THE A·B·C OF TAXATION

C. B. FILLEBROWN

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With Boston Object Lessons, Private Property in Land, and Other Essays and Addresses

By

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PREFACE

TWELVE years of zealous study and discussion of the subject of taxation have brought me at last to what should have been my starting point — what, as it now appears to me, should be the starting point of every student, to wit: the recognition that investments in land are exempt from taxation. The desire to make the path smoother and shorter for those who follow me is the reason for bringing together in a single volume these hitherto scattered miscellanies.

Notwithstanding their desultory form, these essays, discussions, and illustrations present what are in my judgment the fundamental issues in the field of taxation, and I am proud to say that most of the specific views herein expressed have had the substantial approval of a majority of the prominent teachers of political economy.

Although most of the matter contained in this volume has previously appeared in print, any value that it ever had is here enhanced by revision of figures and conclusions to date. When referring to Henry George's views, I have taken pains to give what I believe to have been his final judgments, making the writer of mature age the interpreter of his own earlier masterpiece.

I welcome this opportunity to record my lasting gratitude to all of the many friends who from first to last have helped to steady a wavering hand, and I

cannot refrain from acknowledging my special obligations to the Hon. Charles Francis Adams; Professor F. Spencer Baldwin, Boston University; Professor Charles J. Bullock, Harvard University; the Rt. Rev. William Byrne, D. D., thirty years Vicar-General of Archbishop Williams, of Boston; Professor Thomas N. Carver, Harvaid University; Professor Henry R. Seager, Columbia University; Professor E. R. A. Seligman, Columbia University; the late Thomas G. Shearman; Professor George Ray Wicker, Dartmouth College; and John Buckley Willis, A M., for their invaluable criticism and encouragement.

C. B. FILLEBROWN.

Boston, January, 1909.

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Chapter I

A

THE FIRST GENERIC PECULIARITY OF LAND

GROUND RENT A SOCIAL PRODUCT

GROUND RENT, WHAT LAND IS WORTH ANNUALLY FOR USE, IS A CREATION OF THE COMMUNITY, A SOCIAL PRODUCT — ALL LOCAL TAXES ARE SPENT UPON THOSE THINGS WHICH MAKE AND MAINTAIN GROUND RENT

I.— Definition of Ground Rent*

(1) "Ground rent is what land is worth for use." Strictly speaking, the "worth for use" attaches not to the land itself, but to scores of things exterior to the land and through it available for use, so that, as applied to urban land, the following would be more accurate:

(2) Ground rent is the annual value† of the exclusive use and control of a given area of land, involving the enjoyment of those rights and privileges pertaining to

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* See Appendix F.

† The rental value and the capital value of land differ in that the one represents what land is worth for use during any limited period, while the other represents what it is worth for "perpetual" use.

the land which are stipulated in every title deed, and which, enumerated specifically, are as follows: right and ease of access to water, health inspection, sewerage, fire protection, police, schools, libraries, museums, parks, playgrounds, steam and electric railway service, gas and electric lighting, telegraph and telephone service, subways, ferries, churches, public schools, private schools, colleges, universities, and public buildings — utilities which depend for their efficiency and economy on the character of the government; which collectively constitute the economic and social advantages of the land; and which are due to the presence and activity of population and are inseparable therefrom.

II.—The Nature of Ground Rent

As defined by Mr. Shearman, ground rent is, in its nature, "a tribute which natural laws levy upon every occupant of land as the market price of all the social as well as natural advantages appertaining to that land, including necessarily his just share of the cost of government." It is found operative in every civilized country, automatically collecting "from every citizen an amount almost exactly proportionate to the fair and full market value of the benefits which he derives from the government under which he lives and the society which surrounds him." It is a tribute, "a tax, just, equal, full, fair, paid for full value received." "It is not merely a tax which justice allows; it is one which justice demands. It is not merely one which ought to be collected; it is one which infallibly will be and is collected. It is not merely one which the State ought to see collected; it is one which, in the

long run, the State cannot prevent being collected. . . . Seldom has there been a more beautiful illustration of the wise yet relentless working of natural law than in the proved impossibility of justly collecting any tax other than upon ground rent. It shows that nature makes it impossible to execute justly a statute which is in its nature unjust." This definition of Mr. Shearman is offered as one difficult to be improved or condensed.

Such, it may be added, is the nature of rent — ground rent — that all the public and private improvements of a community to-day are reflected in the land values of that community. Not only this, but the value of all those ideal public improvements conceived of as being possible under Utopian conditions would be similarly absorbed, as it were, in the ground, would be reflected in its site value. Stand before a big mirror and you will see your image perfectly reflected before you. If you are a man scantily, shabbily clad, so is the image in the glass. The addition of rich and costly attire is imaged in the glass. Load yourself with jewels and fill your hands with gold: in the mirror, true to nature, is the image and likeness of them all. Not more perfectly, nor more literally, is your image reflected in the mirror than are public improvements reflected in the value of the land.

One peculiarity in the nature of ground rent to which we urge your attention is the subtle relation existing between this natural income and the artificial outgo of the public taxes — a relation not unlike that of cause and effect, by which the wise expenditure of the

tax contributes, in a manner especially direct, to the element of ground rent.

Simple illustrations may help to open the mind to a consideration of whatever may seem novel or strange in the re-statement of a familiar truth. For instance: The cook turns the crank of her coffee mill; the whole coffee that was in the hopper comes out ground coffee, but it is coffee just the same. The Minneapolis miller lets on the water that turns the crank of his flour mill; the wheat that goes into the hopper comes out flour, wheat in a more subtle form. The people turn the crank of a great tax mill; the taxes that go into the hopper come out ground rent, no tax quality lost, no rent ingredient added.

Or again: The myriad springs and rivulets of the great Mississippi are continuously delivering themselves in one great river to the sea. Suppose that some day you should read in the weather bulletin that nature had decided to suspend the regular return of these waters in clouds and rain and dew to their point of departure. How long would it be before the Mississippi Valley would be as parched and dry as the Desert of Sahara, or the North End of the city of Boston, or the East Side of the city of New York?

Or, more pertinent still, because more vital: The constant round of taxes and ground rent is the blood circulation of the body politic. When the heart throws out the life blood through the arteries, if that blood does not return through the veins, the patient dies — not of heart failure, but from loss of blood. When the public heart charges the arteries of the land with ground

rent, if that ground rent does not return, the body politic is prostrated or enervated by loss of blood. The body politic to-day, like a man with a ravenous appetite, is cleaning its plate of all the millions a year that it can earn, and mortgaging the future for nearly as much more, always eating, yet always hungry, and simply because the best part of its millions of dollars' worth of arterial life blood, instead of coming back to the public heart, ebbs rapidly away through severed blood vessels in the private appropriation of ground rent.

These illustrations of the miscarriage of a beneficent provision seem to hint strongly at the true theory of ground rent, as waiting to be naturally developed under a natural law, and as a natural social product.

III.—The Operation of Ground Rent

Critical consideration is invited to Mr. Shearman's statement that the operation of ground rent is to exact from every user of land the natural tribute which he ought to pay in return for the perpetual public and social advantages secured to him by his location, a part of which natural tribute now goes to the State in the form of a tax, and the remainder to the landlord in the form of rent. Objection to monopolies and special privileges is that they participate in the private appropriation of an undue share of this natural tribute, and while recognising that in the end all quasi-public, as well as all public service, should be at the least practicable cost to the people, it is held that meantime whatever monopoly is enjoyed should be obliged, through taxation, to repay to the

public a full and fair equivalent for the privilege conceded to it.

The monopolies and special privileges which should properly share with land values the burden of taxation, may be partially enumerated as follows: the private appropriation of natural resources such as gold, silver, copper, iron, and coal mines, oil fields, and water powers; all franchises of steam and electric railways; all other public franchises, granted to one or several persons incorporated, from which all other people are excluded, and which include all "rights, authority, or permission to construct, maintain, or operate in, under, above, upon, or through any streets, highways, or public places, mains, pipes, tanks, conduits, or wires, with their appurtenances for conducting water, steam, heat, light, power, gas, oil, or other substance, or electricity for telegraphic, telephonic, or other purposes."*

The reforms contemplated by the single tax would leave the State and the individual to deal together exactly as individuals deal with one another in ordinary business. Persons desiring special privileges would rent them from the State or the municipality, just as they now rent them from individuals and corporations, and on similar terms, fixed from year to year. When paid for in this way, the special privilege feature would be eliminated. Then there really would be no special privileges, and there would be need of no other taxation. Hence, we say, the least the public can do is to tax and collect upon these special privileges, including ground rent, a sum sufficient to defray all public expenses.

* Quoted from the Ford Franchise Tax Act of New York.

The value of these special privileges is held to be ground rent, which in turn is held to be very largely, if not entirely, a social product.

IV.—The Office of Ground Rent

The true office of ground rent is that of a board of equalisation — equalisation of taxation, of distribution, and of opportunity. The tendency of an increase in the tax upon ground rent is not only to equalise taxation and distribution, but to equalise the opportunity of access to what is erroneously called the land, which of itself, even in a city, would be of little or no use if it had a perpetual fifty-foot tight board fence around it. In this clear distinction between land and land value, which cannot be too critically noted, may there not be found an explosion of the notion that a man has a right to the private appropriation of ground rent, because his father bought and paid for the land fifty or one hundred years ago?

The question is: When he bought the land fifty or one hundred years ago, did he buy and pay for the land value of to-day? In 1686 a company having five shares and five stockholders bought a lot of land in Philadelphia for $5. In 1900 the same company, with its five shares and five stockholders, sold the value of the same land for $1,000,000. Does it sound reasonable to say that for one pound sterling in 1686 these five men bought and paid for the $1,000,000 land value of 1900, with its ground rent of $40,000 a year? Would not such a sale in 1686 of goods to be delivered two hundred and fourteen years later be dealing in futures with a

vengeance? True it is that the land sold to-day is the same land bought in 1686. But it is just as true that its value to-day is not the value of the land itself, but is the value of the rights and privileges pertaining thereto, and exterior to the land itself. The demand that enhances land value is not for land itself, but for the command of these same rights and privileges.

Land value being a social creation,* and rent being socially maintained, equal access to the rights and privileges pertaining to the land can be promoted by the taxation of ground rent alone, and by this means only. Ground rent, the natural tax feeder, extracts from the user of land the exact measure of his advantage over other men in his exclusive enjoyment of rights and privileges pertaining to his own location, and the whole tendency of the taxation of ground rent is to equalise participation in these common rights and privileges, by commuting into dollars and cents, which can be divided, those indivisible advantages of location, which can only be enjoyed individually. Whatever of rent goes into the public

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* Professor J. B. Clark, then of Smith College, now of Columbia University, said, in a discussion at Saratoga, N. Y., in 1890:

"The community has created the value that resides in land, and whoever usurps the ownership of it deals a blow at the community. What is more, he strikes at the basis of the civil order, since governments have been evolved in and through the effort to secure to each producer the value that he brings into existence, and it is anarchic in principle to habitually counteract this effort.

"Of the wealth that resides in land, the State is certainly the creator and the original and lawful owner. As a sovereign it has a certain ultimate ownership of all property. Treasures of every kind are, in the last analysis, its own. As the creator, not of the substance of the earth, but of the value residing in it, the State has a producer's immediate right to use and dispose of its product. If any theory depreciates either the State's reserved right over all wealth or its special producer's claim to the wealth residing in land, so much the worse for that theory."

treasury tends to a fairer distribution of produce in wages earned. Whatever of taxation is transferred from other wealth to ground rent leaves so much more wealth to be distributed in wages.

Again, it is submitted that the true office of ground rent is to offer a communal shoulder suited to bear all the burden of common needs, leaving produce — current wealth — to be distributed, as fast as produced, in wages and interest, the total volume of which will always be increased by the amount of rent appropriated through the taxation of whatever of economic rent there is in special privilege.

Ground rent being a social product, is not its private appropriation a special privilege?

V.—The Cause of Ground Rent

The dimensions, as well as the continuous character of the contribution made by the people to the growth and volume of ground rent, are seldom measured — by many persons hardly suspected. Almost anything else that he owns, except land, a man may appropriate, destroy, tear down, burn down, remove, consume, change in form, wear out. To the land itself he cannot do any of these things. The value of its use is ground rent, an annual value, which is all that the owner of land can consume each year. The land value itself survives, and usually intact. People speak of owning land, because they or their fathers have bought and paid for it.

A simple illustration will indicate how a disproportionate reliance may be placed upon this argument, considered in the light of all the causes contributing to the value of land. Suppose, for instance,

that a vacant lot was bought fifty years ago for $1,000, which to-day is worth $10,000. The chances are that when the purchaser paid his original $1,000, the people, in one capacity or another, paid for the same year $50 to maintain that purchase value, and that for forty-nine years thereafter the people have paid in annual arithmetical progression up to $500 for the present year. The purchaser paid $1,000 in one payment. The people have paid during the fifty years an average of $250 a year to maintain this value. On the part of the people it has been not unlike a continuous purchase in the proportion of $250 a year of the people's tax money to $50 a year of the purchaser's interest money.

In addition to whatever income the purchaser has received, he possesses to-day $10,000 worth of land, while the people possess nothing except an outgo of 5 per cent in maintenance, offset in small part by an income of 1½ per cent in tax. Such an inheritance would usually be counted worse than nothing. Is it not reasonable that the community should derive profit from its part in this transaction, by appropriating to its own use the one-half at least of that ground rent that is manifestly created by the simple expenditure of its taxes? Why should not taxes, all of which are spent upon the land, be taken from the land?*

* E. Benjamin Andrews, formerly President of Brown University, said at Saratoga, N. Y., in 1890:

"To turn the golden stream of economic rent partly or mostly into the State's treasury, where it would relieve the public of taxation in burdensome forms, seems to be extraordinarily desirable. I by no means concur in all the reasons which many assign for this; nor should I expect from it, even if carried to Mr. George's length, more than half the benefits to society which he anticipates. Still the proposition to lay the main tax on land impresses me as just, safe, accordant with the best canons of public finance, and in fact, every way excellent."

Ground rent may be said to result from at least three distinct causes, all connected with aggregated social activity:

(1) Public expenditure: All wise public expenditures are direct feeders of ground rent. Streets, lights, water, sewerage, fire and police systems, public schools, libraries, museums, parks and playgrounds, all contribute to enhance the value of land, and a corresponding depreciation would follow the abolition of any of these systems. It follows, therefore, that expenditure for maintaining these services constitutes the maintenance of ground rent, if not in a literal sense, at least in an all-sufficient common sense.

(2) Quasi-public expenditure: In the same way, the expenditure by the municipality or by private corporations for steam and electric railways, gas and electric lights, telegraph and telephone facilities, subways and ferries, contributes to the value of land, at least to the extent of their actual cost.

(3) Private expenditure: Equally, and by parity of reasoning, private or voluntary social expenditure for churches, private schools, colleges and universities, all private buildings, apartment houses, stores, and office buildings, contributes to ground rent, the annual value of land.

In an enumeration of the causes of ground rent, population is usually the one first named. But a passive population gives little value to land; it is rather the activities consequent upon the character of population that create the value.

It is generally conceded that, as a matter of fact, ground rent is what land is worth annually for use;

but it is of far greater importance to understand clearly what is the source of ground rent, and especially to what extent it may be regarded as a social product. Inasmuch as all the contributions representing these activities, so far as enumerated, are from the treasuries of the people, it is correct and proper to say that ground rent is chiefly and peculiarly a social product.

From one point of view (that of demand) it may be said that the value of all commodities is a social product. But when we come to consider the other side of the value problem, we find that most other commodities, e. g., houses, increase or decrease at man's will, according to the principle of cost, the value being a resultant of a balancing of social desire against social cost.

With land it is more generally true that the quantity either cannot be increased at all or can be increased only at increasing cost; and hence the practical determinant of the value of land is almost entirely in the social and private activities that make the use of land desirable.

VI.—The Maintenance of Ground Rent

So far as the cost of streets, lights, water, sewerage, fire, police, schools, libraries, museums, parks, play-grounds, steam and electric railways, gas and electric lights, telegraph and telephone companies, subways, ferries, churches, private schools, colleges, universities, public buildings, well appointed houses, stores, and office buildings is what constitutes the cost value of the land, just so far the maintenance of all this public or

social service constitutes the maintenance of ground rent.

A simple illustration may help to an appreciation of the absurd absence of a true economy in tax affairs to-day. A landlord owns a factory which requires steam power, and which is useless and worthless without it. Another man owns a steam plant, and furnishes steam to factories at so much per horse power. The man who hires and uses the factory pays factory rent to his landlord, who furnishes the factory, and steam rent to the man who furnishes the steam. He would smile if you should talk to him about paying his steam rent to the landlord who does not furnish it. In vivid contrast with this sensible performance we may take the case of another landlord who owns a store, requiring public service and convenience, and useless without it. The municipality owns and runs a public service plant, and furnishes public service at a cost of so much per thousand dollars' worth. The man who hires and uses the store pays store rent to his landlord, who furnishes the store, but, by a strange perversion, he pays his public service rent to the same landlord. Should he not pay his public service rent to the public that furnishes it?

Inasmuch as all these contributions to its maintenance, so far as enumerated, are from the treasuries of the people, what can ground rent possibly be, if it is not a social product?

VII.—An Illustration: The Ground Rent of Boston

A dense skepticism and, indeed, a denser ignorance, seem to obtain even in regard to the simple fact that

there is such a thing as ground rent, and yet much more in regard to what is the volume of ground rent. It has been questioned whether the ground rent of the City of Boston, for instance, under the single tax, with the accompanying shrinkage in speculative values, would exceed to-day 5 per cent on the assessed valuation of land, or $32,000,000. Indications are that the net rent of the land itself might not, but our investigations are directed to ascertaining not the net, but the gross, ground rent, which is net rent plus the taxes.

In a systematic attempt to dispel these clouds of ignorance and skepticism—now to be found in surprisingly high places—and to demonstrate beyond a reasonable doubt about how much gross ground rent there is in the city of Boston, actual sales for the year 1902 and actual rentals have been collected from official sources.

One hundred and twenty pieces of real estate* in various sections of the city are shown to have been sold at prices averaging one-fifth higher than their assessed valuation, indicating that at least in these one hundred and twenty cases the valuations were less than five-sixths of the selling price.

Landlords and real estate men are the best judges of the following calculation which, taking into account the fact that the prices given in these tables are those indicated by the revenue stamps on deeds, assumes that the buildings sold for one-third more than their assessed valuation:

*An exhibit of these specimen cases in detail will be found in Appendix G.

Deducting from the total of prices indicated by the footing of the 120 sales	$7,291,375
Four-thirds of assessed valuation of buildings .	2,772,933
Would give perhaps a fair estimate of what the land sold for	$4,518,442
To this it is necessary to add the capitalised tax upon the land for the same year, 1900, $3,758,600 x $14.70 (the number of dollars tax per thousand) x 20 (the number of years' purchase)	$1,105,028
In order to get the gross capitalised ground rental value of the land	$5,623,470

Of which the assessed valuations were only two-thirds.

Seven hundred and fifty-one rentals* of estates, together with their assessed valuations, averaging $47,680 each, were also obtained from reliable sources. In the total for these it is found that the net rent is 5 per cent (4.8), and the gross rent — net rent plus taxes — is 6 per cent of the assessed valuation. That is to say, the net value, based upon net income to the owner, corresponds with the assessed valuation, and is five-sixths of the gross value, based upon what the user pays for the land. It is probable that these estates are in the aggregate improved to less than one-half of their normal efficiency, and hence the income which they now yield is less than 5 per cent of the price that they would actually sell for.

In the absence of contradictory or correcting testimony, it is fair to ask the reader to accept these lists of 120 sales and 751 estate rentals respectively as an indication of the ratio existing between assessed valuation and selling value.

* An exhibit of these specimen cases in detail will be found in Appendix H.

Based upon the foregoing ratio, the following conservative estimate of the gross land value of Boston is submitted for scrutiny and criticism:

A CONSERVATIVE CALCULATION OF BOSTON'S GROUND RENT

If the assessed valuation* of Boston's land for 1907, which is in round numbers .	$653,000,000
Is five-sixths of its selling value, then the addition of one-fifth	130,600,000
Would give us as the net selling value . .	$783,600,000
Adding to this the capitalised value of the amount of tax now on the land, $15.90 per thousand on $653,000,000, or $10,382,000 at twenty years' purchase .	207,600,000
Would give us as the true capitalised ground rental value.	$991,200,000
Add moderate estimate for franchises, say .	108,800,000
And we should have as a basis of assessment under the single tax a total capitalised ground-rental value of at least. . .	$1,100,000,000
At 5 per cent this would indicate for Boston a ground rent of	$55,000,000

or considerably more that double the total taxes of Boston.†

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* The official figures are:

	Valuation	Rate	Tax
Land	$652,995,300	$15.90	$10,382,700
Buildings	417,869,400	15.90	6,646,200
Personalty	242,606,857	15.90	3,857,435
	$1,313,471,557		$20,886,335

† Boston's income from taxation for 1907 was:

Land values	$10,382,628
Buildings and other improvements	6,644,121
Personal estate	3,857,449
Polls	369,966
Corporation taxes	1,087,793
Liquor licences	1,079, 585
Boston's total city tax (including state tax)	$23,421,542

Even if $5,000,000 be deducted from this $55,000,000 for error in estimate, there will still be left $50,000,000, or more than double the amount of present taxes.

