and creditable administration, for which there can be but words of praise, should have been marred by these abuses of the pardoning power to which the Herald and News refers.

The pardon of criminals, convicted and sentenced by due process of law, is too easily obtained, and the instances are multiplying where no sooner is some vicious and criminal character placed, where for a time at least, he will not be a danger to the community, than a petition is set in circulation looking to his liberation. Signatures are easily obtained as they are in fact to any petition, remonstrance or protest. The citizen, who thoughtlessly signs these petitions for pardon, cannot escape his share of the responsibility for the results, but the governor of the State, with whom the final decision rests, should be able to accurately weigh the value of these petitions in the light of all the facts, and hesitate long before lending his aid to the defeat of justice and to the injury of society.

Scrofula, with its swollen glands, running sores, inflammed eyelids, cutaneous eruptions, yields to Hood's Sarsaparilla.

Open Again After the Fire

We announce to our customers and friends that we are open again, having settled our fire loss.

We are fast replenishing what stock was burned, and are in position to fill all orders with right goods and right prices. Most all our damaged stock has been sold, but from time to time we shall find goods which will be closed at a cut price.

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Hardware and Paint Burlington, Vt.

ALL COONS LOOK ALIKE

The rank and file of ready-made clothing lack nearly all the nesscessary qualities of good clothes and are fit to serve simply as a covering—Its different with the Suits and Overcoats made by Rogers Peets Co.—No Lack of style—No Lack of quality—No Lack of individuality—Faulttess Fit.

$15 to $30.

Pease's,

City Hall Square South.

Burlington

Savings Bank

INCORPORATED 1847.

Deposits July 1, 1904, $9,174,988.76
Surplus 542,613.50

Total Assets $9,717,602.26

TRUSTEES.

CHAS. P. SMITH, HENRY GREENE, J. L. BARSTOW, WILLARD CRANE, HENRY WELLS, F. W. WARD, ALBERT G. WHITTEMORE.

Deposits made during the first four business days of the month draw interest from the first. If made afterward interest will commence the first of the following month.

Interest will be credited to depositors January 1 and July 1, compounding twice a year. There are no stockholders in this bank. All earnings, less expenses, belong to depositors. The rate of interest depends upon the earnings but the law fixes the rate that any savings bank in the State can pay at not to exceed three and one-half per cent. per annum, until its surplus reaches ten per cent. of its deposits when a special dividend is provided for.

All taxes in this State are paid by the bank on deposits of $2,000 or less. Deposits are received in sums from $1 to $2,000, and no interest will be paid on any sum in excess of this amount, except on deposits by widows, orphans, administrators, executors, guardians, charitable or religious institutions or on trust funds deposited by order of the court.

No money loaned to any officer or trustee of the bank.

CHARLES P. SMITH, President.
FREDERICK W. WARD, Treas.
F. S. ISHAM, Assistant Treasurer.

THE

Howard National Bank,

Corner

Church and College Streets

Capital - - - $300,000
Surplus and Profits - $100,000

Safe Deposit Boxes to rent at reasonable rates.

H. T. RUTTER, Cashier.

MONEY.

IF YOU HAVE MONEY

not needed for immediate use, and want it where it will be perfectly safe, and be drawing interest, you make no mistake by leaving it on deposit in the

HOME SAVINGS BANK

BURLINGTON, VERMONT.

WINOOSKI Savings Bank

From its careful management has not met with loss from any loan made during the last twenty years.

Deposits made during the first five days of any month will draw interest from the first day of that month. Deposits made after the fifth day of any month will draw interest from the first day of the next month.

Interest is credited depositors Jan. 1st and July 1st, compounding semi-annually. The rate of interest paid depositors by all savings banks in this State is limited by law to three and one-half per cent. until its surplus amounts to 10 per cent. of its deposits, when an extra dividend is to be made.

No interest is allowed by law to be paid on deposits in excess of two thousand dollars except it be on deposits by widows, orphans, administrators, executors, guardians, charitable or religious institutions, or on trust funds deposited by order of court.

