

income, gains or profits on the sale of capital, and the Supreme Court held it was within the power of Congress so to do.

Congress then created surtaxes, as well as normal taxes, and imposed both on the aggregate of true income plus gains on sales of capital.

In other words, when you read that England has larger income tax rates than America, do not be deceived.

England does not include, as income, gains on capital. No matter how high English rates on true income may be, English income taxes are seldom likely to be as high as our income taxes, figured at surtax rates on the grand total of both income and capital gains.

To summarize

1. By Constitutional amendment, we have conferred a new power on Congress, whereby majorities may freely tax minorities and report back home: "I have soaked the other fellow". "I have made a redistribution of *his* wealth".

2. By definition, Congress has imposed income taxes on capital as well as on income.

3. Finally, by inventing surtaxes and imposing surtaxes on the total of the two, Government has