It is believed that sufficient reason is found for taking in taxation five-tenths, instead of two-tenths, in the fact that since ground rent is a social product its taxation is in no way a burden upon business or industry.

Having now finished the special task of trying to explain ground rent in its leading features, it is a privilege to offer a few words of tribute—and suggestion—to those landlords who are open to a discussion of this vexed question of taxation.

Next to that of the farmer, the province and function of the landlord would seem to be one of the greatest in its importance to his fellow-men. The farmer is the commissary of subsistence; the landlord is quartermaster of the camp. The farmer feeds the world; the landlord houses the world. Besides being the natural housers and the natural tax gatherers, the landlords are also the natural assessors. "Nobody runs after the assessor to tell him what property is worth. Everybody runs after the landlord to tell him what his land is worth." With this triple responsibility and privilege of housing and tax collecting and tax assessing, landlords ought to be, as, if they paid all the taxes, they would be, the natural guardians of the public treasury against wastefulness and misapplication, for the simple reason that ground rent, while increased by every wise outlay, is decreased by every unwise expenditure.

There remain to be considered five points of special application to the landlord's interest, viz.:

The taxation of real estate only; the tax imposed by

time; corresponding exemptions; the exemption of assessed value; and the single tax as an income tax.

VIII.—The Taxation of Real Estate Only

Every single taxer, no doubt, may be relied upon to vote for the concentration of all taxes upon real estate (land and buildings), as a rapid transit measure toward his preferred exemption of buildings also. Such a course would secure a basis for honest assessment and collection, and would eliminate the possibility of evasion, but how much of an advance would this be toward a just equalisation of the burden? The landlord of a new building would still be paying, as he does now, the taxes of an adjoining landlord of old buildings or of none at all. He would be worse off by his disproportionate share of taxes transferred from personal property.

If Smith owns land and buildings in equal amount he will pay, for each $1,000 of land, taxes upon . .	$2,000
If Jones owns land with worthless buildings, or none at all, he will pay, for each $1,000 of land, taxes upon	1,000
If Brown owns his own house, worth three times as much as his land, he will pay, for each $1,000 of land, taxes upon	4,000

Under the theory that taxes are absorbed in maintaining the value of the land, as indicated by the equal or even greater price that land often commands when practically unimproved rather than improved, it is held that the proportion of advantage afforded by the public outlay is fairly represented by the value of the land. If this theory is sound, then neither Smith, who pays twice as much as Jones, nor Brown, who pays four times as much, has any greater command per

$1,000 than has Jones over the facilities afforded by society for the promotion of private business.

IX.—The Tax Imposed by Time

A representative real estate man of Boston has said that the lifetime of the best new buildings in the city cannot be figured to exceed two score years, and that with swiftly accelerating changes they will have to give way in forty years to a new and better order. Granting these facts, if during the forty years the new buildings shall yield to the landlord interest upon their cost and 2½ per cent annually for depreciation, he is at no disadvantage from the necessity of tearing down and building greater, while both labour, which builds buildings, and business, which uses buildings, will be greatly benefited by such a process. What a paradise any American city might be made if built over new every forty years! Yet the users of the buildings can well afford to pay 2½ per cent a year for such a luxury.

Any sensible readjustment and equalisation of taxation should take this annual depreciation directly into account as a tax imposed by time upon all products of labour, a tax so heavy as to seem an instant excuse for exempting them from all other taxes.

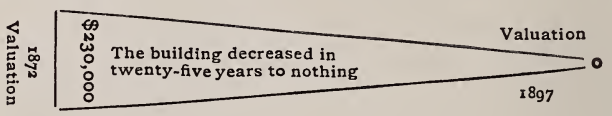
On the other hand, while time is engaged in the destruction of the building, it is occupied in the construction of the land value.

A conspicuous example of the contrariety of this time agency is found in the biography of a once modern building that in 1870 supplanted a colonial residence which for several years previous to 1809 was the residence of John Quincy Adams.

AN OBJECT LESSON

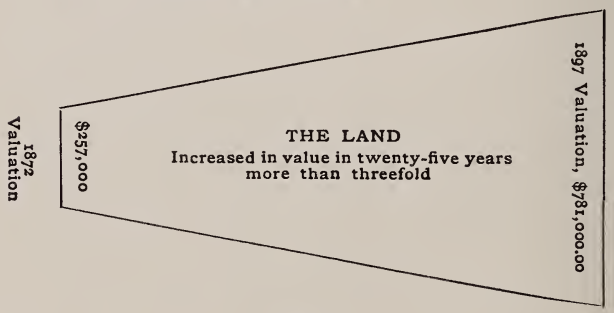
Growth of Land Values vs. Decay of Buildings

The Hotel Boylston, S. E. corner of Boylston and Tremont Streets, Boston, known also as the Charles Francis Adams Building. on the site of the present Hotel Touraine.



Labour

1. Labour constructs the building as a basis of taxation.
2. Labour pays its taxes, insurance, and repairs.
3. Labour, at the end of twenty-five years, builds a new building in place of the old one which has entirely disappeared; that is, it renews the very basis itself of taxation for another twenty-five years.



Land

1. Land starts with a basis made by other people's labour.
2. Land apparently pays its taxes at same rate as the building, but pays no insurance or repairs.
3. Land, at end of twenty-five years, has increased its basis threefold through other people's labour, and its income in proportion. Under the present crooked system, the distribution of untaxed wealth is according to special privilege; its taxation, according to ability (i. e., according to production). Under straight single tax it would be the very reverse. The distribution would be according to ability (i. e., according to production) while taxation would be according to special privilege. It is this right-about-face in taxation to which this illustration is addressed.

The inequality of the present system of taxation is apparent in the following calculation (based upon the above assumption of 2½ per cent depreciation) regarding the land and buildings of Boston for the last twenty years, bearing in mind, that it is not the rent, either of buildings or land, that is under consideration, but only the effect of taxes and depreciation upon the one, and the opposite effects of taxes and appreciation upon the other.

BUILDINGS

The valuation of Boston's buildings in 1887 was	$223,000,000
If time's annual tax or depreciation of 2½ per cent (besides the city's tax of 1½ per cent which is paid by the owner only when he is also the tenant) has been for twenty years 50 per cent or	111,500,000
Then the value of same buildings in 1907 is only	$111,500,000

LAND

The valuation of Boston's land in 1887 was .	$322,000,000
Time's average net annual appreciation has been (after paying city's tax of 1½ per cent) for each year 5 per cent and for twenty years more than 100 per cent or	331,000,000
And the value of the same land in 1907 is .	$653,000,000

Thus the increase in the valuation of land in twenty years is nearly 50 per cent more than was the valuation of all the buildings twenty years ago.

Five per cent on this twenty years' increase of $331,000,000 *would be* $16,650,000, *which, added to the* $4,300,000 *assessed upon the land in* 1887, *would be* $20,900,000, *as compared with Boston's taxes of* $21,254,000 *in* 1907.

Those who agree with John Stuart Mill that it would be sound public policy and no injustice to land owners

to take for public purposes the future increase in ground rent will be interested to note what an opportunity for putting such a plan in operation in Boston is shown by the above figures to have been lost twenty years ago.

X.—Corresponding Exemptions

In any calculation of the effect of the imposition of all taxes upon ground rent, it must be borne in mind that the landlords, who are the owners of the ground rents, also own buildings and other improvements upon the land, together with a large per cent of the personal property, so that they, as a class, would find the additional tax upon their land offset by the exemption of buildings and personal property.

XI.—The Exemption of Assessed Values

One reason why, under a just system of taxation, large-hearted landlords would cheerfully offer their necks to the tax yoke is the fact that so far as concerns their *investment* in land most of them are now privileged to be entirely exempt. In other words, the present tax is not a tax burden upon them, even though this fact is not to their prejudice. But while it is true that the capitalised value of any tax on land is deducted from its selling price, and that any purchaser, after the tax is once imposed, gets his land tax free,* so that the landowners of Boston who have bought their holdings since the present tax rate was reached are practically exempt from taxation, it is also true that

*A tax, as a first lien, is practically a first mortgage to which any regular mortgage must be second. The effect of the tax in the first case and the mortgage interest in the second case upon the selling value of land is exactly the same. When the State imposed a tax of $10 upon a lot of land hitherto untaxed and worth $1,000, the effect upon the selling value was the same as though it had taken a first mortgage of $200, leaving to the owner as the selling value an equity of $800.

the appreciation in the value of their land may be fairly reckoned as an offset to the imposition of any new tax upon it.

This present exemption, however, is not offered as a reason for additional taxation, but rather as a justification for taking the opportunity to transfer the present load from the head and the tail to the back and shoulders of the horse. As an anti-single-tax professor of political economy happily puts it: "The beauty, to my mind, of a tax upon land values is that in a few years nobody pays it."

XII.—The Single Tax as an Income Tax

An income tax has always been a favourite form of tax, because it has been regarded as well calculated to bear upon "each according to his ability." The taxation of ground rent would surely be the purest possible exemplification and application of the principle of the income tax, because it would fall upon all those incomes which are unearned, which are in their nature perpetual, and which are amply able to bear the whole burden of taxation. Of course, such an income tax should have impartial application. A large unearned income should be taxed at the same rate as a small income of the same nature and derived from the same source. If it is right that corporations or other aggregations of capital should engage in business enterprises for profit upon equal terms with individuals, then it is right that an impartial income tax should impose at least the same rate upon the many million dollar incomes of the railroads and the coal operators, and United States steel companies, as upon smaller unearned incomes of one, five, or ten thousand dollars, derived from the same source.

If eight hundred and fifty industrial combinations or trusts have a capital stock of nine billions, of which five billions are represented by common stock — and that common stock, water — it means that every 1 per cent ($50,000,000) or every 5 per cent ($250,000,000) received in dividends on this common stock is, as an income from rent, unearned by the people who receive it.

An income from special privilege is usually part and parcel with an income from rent, and, as such, belongs to the class of unearned incomes. As ground rent is a social product, its private appropriation is a special privilege, which affords large private profit at public expense. Why not, then, at least tax such a privilege upon what it is worth?

The gross income of the owners of the land of Boston in the form of ground rent is . . Or $90 per capita.	$55,000,000
And there is now taken in taxation only . .	10,300,000
Hence the amount that is distributed annually in unearned incomes (if rent is an unearned income) is	$44,700,000

This amount is equivalent to $75 per capita for the 600,000 population, or to $375 for each of the 120,000 families of five persons each.

Boston's total taxes for the year 1907 amounted to $40 per capita. If all of this $40 had been taken from the above $90 there would still have been left to the landlords $50 of ground rent per capita (equivalent to $250 for each of the 120,000 families), besides the exemption of $660,000,000 of buildings, personal property, and polls.

Is it even apparently fair to let so much common wealth escape taxation at the expense of individual wealth?

The fifty-five millions are, we submit, the "income" in very truth earned by the city and people of Boston — created by their actual labour and actual expenditure. Under the single tax Boston would pay all its current expenses out of this legitimate $55,000,000 income of its own, earned by itself, instead of allowing four-fifths, or $45,000,000, of this amount to be divided, through the channel of special privilege, into unearned incomes, thus aggravating those inequalities in distribution of wealth which people are wont to declaim against as partial and wrong.

While that part of the ground rent of Boston that goes to individuals may be said to be unearned by them, the whole of it can hardly be said to be unearned, because, having been produced by society, it may truthfully be said to be earned by society, and hence it may go to it as its wages, just as properly as his earnings go to the individual who works for wages. If a railroad has the special privilege of a monopoly in the transportation of coal from the Pennsylvania coal mines, or in the transportation of people, why not tax the railroad in proportion to the value of its franchise? The private monopoly of a natural resource is a special privilege. If the private ownership of the two or three billion tons of unmined anthracite coal is a special privilege, why not tax it what others would give for the privilege of mining and marketing it, thus making all the people sharers in what is called a natural bounty? If the private appropriation of a billion dollars' worth of iron ore is a special privilege, would it not be "proportionate and reasonable" for its owners to pay in taxation one-half at least of the value of that privilege? It is becoming common to scold about trusts and monopo-

lies, coal barons, oil magnates, and railroad kings, but many people do not think of the perfectly natural resort of taxing them to the same extent that other people are being taxed.

This bugbear of monopoly is the central point at which numberless palliatives are ineffectively aimed. Taxation, it will be found, is the only "power to destroy" what there is of wrong, and the only "power to build up" what is right in these conditions.

XIII.—The Opinions of Economists

Concerning the first generic peculiarity of land, the following statements gleaned from some of the world's greatest thinkers in the field of economics and public finance, who, however, have approached the subject from another point of view, support the contention of this chapter that the value of land is a social product:

"Both ground rents and the ordinary rent of land are a species of revenue which the owner, in many cases, enjoys without any care or attention of his own. Though a part of this revenue should be taken from him in order to defray the expenses of the State, no discouragement will thereby be given to any sort of industry. The annual produce of the land and labour of the society, the real wealth and revenue of the great body of the people, might be the same after such a tax as before. Ground rents, and the ordinary rent of land, are, therefore, perhaps the species of revenue which can best bear to have a peculiar tax imposed upon them.

"Ground rents seem, in this respect, a more proper subject of peculiar taxation than even the ordinary rent of land. The ordinary rent of land is, in many cases, owing partly at least to the attention and good management of the landlord. A very heavy tax might discourage too much this attention and good management. Ground rents, so far as they exceed the ordinary

rent of land, are altogether owing to the good government of the sovereign, which, by protecting the industry either of the whole people, or of the inhabitants of some particular place, enables them to pay so much more than its real value for the ground which they build their houses upon; or make to its owner so much more than compensation for the loss which he might sustain by this use of it. Nothing can be more reasonable than that a fund which owes its existence to the good government of the State, should be taxed peculiarly, or should contribute something more than the greater part of other funds, toward the support of that government."—*Adam Smith*, "*Wealth of Nations*," *Book V., Chapter II., Part 2, Art. 1.*

"The ordinary progress of a society which increases in wealth is at all times tending to augment the incomes of landlords; to give them both a greater amount and a greater proportion of the wealth of the community, independently of any trouble or outlay incurred by themselves. They grow richer, as it were in their sleep, without working, risking, or economising."—*John Stuart Mill*, "*Principles of Political Economy*," *Book V., Chapter II., Sec. 5, Par. 2.*

"Ground rent is the advantage accruing to landowners from the use of certain uncreated or socially created powers and utilities connected with land, including, besides mere fertility of soil, also mineral wealth, water privileges, location, etc.

"Let a considerable number of human beings settle in a new country: special value instantly attaches to particular localities, and this with no act of creation save the act of the people in coming there. . . . Such dearness, springing though it does from a sort of human agency, is not the product of conscious doing on the part of any one person. In bringing it into being, A, B, and C were instruments, not agents."—*Andrews*, "*Institutes of Economics*," *p. 168, and footnote.*

"The utility of a piece of land may be increased by the natural growth of the community, when no labour is exerted directly to increase the usefulness of the particular tract of

ground."—*Bullock*, "*Introduction to the Study of Economics*," *p. 116.*

"The growth of the city occasions unusual expenditures; the growth of the city also creates unusual values. Why should not the values which the city creates go to bear the expenses which the city occasions?

"The volume of traffic on a street railway increases with the increase in municipal population, and the receipts of the company on this account grow more rapidly than do the operating expenditures which the increased traffic occasions. . . . Now it is this income to which a franchise tax should address itself. . . . One might, then, say that by means of the franchise tax the State taxes its social earnings from the capital which it has created, but which for reasons of public policy it assigns to private parties for administration."—*Adams*, "*Science of Finance*," *pp. 504 and 380.*

XIV.—Conclusion

Throughout this chapter the impelling aim has been to invite and promote the understanding of ground rent, an agency clear to few, very obscure to many, but as subtle and powerful in the social organism as is the life-blood in the human organism.

Legislatures and Congresses are prevented by inconvenient distance from revising and improving the planetary laws, but they busy themselves with the enactment of statute after statute designed to keep men and women in their natural orbits. Discerning, as we surely do, a natural law in the material world, established by a Law-giver greater than any state or nation, we urge simply a repeal one by one of all artificial tax laws, putting upon the statute book instead a single one — an enacting clause to this natural law — under which every American city may begin at once to administer the single tax remedy.

Chapter II

B

THE SECOND GENERIC PECULIARITY OF LAND

A TAX UPON ECONOMIC RENT CANNOT BE SHIFTED

A TAX UPON GROUND RENT CANNOT BE SHIFTED UPON THE TENANT BY INCREASING THE RENT. IF IT COULD, THE SELLING VALUE OF LAND WOULD NOT BE REDUCED, AS IT NOW IS, BY THE CAPITALISED TAX THAT IS IMPOSED UPON IT

THE question is whether, if a new tax should be put upon land, the owner would not escape by adding it to his tenant's rent?

It is not a sufficient answer to quote the authorities: the query still remains, what are the arguments upon which the authorities rely? Following is an attempt at the clear statement which these arguments deserve.

Ground rent, "what land is worth for use," is determined, not by taxation, but by demand. Ground rent is the gross income, what the user pays for the use of land; a tax is in the nature of a charge upon this income, similar to the incumbrance of mortgage interest. It is a matter of every-day knowledge that even though land be mortgaged nearly to its full value, no one would think for a moment that the owner could

rid himself of the mortgage interest that he has to pay through raising his tenant's rent by a corresponding amount. Mortgage interest is a lien held by an individual; similarly a tax may be clearly conceived as a lien held by the State. Both affect the relation between the property owner and lien holder; neither has any bearing upon the relations between owner and tenant. "Tax" is simply the name of that part of the gross ground rent which is taken by the State in taxation, the other part going to the owner; the ratio these two parts bear to one another has no effect upon the gross rent figure, which is always the sum of these two parts, viz., net rent plus tax. The greater the tax, the smaller the net rent to the owner, and vice versa. Ground rent is, as a rule, "all the traffic will bear"; that is, the owner gets all he can for use of his land, whether the tax be light or heavy. Putting more tax upon land will not make it worth any more for use, will not increase the desire for it by competitors for its tenancy, will not increase its market value.

To illustrate, let us consider the case of a piece of land for which the landowner gets $1,000 rent from the man who uses it.

First: The owner, let us say, pays over to the city in taxes $100 of this $1,000 rent. Is there any indication that this $100 tax has any influence in fixing the present rent at $1,000?

Second: Let us suppose that next year the city decides to take another $100 of the $1,000 rent in taxes. Could the owner then add the $200 tax to the tenant's rent, making it $1,200?

Third: Let us suppose that the following year the tax is increased by another $100 and so on, by an annual

increase, until, for extreme illustration, the tax is $1,000, an amount equal to the entire rent; would such a condition make it possible for the owner to raise his tenant's land rent to $2,000?

These questions would seem to answer themselves in the negative, and thus bring us to a fair conclusion in the matter.

What the Authorities Say of This Second Generic Peculiarity of Land, That a Tax upon Its Rent Cannot Be Shifted

"The weight of authority upon such a question is worthy of attention, although by no means decisive. Now, while a few respectable and sincere students of economic science hold to the doctrine of transferability of the ground-rent tax to the tenants, no one will dispute that an overwhelming weight of authority both in numbers and in reputation, scout that doctrine as absurd. Not only the entire school of Ricardo and Mill, but also nine-tenths or more of other economic writers make it a fundamental doctrine of their science that such a tax never can be transferred to tenants."—*Thomas G. Shearman, "Natural Taxation," pp. 129–132.*

"Though the landlord is in all cases the real contributor, the tax is commonly advanced by the tenant, to whom the landlord is obliged to allow it in payment of the rent."—*Adam Smith, "Wealth of Nations," Book V., Chapter II., Part 2, Art 1.*

"A land tax, levied in proportion to the rent of land, and varying with every variation of rent, is in effect a tax on rent; and such a tax will not apply to that land which yields no rent, nor to the produce of that capital which is employed on the land with a view to profit merely, and which never pays rent; it will not in any way affect the price of raw produce, but will fall wholly on the landlords."—*Ricardo, "Principles of Political Economy and Taxation," McCulloch's edition, p. 107.*

"A tax on rent would affect rent only; it would fall wholly on landlords, and could not be shifted. The landlord could not raise his rent, because he would have unaltered the difference between the produce obtained from the least productive land in cultivation, and that obtained from land of every other quality." —*Ricardo, "Principles of Political Economy and Taxation," Chapter X., Section 62.*

"A tax on rents falls wholly on the landlord. There are no means by which he can shift the burden upon any one else. . . . A tax on rent, therefore, has no effect other than its obvious one. It merely takes so much from the landlord and transfers it to the State."—*John Stuart Mill, "Principles of Political Economy," Book V., Chapter III., Section 2.*

"The power of transferring a tax from the person who actually pays it to some other person varies with the object taxed. A tax on rents cannot be transferred. A tax on commodities is always transferred to the consumer." —*Thorold Rogers, "Political Economy," 2nd edition, Chapter XXI., p. 285.*

"A land tax levied in proportion to the rent of land, and varying with every variation of rents . . . will fall wholly on the landlords."—*"Walker, "Political Economy," edition of 1887, p. 413, quoting Ricardo approvingly.*

"A tax laid upon rent is borne solely by the owner of land." —*Bascom, Treatise, p. 159.*

"Some of the early German writers on public finance, such as Sartorius, Hoffman, and Murhard, went so far as to declare that, because of this capitalisation, a land tax is no tax at all. Since it acts as a rent charge capitalised in the decreased value of the land, they argue, a land tax involves a confiscation of the property of the original owner. On the other hand, since the future possessors would otherwise go scot free, it becomes necessary to levy some other kind of a tax on them."—*E. R. A. Seligman, "Incidence of Taxation," p. 139.*

"The incidence of the ground tax, in other words, is on the landlord. He has no means of shifting it; for, if the tax were to be suddenly abolished, he would nevertheless be able to extort the same rent, since the ground rent is fixed solely by the demand of the occupiers. The tax simply diminishes his profits."—*E. R. A. Seligman, "Incidence of Taxation," pp. 244, 245.*

"If land is taxed according to its pure rent, virtually all writers since Ricardo agree that the tax will fall wholly on the landowner, and that it cannot be shifted to any other class, whether tenant-farmer or consumer. . . . The point is so universally accepted as to require no further discussion. . . . A permanent tax on rent is thus not shifted to the consumer, nor does it rest on the landowner who has bought since the tax was imposed."—*E. R. A. Seligman, "Incidence of Taxation," pp. 222, 223.*

"With these assumptions, it is quite clear that the tax on economic rent cannot be transferred to the consumer of the produce, owing to the competition of the marginal land that pays no rent, and therefore no tax, nor to the farmer, since competition leaves him only ordinary profits.