The bank pays all taxes in this State on deposits of two thousand dollars or less.

VERMONT LOANS SOLICITED.

Deposits, June 30, 1904....$1,090,188.17
Surplus 75,680.29

Deposits and surplus.....$1,165,868.46

OFFICERS—S. H. Weston, President; J. B. Small, 1st Vice-President; S. Bigwood, 2nd Vice-President; Ormond Cole, Treasurer.

TRUSTEES—S. H. Weston, J. B. Small, Samuel Bigwood, E. C. Mower, Ormond Cole, O. P. Ray, C. H. Shipman, R. J. White.

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If you seek a safe investment in mining, manufacture or agriculture, address

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ARE YOU ENTIRELY SATISFIED

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If not and the trouble is with us call us down. If it lies elsewhere, call us up—on the phone—and let us prescribe for your ills.

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CITY HALL SQUARE NORTH.

LETTERS FROM THE PEOPLE

The Question of Double Taxation.

To the Editor of the Free Press:

It is encouraging to see that the farmers are taking hold of our antiquated tax laws, and trying to get rid of the apparent double taxation connected with mortgages. Perhaps you will kindly give space for a few considerations that may be of service in the connection, and even for reiterations of some of special importance.

There are two cases that appear vastly different, but are essentially the same, one of purchase-money mortgages, where the mortgage represents no value beyond the mortgaged property, and the other where the mortgage is given for money or its equivalent actually received by the mortgagor and in increase of his possessions beyond the mortgage property.

To illustrate the first case: a capitalist owns a farm worth ten thousand dollars, and sells it to a farmer for $5,000 cash, and a mortgage for $5,000. Before this transaction takes place, the State, if it taxes personal property, gets taxes on the capitalist's farm, $10,000, and on the farmer's $5,000, which he subsequently pays on account of the farm—total amount taxed, $15,000.

After the transaction the State taxes the farm $10,000, and if it carries out Vermont's present principles taxes the personal property—money for whatever it is put in) received by the seller, $5,000—total taxed so far, $15,000, as before the mortgage. But the State also taxes the mortgage—grand total taxed, $20,000. Yet no new value has been created; so something must be taxed twice. What is it?

The farmer pays taxes on his whole new farm ($10,000), and he also pays taxes on the mortgage ($5,000) for the rate of interest in States that tax mortgages is higher than usual rates by the amount of the tax. Total taxes paid by the farmer on $15,000. But he has but $10,000 of the means of production, so he is paying taxes on $5,000 that he hasn't got. He is entitled to relief; now what is the most reasonable way to get it? At present his tax-paying consists of three processes: he pays the farm tax to the State, he pays the mortgage tax to the mortgagee, and the mortgagee pays the mortgage tax to the State. The farmer now seeks relief by adding to these three processes a fourth—reducing his assessment on his farm, by the amount of the mortgage. But why these four steps, when one will do the work? Why not simply take off the mortgage tax, and let the farmer pay only in full on his farm as now?

Here come in the fallacies which obscure the case. The objector says: "Why, the State then will get taxes on only $10,000, when it was entitled to taxes on $15,000 before the mortgage was made, and the bloated holder of the mortgage escapes scot-free." Does he? Under your system, if it works, he pays taxes on the $5,000 purchase-money he got on account of the farm, and as the farmer pays taxes on $10,000 in the farm, the State gets taxes on its $15,000 after all, and moreover, makes the mortgagee pay on $5,000 more, because he holds as evidence of indebtedness a piece of paper called a mortgage. This is an attempt to tax him twice, and of course he shoves that tax off to the borrower; in such case, the borrower always has to pay, but the initial injustice is in trying to make the mortgagee pays twice. As long as that law stands, if anybody pays twice, it will be the borrower. True, if his farm is exempted pro rata, he will be relieved at the other end. But what's the sense in the complication—the four processes already described? The old owner paid all the taxes on his place before the mortgage; let the new owner continue to pay them after the mortgage, but simply don't call upon anybody for a new tax, when there is no new value; don't tax the mortgagee. There is where the injustice lies. Why not cut it at the root? An unnecessarily complicated machine always works badly. If the mortgage tax is collected, the farmer will pay it. He acknowledges the fact himself, in the indirect remedy he proposes for that necessity.

