

of concentration is desirable. The highly centralized trust would fare better than the corporation which bought its raw material and sold its finished product to other corporations for further production although doubtless this tendency could be met to some extent.

Since many more individuals and corporations would be required to make returns under a Turnover Tax the expense would be greater and supervision more difficult, but this has been alluded to already in another connection.

A third difficulty is more serious. Should the tax be imposed on exports? The Germans have decided that it should, undesirable as they confess this policy to be and they have so decided largely on the ground that the only way of exempting exports from the tax is to collect it and then grant a drawback. But to whom and in what proportions should such a drawback go, when it has been paid by several people and in different amounts? Under our existing Sales Tax no such difficulty is met for there is only one person to whom the drawback goes since there is only one person who paid the tax and in addition the amount of the drawback is as easily ascertained as the amount of the tax.

Our principal sources of revenue are Customs and Excise duties and the Sales and Income Taxes. An income tax is favored by most economists because it can be graded in accordance with the tax payer's ability to pay. This is possible to a limited extent with the so-called indirect taxes by the use of ad valorem rates and heavier taxes on luxuries. A very important objection