The amount of each particular rental depends upon units of surplus produced (varying to any extent according to the superior natural conditions), and on the marginal price, which is independent of these superior conditions, and accordingly, a tax that strikes the surplus only, remains where it first falls." —*Nicholson, "Principles of Political Economy," Book V., Chapter XI., Sections 1 and 4.*

Chapter III

C

THE THIRD GENERIC PECULIARITY OF LAND

THE SELLING VALUE OF LAND AN UNTAXED VALUE

EVERY LANDOWNER IS EXEMPT FROM TAXATION ON HIS INVESTMENT, TO THE EXTENT OF THE TAX TO WHICH HIS LAND WAS SUBJECT AT TIME OF HIS PURCHASE, AND THEREFORE, PRACTICALLY SPEAKING, NEARLY ALL LAND IS TO-DAY OWNED FREE OF ANY TAX BURDEN

The purpose of the following illustration* is to make clear by means of iteration and reiteration two facts, viz.:

Fact I. The land owner† of to-day who has purchased since the present tax was imposed escapes taxation upon his investment.

Fact II. The burden of a land tax cannot be made to survive a change of ownership.

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* The statements and arguments used in this illustration deal only with the general principles of taxation, and assume such conditions as prevail in the United States, including for instance, lack of universality and uniformity in taxation. Single tax terms and arguments are studiously excluded.

† Care is taken to designate owner and user in their respective capacities, whether they be two persons, or two combined in one.

The illustration is intended to show the effect in a normal or advancing community of mortgage interest and taxes upon the market value and cost to the user of a lot of land and a house respectively having equal purchase and rental value, and each subject to the same mortgage interest and taxes.

FIRST: THE LAND

Proposition 1.—*Let it be supposed that you want a piece of urban land that is worth* $300 *a year to you for use. You can afford to pay* $300 *a year and no more, and it can be had at an annual cost of* $300 *a year.*

Let us then proceed to acquire this piece of land, exercising diligence and caution to profit by each step in the transaction.

(*a*) At the very outset the question arises, what is the thing for which you are proposing to pay $300? Surely it is not the soil itself, because it is a question of a building site, which could be had out in the country for little or nothing. It is not merely the area upon which to dig a hole in the ground, wall it about, and erect a building, for the same space can be had elsewhere for a song. In short, it is not the earth's surface; it is not the inherent capabilities of the soil; it is not light and air, or other bounties of nature resident in that lot of land; it is not natural resources of which you are thinking as worth to you $300 a year.

(*b*) But what you are going to pay for is the accompanying and incidental use of a great many expensive things outside of the piece of land, things which you will need and must have, which you cannot afford to

provide at your own expense, but for the use of which you can afford to pay in proportion as you use them. It is these outside things, available by their proximity, for which you are called upon to pay $300 a year. To enumerate some of them specifically, they are, in a town or city lot, right and ease of access to water, health inspection, sewerage, fire protection, police, schools, libraries, museums, parks, play-grounds, steam and electric railway service, gas and electric lighting, telegraph and telephone service, subways, ferries, churches, public schools, private schools, colleges, universities, public buildings — utilities which depend for their efficiency and economy on the character of the government; which collectively constitute the economic and social advantages of the land; and which are due to the presence and activity of population, and are inseparable therefrom, including the benefit of proximity to and command of facilities for commerce and communication with the world — an artificial value created primarily through public expenditure of taxes. In practice, the term "land" is erroneously made to include destructible elements which require constant replenishment; but these form no part of this economic advantage of situation or site value.

(*c*) In other words, you are to pay $300 a year for the value of what the law calls the " rights and privileges thereto pertaining," specified in every deed of land conveyance. This $300 is ground rent, "what the land is worth for use."

Proposition 2.— Assuming this piece of land to be free from all charges and incumbrances, and assuming the current rate of interest to be 5 per cent per annum,

you would purchase the lot for $6,000, *because interest upon that sum would amount to the stipulated* $300 *a year. But if, on the contrary, the lot bears a mortgage of* $2,000, *upon which the annual interest charge is* $100, *then the lot will cost you* $4,000.

(*a*) The mortgage interest charge of $100 reduces the selling price of the land by the amount of the mortgage, $2,000, and you will buy the land, not at $6,000, but at $4,000, the value of the equity remaining after mortgage interest has been paid.

(*b*) By purchasing title you will assume the mortgage and will pay the mortgage interest, $100, but that $100 will not come out of your $200, the net income from your investment of $4,000; it will come out of the gross income, the ground rent, $300. It is a part of, and not an addition to, the ground rent. You will pay the interest, but you will not bear it, because you will have bought yourself clear of the burden.

(*c*) The lot will thus cost you annually for use, interest on your purchase price ($4,000 at 5 per cent) $200, plus mortgage interest ($2,000 at 5 per cent) $100, equal in all to $300, all that the land is worth for use, use being the only relation of land to man with which economics has reasonable concern.

Proposition 3. — *But, besides being subject to a mortgage of* $2,000, *assume further that this lot of land is subject also to an old tax* of* $100, *which charge the purchaser must also assume. You will then purchase the land not at* $4,000, *but at* $2,000.

(*a*) As already seen, the mortgage interest charge of

* By the term "old tax" is intended the tax in force at time of last purchase; by "new tax" one imposed since last change of ownership.

$100 reduces the selling price of the land by the amount of the mortgage, $2,000. It is equally true that the tax charge of $100 reduces it by the same amount, $2,000; the mortgage and the tax together therefore reduce it by $4,000; and you will buy the land at $2,000, the value of the equity which remains after both mortgage interest and tax have been paid. This $2,000 is the capitalisation of the annual value of the lot to you after all charges have been met.

(*b*) In purchasing you will assume both mortgage interest and tax and will pay them, but you will pay them out of the gross income of $300, and not out of the net income of $100 from your investment of $2,000. Therefore no part of the $2,000 which you pay for the equity will be taken from you in taxation, either as principal or interest.

(*c*) The lot of land will thus cost you for use: interest on your purchase price ($2,000 at 5 per cent), $100; plus mortgage interest ($2,000 at 5 per cent), $100; plus taxes, $100; and these together aggregate $300, what the land is worth for use, the same as before.

(*d*) It follows then that, under the present system, assuming free competition, the selling value of land is an untaxed value,* and land owners who invest to-day are exempt from taxation — not indeed upon their land, but upon its annual net or income value to them, or, in other words, upon their investment. The gross value is the taxed value. The net value is an untaxed value.

(*e*) As this exemption of the present owner holds

* Assessors make use of the selling value of land as the basis for their levy because it is more easily ascertainable than the gross value, but in reality and effect the levy is upon the gross value, which, if land were not taxed at all, would be also the selling value.

true to-day, so it will be true in future of each new purchaser subsequently to the imposition of any new tax. It is in the very nature of things that the burden of a land tax cannot be made to survive a change of ownership.

(*f*) This is equally true of a bond, but it is assumed that a tax levy should be not upon intangible stocks and bonds legally conceived as property, but only upon tangible goods and estates. It is, to be sure, just as true that a man who builds a house to rent pays no tax on his investment, but for a different reason. The tax, in that case, is shifted upon the user in increased house rent, except so far as, by discouraging building, it is reflected in lower wages for building. But an old tax upon the land is a burden neither upon present owner nor user. The tax on land is "absorbed," that on the house is "shifted."*

(*g*) We cannot too soon or too rigidly fix in mind the fact that this ground rent of $300 is the governing factor in the situation; that it is a tax laid not by the State but by nature, which every man must pay for the use of land, either to a private owner as rent, or to the State as a tax, or to both. No statute or ordinance can increase or reduce, exempt from, or abolish the payment of this "economic rent," or ground rent, to somebody. Its amount is neither fixed nor affected by the tax that is put upon it, whether large or small. Taxing it cannot increase it; cannot decrease it; cannot abolish it. Its amount may always be calculated by this simple formula: ground rent equals interest

* Landlords who own and let both land and tenement houses, apartment houses, and business blocks thereon, escape the burden of the tax on their land, and at the same time shift upon their tenants the building tax, thus avoiding all share in the tax burden.

on purchase price, plus interest on any mortgage, plus taxes.

Proposition 4. — Neither a tax upon ground rent, nor the ground rent itself, adds anything to the cost of land for use.

(*a*) Economic rent, ground rent, measures the value of all public, quasi-public, and social service. If the whole ground rent is not a burden, but merely an equivalent for social values received, neither can interest and taxes, two of the parts of which ground rent in our illustration is composed, be a burden upon the user. A tax upon rent comes out of rent, which, as has been explained, is the natural tax that every user has to pay to some one, and hence it subtracts nothing from wages and adds nothing to the cost of living.

Proposition 5. — You cannot pay $6,000 *for the land and in addition pay either the mortgage interest of* $100 *or the tax of* $100, *because that would make land cost you* $400 *per annum which by our assumption is worth only* $300.

(*a*) The tax upon land cannot be added to the ground rent — which is kept at its maximum by market demand — but is a part of, and must come out of, ground rent. If it could be added, that fact would itself indicate that the ground rent was $400 instead of $300, which is contrary to supposition. Land worth only $300 a year cannot be made worth $400 a year by putting a tax of $100 upon it.

(*b*) Let it not be forgotten that ground rent, in the sense in which the word is used, is the same homogeneous thing, one and indivisible, the world over — what land is worth for use. It is rent — or use value — not cost of construction or cost of production —

that fixes the price of land. Economic rent is the initial and governing factor from which all calculations must proceed.

SECOND: THE HOUSE

Proposition 6. — *The lot having been acquired, let it be supposed that you are in need of a house, and that such a house as you want would cost to build* $6,000, *or, in interest,* $300 *a year, the same as the annual cost of the land.*

(*a*) You will observe at once that the problem of the house is quite different from that of the land. The cost of acquiring land depends primarily upon its rent. Conversely, the rent of a house depends primarily upon its cost. Builders will not build houses unless they can get interest on the cost of construction. Competition among builders will not allow one builder normally to get more than interest on cost of construction.

Proposition 7.— *If such a house were free of tax, but mortgaged for* $2,000, *it would cost you to buy only* $4,000, *and it would cost you to use, as in case of the land, interest on purchase price* (4,000 *at* 5 *per cent*) $200, *plus interest on mortgage* ($2,000 *at* 5 *per cent*) $100, *making* $300 *as before.*

(*a*) The mortgage upon a house, like that upon land, will add nothing to the cost of the house for use.

Proposition 8 — *But you find that such a house is subject also to a tax of* $100, *which you will have to pay in addition to the above* $300, *interest on purchase and mortgage, making the house cost you for use altogether* $400, *instead of* $300 *a year, or* $100 *more on account of the tax.*

(*a*) Unlike the tax upon land, the tax of $100 upon the house cannot come out of the $300 rent (house rent or interest) except indirectly through its effect upon wages as before mentioned, because house rent cannot normally be less than interest on the actual cost of building the house; it must instead be paid by the user of the house, over and above his interest, making his house rent, the annual cost of his house for use, $400 instead of $300.

(*b*) To repeat: a house rent, otherwise $300, is increased to $400 by a tax of $100 on the house. In contrast with this, you may either take off a present tax of $100 from the land, or you may increase that tax to $200, and in neither case will the cost of the land to the user be affected. Take off the $100 tax from the house, and the cost of the house to the user will be reduced from $400 to $300 a year; of land and house together, from $700 to $600.

Proposition 9.— The moral of this illustration is that you get for use annually $300 *worth of land for* $300, *and a house costing* $300 *for* $400. *In other words, a tax upon land is a part of, is included in, and comes out of, ground rent, and is no burden to the user: while a tax upon a house is a clear addition to house rent, and comes principally out of the user of the house.*

To recapitulate: (1) It has been shown that a house tax of $100 that has been regularly levied takes in taxation $100 a year of the user's income.

(2) It has been shown that a land tax of $100 takes in taxation no part of the income of the user or present owner, provided that he purchased the land after the tax was imposed.

The beauty of this illustration is that (in a classification which excludes duplication by certificates or mere legal evidences of property, like stocks, bonds, etc., and includes only actual tangible property) while land stands as always for everything except the products of labour, a house is here made to stand as the representative of any and all products of individual labour, that is, for everything except land, and the illustration thus becomes all inclusive.

If you have had the patience to follow it understandingly you may rest assured that you have mastered a basic principle of taxation, and have solved one of the most perplexing problems of political economy.

What the Authorities Say of This Third Generic Peculiarity of Land, viz., That Its Selling Value Is an Untaxed Value.

"The land tax, which is next on the list, should equally cause but little controversy. It is persistently claimed as a burden upon land, or land owners; but this will not bear scrutiny when we inquire out of whose income the tax is paid, or what way it causes pressure, so that its reduction or abolition would be a benefit to the community.

"As a fixed charge upon land for generations, it is now past all controversy a rent-charge. In many instances it has long since been redeemed, the property having subsequently changed hands; in others, inheritors of property have acquired it under the burden, and have calculated their income minus the tax, while purchasers, in buying, invariably allow for it. To reduce" (abolish?) "it now would be to present the landowners of England with a capital sum of nearly £30,000,000. Their estates, relieved of the burden, would become at once so much more valuable, and if they did not sell, they would pocket an additional income which they never inherited or paid for."—*Sir Robert Giffen, "Essays in Finance," First Series, p. 242.*

"But whatever may be thought of the legitimacy of making the State a sharer in all future increase of rent from natural causes, the existing land tax (which in this country [England] unfortunately is very small) ought not to be regarded as a tax, but as a rent-charge in favour of the public; a portion of the rent, reserved from the beginning by the State, which has never belonged to or formed part of the income of the landlords, and should not, therefore, be counted to them as part of their taxation, so as to exempt them from their fair share of every other tax. As well might the title be regarded as a tax on the landlords; as well, in Bengal, where the State, though entitled to the whole rent of the land, gave away one-tenth of it to individuals, retaining the other nine-tenths, might those nine-tenths be considered as an unequal and unjust tax on the grantees of the tenth. That a person owns part of the rent does not make the rest of it his just right, injuriously withheld from him. The landlords originally held their estates subject to feudal burdens, for which the present land tax is an exceedingly small equivalent, and for their relief from which they should have been required to pay a much higher price. All who have bought land since the tax existed have bought it subject to the tax. There is not the smallest pretence for looking upon it as a payment exacted from the existing race of landlords.

"These observations are applicable to a land tax only in so far as it is a peculiar tax and not when it is merely a mode of levying from the landlords the equivalent of what is taken from other classes. In France, for example, there are peculiar taxes on other kinds of property and income (the *mobilier* and the *patente*), and supposing the land tax to be not more than equivalent to these, there would be no ground for contending that the State had reserved to itself a rent-charge on the land. But wherever and in so far as income derived from land is prescriptively subject to a deduction for public purposes, beyond the rate of taxation levied on other incomes, the surplus is not properly taxation, but a share of the property in the soil, reserved by the State. In this country there are no peculiar taxes on other

classes, corresponding to, or intended to countervail, the land-tax. The whole of it, therefore, is not taxation but a rent-charge, and is as if the State had retained, not a portion of the rent, but a portion of the land. It is no more a burden on the landlord, than the share of one joint tenant is a burden on the other. The landlords are entitled to no compensation for it, nor have they any claim to its being allowed for, as part of their taxes. Its continuance on the existing footing is no infringement of the principle of equal taxation."—*Mill*, "*Principles of Political Economy*," *Volume II., Book V., Chapter II., Section 6.*

"A more difficult and disputable point arises in connection with the incidence of a long continued land tax. Here it is said that the tax is really a deduction from property. As land is sought for its revenue, what lowers its revenue lowers its selling price, and therefore a land tax falls altogether on the possessor at the time of its imposition. Subsequent acquirers take the land subject to the burden, and pay a lower price in consequence. This process of "amortisation," as it has been called, makes the subsequent removal of the tax undesirable; the persons who have lost by its establishment are not the same as those who gain by its remission. A purchaser has got land cheaper, and gains a further advantage by escaping the tax; in fact he is allowed for it twice over, once at the time of purchase and again at that of remission.

"The element of truth in this theory, which has received much favour, appears to be the following: (1) as previously pointed out, when a land tax becomes definitely fixed so that it can be foreseen, or even capitalised and redeemed, there is no inaccuracy in speaking of it as a charge on land, which lowers its selling price; it is just the same as a mortgage, and is so regarded by purchasers."—*Bastable*, "*Public Finance*" (*1903*), *page 440*

"If a certain tax is levied and it is expected that it will continue to be levied indefinitely in the future, it will reduce the selling

value of the land by the amount of the capitalised value of the tax. The future owner will, therefore, be able to buy it so much cheaper that he will realise as large a percentage on his investment as though the tax had never been levied."—*Thomas N. Carver, Yale Review, Nov. 1896.*

A recent College and University text book* makes reference to the argument of this illustration, as restated in Chapter XII., in the following comment:

Many present-day followers of Henry George find in this principle of amortisation at once a justification and a method of securing for society all economic rent. Under present conditions, they say, a man who buys land wholly escapes taxation upon it. Consequently, in order to make landowners pay as much as other people we should have to increase the tax upon land by a rate equal to that paid by the average tax payer as often — say every thirty years— as the land of the community changes holders. In this way the State could gradually and with justice absorb all economic rent.

But this whole chain of reasoning is fallacious for three reasons:

(*a*) This capitalisation takes place only to the extent that the tax on land is exclusive and unequal, and modern taxes upon land are not of this nature.

(*b*) In so far as this programme of the single taxers were anticipated and understood, it would visit the whole burden of the "reform" upon present owners, instead of being distributed over several generations. Subsequent purchasers would discount these periodic increases of the tax and pay to owners for their land only the present value of the rapidly vanishing income from land. Land would be valued simply as a terminable annuity.

*"Outlines of Economics," Revised Edition, by Richard T. Ely. The Macmillan Company, 1908, pp. 621, 622.

(*c*) This whole doctrine overlooks the inevitable consequence that, if "the selling value of land is an untaxed value" and "if the burden of a land tax cannot be made to survive a change of ownership," these facts would so increase the demand for land that the profits from its purchase and ownership would not exceed profits in other lines of investment."

Let us examine these points one by one.

(*a*) It is, as I understand, admitted by all economists that in the United States (the country now under consideration) the tax on land is everywhere exceedingly unequal, and, especially in the large cities, almost exclusive.

Either the capitalisation of the land tax is a fact or it is not. If it is a fact it is, with its corollaries, the most vital fact of all those bearing upon the material welfare of the race, and ought not to be brushed aside in three short unsupported sentences like the above, all of which are substantially contrary to the mass of evidence assembled in these chapters.

But the capitalisation of the land tax in the United States is a settled fact, and hence not debatable; a business condition of every-day knowledge in the buying and selling and assessment of land. It is out of the domain of theory, and not dependent upon any abstract speculation concerning an exclusive and unequal tax.

For the sake of illustration: First. Let it be assumed that there are two, and only two, fields open to investment, viz., land paying 5 per cent on purchase price and bonds paying 5 per cent on purchase price (because either by exemption or by evasion they escape taxation). What is it that fixes the above rate

of 5 per cent prevailing to-day in both cases? Is it not supply and demand? When there is a surplus of capital, rates are depressed; when a scarcity of capital, rates are advanced. The question is, What and how has taxation to do with this 5 per cent rate of interest?

Again: Let it be assumed that a way has been found to exact from all bonds a tax of $25 per thousand, or one-half the income. Inviting investment, there would then be, land paying 5 per cent, bonds paying 2½ per cent, and what would happen? If the interest rate is 5 per cent owners of bonds will continue to hold them for an income of 2½ per cent or they will sell at approximately half price, but as loans are renewed borrowers will have to pay the market rate of interest, what capital is worth for use, plus the tax. The rate of interest will still be fixed, as now, by supply and demand, and not by taxation. What has taxation to do with the general interest rate more than with the gross ground rent of land? The idea that if a uniform rate of tax were imposed and collected from all incomes it would lower the rate of interest is admitted to be highly speculative and seems to find contradiction in every money market. As to the statement that modern taxes upon land are not virtually exclusive and unequal, how can this possibly be true when the alleged bane of the present system is that more than three-quarters of personal property escapes taxation?