Now let us take the case of a loan secured by a mortgage. Before the mortgage, there is the farm, $10,000 and personal property in the hands of the intending mortgagor, $5,000–$10,000 in all, paying taxes.

The $5,000 is transferred to the farmer, and he gives a mortgage. On this mortgage he has to pay taxes, just as the purchase-money mortgagor did, in the shape of high interest. Total to be paid on by him, farm $10,000, proceeds of loan $5,000, mortgage $5,000, $20,000 in all, while there is only $15,000 actual value. The mortgage is but a bit of paper; it can produce nothing to pay taxes with, and writing it creates no new value. The production to pay the taxes must come from the farm or from the investment of the borrowed money. The farmer at once says that the $5,000 over-taxation is on his farm—that it is worth $5,000 less than it was before, because it is mortgaged. But this is a fallacy; for taxation purposes, the farm is worth no less than it was before. It is worth just the same. He says: "No. A part of it now goes to the mortgagee in the interest I pay." That is another fallacy; under normal circumstances, (and we can reason only upon such), the interest on the mortgage money is paid by the investment, (possibly farm improvements), the farmer puts it into, not by the original farm. The mortgage merely gives the creditor a second hold. His first and natural hold is on the debtor's general solvency, and the loan is really made on that theory—certainly by the farmer; he does not expect to pay it through a foreclosure of his farm. But whether the taxes are paid from the farm or the invested loan, the mortgagee has nothing from the transaction to pay them with, unless he receives the amount of the taxes, in addition to the current rate of interest. If the farmer must pay that, his contention that his farm should be relieved to that extent, is entirely sound—the State receives the money from the mortgagee, and when it also collects on the full $15,000 from the farmer it collects double taxation.

That is the present process, under loan mortgage, as under purchase-money mortgage—collecting from the mortgagee, leaving the farmer to pay him, and also collecting on the farm and on the $5,000 cash that has passed, whether it passed from the lender in the loan mortgage, or from the purchaser in the other case. And in his loan mortgage, as in his purchase-money mortgage, the farmer proposes to keep up this complicated process—to take every step that is taken now—the mortgagee to pay the State, the farmer to pay the mortgagee, and the State still to collect the entire legitimate tax on the $15,000; and the farmer now proposes that it also take the further step—the fourth process, of diminishing the tax it collects from the farmer, by the amount paid by him to the mortgagee. Now why all this fuss? Three steps out of the four taken in consequence of the mortgage, are absolutely unnecessary, and leave all parties just where they would have been without them. Take off the mortgage tax, and those three steps disappear.

If that tax is collected, the farmer has got to pay it. The instrument of production—the money or whatever he puts it into, (or the unpaid half of the farm, in the purchase-money case), is in his hands, and he may legislate till doomsday, he may struggle and juggle, he may lie if he wants to (as most men do, he well knows, about personal taxes) but he can't make anything pay that tax but the instrument that produces the wherewithal. If that instrument is in his hands, and if taxes are collected on personal property, as he is eager that they shall be, he will pay that tax. He always has, and he always will, no matter what he gets done by this Legislature, or by the next Legislature, or by any Legislature till the crack of doom. He has either got to take off his mortgage, or he has got to pay it.

It cannot be explained too often, or in too various phases, that, under the loan mortgage, the farmer will pay all the taxes involved, whether he pays them to the mortgagee or to the State; for he alone has anything to pay them with. He has not only his farm with all its produce precisely as before, but he also has the money obtained on the mortgage, (unless it is a purchase-money mortgage).