(*b*) The proposed plan of "some of the present-day followers of Henry George" is set forth in the same text book in the main correctly, and admirably, as above, except that their specific recommendation is limited to absorbing only enough economic rent to meet all public expenses, an object which might be accom-

plished gradually and almost imperceptibly in one generation. The execution of this particular plan would involve an increase of only fifty cents per thousand in the tax rate annually for thirty years, or one generation. In other words, each one thousand dollar selling value would be decreased by fifty cents capitalised, or ten dollars each year. Thus in thirty years the rate would reach the present average, say of fifteen dollars per thousand, and would, if the land did not meantime increase in value, reduce its selling value in thirty years by three hundred dollars to seven hundred dollars.

But if a thirty-year bond is at a premium, and worth one hundred and fifteen dollars to-day, and will be worth only one hundred dollars or par at maturity, does the whole burden of the vanishing fifteen dollars premium fall upon the "present owners"? The new million dollar office building will probably be worth little or nothing in three generations, but this whole burden of ninety years natural decay is not visited upon "present owners." The immediate reduction of $10 a year (1 per cent or one point on the stock board), in value of $1,000 would not greatly depress selling value, while taxes and depreciation of ten, twenty, or thirty years hence are very slightly discounted to-day.

Therefore, the assertion that the above programme of adding gradually $15 to the tax rate upon land in the next thirty years "would visit the whole burden of the reform upon present owners" is erroneous and confusing, especially when the burden of a three hundred dollar thirty years' depreciation is offset by an appreciation of perhaps more than $1,500 (as is the case

in Boston) which offset is rightfully a part of the economic situation. Many laws, tariff laws among others, do not pretend to insure against sporadic cases of possible injustice, but the universal law remains that, with civilisation, the value of land increases.

(*c*) The statement of the book on this point comes far short of covering the actual condition. The facts that the "selling value of land is an untaxed value" and that "the burden of a land tax cannot be made to survive a change of ownership" have indeed so increased the demand for Boston land that in value probably more than three-quarters of it is to-day in dead hands, or in the hands of trustees and syndicates which cannot die, all of whom refuse to loosen their grip upon this "preferred stock" except at exorbitant speculative prices which would yield income far under other lines of investment.

PART II.

THREE BOSTON OBJECT LESSONS IN TAXATION

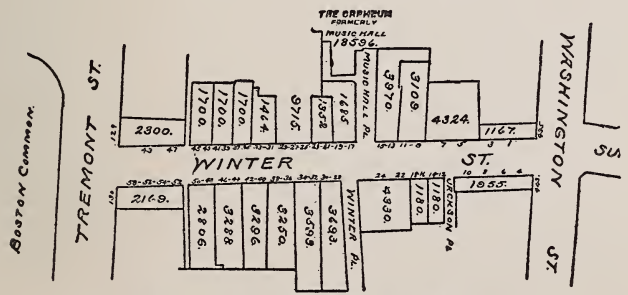
Chapter IV

FIRST BOSTON OBJECT LESSON

WINTER STREET AND THE SINGLE TAX*

SHOULD THERE BE A NORMAL RATIO BETWEEN THE VALUE OF LAND AND THE VALUE OF BUILDINGS?

THE following text, diagram, pictures, and tables are designed to illustrate the absurd ratio existing between the values of land and buildings, and the possible application of the single tax principle



MAP OF WINTER STREET SHOWING ESTATES NUMBERED

Total area of lots 83,522 square feet, or one and eight-tenths acres. Total length of street 485½ feet. The numbers in small figures on this plan are the street numbers; the numbers in large figures are the square feet of area in each lot.

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*The statements contained in this chapter are adapted from an address at a banquet given by the Massachusetts Single Tax League in the Hotel Vendome, October 5, 1899, to Representative Business Men of Boston. This was the tenth

to one of the most important business thoroughfares in the heart of the shopping district of Boston, an impressive lesson in the inequalities of the present system of taxation.

In this and the following object lessons the valuations, unless otherwise noted, are those of 1907. The total valuations on both sides of Winter Street including the estates on the Tremont and Washington Street corners were:

LAND

1898	$5,142,600	$61.57 per sq. ft.	$2,681,989 per acre
1907	8,272,000	97.50 per sq. ft.	4,247,100 per acre

BUILDINGS

1898	$675,000	$8.08 per sq. ft.	$ 353,836 per acre
1907	605,200	7.13 per sq. ft.	310,582 per acre

Showing for nine years an increase of 58 per cent in land, and a decrease of 11 per cent in buildings.

The assessed valuation of the estate at the southwest corner of Winter and Washington Streets (Fig. I), was in 1907, $557,000, of which $19,400 was for buildings. The land alone, 1,955 square feet, increased from $342,000, $175 per square foot, in 1898, to $537,600,

banquet in a series of seventeen given by the League during the years 1897-1903 to the following bodies: (1) Patrons of Husbandry; (2) Association of Massachusetts Assessors; (3) Labour Organisations; 4) Massachusetts Woman's Suffrage Association; (5) New England Free Trade League; (6) The Massachusetts Clergy; (7) Young Men's Christian Association; (8) Boards of Charities and Corrections; (9) Representative Taxationists; (10) Representative Business Men; (11) Twentieth Century Club; (12) Real Estate Men; (13) The Catholic Clergy; (14) Members Boston Merchants' Association; (15) Political Economists; (16) Professional Economists; (17) Landlords of Boston, followed by (18) A Dinner-Discussion of the Economic Club of Boston, and (19) Lorimer Hall, Finale.

$275 per square foot, in 1907. This assessed valuation of $275 per square foot for land is the highest in Boston. In 1893 the estate had been sold for $350,000. The present building was erected in 1881, but it is no distinct improvement, in height or otherwise, over its predecessor. Is it reasonable that the owner of this land should in fourteen years realise an increase on his investment of 59 per cent ($207,000 on $350,000), and business reap little apparent advantage in accommodation during twice or thrice that time?

In 1907 the estate was paying the owner an income of about $25,000. The Transit Commission took this estate by eminent domain, and settled for it in 1908 for $630,000 or $320 per square foot for the land and buildings. After appropriating subway station accommodations, it leased the balance of the estate for the sum of $28,000 a year and taxes, or $36,000 as long as no taxes are assessed. This is a return of about 4½ per cent net on the purchase price of $630,000, on which sum the city is paying—as the money was borrowed—about 4 per cent.

What Better Buildings Mean

Query. Is it not a fact that with up-to-date buildings, having ample rear courts for the receipt and shipment of goods, business might be far better accommodated, and Winter Street be made 20 feet wider in the bargain? Would not up-to-date buildings on Winter Street at least double the business accommodations, and hence be equivalent to doubling the area of the land?

The limited land space of Winter Street commands

a high price because its area cannot be increased. The limited floor space of Winter Street commands a high average price because its area has not been increased.

How Capital Is Handicapped

QUERY. If capital is the friend of labour why does it not build better buildings on Winter Street? Simply because it cannot get at the land. The land owner, being unable or indisposed to build, and unwilling to sell his land, there is no inducement to capital to put up lasting buildings to be forfeited at the end of the lease. When business from compulsion builds for itself in this way, it puts up the cheapest building that will answer for the time being, instead of what is best for all time. The one hundred and seventy-five or more concerns on Winter Street are in the merchandise, and not in the building, business. Such building is exceedingly disadvantageous to large concerns and impossible to small ones.

QUERY. Were the land holder and the business man of Winter Street "created free and equal"? The extensive alterations and improvements in Shepard, Norwell Co.'s stores (Fig. III), as in many other cases, have been paid for by the tenants, who have also paid all taxes on them. At the expiration of the usual twenty-year lease, all these improvements revert to the owners of the land. Is it fair that the land owner should, in the disposal of his land, have the benefit of the sharpest kind of competition, while the business man is debarred from all kind of competition in the obtaining of new buildings? Is it not about time that all Winter Street build-

ings should, in a comprehensive sense, be "altered to suit tenants"?

A Striking Illustration of a Common Fact

The land in Winter Street, which was assessed at less than $4 per square foot in 1850, was assessed in 1907 at $130 per square foot. During the fifty-seven years intervening, the income, above taxes, from the land, in rent and appreciation has amounted to an average of 150 per cent annually on the investment of 1850.

Three Burdens for Business and None for the Landlord

QUERY. Is that a constitutionally "just and reasonable" system of taxation which constrains the business man of Winter Street to erect at his own expense a basis of taxation, pay the tax itself, and then turn over without consideration the very basis itself to the pocket and profit of another man? Should not the land be taxed until it is at least as profitable to use it as to hold it out of use?

Leading Questions

QUERY. Why should not Winter Street, with its concentrated business and highest land values in Boston, have the best buildings, with the best attainable equipment, elevators, ventilation, heat, light, water, sanitation, etc.?

QUERY. Wherever business has up-to-date accommodations, as in the Exchange Building on State Street and the new Tremont Building on Tremont

Street, is it not a fact that the value of the buildings approximately equals or exceeds the value of the land? Should not the value of the buildings at least keep some sort of pace with the increasing value of the land? It is not asserted that Winter Street ought to have buildings worth, like the land, $97.50 per square foot, but that $7.13 per foot is too low and means a great detriment to business.

QUERY. If estate holders in their quest of profits had been as dependent on buildings as on land during the past forty years, would Winter Street, the centre of business and of highest land values, ever have lacked building accommodations of a value approximating much more closely to that of the land than has been the case?

QUERY. If the income from the land of Winter Street, including appreciation, were no greater than the income from up-to-date buildings, would the business of Winter Street tolerate to-day its seventh-rate accommodations?

QUERY. Was the land of Winter Street made for the use of business or for the speculative profit of the land owner?*

Is the business of land owning pure and simple deserving of so much consideration as to merit encouragement at the expense, and to the detriment, of industry and enterprise? If not, is not the present system of exempting it from the burden of taxation unwise and indefensible?

A modern eight story building covering the

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* By land owner is meant any man in his capacity as owner of land only, independently of his capacity as owner of buildings and improvements or anything else.

location of A. Stowell & Co. (Fig. VI) would afford to business four times as much floor space as now at one-quarter the present average rental per square foot.

The ground rent of 5 per cent on $130, the assessed valuation, would be $6.50 per square foot. The rent of a building eight stories in height, costing $50 per square foot, would be $2.50 per square foot, making ground rent and rent of building together $9 per square foot. Subtracting from this $9 three-quarters ($6.75) for ground floor and basement, there is left for the remaining seven floors $2.52 per square foot, or 32 cents per square foot for each floor. Upon the area of 4,630 square feet at $6.75 per square foot, this means a total rental for ground floor and basement of $31,253, and for the other seven floors $10,417, or an average of $1,488 each. This figure is probably much under what such floors would actually command.

This estate occupied by A. Stowell & Co. costs the city of Boston just as much in the way of public service as it would with the finest possible building. It is this constant expenditure for public service that maintains the value of the land, while adding nothing to the value of the buildings. Further, maintenance is not all. The present value of the land has been paid for, dollar for dollar, by the people of Boston. Why should not this estate pay taxes in proportion to the taxes that are spent upon it?

Query. Is it reasonable that the business of A. Stowell & Co. should be required to pay $30,000 ground rent (5 per cent on $600,000 worth of

land) in order to secure floor space worth $12,000 a year?

What Does the Business Man Think of It?

The following facts and figures are given for business men to consider, being careful to avoid hasty conclusions, and to remember that the more nearly the value of buildings approaches the value of the land the better it appears to be for business.

Comparison by Counties

Massachusetts has fourteen counties. In every one of thirteen of these counties the assessed value of the buildings exceeds and in most cases largely exceeds the assessed value of the land. In the one other county, Suffolk (Boston, Chelsea, Revere, and Winthrop), containing 49 per cent of the whole land value of the state, the buildings fall far below the land in value.

The Small Towns

Again, eighty-eight towns (out of Massachusetts's 354 cities and towns), having lowest valuations, show average assessments as follows: of buildings, $130,000; of land, $145,000. A single tax assessment based upon site value of uncultivated land and exempting not only buildings, but all other farm improvements, would reduce this average land value for these eighty-eight towns, so far as they represent farm land for assessment, from $145,000 to probably less than $75,000. The following figures show Winter Street in company with the three smallest of these towns:

	BUILDINGS	LAND	RATIO
Mashpee	$46,530	$140,020	33–100
Peru	22,680	84,825	27–100
Florida	30,790	119,246	25–100
Winter St., Boston	605,200	8,272,000	7–100

For the County of Suffolk, which contains the City of Boston, as well as for the state, no such discrepancy appears. Following are the figures:

	BUILDINGS	LAND	RATIO
County of Suffolk	$444,441,725	$673,208,750	66–100
Other 13 counties	949,283,781	679,071,599	140–100
Whole state	$1,393,725,486	$1,352,280,349	101–100

Twelve Cities and Towns

In the twelve following large cities and towns the value of the buildings greatly exceeds that of the land.

	BUILDINGS	LAND	RATIO
Lenox	$2,306,500	$1,731,375	133–100
Pittsfield	8,685,715	6,971,255	124–100
North Attleborough	2,411,210	1,256,613	191–100
Gloucester	9,388,650	7,886,470	119–100
Haverhill	12,392,960	9,772,050	126–100
Lawrence	22,854,800	18,587,850	123–100
Lynn	29,892,705	23,238,785	128–100
Holyoke	18,194,860	15,456,380	117–100
Springfield	37,188,415	36,131,445	103–100
Cambridge	49,245,700	39,989,600	123–100
Lowell	33,293,590	26,389,020	126–100
Newton	27,590,325	22,878,475	120–100
Total	$253,445,430	$210,289,318	120–100

Seventeen Cities and Towns

In the following seventeen cities and towns, representative of their class, the valuation of the buildings is in the average double that of the land:

	BUILDINGS	LAND	RATIO
Athol	$2,324,908	$1,204,097	193–100
Clinton	4,246,230	1,967,307	215–100
Abington	1,749,697	634,610	275–100
Plymouth	5,477,025	2,206,250	248–100
Amherst	1,839,225	899,535	204–100
Chicopee	6,115,900	2,221,270	275–100
Amesbury	2,841,815	1,397,681	203–100
Newburyport	5,269,850	2,379,600	221–100
Adams	2,598,950	1,085,300	239–100
North Adams	7,257,210	4,827,075	150–100
Attleborough	5,479,385	3,474,395	158–100
Taunton	11,024,365	5,214,520	211–100
Easthampton	3,412,906	408,720	836–100
Rockland	2,346,350	891,323	263–100
Chelsea	14,600,570	8,922,300	163–100
Blackstone	1,244,065	760,410	163–100
Gardner	3,767,096	1,395,618	270–100
Total	$81,595,727	$39,890,011	205–100

An Enormous Discrepancy

QUERY. Why is the value of the buildings on Winter Street, $605,200, so insignificant as compared with the land value of Winter Street $8,272,000? Is it not because the present system of taxation (by making partly improved real estate the choicest of all investments) enables the owner to get on such an investment a far larger percentage of revenue, with buildings thirty to sixty years old?

Under the present system the buildings of Winter Street yield in taxation only about one-thirteenth as much as the land, so that with the very moderate advance in rate from $15.90 to $17 per thousand upon the land alone of Winter Street its business might to-day have thirteen times as good accommodations in untaxed

I. Estate southwest corner Winter and Washington streets. Showing also the whole length of Winter Street. 485½ feet west to the Boston Common.

II. The three estates now occupied by the Gilchrist Company, northwest corner Winter and Washington streets. The present corner building took the place of the General Donnison dwelling in 1846 Assessed valuation: land, 1,167 square feet, $215 per square foot ; buildings, $7.80 per square foot.

III. Shepard, Norwell Company, Nos. 28 to 42. Assessed valuation: land, 3,693 square feet, $109 per square foot.; buildings, $8.00 per square foot.

IV. Allen's, corner of Music Hall Place. Assessed valuation: land, $227,500 or $135 per square foot; buildings, $7,000 or $4.00 per square foot.

buildings, and the city lose nothing in taxes from that locality?

A Tax That Defeats Itself

QUERY. Do not the above questions indicate not only that the taxation of buildings has defeated itself by discouraging the increase of buildings to be taxed, but also that the city is deprived of a much larger revenue by thus preventing the large increase of land value in the whole neighbourhood adjoining, which would follow the erection of eight million dollars worth of buildings on Winter Street?

Winter Street is the centre of the highest land values of Boston. It is 485½ feet, or less than one-tenth of a mile, in length. It has two subway stations of different lines, one at the Washington Street and one at the Tremont Street end. The city is spending eight or ten millions for these subways, besides other millions annually to provide shopping facilities for a million people. The result here is $8,000,000 worth of land value for the benefit mainly of the land owners of Winter Street, and $600,000 worth of shopping accommodations for the people. Is the result pleasing or profitable?

Chapter V

SECOND BOSTON OBJECT LESSON

WASHINGTON STREET AND THE SINGLE TAX*

IN VIEW of the nature of ground rent as already considered there is one way that promises to simplify and equalise taxation, viz., by beginning at once the gradual transfer of the burden to shoulders by which eventually it will not be felt, thus tending to correct the distribution of wealth, abolish strikes, silence the clamour against monopoly and special privilege, and sweep from before the halting wheels of social and moral progress much of the degradation, distress, and vice precipitated to-day upon society by want on the one hand and surfeit on the other.

Men who have large selfish interests often prove themselves just as open to conviction of fairness and soundness as those who have small selfish interests. So far as the case is made plain to them their judgment generally will be impartial. No business interest, for instance, is more keenly sensitive to crooked taxation than is the real estate business; none quicker to take alarm at the sound of hostile legislation. No one would claim, and few would allow, that to justify a reform it should be shown to be to the pecuniary

* This chapter is adapted from an address at a banquet given by the Massachusetts Single Tax League to Representative Real Estate Men in the Hotel Brunswick, Boston, October 8, 1900.

advantage of any one class of men over another; yet it is not difficult to conceive how, in the relief of houses and stores and factories from taxation, the real estate business would get a large share of betterment from the change.

Herewith is offered a collection of facts and definitions, coupled with a few simple statements, calculations, and deductions, criticism of which is invited. These take the form of observations, purposely disjointed in order that a connection dropped may not be a connection lost. It is hoped that in the consideration of these points a sufficient vantage ground of agreement may appear from which to begin at once gradually to supplant the bad with the good, the crooked with that which is straight, the unattainable and indefensible with that which is practicable, simple, and near at hand.

The assessed valuation of Washington Street, from Adams Square to Eliot Street, 3,495 feet, or two-thirds of a mile in length, with an area of 745,003 square feet, $17\frac{1}{10}$ acres, comprising 179 estates, was in 1907:

Land	$61,135,900	$77.00 per square foot
Buildings . . .	10,793,200	$13.50 per square foot

This is an increase in valuation, over the year 1898, of land, $20,438,400, or 50 per cent; of buildings, $1,955,100, or 20 per cent. In 1899 the valuation of the buildings was $21\frac{1}{2}$ per cent that of the land; in 1907, only $17\frac{1}{2}$ per cent.

The property, land and buildings, yields to the city, in taxes at $15.90 per thousand, $1,143,672. By an increase of $2.80 in the rate, with all buildings

exempted, the land alone would yield the same amount, ($61,135,900 at $18.70 equals $1,143,672).

Some Pertinent Illustrations

There are on this street, between Adams Square and Eliot Street, 179 buildings, twenty-one of which have been erected in the last twenty years. At this rate Washington Street is confronted with the happy prospect of buildings of modern beauty and convenience in only a trifle more than one hundred and seventy years, provided only that none of them grows old meantime. Has not fifty years been the limit of a useful life for the average building of the past? If so, Washington Street should have three full crops of new buildings, instead of one, in the one hundred and seventy years.

All nature renews itself and comes out in a new dress once a year. The more the land is enriched, the more fertile the agricultural crop. Why is there not found the richest economic crop of buildings on land richest in value? Is not something "rotten in Denmark"? If so, what is it?

The human body, as man's habitation, is renewed once in seven years, cuticle and all. Of Boston's 87,300 buildings 1,657 were erected in 1907. If one-half, or 828, of these are due to a natural growth of less than 1 per cent annually (the annual increase in population is over 2 per cent), and only one-half are to renew old buildings already enumerated, then it will take at this rate upwards of one hundred years to scrape off the surface scurf, and give to Boston a fresh and healthy cuticle. It will require these one hundred years even if every new building is proof against decay.

V. A. Stowell & Co., in 1899. Altered from a house stable and hennery; about 85 years old. Land, $136,000 or $85 per square foot; buildings, $7,000, or $4.00 per square foot.

VI. A. Stowell & Co., No. 24, corner Winter Place. Regalvanized in 1907. Assessed valuation: land, 4,630 square feet, $601,900, or $130 per square foot; buildings, $15,100, or $3.25 per square foot.

VII. Conrad & Co., Nos. 25 to 29 Winter Street. Assessed valuation: land, $75 per square foot; building, $7.75 per square foot. Site of the old Central Church. Occupied for 40 years by Chandler & Co.

VIII. "Old Corner Book Store," corner Washington and School streets. Built in 1712, now occupied by the United Cigar Stores. Assessed valuation: land, $730,200, or $150 per square foot; building, $12,800, or $2.62 per square foot.

Meantime, where is the builder's occupation gone? Is this health for a body politic? If not, will some wise physician furnish a prescription?

Do the $231,600 worth of nearly worthless buildings shown in Fig. IX represent those business interests of Boston for which a Washington Street subway is being completed; for which a Tremont Street parallel subway was completed only a few years since, and but one square away? These subways add nothing to the value either of these old buildings or of the new ones which might replace them. Yet they soon will have doubled the value of the land.

It is submitted in all honesty and seriousness that this Washington Street, from Adams Square to Eliot Street, is a veritable economic monstrosity. Whenever any section of a city is in a state of transition, like the West Street and Temple Place of a generation ago, or like the Summer Street of to-day, altered fronts and other makeshift devices are for a time natural and inevitable. But here in Washington Street, for a couple of centuries the main business artery of a great city, there are not on its whole length more than three or four buildings which you could point out with special pride to the visitor from Chicago, or Kansas City, or Marblehead, or Cape Cod. For this condition there must be a cause, and this cause is the private appropriation of a public value; a value publicly created, and publicly maintained. If this is not the cause, we ask you to help us find what is.

Query. Is it the Old Corner Bookstore (Fig. VIII), now almost two hundred years old, valued at $2.62 per square foot, that needs a new Washington Street subway? Is Washington Street land at $50 to $300

per square foot a proper place for this and a hundred other similar tombstones?

The economic, or ground, rent of this estate is not (probably) what the present tenant pays for the use of the land with its worthless buildings, but is what such use would command in connection with an up-to-date building. This gross ground rent is at least 5 per cent on $730,000 (the assessed valuation), $36,500, plus present taxes on the land, $2,035, or $38,535. Whatever the user receives in return for the annual payment of this ground rent or natural tax (be it $38,535, or more or less), he receives from the city and people of Boston. The owner, as owner, to whom this rent is paid, gives him nothing in return. Ought not the owner at least to pay the taxes?

Question. Why do these worthless Washington Street buildings withstand the march of improvements? Labour wants to put up better buildings. Capital wants to invest in better buildings. Business wants to occupy better buildings.

Answer. The reason is that a building investment involves labour and business risk, while land investment does not; and further that people are not only permitted to hold this land practically unimproved, but are actually paid handsomely for doing so.

QUERY. Is it not a fact that the business of Washington Street would be better accommodated to-day if every alternate square were covered by an up-to-date eight or ten story block, with open parks or even market gardens in the intervening squares?

Ground rent is whatever amount a user pays, or would be willing to pay, annually, for the use of the

land itself. It is whatever is paid for the use of a whole property, land and buildings, less taxes, insurance, and repairs, and a fair interest on the value of the buildings. When new buildings, or extensive alterations are made by the tenant which are to revert to the landlord at the end of say a twenty years' lease, then one-twentieth of this outlay becomes a part of the annual ground rent, because it forms a part of the price paid for use of the land. Ground rent is simply "a premium paid for the advantage of location; it is the value of the special privilege of the occupancy of a particular spot of land to all of which all men have an equal right, but from which all but one are and must be excluded." To tax this value of land is no burden upon the user, because he can get a better living by using this land, after paying the rent, than by using some other land that nobody wants, and that hence has no rental value.

The Transit Commission took the estate, northwest corner of Washington and Boylston Streets (Fig. X), by eminent domain for subway purposes, and the expert estimates of its value ran as high as $625,000, or $587 a square foot; the Commission conveyed the property back, allowing the owner as compensation for the reservation of the basement and part of the ground floor for transit purposes, $150,000, a sum only $17,000 less than the assessed valuation of the whole estate, besides interest and an allowance of $10,000 toward necessary reconstruction of the building. While this is a very complicated case, and the owner, a well-known Boston merchant, claims that the sum received by him for damages does not compensate him fully for the diminution in the value of the estate, the facts

certainly show that the property was greatly under-assessed.

Boston's Ground Rent $55,000,000

In the estimate, offered in Chapter I, page 18, is clearly shown the all-sufficiency of ground rent to bear the whole burden of present taxation. Criticism of these figures, with fair consideration of the process and steps of the calculation, will be welcome.

The $55,000,000 ground rent of Boston is the natural tax which the people of Boston pay for the occupancy and use of their land. This, it is submitted, is tax enough for them to pay. But, since only $10,382,628 of this natural tax is taken for public purposes, while $44,617,372 is permitted to be absorbed into private incomes, by the "private appropriation of ground rent," the people of Boston have to pay an additional tax of $13,038,914 on buildings, personal property, and polls, with the result that the occupancy of their land, with its benefits of good government and public service, costs the people of Boston to-day in round numbers:*

The natural tax of	$55,000,000
An unnatural tax (on buildings, personal property, and polls) of	13,038,914
Total burden of taxation	$68,038,914
Of its ground rent, estimated as above at . .	$55,000,000
Boston now takes in taxation less than two-tenths, or	$10,382,628
While Boston's whole tax is much less than five-tenths, or	$23,421,542

* Credit for this simple formula of great convenience in dealing with taxation in any locality is due to Mr. James R. Carret, a Boston lawyer and conveyancer.

The assessed valuation of the Ames estate (Fig. XI) is: land, $654,500, or $115 per square foot; buildings, $469,500, or $75.32 per square foot. The tax upon the land is no burden upon the owner, because he purchased only the equity after payment of tax. (See Chapter III.) Neither does he bear the burden of the tax on the building, because he can shift it upon his tenants, who do. This fact no one disputes.

Howland Street (Fig. XIII)—thirty-two well-to-do homes — has an average assessed valuation: land (8,275 feet, at 51 cents per foot), $4,220; houses, $6,371, 77 cents per foot; houses and land, over $10,000.

The valuation of the land and office building of the Ames estate is equivalent to that of the land and houses of about three Howland Streets. The latter would pay taxes on $1,015,500, at $15.90, or $16,146, while the owners of the Ames estate escape the burden of the tax on both land and buildings, neither of which can they be made to bear.

The estate, corner of Cambridge and Charles Streets (Fig. XII), taken by the city of Boston in 1899 for an approach to the Cambridge bridge, was at that time assessed, land $69,600; buildings, $3,400. The commissioners' award was $170,000, or $97,000 in excess of the assessed valuation. This award was based upon the income of the property, which was claimed to be $8,000, or 5 per cent on a value of $160,000. The income of $8,000 was 11 per cent. of the assessed valuation of $73,000. Allowing Mr. Edward Atkinson's full claim, that the single tax—local, state, and National—would take 4 per cent of assessed land values, 7 per cent would still be left in

this instance for the landowners. This may be an extreme illustration, but it goes to show the viciousness of the present system, and points unerringly to the sufficiency of ground rents for all purposes of taxation.

Few persons now call in question the right of the owner of any Washington Street lot to tear down his building and hold his lot vacant. If one owner may do this all owners may do the same. Must there not be some fatal weakness in an apportionment between the rights of individuals and the rights of the people that would make possible such an impolitic condition? But the fact that modern buildings would be worth $50 to $75 per square foot instead of $13.50, the value of present buildings, is proof that most of this land, though not held entirely vacant, is held practically three-quarters to nine-tenths vacant, or, in other words, put only to one-quarter or one-tenth of its legitimate and most economical use. A public economy that turns a landowner from a public friend into a public enemy, whether he will or no, cannot be wise.

If Boston should take the $4,383 received for taxes from the marble Sears Building on Washington Street, and the $7,465 from the Ames Building, and spend these amounts in the improvement and repair of the worthless buildings of Washington Street, the owners of the Sears and Ames Buildings would complain, and very justly. Exactly what the City of Boston does is this: It spends these same taxes in the "improvement and repair" of the land value that is under these and similar buildings. But is this really less unjust? This is one more way of looking at the unequal incidence of a tax on buildings.

Why should the Boylston Building and the old Masonic Temple and the old Public Library have come down in their youth and beauty while these Washington Street buildings are allowed to remain standing in their decrepitude? There must, we say, be some sufficient reason. If the reason here suggested is not the real one, we ask the reader what it is.

Question. How, then, are we to know just when old buildings should give place to new ones?

Answer. When the single tax shoe begins to pinch, that is, when, under the single tax, the old buildings cease to be profitable: in other words, when, upon land with buildings unsuited to the situation, a tax seems heavy which, upon the same land with proper buildings, would seem light.

The Honourable Henry Winn, a well-known advocate of the multiple tax, says: "Why does a man owe a tax? First, because society protects his person; second, it supplies and keeps in order streets for his passage; third, it lights his way by night; fourth, it furnishes parks and libraries; fifth, it schools him and his children; sixth, it protects his property; seventh, it keeps courts open to redress his grievances; eighth, it provides a government to make and enforce laws; ninth, it supports him if he falls into poverty; and tenth, chiefly because he has been placed here by God to serve and improve, not himself alone, but mankind in general, and as that can only be done by maintaining government, order, and civilisation, he owes his tax as he owes his life, to support that government."

"Amen," says the single taxer; and these are exactly the things for which every man is paying when

he pays his ground rent, the natural tax. Why ask him to pay for the same things a second time?

The people of Boston, as hereinbefore alleged, actually pay in single taxation a natural tax of $55,000,000, coupled with an unnatural and "double" tax of $13,000,000, a grand total of $68,000,000. They receive in return benefits amounting only to $23,000,000. The failure to pay all public expenses out of this natural tax of $55,000,000 is the cause of gross inequality in the division of wealth, an inequality greatly exaggerated by the additional $13,000,000 unnatural double tax.

The single tax stands for the recognition of a scientific principle of taxation. When or how it is to be introduced is not for us to say. All that is here asked is that you shall study the problem, adopt the single tax principles, and then begin to apply them. The complaint is against a condition and never against an individual or a class.

The man who, when paying his water rate, or his city gas bill, or city electric light bill, pays in full for a public service rendered to him, is not paying a tax. How, then, could a land owner, who, in paying his single tax, would pay to-day not in full, but only fifty cents on a dollar for the communal service rendered him, say that he was paying a tax, or that he was the victim of confiscation?

The proposal of the single tax is gradually to abolish the present complex, unequal, and systemless method of taxation, and to defray all public expenses from a tax upon land values alone. This surely would be a simple process. It would be to distribute the public burden with invariable justice, because in

IX. From Bromfield Street north to Harvard Place. Nos. 319 to 369 Washington Street. 11 estates. Assessed valuation: land, 27,555 square feet, $2,644,800, or an average of $91.65 per square foot; buildings, $231,600, or an average of $8.05 per square foot.

X. Estate N. W. corner Washington and Boylston streets. Assessed valuation, 1907 (1,064 square feet) land and buildings, $215,000, building assessed for $28,900.

XI. Ames Building, corner Washington and Court streets. Assessed valuation: land, $654,500, or $115 per square foot; building, $469,500, or $75.32 per square foot.

XII. Estate corner Cambridge and Charles streets in 1899. Assessed valuation: land, $69,600; buildings, $3,400 — total, $73,000. Commissioners' award from city, $170.000. Award was based upon an alleged income of $8,000, or 5% on a value of $160,000.

accordance with a natural economic law, instead of a variable and impossible statute law. This is all there is in the single tax of complexity, absurdity, or impracticability.

The City of Boston is lavish of its millions in order that Washington Street space may yield proportionately more business, more profit, more convenience, and more satisfaction to people. Enterprising syndicates of men and capital are ready and watching to make the most of the situation. It is the unequal advantage enjoyed by the owners of lots small or large that hinders this realisation of the city's good intentions. This is the canker that destroys the city's harvest from its planted millions.

The people tax themselves $100,000 to build a beautiful Milton, Dorchester, Newton, Cambridge, or Lynn boulevard. Then straightway the same people again pay interest on the same outlay in the form of ground rent, before they can establish their homes and enter into the enjoyment of their own benefactions. In other words, they deposit $100,000 in the ground, and then pay 5 per cent annually for the privilege of appropriating the interest thereon.

Why should a city which creates the enormous value of its land, be powerless to insure, or even to facilitate, the use of it by the provision of suitable buildings thereon because paralysed and checkmated by unequal rights vested in the dead hand of corporations, trustees, and institutions.

German cities exercise themselves about the municipal "housing of the poor." Why should not American cities cast about to remove the municipal

impediments which prevent poor and rich alike from housing themselves, both in private and business homes?

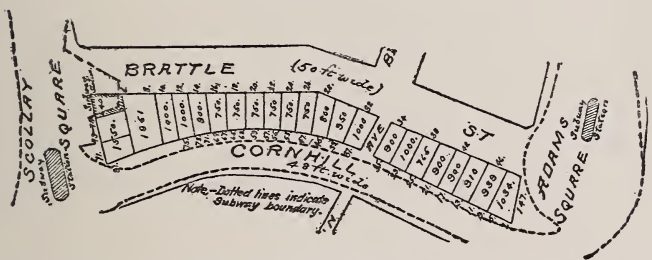
The nature of the problem is the same in the case of a store on Winter Street as in the case of a house on Salem Street. Every argument in favour of municipal initiative in the renovated housing of the people has no less force in connection with the renovated housing of the people's business.

If all men are to have equal rights, then the right of the landlord, the storekeeper, and the customer should not be in conflict but in harmony.

Chapter VI

THIRD BOSTON OBJECT LESSON

CORNHILL AND THE SINGLE TAX*



MAP OF BLOCK BOUNDED BY CORNHILL, BRATTLE STREET, SCOLLAY SQUARE, AND ADAMS SQUARE.

Total number of square feet	21,419
Number of lots	23
Average number of square feet to each lot	931
Total frontage on Cornhill, in feet	450
Average frontage per lot, in feet	20
Average width of block, in feet	45
Width of Cornhill, in feet	48
Width of Brattle Street, in feet	50
Width of subway underneath	24
Land, assessed value	$1,220,700
Buildings, assessed value	$ 101,800
Land, assessed value, per foot	$57
Buildings, assessed value, per foot	$5

Between Cornhill and Brattle Street, Boston, and facing upon both streets, are found to-day twenty-three houses built by Uriah Cotting for the Cornhill

* This chapter is adapted from an address at a banquet given by the Massachusetts Single Tax League to members of the Boston Merchants' Association in the Hotel Brunswick, October 22, 1901.

Company in 1817 (Figs. XIV and XV). More than one hundred firms and individuals are doing business in these contracted quarters, in which not one of their number would deign to live. These estates, as they stand, net the owners an income of probably 20 to 50 per cent on their original investment. With modern buildings they would net say 5 or 6 per cent on to-day's valuation of land and buildings.

Why, we ask, should there not be a board of business health to condemn buildings which, like these, are untenable for business? As a matter of fact, a proper system of taxation would vacate these untenable buildings without the aid of any such board. If the erection of the Exchange Building, the Tremont Building, and other modern office buildings could empty immediately hundreds of dingy and stuffy offices, why would not a hundred business palaces, as fast as they could be built, empty the same number of cramped and ill-appointed stores, workrooms, and attics?

If land and buildings stood on their respective merits, subject to equal competition, that is, accessible to capital and labour at the price each is worth for use, these buildings would quickly condemn themselves. Such unmerchantable material, if at sea, would follow the decayed frigate to some navy yard to be broken up. On land, if they had not been fastened to it, they would long ago have gone to the junkshop; but as they are fixed to the land, whoever uses the land must use them.

Under the best of conditions, it is sufficient for the city to maintain a street at the front doors of abutting lots, each one hundred feet deep. Here, on Cornhill,

XIII. Howland Street, Roxbury. Thirty-two well-to-do homes. Average assessed valuation per house and lot: land (8,275 square feet at 51 cents per square foot), $4,220, House, $6,371, or 77 cents per square foot; land and house together, over $10,000.

XIV. The whole of Cornhill block, as seen from the top of the Pemberton Building, Pemberton Square.

XV. Cornhill block on the right, looking up from Adams Square. Scollay Square subway entrance in the distance.

XVI. St. Paul's Church, Tremont Street, near Winter.

are lots averaging forty-five feet deep, having one forty-eight foot public street, with all its public utilities, at the front door, and another fifty foot street at the back door, equivalent to one street for abutting lots, each twenty-five feet deep, making the one item of street cost, for the accommodation of these buildings, four times what the highest public welfare demands. On the other hand, it is probable that if the buildings in Cornhill were new and adapted to the situation, they could easily accommodate four times the business that is done in the present area.

With four times as much street as is needed, for one-quarter of the amount of business, is it not a simple calculation that Boston's taxes, on account of the business done on Cornhill to-day, are something like sixteen times as heavy as they need to be? One would naturally think that the owner not only should pay for the maintenance of the land value, by which he profits, but should also make the utmost of such public facilities. As a matter of fact, he does neither. Is it hardship to require him to bear the taxes? Is it possible to conceive of the adaptation of unlimited means to a smaller end than in this case of Cornhill? The object of all public service and good government is to provide people with home and business facilities. When, as in this case, neither of these objects is attained, is not the expenditure a public waste? Is it not money spent for nothing? Surely, there is no prosperity in vacant lots. These are, in one sense, worse than vacant, yet their value keeps on increasing. New buildings on the top of land increase its value, but a new subway with two new subway stations at public expense, under the land, will, as is here witnessed, sometimes

double its value in spite of the old buildings upon it. Is it for such buildings as these that Boston builds its subways?

One of the good things claimed for the single tax is that under it those genuine building syndicates which erect and improve buildings at their own expense for the benefit of the occupiers, may be expected to put a happy end to those alleged "land improvement companies" which exploit the land for the benefit of themselves, largely at the expense of the occupiers.

When the palaces which insurance companies* build for their own investment are such shining examples of what the most carefully guarded capital can profitably do, how can these waste places in Cornhill be charged to capital? Capital would any day gladly undertake to pay annually for this whole square of land what it is worth for use, would pay for the present buildings their total worth, and would then equip the land luxuriously for business occupancy, asking in return only a secure title to its improvements. But when capital is asked to do this, as tenant, with no title either to land or improvements thereon, it declines to play against loaded dice, and business has to live in tents and log cabins because its best friend, capital, is forced to play the rôle of a seeming enemy. The malefactor, i. e., the evil factor, in the case, is the private appropriation of ground rent, which is like a check valve—the higher the steam pressure of public expansion and

* It has been thoughtlessly alleged that the single tax would bring ruin to savings banks and insurance companies, by impairing the value of their land securities. Under any gradual adoption of the single tax this could hardly be a serious charge so long as investments are changed every three or five years, as is the custom of those fiduciary institutions.

the demands of business, the more securely the title valve is pressed down to its seat.

A title to land bought and paid for five or fifty years ago is not like other wealth. Title to land is simply a warrant to take indirectly at the annual round-up a certain proportion out of the wealth which other people's labour has produced upon that land. That is, it is a warrant to take the ground rent which public expenditure creates, leaving other people to go on paying the taxes with which to meet that public expenditure.

Ground Rent a Reflected Value

It may help to an understanding of the subject to remember that the site value of land is so to speak a reflected value, an intangible value, not value resulting from individually directed labour. The immovable land reflects the movables that are upon it. In great centres of traffic in movables, the land value is great. Withdraw all movables from Boston, New York, or Chicago, divert them to other centres, and land value would vanish as does your image from the glass when you step away from it. How plain, then, is the unwisdom of taxing the things which a community wishes above all else to invite and to hold; how plain the wisdom of taxing nothing that can evade taxation

The Natural Basis for a Natural Tax

The ultimate natural basis for the assessment of a natural tax upon land is manifestly the basis upon which the assessor makes all his calculations of land value, viz., gross ground rent, what the land is worth for use. Ground rent is something that every man

pays, and must pay, for the use of his land, and no constitution or statute, army or navy, can relieve him from this natural tax. He now pays this ground rent, and all other taxes besides. Our desire is to turn Ephraim from his petrified idols of taxation until he pays no tax except his ground rent, which he must pay in any event.

The inequality in the division of wealth effected through special privilege is caused by the failure to put a natural tax in the right place, and the subsequent aggravation of this unequal division is caused by the error of putting artificial taxes in the wrong place.

The single tax is not a new device, with a set of newly devised principles peculiar to itself; it must stand, if it stands at all, upon demonstrable scientific principles of political economy. These we are seeking to determine and apply, believing that the operation of such principles must bear the fruits by which they may be known and justified.

Other sciences — mathematics, chemistry, physics, astronomy — have long been showering the world with blessings. Is it not time that economics, the science par excellence of the fair distribution of all these blessings, should assume its high privilege and prerogative as quartermaster, commissary, and purveyor, to govern the issue of all these Aladdin stores?

In considering the possible ease with which the burden of taxation may be made finally to weigh, let the fact never be lost sight of that the selling value of land will, with the new purchaser, subsequently to the imposition of a new tax, slip out from under the burden like a globule of mercury from under the thumb. We find that the only place where the tax yoke will stay

put is squarely upon the shoulders of ground rent, what the land is worth for use, its gross annual value. Take, for taxation, a portion of ground rent, and you have a basis for assessment that is stable, in that it is a value not affected by taxation. The selling value, or the assessed valuation, is not the shoulders, but the rump, or the small of the back, that will "slip the yoke," as the farmers say, as soon as real estate moves.