The loan mortgage not only has nothing more than he had before, but actually has five thousand dollars less actual cash, unless the mortgage is a purchase-money one; and if the mortgage is a purchase-money one, he has $5,000 less farm. To tax him, then, of the two, is ludicrous, and is proved to be so by the fact that he will not lend money in a State where mortgages are taxed, unless he gets the current rate of interest and the current rate of taxes besides, in Vermont farmers pay six per cent.; in other old States where mortgages are not taxed, they pay four or less.

As said before, the Vermont farmer acknowledges this when he proposes to get his farm relieved in order to justify his paying the mortgage tax. But why pay it at all? Why not, as he also said before, stop it and avoid all the complication? It is but the complication stand, as surely as anything in human experience, it will some day, in some way that he does not foresee now, come back to cripple him. Then he will try some new expedient, which will in time surely fail him, and he will add extravagance upon extravagance, until finally he kicks the bucket at the end. He invents a method of a tax on personal property (much on land here, it always has resulted on land in some way, and it always will). It has always cursed those who have laid it, and it always will, until they see far enough beyond first appearances, to take it away.

On the other hand, the tax on the farm is a sensible tax; for the farmer and the farm produce to pay it with; the mortgagee does not take that. The tax on the farm is not indeed really what the farmer is trying to get rid of, except as it has been doubled by the absurd tax he pays by way of high interest to the mortgagee. Relieve him of that tax by stopping the absurd tax on the mortgage, and three superfluous processes out of the four the farmers now advocate, are removed, the farmer's doubled tax is removed, he gets his money at the current rate of interest, not with taxes added as now, and he goes on paying his farm's taxes out of its produce, and that one act is all there is of it, instead of the four he is mistakenly advocating.

The whole blundering complication has been devised because of overlooking the elementary principle of taxation—to tax at the source—tax the things that yield the income. A mere evidence of indebtedness like a mortgage produces nothing, and if you tax the evidence of indebtedness, and also tax the actual thing or things on which the evidence is based—the thing or things producing the income from which alone the tax can be paid, you tax doubly. The farmers are entitled to all sympathy in demanding to be freed from this, but by taking the tax from mortgages, they would secure their freedom in a way much more simple, much more reasonable, and, for reasons which I cannot go into now, much more apt to be permanent than the way they now advocate.

The taxation of mortgages is but one illustration of the absurdities and injustices always involved in the attempt to tax personal property. That tax is not in accord with the ways of surrounding human nature; many expert commissions have already reported in favor of abolishing it; no expert I know of favors it, and I know of many who condemn it; the idea of its justice is an illusion of the uninformed; and it is gradually disappearing under the face of natural law, because its failures are throwing taxation more and more on land, where nature and justice declare it to belong. There it would bear less heavily on even the farmers of Vermont; for the value of their personal property is steadily increasing in proportion to the value of their real estate, while the value of the real estate of those not farmers, is steadily increasing in proportion to that of their personal property. Throw all taxation of this State upon its real property to-day, and the farmers would pay less, while village and city dwellers would pay more. But the latter class could well afford to do it, because they would be relieved of the burdens now thrown on business and conscience by the attempts to tax personal property.

Your obedient servant,
HENRY HOLT.

Burlington, October 8, 1904.

THE STATE AUDITOR SYSTEM.

(From the Landmark.)

The increase of State expenditures during Governor McCullough's biennial term is a subject of importance to every Vermonter. But any investigation into the causes of this increase should not be clouded at the start with suppositions that "graft" has crept into the administration of State affairs. Go at the matter fairly. The presumption should be that the expenses were for legitimate purposes. If there has been extravagance or waste it should be stopped. Wherever saving can be effected it should be practiced. And if the expenses can be cut down by consolidating some of the many boards or commissions in the State the plan might be tried. There should be an increase of force in the auditing department. Ex-Gov. E. C. Smith during his term of office called attention to the present system of expenditures and auditing of accounts, but nothing has been done to make improvements in that direction.

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