By fact and reason we are, not led, but driven, to the conclusion that more than $650,000,000 of capital invested in Boston land to-day escapes entirely the burden of the tax which is assessed upon capital invested in buildings; and the happy landlord of land and buildings bears no land tax burden, shifts his buildings tax upon his tenant, and thus himself entirely escapes the tax burden. This statement is a corollary, or consequent, of the accepted economic principle, that the selling value of land is reduced by the capitalised tax that is laid upon it.

This view is in literal harmony with the substantial agreement of the economists, that the only direct tax (with the possible exception of taxes on incomes and inheritances) — the tax which cannot be shifted or evaded — is a tax, not upon the assessed valuation of land, nor upon the selling value of the land, but upon ground rent, or its capitalised value, the gross value of land.

Chambers of commerce, merchants' associations, manufacturers, and dealers are constantly seeking to find or make the best and largest market for their commodities. The best market, it is fair to say, is the largest number of persons who are able to buy the wares they want. The greater the number of people

who want every good thing that is made (and are able to have it) the better it is for trade. Thus, an equitable distribution of wealth is a vital requisite in the case.

Make taxation equal, impartial, "reasonable" to the poor man, "proportionate" to the rich man, and the distribution of wealth will then be as equal as justice can make it, for it will be in proportion to the skill and industry of the hands and brains producing that wealth. "Equal opportunities for all, and special privileges to none." The equitable ideal is to-day unrealised because, while a comparatively equitable distribution of a portion of wealth is going on through the one universal channel of wages, congestion of wealth is constantly occurring through the second and only remaining channel, the channel of special privilege, which is invariably a privilege of the private appropriation of ground rent, always and wholly a social product.

The single tax aim is, on the one hand, to widen the channel of wages by opening the way to equal opportunities, and by increasing the purchasing power of wages through reduction of prices, and on the other hand, to narrow the channel of special privilege by making the man who has this privilege pay a tax proportioned to his privileges.

Another Illustration

The St. Paul's Church property on Tremont Street, Boston, standing between two large stores (Fig. XVI), furnishes another good illustration of what we have been saying and reiterating.

Less than ten years ago $1,500,000 was offered for

this property for business purposes, and the offer was declined. Since then the assessed valuations of the adjacent Tremont Street estates between Winter Street and Temple Place have increased more than 75 per cent. In view of these facts it should be very conservative to estimate to-day:

The value of St. Paul's Church property at . .	$2,000,000
For this value the St. Paul Society paid in 1820 .	100,000
The people of Boston have since contributed by their aggregate and particular activities, industries, and expenditures	$1,900,000
An annual contribution for 87 years of much above	20,000
But, in recent years, this increase in value has been at the annual rate of not less than . .	$75,000
Church property being exempt from taxation, the people of Boston have to make up the amount of the exemption. This, in the case of St. Paul's is $22,500, and for all church property in the city is $385,000, a year.	
If then to the above average annual contribution of the public there be added these taxes for 1907, more than	22,000
The total annual contribution amounts to . .	$97,000

An amount equal to the 5 per cent ground rent of almost $2,000,000 worth of land, or to the taxes, at $15.90 per thousand, on $6,100,000 worth of property! Ten out of the 354 cities and towns of Massachusetts — Everett, Hyde Park, Melrose, Milton, North Adams, Revere, Salem, Taunton, Waltham, and Watertown — and the whole county of Barnstable, have each an average land valuation of $6,000,000. Thus the cost of St. Paul's to the people of Boston has been far greater than would be the average income at the

Boston rate of $16 per thousand, from taxation upon the land of any one of the above named ten cities or one county of the state for the year 1907.

Under the single tax such conditions could not prevail. Prevailing, as they do, nothing but the private appropriation of a public ground rent can perpetuate them. Nothing but the taxation of ground rent can correct them.

The St. Paul's illustration seems extreme on account of the total exemption of church property, but what has been said of it is from two-thirds to nine-tenths true of all vacant land, or of land slightly improved, as is the case with a large part of the business section of Boston.

Granting all that St. Paul's may claim for religion and sentiment, we yet maintain—and its forty-one proprietors will doubtless admit—that an impartial distribution of the cost of religion and sentiment to the one hundred and twenty thousand families of Boston at this rate of more than $2,000 each, amounting to a total of more than $240,000,000 a year, would be an undreamed of union of Church and State.

The object of this illustration is not to cast any invidious reflection upon St. Paul's Church, but rather to impress upon your minds the enormous dimensions of the reservoir from which the single tax proposes to draw all public revenue.

The proprietors of St. Paul's are a body of Christian gentlemen of discernment and philanthropy; none are more likely than they to see the inconsistency of their situation; none more likely to welcome its correcting; none more likely to see that they will get a full share of betterment from a new and improved order of

things; that a religion and a church worthy of justification have no need of such alms as these from the people whom they seek to save. Brought face to face with a true apprehension of the problem, seeing the unequal operation of a tax exemption that gives the least to those most needing aid, and most to those who need it least, it would not surprise me if they were themselves to instigate and inaugurate the remedy.

Some Objections Answered

It is objected to the single tax, that it is confiscation. But what is taken from the owner? No land is taken. The single tax is not land nationalisation. No right of occupancy or improvement or sale or devise is taken from the owner; nothing except the right to collect natural taxes from other people, and to be himself exempt. In the aggregate the new tax would be compensated for by the exemption of an equal value of buildings and personal property. The landlord who thinks himself discriminated against by such a tax has only to improve his land to escape the burden.

Both land value and house value require to be maintained. The public creates and maintains the value of the land. The owner, directly as builder, or indirectly as purchaser, creates and maintains the use value of the house.

The maintenance of the use value of the land by the public gives outright to the owner a fund the interest of which will pay his land tax. The maintenance of the use value of the house falls upon the owner, and he must recover his house tax out of the house rent increased so as to include the tax. This will be true,

because, unless the owner can get a rent sufficient to pay interest on the cost of the house, over and above taxes, no more houses will be built, until they become so scarce as to force rent to a point that will cover the cost of maintenance.

How can taxation be confiscation? Etymologically the words have nothing, and colloquially almost nothing, in common. To confiscate is, according to the Century Dictionary, "to adjudge to be forfeited to the public treasury by way of penalty" — the meaning is inseparable from the idea of forfeiture. To tax, on the contrary, is "to levy money or other contributions, as from subjects or citizens, to meet the expense of government."

Is it just to allow the landowners' investment, now exempt, to remain exempt? Does either legal equity or ethics require that the land should be exempt from an increased tax, or that its owner should have even partial, much less total, immunity from the burden of taxation? Because a new tax upon land would reduce proportionately the selling price, should owners of land for that reason continue to go scot free?

The advance in Boston's tax rate per thousand for 1907 ($15.90) is $3 over that of 1897 ($13.00.) The capitalised value of this increase, $650,000,000 multiplied by $3 per thousand, multiplied by twenty years (the number years purchase), is $39,000,000. Do we hear that Boston has confiscated $39,000,000 worth of her citizen's land in the last ten years?

Boston has to-day some $560,000,000 of new land value, which it did not have fifty years ago. Meantime the tax rate doubled from $8 in 1856 to $16 in 1906. The capitalised value of this $8 increase in

rate amounts to say $90,000,000. Is it charged that Boston is to-day confiscating $90,000,000 of the land of her citizens?

All taxes are expended in maintaining the value of land. How can any vested right, or statute law, or hoary custom make it confiscation for the community to tax a value of its own creation, especially since, through the capitalisation of an established land tax, it is now, or soon becomes, to the owner of the land, a burdenless tax?

What Is Meant by the Single Tax

At the eleventh Dinner-Discussion of the Economic Club of Boston, the club was addressed by Professor E. R. A. Seligman, of Columbia University, upon the topic:

Resolved: That it would be sound public policy to make the future increase in ground rent a subject of special taxation.

On that occasion there was printed and placed at each plate a statement of the meaning of the single tax, which, slightly revised, was as follows:

1. It means the abolition of all taxation (not regulative or restrictive) except that upon land values.
2. It means the gradual transfer to land of all those taxes now raised from buildings and other improvements, personal property, etc.
3. It means that Boston would raise its whole tax in the same way that less than one-half of it is now raised, viz., by a tax upon the value of its land.
4. It means to provide for common needs out of ground rent — a common product — instead of out of wages — an individual product.

5. It means that out of its ground rent of fifty millions or more Boston would collect its whole tax of twenty millions instead of only ten millions as now.

6. It means that Boston could raise the amount of its existing taxes by taking a trifle more than two-fifths of its ground rent (the annual value of land for use) in taxes instead of less than one-fifth as at present, thus making it possible to remit all other taxes if desired.

7. It means the taxation of unearned incomes, instead of hard-earned incomes.

8. It means a tax that is non-repressive, because, being wholly a tax upon special privilege, it can never be a burden upon industry or commerce, nor can it ever operate to reduce the wages of labour or increase prices to the consumer.

PART III.

OTHER ESSAYS AND ADDRESSES

Chapter VII

PRIVATE PROPERTY IN LAND

"The primary error of the advocates of land nationalisation is in their confusion of equal rights with joint rights. . . . In truth the right to the use of land is not a joint or common right, but an equal right; the joint or common right is to rent."

—Henry George.

MOSES and Isaiah and Herbert Spencer made their ages resound with the thunders of the moral law on the land question, and yet a groping world had to wait for Henry George to devise a *modus operandi*, and so

Make channels for the streams of love
Where they may broadly run.

Asserting "the equal right of all men to the use of the earth," Herbert Spencer declared that "equity does not permit property in land." But, failing to see any alternative other than "nationalisation of the land," which was abhorrent to his philosophy, he later, while disavowing none of his former principles, proclaimed his intellectual despair and unconditional surrender in these words:

I cannot see my way toward reconciliation of the ethical requirements with the politico-economical requirements. . . . The belief that land would be better managed by public officials than it is by private owners is a very wild belief.*

* Letter to the London *Times*, November 6, 1889. See Henry George's "Perplexed Philosopher" (Doubleday, Page & Co., 1906), p. 77.

Coming upon Spencer's lost field, Henry George formed a new line of battle, changed the war cry of "equal right to land" to "joint or common right to rent," picked up the shepherd's sling of taxation, the familiar weapon which had escaped Herbert Spencer's attention, and gradually dispelling the mists of the old conflict, won the day.

It is my opinion that few men have been more misapprehended, misinterpreted, and hence misjudged, than Henry George, and this, too, not infrequently, by zealous friends. This is especially true of the interpretation of his ultimate views regarding land tenure.

Few people know of the distinction made by Henry George, by the science of economics, and by statute law between private property in land and private property in the things produced by labour, or between the private ownership of land and the private possession of land. Therefore, if you say that private property in land is unjust, or that private ownership of land is unjust, the tendency is to close many minds to further consideration of a statement which to them savours too strongly of confiscation. One may attack with vigour the private appropriation of ground rent (what land is worth for use), and be easily understood, while an attack upon private ownership in land is very apt to be misunderstood. Able men sometimes assert that the aim of the single tax movement is the complete subversion and overthrow of the institution of private property in land. This confusion arises partly from a lack of clear understanding as to the meaning of terms, and partly from applying to land the theory of ownership which in law applies only to other things.

Coming to an analysis of the different terms, posses-

sion, ownership, and property, used in describing the tenure of land, we find that while they are far from synonymous, they yet have much in common, and the terms are often used interchangeably. The "possession" of the dictionaries does not always imply ownership; but possession does imply the same physical dominion that belongs of right to ownership — which right the legal title to ownership grants and conveys. Henry George's proposal was to leave owners in possession of land, and to accord to that possession the legal right of physical dominion by means of a broad definition of the word, made to include the right "to buy and sell, bequeath and devise,"* or, in the usual form of the real estate deed, "to give, grant, bargain, sell, and convey"— a right universally granted to ownership and property.

A title to land is a title to the rights and privileges that constitute its value, and that, largely at least, are created by the labour of the community. Title to the land itself, whether its value is one dollar or a million dollars, is necessary to security of improvements. Title to the annual value of land — ground rent — is not necessary to the security of improvements, which would be equally secure whether one-quarter or three-quarters of ground rent be taken in taxation. The dictionaries do not include land value in their definition of land. Land itself, deprived of the rights and privileges pertaining thereto — that is, land with a ninety-nine years' restriction of a tight and high board fence around it so that there would be no legal right of way to and from it — could have no market value. The value of land is in large part

* "Progress and Poverty" (Doubleday, Page & Company), 1906, p. 403.

created by those tributary surroundings which are provided through taxation, and hence such value is largely the product of the labour of the community as represented in its public, quasi-public, and private outlays. A man who owns land owns the soil, which of itself has little or no value, and he owns every right and privilege, fee, title, etc., pertaining to the land from zenith to earth's centre, exclusive and absolute as against any other individual, but qualified and conditional as against the community.

Private ownership of land may be defined as the proprietorship of the rights and privileges pertaining to the situation. It extends to the exclusion of all other persons (person being limited in law to "an individual, or a body corporate, other than the State"), but is subject always to the claims of the community to its share in the value of those rights and privileges, so far as that value is a social product, this claim to be asserted and maintained by means of the sovereign power of taxation.

Property in land, ownership of land, in law, means tenure, holding, right of possession (subject to the sovereign right of taxation) and no more. The owner can have no more enjoyment of these rights than can the possessor as defined by Henry George. Either must have an exclusive enjoyment (proprietorship) in the benefits of which no one else can claim a share except through the agency of taxation. The rights of the public are the same under either definition.

If, under the single tax, land owners should be allowed to retain a small percentage of rent, there is no moral difference whether such privilege attach to their ownership or to their possession. In either case

there is no recognition of the right of the private appropriation of ground rent, no compromise with any wrong attendant upon ownership that does not attend alike upon possession.

It is not individual proprietorship of land, but the private appropriation of ground rent, which is charged with maintaining industrial slavery. True it is that under present conditions "when land value is made private property the law of equal freedom is denied"; but under the Single Tax this would not be true. Any degree of justice or injustice, with the single tax or without, would be exactly the same whether the tenure be called property, ownership, or possession. What practical difference, then, does it make, whether the tenure be called by one name or the other? The private property in land of which Herbert Spencer and Tolstoy* and Henry George treated was the untaxed ownership of our day and generation with its corresponding private appropriation of ground rent. It may be confidently asserted that when Henry George said, "Private property in land is unjust," he meant — as the whole principle and spirit of his teaching requires us to believe, and as the context of controverted passages shows — that private property in land values is wrong.†

* See Appendix B.

† "The words 'private property in land' have two meanings. One meaning is, the legal power privately to appropriate rent. The other meaning is, the legal power exclusively to possess land in perpetuity.

"The first power is the essence of landlordism. It was attacked by all the force Henry George possessed. The second power is land ownership, and this Henry George did not attack, but on the contrary said, if his plan were adopted, would 'continue just as now.'

"The value of land has nothing to do with the validity of its title. If a man holds title to a parcel of land of no value, he is nevertheless a land owner."— *John Z. White, in the Single Tax Review.*

It is sometimes said that if land owners can rightfully claim ownership they are entitled to all the ground rent; that the common right to land and the common right to ground rent go together. How can this be true, when even under the land tenure of to-day, which is that of ownership, no one claims that land owners, as, for example, those of the City of Boston, are entitled to all the ground rent, but only to that part which is not taken in taxation. Their own claim falls short of "all" by the $10,000,000 now yielded up in taxation. In case the demands of taxation should be twice as great, would they be any more than now entitled to "all"? It is not easy to see how ownership can carry with it as a necessary consequence the private appropriation of ground rent, because, while there has never been a denial, there has always been a recognition, of the sovereign power and right to tax the land.

Private ownership of land is no injustice to anybody to-day, nor has it been at any time. The untaxed private ownership of land value as it exists to-day is unjust. This does not mean that the ownership is unjust, but that not to tax it is unjust. An absolute ownership in land, such as Henry George recognises in the products of labour, would be unjust, but, says Mr. Edward Atkinson, no such "absolute ownership of land is recognised in the law books." Its tenure is always subject to taxation, and to the superior right of eminent domain. Feudal tenure would seem to have been a rude recognition of the principle that the beneficiaries of a government should pay the expenses of government.

Henry George said, in 1879, in "Progress and

Poverty," Book VIII., Chapter II., "I do not propose . . . to confiscate private property in land" but "to appropriate rent by taxation." "It is not necessary," he says, "to confiscate land; it is only necessary to confiscate rent." And again, "People are led into confusion by assuming that we propose to take land from its owners." Yet again, in 1892, in his chapter on Compensation in "A Perplexed Philosopher,"* Mr. George says: "*The primary error of the advocates of land nationalisation is in their confusion of equal rights with joint rights. . . In truth the right to the use of land is not a joint or common right, but an equal right; the joint or common right is to rent.*"

The appalling distress and havoc consequent upon tenant eviction in Scotland, Ireland, and even in New York City, would be abolished if the evictors had to pay as much for land to be held idle as the evicted are willing to pay for it to use, and Mr. George's prediction that the users of the land would eventually become the owners would be realised. An unjust ownership would give place to a just ownership. The wrong is not in a just ownership, but in an unjust, because untaxed and hence monopoly, ownership. What Mr. George plainly aimed at was to destroy the latter while conserving the former.

Mr. George perhaps never had an abler or fairer opponent, or one more analytical in his treatment of the issue, than Mr. Edward Atkinson. Mr. Atkinson, early in his argument at Saratoga in 1890, in order to limit their discussion to their differences, proceeded to eliminate their agreements, chief of which, to his mind, was that land should remain private property.

*Doubleday, Page & Co., New York, 1906, p. 242.

Mr. George, although he immediately followed Mr. Atkinson, made no attempt then or later to contradict Mr. Atkinson's representation, nor did the other principal speakers in opposition, Professors Andrews, Clark, and Seligman, charge Mr. George with advocating the abolition of private property in land.

Mr. Atkinson said:

Mr. George and myself concur in one point: namely, that there is no absolute property in land in any States which are founded on the English common law. In fact, there is, I believe, no absolute property in land anywhere. Conditional property in land — i. e., peaceful individual possession of specific parcels of land — is admitted to be necessary to its use by Mr. George and myself. . . . Mr. George holds throughout his argument to the absolute necessity of giving conditional ownership, or complete, full, and peaceable possession of land to those who may chose to take it under the new condition; and he has justified this *ownership* in many ways, not only in fact, but in words. He says, "In applying to public use the power of drawing on the general wealth which pertains to the ownership of land, we discourage ownership without use." In that phrase he admits the *ownership* which he later justifies in the following words: "It (i. e., ownership) arises from the necessity which comes from the highest use of land of giving individual possession, and comes from the difference in the capacity of land." And, finally, after advocating the single tax on land valuation, he justifies it only in these significant words: "Under such conditions, men would not care to hold land which they did not want to use; and users of land, where their use was more than transient, would become the legal owners, having the assured privilege of peaceable possession and transfer as long as the tax was paid." . . . What is the right of transfer except the right of purchase and sale? What is peaceable possession and legal ownership, except a grant of property in land by the State? . . . Mr. George sustains the necessity of private

ownership of land, in the most positive terms; and he is right. . . . To haggle about the difference between possession and ownership of land is mere word-catching. But Mr. George uses the term "ownership" (i. e., *private ownership*) in the most positive way. Neither he nor myself sets up absolute ownership. Therefore, it follows of necessity that the only ground of difference between the advocates of the single tax system, who concur with Mr. George in admitting the absolute necessity of private ownership of land, under suitable conditions, to which all shall be subject alike, is as to the *conditions* under which that private ownership and possession shall be granted, and under which peaceable possession through all time and through all transfers shall be sustained by the whole power of the State. . . . In the present discussion, it has appeared that Mr. George and myself agree:—

1. That there is no absolute ownership of land under the English common law. We agree that what individuals now possess is "*an estate in land*," which is subject to many conditions. These conditions may be varied. . . .

2. We agree that the individual possession of land is necessary to productive use, in order that humanity may be sustained; in other words, that the land must be impropriated.

And so, with Henry George, we insist that the real controversy in hand is not over the question whether private property in land is right or wrong, but whether in law and in morals private ownership of land should or should not include the private appropriation of ground rent, the annual value of the land and — if it should — what ought to be the limit of such appropriation.

The contention of the single tax advocate is that this limit is to be found in the dictates of justice rather than in the letter of any ephemeral statute. On this point, above the utterances of agitators and economists,

let there be heard the voice of the Christian Church, as found in the doctrine of St. Thomas Aquinas when he says:

Human law is law only in virtue of its accordance with right reason, and it is thus manifest that it flows from the eternal law. And in so far as it deviates from right reason it is called an unjust law. In such case it is not law at all, but rather a species of violence.

This is reiterated in the teachings of the Catholic Church, notably in the Encyclical of Pope Leo XIII. on the Condition of Labour, and is referred to in the following quotation from a prominent Catholic priest:

As to all property, land included, the Pope lays down the law of the Church in this comprehensive sentence: "The right to possess property is from nature, not from man; and the State has only the right to regulate its use in the interests of the public good, but by no means to abolish the right to possess it altogether. The State is, therefore, unjust and cruel, if in the name of taxation, it deprives the private owner of more than is just."

It follows from this declaration that if the single tax theory as presented by its advocates aims at no more than to "regulate" the right of property in land "in the interests of the public good," and not "to abolish it altogether," or to take away from the private owner of land, "in the name of taxation," more than is just, surely such a proposal is not condemnable on ethical grounds.

Now, if I understand the aims and claims of the Single Tax League, it clearly recognises the right of private or individual ownership of land. It proposes only to levy such a tax upon land as will support the government; thus throwing the burden of taxation on that part of the value of the land which is not the result of the owner's foresight, intelligence, or labour, but is the result of the collective labour, growth, and development of the whole community.

In considering, therefore, a tax on land values, we must bear in mind that it is a fundamental teaching of the Church that the common good of all mankind is an end that must be kept in view; that the community is the overlord of the landlord; that every individual holds whatever land he possesses subject to the high and supreme title of eminent domain.

"If I thus correctly interpret your aim and object, I do not hesitate to say that your system of taxation is not condemned by the Catholic Church, nor is it contrary to her ethical teachings."*

To the foregoing there should be added the following words of the Rev. Edward McGlynn in his statement to the authorities of the Church of Rome† regarding what he broadly conceived to be the right of eminent domain with deductions therefrom:

The organised community through civil government must always maintain the dominion over those natural bounties, as distinct from products of private industry, and from that private possession of the land which is necessary for their enjoyment.

The increasing need for public revenues with social advance being a natural God-ordained need, there must be a right way of raising them — some way that we can truly say is the way intended by God. . . . By a beautiful providence, that may be truly called divine, since it is founded upon the nature of things and the nature of man of which God is the creator, a fund, constantly increasing with the capacities and needs of society, is produced by the very growth of society itself, namely, the rental value of the natural bounties of which society retains dominion. The justice and the duty of appropriating this fund

* Extract from an address by the Rev. Robert J. Johnson, Rector of the Gate of Heaven Church, South Boston, at a reception and dinner given by the Massachusetts Single Tax League to the Catholic Clergy of the Archdiocese of Boston, December 3, 1900.

† For Dr. McGlynn's complete statement as presented in Italian to Mgr. Satolli, Dec. 1892, together with English translation, see Appendix D.

to public uses is apparent in that it takes nothing from the private property of individuals except what they will pay willingly as an equivalent for a value produced by the community, which they are permitted to enjoy. The fund thus created is clearly by the law of justice a public fund, not merely because the value is a growth that comes to the natural bounties which God gave to the community in the beginning, but also, and much more, because it is a value produced by the community itself, so that this rental value belongs to the community by that best of titles, namely, producing, making, or creating.

To permit any portion of this public property to go into private pockets, without a perfect equivalent being paid into the public treasury, would be an injustice to the community. Therefore the whole rental fund should be appropriated to common or public uses.

In the desired condition of things land would be left in the private possession of individuals, with full liberty on their part to give, sell, or bequeath it, while the state would levy on it for public uses a tax that should equal the annual value of the land itself, irrespective of the use made of it or the improvements on it.

The only utility of private ownership and dominion of land, as distinguished from possession, is the evil utility of giving to the owners the power to reap where they have not sown, to take the products of the labour of others without giving them an equivalent.

Thus it should be clear that what people need to see in order to incline them to the single tax is not so much "the wrong of private ownership" — a phrase which often both violates and confuses their moral sense — but "the wrong of the private appropriation of ground rent" — a phrase which does neither.

It does not necessarily follow from this characterisation of a doctrine as morally sound, that what is right

in principle may not be wrong in method. As to method, Dr. McGlynn was in accord with Henry George in his mature conclusion, given in his own words* that "*we can only accomplish the change we seek by the slow process of educating men to demand it. In the very nature of things it can only come slowly, and step by step. We do not delude ourselves on that point, and never have.*" And again:† "*But in thinking of details it should be remembered that we cannot get to the single tax at one leap, but only by gradual steps, which will bring experience to the settlement of details.*"

Neither of them concerned himself with specific ways and means. Neither thought of interpreting the statement that all ground rent ought to be taken for public use to mean that the whole of it ought to be taken, and at once. But both, recognising that a right thing may be done in a wrong way, insisted that a right way ought to be found to do a thing that ought to be done. This book, The A B C of Taxation, is a search for that right way.

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*"Saratoga Discussion," 1880, p. 78.

† *Century Magazine*, July, 1890, p. 401.

Chapter VIII

JUSTICE OF THE SINGLE TAX

TO GO to the foundation of the whole matter of taxation, we contend that the social disorder and derangement complained of to-day is mainly due to an unnatural and unequal distribution of wealth. The solution of the problem of taxation will solve the problem of the distribution of wealth. Wealth is produced in proportion to the skill and the industry of the hands and brains of all the world's workers. The annual division of this wealth among these workers, before taking taxes into account, is in proportion to ability and in proportion to special privilege, chiefly the private appropriation of ground rent. After this grossly unequal annual division has been made, comes an unequal and unjust taxation to aggravate still further these inequalities. By the process of taxation, Mr. Shearman estimates, the taxable savings of the very rich shrink 4 per cent while those of the very poor shrink 78 per cent. Under the single tax the savings of both rich and poor would shrink in the same proportion, that is, about 50 per cent. Such inequalities tend to increase rather than decrease with time.

We say that the division under the present system (unequal by more than a hundredfold) of the annual taxable savings (before taxation) is regulated in two ways, and in only two ways — by ability and by

special privilege. We agree that a large part of this inequality is due to difference of ability, but that much larger part which is due to special privilege (chiefly the private appropriation of ground rent) we would by our proposed system of taxation abolish.

To a discrimination of a hundredfold in the division of savings there is now added another twenty-fold discrimination in taxation. In pursuit of an equitable system of taxation we want to right this glaring wrong at once. First, distribute wealth according to ability, that is, according to production; second, destroy special privilege by a direct tax, which is paid by the man upon whom it is assessed (rich and poor alike), instead of an indirect tax, which is never paid by him upon whom it is assessed.

Land

By land, we mean, strictly speaking, all natural bounties, forces, and opportunities — the source of all wealth. Blackstone says it means "everything terrestrial."

Franchises

The single tax theory regards all the special privilege value in railroad shares, telegraph and telephone, gas and electric stocks as "land" and nothing else, subject to taxation with all other land values, and at the same rate, because franchise values are created and maintained by precisely the same public expenditure and service that gives value to land. In this way the special privileges of corporations would be taxed. Their tracks, rolling stock, buildings, and improvements would not be taxed.

A franchise value is a land value. Land value is total value of real estate less value of improvements. Franchise value is total trust or monopoly value less value of improvements. Land value and franchise value should be taxed at the same rate.

Single taxers believe that taxation is the one and only effective weapon, and that right in hand, with which to destroy the evil of trusts and monopolies, without harm to the good that is in them.

Wealth

Man, by the application of his labour to land, the source of all wealth, directly and indirectly produces the things he wants for the satisfaction of his desires. All these things taken together we call wealth. To class land as wealth savours, we say, of economic confusion.

What features, we ask, has land in common with wealth? On the other hand we ask you to note the differences between land and wealth.

Land includes nothing made by man. Wealth includes nothing not made by man. Land is a source. Wealth is a product. Land is raw material. Wealth is a manufactured article. Land has to be created not oftener than once in "six thousand years." Wealth has to be recreated every four or five years. Land is indestructible. Wealth is perishable. Land never wears out, but is worth more the more it is used. Wealth is always going in quick consumption. Land is a fixed quantity. Wealth can be increased at will. The site value of land is determined by demand only. The value of wealth is fixed by supply and demand. Land never requires insurance or repairs. Wealth always needs them. Land can always be found.

Wealth is mercurial and fugitive. While wealth is a private product, so to speak land value is a public product, publicly created and publicly maintained. What more than these differences is needful to make reasonable and convincing a separate classification of land and wealth, especially for purposes of taxation?

The right of property in wealth is the right of a man to eat his bread in the sweat of his own brow. The right of property in land to-day is the right of a man to eat his bread in the sweat of another man's brow.

Usufruct means property in what the land produces this year by the application of one's own labour.

Private ownership, including as it does to-day the private appropriation of ground rent, means property in what the land may produce for the next ten, one hundred, or one thousand years by the application of the labour of others.

The Capitalised Tax

By the capitalised tax is meant a sum, the interest of which would pay the tax. It is usually found by multiplying the tax by twenty because 5 per cent interest is one-twentieth of the principal. For every $16 of tax, the selling value of land is less than it would be if free of this tax, by $320, an amount which at 5 per cent would pay the tax, $16, and leave for the selling value a purchasing price which would net 5 per cent return to the investor.

Value and Valuation

There can be, strictly speaking, only one value for anything, and that is, what it will sell for. But there may be many valuations of the same thing, and a thing

subject to charges is not, scientifically speaking, the same as a thing free from charges. Title to a tract of land subject to taxation, is not by any means the same thing as title to the same land free of taxation. Therefore, in dealing with land, we speak of a gross value, and an assessed valuation.

Gross value is the capitalisation of the gross ground rent. If the current rate of interest is 5 per cent, the capitalisation is said to be "at twenty years' purchase," that is, twenty times the amount of the annual income. In other words, it is an amount 5 per cent of which would be equal to the annual rent which the land commands for use, free of charges. What pays $1,000 annual net income, is worth $20,000 to buy. This gross capitalised value is the value, which, as we claim. should even under the present system be taxed uniformly with other private property.

If the gross ground rent of a tract of land is $1,000 a year, and it is subject to no taxes, the market value, assuming the usual rate of interest to be 5 per cent, will be $20,000. But if it is subject to an annual tax of $200, the tax reduces the net rent by 20 per cent and hence reduces the price of the land correspondingly to $16,000.

Net value is the capitalisation of the net rent (the income less the tax) at the current rate of interest, and is more familiarly known as the selling value.

The assessed valuation is the valuation placed upon land by assessors for purposes of taxation. It varies in different localities, being in Massachusetts usually from 13 to 100 per cent of the selling value.

We often speak of this tax upon land value as a tax according to benefits bestowed, but, strictly speaking,

it is a tax neither according to benefits nor according to ability, because it is a tax only in form, not a tax in substance. The public merely takes out of the land with its left hand the value which, with its right hand, it has put into the land.

Our platform has but one plank, "Equal opportunities for all and special privileges to none" — or, yet more briefly, "Special privileges to none," because payment for special privileges will take the place of taxes, and there can be but one result, viz., equal opportunities for all.

We ask your thoughtful criticism of the single tax tenet regarding wages. We believe in high wages and low prices, which are the equal opportunity channels for the equitable distribution of wealth, instead of low wages and high prices, which are the special privilege channels for the inequitable congestion of wealth. Contrary to popular illusion, wages are not regulated by dollar wheat, but the price of wheat is fixed by the competition of dealers, and wages are fixed by the competition of labour. The benefits of high prices go to the few, while the benefits of low prices go to the many.

If a man has the best corner lot in a city, he has a monopoly, because by the private appropriation of ground rent (a special privilege conceded to him by the State, and having all the sanction of law and custom), he cannot help diverting, without fault of his own, into his own private pocket, the public expenditure in its transmuted form of ground rent. So we say that the special privilege greater than all others put together is the private appropriation of ground rent. We are entirely agreed to the private ownership of land,

with the right to possess, "to buy and sell, bequeath and devise it," provided only that equal rights shall be asserted and secured by taking in the form of taxation enough of the ground rent to meet all public expenses. Because taxes are spent upon the land, we would take them from the land.

The tendency to-day of this regulation by taxation, of trusts, monopolies, franchises and special privileges in all its forms would, we claim, be strongly toward a rectification of the admittedly unjust distribution, not of present wealth, but of wealth hereafter to be produced.

When all special privileges, including the special privilege of private appropriation of ground rent, are abolished by exacting payment for the same at their market value, then taxation, which now so grievously aggravates an unjust distribution, will be unnecessary, and you will have one channel only, and that the one proper channel, for the distribution of wealth, viz., wages proportioned to skill and industry.

In all primitive societies the soil has been held as common property with equal rights of the many to natural opportunities. To-day the land tenure pendulum has swung clear to the other side, and in highly civilised society land has come to be held by the few in private ownership with its special privilege of the private appropriation of ground rent. The single tax aim is to bring the pendulum back into a position of reconciled equilibrium, modern individual ownership by the few brought into harmony with primitive common ownership by the many. One reason why so many men are averse to conceding to the individual the right of ownership in land is that the right has

been so often abused. The single tax offers itself as a means of correcting this abuse.

The Self-operating Social Law

We ask you to look with us until you see, as we think we see, in ground rent the self-operating law for the social system, something that will, if unobstructed, tend to hold in just equilibrium the conflicting factors of land, labour, and capital,

The particular factor in our reform which we would press upon your attention, because generally least understood, is the nature of ground rent. While land and wealth (or other wealth) have no feature in common, taxes and ground rent appear to us to have close resemblance in every feature. Taxes are the cause, ground rent is the effect. Taxes are the fertilizer, ground rent is the crop. Where there are no taxes, there is no ground rent. Where taxes are scanty, ground rent is scanty. Where taxes are abundant, ground rent is abundant. The ground rent of a community is, roughly speaking, one-half of it the result of public expenditure and one-half the result of quasi-public and private expenditure; but all taxes (public expenditure) are transmuted into ground rent, a change of name without a change of nature.

The single tax, we claim, is absolutely just and equitable, because it gives to every man equal (not joint) access to the land; because it exacts tribute from every man in proportion to his use of the land; because it leaves untouched the wealth which labour creates; taxes for the public use only a value of its own creation upon land of God's creation, giving full value received in the privilege of exclusive possession and hence is

not a tax at all, but a divinely natural provision, restoring to every man his inalienable share in the value of the land.

Just in Its Apportionment

Full single tax would mean all national taxes apportioned to cities and towns in proportion to their respective land values; all local taxes, including national, assessed upon land values alone. In "Natural Taxation," page 147, Mr. Shearman makes a plausible claim that for the year 1890 "all national and local taxes, if collected exclusively from the ground rents of the United States would have absorbed only 44½ per cent of those ground rents, leaving 55½ per cent to the owners of the bare land as a clear annual income, besides the absolutely untaxed income from all buildings and improvements upon their land."

Repeated calculation of the ground rent of the state of Massachusetts and of the City of Boston, as well as of many other cities and towns, has fully justified Mr. Shearman's position that gross ground rent is approximately double the amount of taxes in each case.

The constitutions of the several states and the moral sense of all the people maintain that government should not take private property for public use without full compensation. Single taxers maintain not only that there is no right, but that there is no need to do this, even under forms of taxation.

We would exempt personal property because by the same system under which you collect a tax upon the poor man's "visibles," you are putting upon the rich man's "invisibles" a tax which you cannot collect. Equalisation is possible only by abolishing the tax

on both "visibles and invisibles." We would exempt buildings, because, by the same system under which you collect from the poor man a tax upon his house in which he lives, you are assessing the rich man for his store, his office building, and his apartment house, a tax which he himself can never be made to bear. Equalisation is possible only by abolishing the tax on all buildings.

Single taxers want to shift the taxes from the house to the land, because every time this is done it is made easier for the individual to get the house; whereas when the tax is shifted from the land to the house, it becomes harder to get both house and land.

We say, tax the land and exempt all other wealth, because, when you tax both the opportunity to produce (land), and the thing produced (wealth), you are in the broadest sense inflicting double taxation.

You do not tax the old building, because, commercially speaking, it has "gone to decay." Why, then, should you tax the new building, which, from the moment it is finished, is fast "going to decay"? We say, tax only the land value, which never decays.

The millionaire should pay for the same sort of land the same tax per acre as the poor man, and no more. When he occupies a similar seat in the theatre, to see the same show, he simply pays the same price for his ticket, full value for what he gets. When taxes are levied in proportion to "benefits bestowed," no need remains for taxation according to ability to pay.

Justice of the School Tax

We sometimes hear the question: Is it proportionate and reasonable that the poor man's vacant lot should

be taxed to send the rich man's children to the public school? But what difference does it make whether the rich man sends a dozen children or none to the public schools? Public schools add their cost to the land value of the city or town. They add just as much value to the land of the man that sends no children as to that of him who sends a dozen. Is not this fact sufficient to reconcile the childless man to the justice of his school tax? The cultivation of a family would not increase his tax any more than the cultivation and improvement of his farm would add to the farmer's tax, and thus by the single tax both farmers and families would be encouraged.

Socialism

The single taxer appeals also to the socialist to see and realise the self-evident truth that, without the socialisation of ground rent, were every other possible dream of socialism, political socialism or Christian socialism, brought to a perfect realisation, its full benefit to the last farthing would be reflected in the enhanced value of the land and so go straight and unearned into the pockets of the land owner.

There is in natural taxation nothing of technical socialism,* which means the artificial assumption by society of a function that is primarily individual. It is rather a resocialisation of that which by its own nature, in its inception and its growth, can be nothing but socialised, but which has been artificially desocialised.

Socialism would replace artificial discord with artificial concord. Single tax is natural harmony in

*See Appendix A.

the absence of artificial discord. We speak paradoxically of the socialisation of ground rent as though it were something to be artificially done. How can we socialise that which by its very nature socialises itself, and can never be naturally anything but socialised?

A Puzzling Question and a Simple Answer

What are the obstacles that to-day so impede a thorough consideration of the basic economic principle of the single tax by pulpit, press, and legislator?

The answer to this apparently puzzling question is after all a simple one:

First is the notion that the single tax contemplates public ownership of land, which is not true; second, the impression that it would disturb present land titles, which is not true; third, the charge that it would take for the community what belongs to the individual, which is not true; fourth, the poisoning misapprehension that, right or wrong, it would amount to-day to taxing into the public treasury practically the whole rental value of one species of property.

All men are agreed as to the ethics of the single tax, that the earth was made for all men and not for a few. This is what Mr. George calls an instinct, an intuition of the human mind, a primary perception of the human reason. If we were to-day starting anew, the single tax would be manifestly wise as a method of taxation; if it could to-day be put in operation without injustice to any one, it would still be a manifestly wise plan of taxation. Can it be done?

The single taxer is firmly of the opinion that it is no part of God's economy that justice to one man can work injustice to another; that for every alleged

injustice to one man there would be a far greater justice wrought to hundreds and to thousands; that the vacant lot which is his only all, is not the poor man's universe; that his individual loss or benefit will be measured, not by his relation to that vacant, unproductive lot, but by his relation to the social fabric into which he is woven and to the universe of which he is a part; and that for every alleged confiscation there would be a score of compensations.

If the moral theory of the "compensationists" were sound, it would apply — and many of its advocates claim that it does apply — as well to slavery as to landlordism, so that slaves could not be justly set free unless the masters were compensated. The most outrageous act, then, of what the "compensationists" call confiscation, was committed by God himself, when he led the Israelites out of Egypt. Instead of compensating the Egyptians, who thereby lost valuable "private property" which had had the sanction of four hundred years' acquiescence, He engulfed in the Red Sea those whose sensitiveness to the injustice of "confiscation" stirred them to follow and reclaim their confiscated property.

If the cinder is not removed from your eye at once, and inflammation follows, what then do you do? Do you bathe the head, apply a plaster to the back, hot water bottles to the feet, and some specific to the stomach? Or do you forthwith remove the speck from the eye whatever the pain it costs you? The smaller the offending cinder, the more intense oftentimes the inflammation, and the more difficult of removal. The longer the operation is delayed the more painful the conditions. While guarding well "the apple of the

eye," what irritation from mote or beam or cinder can compare with the social irritation caused by injustice?

Single Tax and the Massachusetts Constitution

QUERY: Is not the present system of taxation clearly in violation of those state constitutions which, like that of Massachusetts, provide that assessments shall be "proportionate and reasonable" since, under that system a whole class of property holders is practically exempt from taxation?

QUERY: Is not a system of taxation which so favours one class of citizens above another in direct violation of the constitution of Massachusetts, which provides, Part I., Article VI., that "no man, or corporation, or association of men, have any other title to obtain advantages, or particular and exclusive privileges, distinct from those of the community, than what arises from the consideration of services rendered to the public?

QUERY: Is not the taxation of ground rents in lieu of all other taxation manifestly in harmony with the constitution of Massachusetts, which reads as follows, Part I., Art. VII.: "Government is instituted for the common good; for the protection, safety, prosperity, and happiness of the people; and not for the profit, honour, or private interest of any one man, family, or class of men. Therefore the people alone have an incontestable, unalienable, and indefeasible right to institute government; and to reform, alter, or totally change the same, when their protection, safety, prosperity, and happiness require it."

CHAPTER IX

THE SINGLE TAX AND THE FARMER

DO NOT let it be thought that the single tax would be less at home in the country than in the city. The farmer was the first wage-earner, himself his own employer, his wages the full produce of his labour. He is the primary wage-earner — the one nearest the ground. His wages (one-third those of the whole country) are sufficient to determine all other wages, and should be the highest imputable to his ability, unabridged by special privilege or by taxation.

One mission of the single tax is to raise and maintain the farmer's wage at the primitive point of the full produce of his labour, and to protect and defend the farmer as his own employer, not merely as a tenant farmer.

What taxes ought the farmer to pay? He should, of course, pay his fair share of the common expenses in proportion as he is benefited by the services of his community. It would not be fair for him to pay any part of the share of another man who has greater benefit than he from this service. What could be fairer than to tax the farmer and the village man respectively, in proportion to the benefits bestowed upon each of them by the social services which his property puts at his

command? What better indication can there be of his proportionate share of these public advantages than the site value which they contribute to his land?

The farmer is, so to speak, to a great extent his own commonwealth, his own municipality, and very sensibly municipalises most of his own public utilities instead of farming them out. The usual items of common town expenditure are for water, light, fire department, police, sewerage, pavements, sidewalks, roads, schools, and the poor. As to water, light, fire department, police, and sewerage, the farmer furnishes himself at his own expense, and this is a sufficient practical reason for exempting him from the burden of contributing for village services of the same sort provided at common expense. This leaves in general three things for which the farmer ought to be taxed, viz., the roads, the schools, and the poor. These three things represent needs which the farmer has in common with the community in which he lives, and it is submitted that in justice to him, and greatly to his advantage, they should be provided for by a common tax, levied in proportion to land values, either by the State or by a minor political division, as efficiency and economy may dictate.

A tax laid upon land values is by far the most "proportionate and reasonable" because every man, woman, and child contributes to this value. The farmer today, whose land values are so small — almost insignificant — but whose labour values — his buildings and improvements, such as drains, fences, trees, crops, reclamation and fertilisation of land, and his personal property, which is of course a labour value —

are seen and known of all men, he it is who is bearing in great degree the evaded burden of the owner of stocks and bonds. Such discrimination finds illustration on every hand. For instance, with the value of the buildings and improvements of the Berkshire, Mass., farmer far in excess of the site value of his land, while in Boston, Winter Street buildings have only one-thirteenth the value of Winter Street land, it is easily seen, as a matter of simple proportion, how the taxation of buildings bears more than thirteen times as heavily on the Berkshire landholder as it does on the Winter Street landholder.

In calculating the relief to the farmer through the exemption of improvements, three classes of farmers are to be considered: (1) The small farmers; (2) the large farmers; (3) the bonanza farmers. The buildings and improvements of the small farmer will invariably have a much greater value in proportion to his land than those of the large farmer, and greater still when compared with the bonanza farmer, so that the same amount of tax distributed in proportion to land alone, as compared with a tax laid upon land and improvements, would relieve the small farmer just in proportion as his improvements were a larger fractional part of his total holding. Herein surely lies the only cure for "speculative" farming — i. e., farming more land than can be tilled — and for tenant farming — i e., farming the farmer.

The farmer to-day is doubly discriminated against, first in the over-valuation of agricultural land, and secondly, in the under-valuation of urban or village land. Between these upper and nether millstones he is being ignorantly ground. These

inequalities of assessment deserve separate and particular treatment.

1 The Overvaluation of Agricultural Land

Mr. Thomas G. Shearman in his "Natural Taxation"* has made a careful estimate, with which the farmers themselves would no doubt agree, that improvements in the land itself constitute 60 per cent of the assessed valuation of farm land. His language is:

> Upon the whole, it is safe to say that, under a system of valuation excluding all improvements, cultivated farms would be assessed at less than 40 per cent of their whole value, improvements included.

2. The Undervaluation of Urban or Village Land

As already stated the dimensions, as well as the continuous character, of the contribution made by the people to the growth and volume of ground rent, are seldom realised — by many persons hardly suspected, even in cities, where they are more acutely discernible. But especially is this the case in village communities and factory towns, where it has not been the habit to note closely the value of land apart from buildings, and the rise and operation of ground rent.

A few illustrations will show how this potential agency, ground rent, escapes observation both in small and large towns, and in small cities as well.

In the following illustrative examples, the ratio between assessed valuation and actual net value of land, as indicated by actual rentals, is calculated by deducting from the net income of the entire estate (i. e., total income less taxes) an amount equal to 10

* Chapter XII., Section 11, p. 188.

per cent of the assessed valuation of the buildings, to cover interest, insurance, repairs, and depreciation. Twenty-five specimen estates in Lawrence, Scituate, Clinton, and Whitman, Mass., show ratios, thus calculated, as follows:

25 estates . .	average tax rate per thousand,	$16.85
Assessed valuation	Land	$197,828
	Buildings . . .	236,955
	Total	$434,783
Gross rental of properties actually received by the owners		$56,067
Taxes (on $434,783, at $16.85 per thousand) . .		7,325
Net rental after paying all taxes		$48,742
Less 10 per cent on buildings ($236,955) for interest, insurance, repairs, and depreciation . . .		23,695
Net income from land alone (equalling 12½ per cent on $197,828)		$25,047
This income is 5 per cent return on an indicated net value of at least		$500,940
Instead of less than 40 per cent of that amount, or the amount at which the land is assessed . .		$197,828

Leaving out the City of Lawrence, the ratio for the three smaller communities of Scituate, Clinton, and Whitman averages only 30 per cent.

The figures for the above twenty-five estates in detail are as follows:

IN LAWRENCE, A COTTON MANUFACTURING CITY OF 70,000 INHABITANTS

Of seven estates the several assessed valuations were respectively 72, 67, 62, 48, 42, 38, and 15 per cent

of the net value. The average assessed valuation was 48 per cent of the net land value.

IN SCITUATE, MASS., A SHORE TOWN OF 2,600 INHABITANTS

Of four estates the several assessed valuations were respectively 52½, 50, 48, and 13 per cent of the net value. The average assessed valuation was 37½ per cent of the net land value.

IN CLINTON, A MANUFACTURING TOWN OF 13,000 INHABITANTS

Of five estates the several assessed valuations were respectively 38, 37, 34½, 27½, and 22½ per cent of the net value. The average assessed valuation was 32 per cent of the net land value.

IN WHITMAN, A SHOE MANUFACTURING TOWN OF 6,500 INHABITANTS

Of nine estates the several assessed valuations were respectively 83, 62, 45½, 43, 32, 27, 23, 19, and 14 per cent of the net value. The average assessed valuation was 21 per cent of the net land value.

If Mr. Shearman's estimate of the overvaluation of farm lands is approximately correct, and if the foregoing illustrations of undervaluation of municipal lands are fairly representative of general conditions, then the conclusion seems inevitable that the farmer pays more than six times as much tax on every $1,000 of unimproved land value as does the villager.

In other words upon every $1,000 unimproved or site value of his land —

The farmer pays on $2,500, or two and a half times the actual value, say at $20 a thousand, a tax of. . . $50
The villager pays on $400 which is 40 per cent of the actual value, at $20 a thousand $8

Under the single tax each would pay the same.

Should the Farmer Be Taxed on Fertility

But the story of deduction is not yet done. The question remains whether even the whole unimproved value of the land is properly taxable? There is respectable economic opinion* to the effect that fertility is not a social but an individual product; that it is the result of individual labour expended upon

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* "Treat the land as mere situation and ascertain what would be its value if the fertility of the soil were exhausted. The value of the soil itself will be the cost which would be necessary to bring it up from a state of exhaustion to its existing state of fertility. The valuing of improvements will remain as it is at present. We shall then have three items for the assessor to ascertain, namely, land, soil, and improvements. The first is a social value based on a market surplus, which is true rent. The second and third are individual values, the product of effort and abstinence. The first is individually unearned, but socially earned; the second and third are individually earned. . . .

"If the single taxers will work out both a theoretical and a practical system by which the situation value of agricultural land can be identified with the site value of urban land, and by which the fertility of the soil can be identified with capital, the prospects are good for winning over both the economists and the farmers."—*Professor John R. Commons, University of Wisconsin, in The Public, March* 21, 1908.

"When studying the phenomenon of land rent, urban land and land used in manufacture and commerce rather than that utilised for agricultural purposes should be considered. Writers who persist in studying agricultural rents are investigating the more obscure manifestations of rent phenomena. . . . The true function of all land is, in fact, reduced to that of land in a city; namely, to that of furnishing a site upon which to do business. The value of the site depends upon the 'market opportunity' which it offers. . . . Land in its proper sense furnishes standing room and situation with regard to markets. According to this definition, land performs the same function in agriculture as for all non-agricultural purposes." *Professor Frank T. Carlton, Albion College, Quarterly Journal of Economics, November*, 1907.

the land; and that the amount paid for the fertility of land, as distinct from its situation, is interest on capital invested, rather than a true rent. If this opinion be sound, and I strongly incline to the belief that it will ultimately prevail, then it would be a grateful simplification of the problem and would operate greatly to the benefit of the farmer if in taxation the element of fertility were to be entirely disregarded.

Since, then, the farm land of Massachusetts, as already shown, accounts for only one-tenth of the assessed land value of the whole state, and since the unimproved land value, which alone would be taxable under the single tax, is less than 50 per cent of the assessed valuation, or one-twentieth of the whole, it follows that the value of fertility as a contributor to rent is not only a debatable value, but almost a negligible factor in the diminishing twentieth of the taxation problem.

The Minor Importance of Agricultural Rent

Search in the principal authorities shows that in the treatment of rent about fourteen times as much space has been devoted by them to agricultural as to urban rent.* The Massachusetts valuations for 1907 offer a marked illustration that actual conditions call for an apportionment the very reverse of this academic treatment of the subject. Thus:

ASSESSED VALUATIONS	LAND	BUILDINGS	TOTAL
33 cities	$1,088,329,177	$998,896,745	$2,087,225,922
37 large towns	139,965,083	178,810,787	318,775,870
70 cities and towns	$1,228,294,260	$1,177,707,532	$2,406,001,792
284 small towns	123,986,089	216,017,954	340,004,043
354 cities and towns	$1,352,280,349	$1,393,725,486	$2,746,005,835

* For details see Appendix C.

Thus the land valuations of the 284 small towns ($123,986,089) and of the 70 cities and large towns ($1,228,294,260) are seen to be about in the ratio of one to ten. Nor must it be overlooked, that there is a larger proportion of urban property in small towns than of farm property in the large ones. The state census, which gives farm values by themselves, corroborates the above estimate that the Massachusetts farm land value left for the agricultural illustration of Ricardo's law of rent does not exceed one-tenth of the assessed land value of the whole state.

Putting the foregoing statements together — that is, considering at once the relative weight assigned to the two, as indicated by the treatment of the authorities, and the relative importance of the subjects — we are confronted with the spectacle of fourteen times too much attention given for a hundred years to ten times too small a matter. Proceeding now to the multiplication of fourteen by ten, we are brought face to face with the mathematical conclusion that in order to restore a lost equilibrium, the schools might reasonably from now on give one hundred and forty times more study to the subject of urban or city rent than they have been in the habit of doing in the past.

This extravagant conclusion is set forth in the hope that it may prove a magnet that shall draw present attention away from agricultural ground rent, which may almost be ignored, and fix it upon the fifty-five millions of ground rent in Boston, which the people pay yearly for the use of its land; upon the one hundred and fifty or two hundred millions of ground rent in Greater New York; upon the two or three thousand millions of ground rent in the United States; and upon

the billions of franchise values which in recent years have sprung up all around us like gourds in the night.

Confronted, as we are to-day, by such acute conditions, we ask you to pardon whatever may seem like impatience with a theory that has dealt so laboriously with the cuticle instead of with the heart of production.

We seek a proper understanding and economic treatment of this vast river of ground rent, which, like a great Mississippi, drains every field of industry, labour and capital, wages and interest, in the whole country around. Our earnest contention is that to such wise treatment we must look for the correction of most that is now wrong in the distribution of wealth. Out of this vast current of ground rent, we would provide for all public need.

Chapter X

PUBLIC UTILITIES — REGULATION BY TAXATION

THE following thoughts are prompted by a desire to make some contribution, however small, to the elucidation of a problem that to-day is clamouring for solution. The chapter is a first essay at the subject and contains tentative views as well as settled opinions.

In this country of ours, in the last half century, have grown up new and great public utility undertakings, some of which in a short generation have taken on stupendous proportions. Their nature is neither wholly public nor wholly private, but partakes in differing ratio of both, and is best described as quasi-public.

Ownership or Regulation

It is admitted that one of two things must come, viz., either these public utilities must be owned by the public, or they must be regulated by law.

Public ownership, it is objected, may be all right under comparatively pure civic conditions, as in Switzerland or in Glasgow, but public ownership is not safe where there is graft. Of taxation it can be asserted that it is likely to be safe and sane, graft or no graft.

Thus a conservative public hesitates to accept public ownership as the right way out, for a country so young and expanding as ours, until a higher standard of civic virtue and administrative capacity is attained, prefer-

ring to endure the ills of monopoly rather than hazard what seems a gigantic experiment. Yet, considering the great advance already made by the city and state of New York* in the regulation of public utilities, it is difficult to believe that the people will not hold fast to what they have now obtained.

For one I do not incline to ownership, though I do not pretend to be wise enough to reach a sure decision. Fortunately, it does not appear to me immediately necessary to make such choice. There is one good way easily open for its determination, viz., the comparative test of time. That the employment of taxation, as one instrument ready-made and close at hand, is wise, I have not a doubt.

The astonishing thing is that economists, legislators, and newspapers, in their opposition to ownership of certain monopolies, do not more prominently suggest and discuss, even if they are not ready to advocate, the compromise alternative to ownership. How else can the opposition to public ownership head off its coming better than by advocating taxation in its stead, and why not be as persistent in experiments of taxation as of ownership, thus contributing to the only possible solution — experimental test and demonstration — the survival of the fittest? The true system when found will be the one that bears the supreme test of furnishing a maximum service at a minimum cost.

Legislature or Commission

If, in the course of events, it should appear that public regulation is preferred to public ownership, and there-

*See Reports of Public Service Commission, First and Second Districts, for the six months ending December 31, 1907.

fore should have the right of way, so to speak, in public consideration, then the next question is:

Shall it be regulation by Legislature or regulation by Commission?

The Legislature

Considerable effort has been recently directed, notably in the mooted question of the New Haven and Boston & Maine merger, along the line of regulation by legislation, but it must be admitted that at best legislative regulation, being uninformed and uninspired, cannot be otherwise than arbitrary, unaccommodating, undiscriminating.

Perhaps no better preparation can be made for treating the problem than to endeavour to define to ourselves as clearly as possible the nature of the task proposed.

What are some of the matters for which regulation, wisely or unwisely, is invoked? First and indispensable are public audit and public inspection; the questions of the capitalisation of franchises, and the capitalisation of earnings, which may or may not be made subject to a general law: then follow the problems of mergers, absorptions, extensions, connections, common use of tracks, and pooling; the question of rates and rebates, standard of equipment, strikes and wages; exploitation of every kind, including the pocketing or sequestration of valuable franchises or patents; the vicious insurance plan of control of stock to secure control of salaries; the just attribution of dividends to capital and profits to skill; valuation of property; valuation of franchises; and lastly, like the speed governor on the engine, taxation of the franchise.

To frame a creditable statute to cover all these par-

ticular features would be an all engrossing occupation for legislators. To make a specific law for each class and case would seem to be an impossible undertaking. The Legislature of Massachusetts, which ranks high in intelligence, alertness, and honesty, is to-day struggling with the New Haven and Boston & Maine merger, and I venture to say that not a single legislator feels himself competent to the the task. If all similar questions required the action of the legislature, what would become of the docket and the time of legislators?

The Commission

The already established trend toward regulation by national or state commission, to which it is proposed that the exercise of regulative governmental power shall be delegated, brings us to a consideration somewhat in detail of the reasons for, and the possibilities of, the commission idea as applied to the regulation, under statute, of special franchises or public utilities, either by rate making, by taxation, or by any other means whatsoever.

Mr. Henry Clews voices a pregnant truth when he says that a large part of the gross evils in trusts and syndicates and public service corporations are traceable to the fact that "legislatures have not kept pace with national progress." Similarly, President Woodrow Wilson of Princeton University, says:

> The corporation lawyers of this country know what is going on; the legislators do not. I want to say to all corporation lawyers, "if you would save the corporation, you will come out from cover and tell the legislators what is needed. You know what is needed; they don't. By telling them you will save the corporation. If you don't you will have the mob at its doors in a decade."

In these public service corporations the public is a recognised partner, holding, through the franchise, perhaps a minor interest, possibly a major interest. The private interest in these partnerships is administered by men skilful, alert, of life-long experience, masters of their art. Of the public's interest, which has too long or too often been that of a silent partner, the Legislature is the constitutional representative. But legislative bodies, by reason of the method of their selection, their short terms, and by their limited and varied experience, are disqualified to cope directly with the specialised ability and experience of the private administration. Consequently the question has already arisen and is being answered, viz., why should not the interest of the people, the State, in the co-partnership, be represented by the ablest men whom the President, or the Governor, can secure at adequate salaries, constituting permanent commissions — men who shall learn to know what is needed without asking corporation lawyers, who shall become as competent in their distinct sphere of regulation, including the field of taxation, as are the Hills, Harrimans, Mellens, and Tuttles in what should be their own sole province of railway administration — commissions whose duty shall be to ascertain the facts, to frame the argument for the people's side — to defend the rights of the public against aggression, now inseparable from the situation, and to render a decision which shall stand as the verdict of the people's representatives. Not until some such harmonising agency is employed can it be possible for these great corporations and the people to get their respective rights without wrong to the one or the other.

The great lack to-day is not so much in the general wisdom and honest intention of the people or their representatives as it is a lack of understanding of certain general principles of simple application; the longer this understanding is deferred the harder the problem becomes.

The President of Princeton says also:

> We have, in fact, turned from legal regulation to executive regulation. We have turned from law to personal power.

But what we are here considering is legal regulation, executive regulation under law. What is needed is a Legislature to make wise general regulative laws, courts to interpret them, and a competent executive agency to administer them.

Regulation by Rates, or by Taxation, or by Both

Granting the probable establishment of the commission method, the endeavour of this chapter is to bring to the front, in the railroad and other public utility problems, the factor of taxation: not taxation for revenue; not taxation of future franchises or their capitalised earnings; but taxation of franchises already granted and exploited and capitalised, together with earnings already capitalised — taxation of present franchise earnings to bring them into the public treasury, instead of leaving them in private hands; not the taxation of the earnings of industry, but the appropriation by taxation of the dividends that are earned by the public; to the end that the profit of "operation" shall go to skill and enterprise, and the profits of the franchise shall go to the people.

If there is one problem, National and state, that

to-day towers above all the rest, it is the problem of railway regulation. The avowed aim of what is known as the New York Ford Amendment is to facilitate the raising of revenue. It contains no suggestion of possible extension to include the far higher and more difficult function of regulation. There are those who believe that the vexatious perplexities of this, as of all other public franchise problems, will prove more amenable to the correcting tendencies of taxation than to any other agency. Legislative regulation is, at best, clumsy and intermittent, often amounting to a weak confession that hostility of interests cannot be converted into harmony. Taxation is neither of these, but is elastic, self-adjustable, and self-operative. The best hope of any graft extermination must reside in taxation — the taxation of special privilege. Would any one maintain that change for the worse is possible in American graft of to-day? Is the public graft of a corporate city worse than the private graft of all its constituent citizens? Are not the people the victims in either case, and cannot graft be resisted more concretely and thus more effectively by the arm of a strong individual executive than by the slower instrumentalities of public administration?

It will be profitable, in approaching the problem, to analyse in our own minds what is meant by the phrases public utilities, quasi-public corporations, semi-public functions. We mean, do we not, that a part is public business and a part is private business; that one part of their capital is public, another part private; that one part of their function is public and one part individual; that one part of their value rests on franchise, the other part on equipment and operation?

The sensible question at once suggests itself: If these constituent parts can be separated, why not treat them separately? Why, in order to control the public agency, is it necessary to assume control over the private agency? Why not, through taxation, assume gradually the public's right to the franchise, and let improvement and operation remain in private hands? Or, if we are not quite sure that it is wise to take over both, why not take the franchise first, and observe the effect? And even if we are persuaded that it is wise to take both, why not take them over in the natural order, one at a time — the franchise first? How better can the municipality learn to "run" its own utilities than by first learning to regulate them?

The all important preparatory step must be to separate as distinctly as possible regulative functions from administrative functions, so that the commission may not meddle with administration further than to set such limits, not fixed by statute, as bound the public's right.

The following *tentative* classification is offered:

REGULATIVE

Audit
Capitalisation of earnings
Capitalisation of franchises
Exploitation of every kind
Inspection
Reduction of earnings
Rate of taxation
Rebates
Standard of equipment
Stock control of salaries
Stock watering
Taxation of the franchise
Valuation of franchises
Valuation of property

ADMINISTRATIVE

Absorptions
Common use of tracks
Connections
Extensions
Mergers
Pooling
Rate Making
Strikes
Wages

Most of the things set down under the head of "Regulative" clearly belong there. The regulative reduction of earnings would involve a reduction of rates in general, but the original making of specific rates would seem to fall inevitably within the province of administration, while questions of absorption, common use of tracks, connections, extensions, mergers, pooling, strikes, and wages would naturally range themselves under the same head; and so, too, it is respectfully submitted, the most effective, definite, and delicate (because flexible) regulation possible is through the agency of a franchise tax, which can be made to extract annually from the corporation that part of its profits directly contributed by the public, leaving all its improvements — in other words, its plant, the capital devoted to its industry — free of taxation.

The natural operation of such a system would be to leave to the corporation only such profits as are due to capital and industry actually involved, and thus to reduce capital stock to a fair market value, tending to reduce present overcapitalisation, as is now being effected in the City of New York.

The trend of such taxation would be to destroy the motive for exploitation, by appropriating, through taxation, the public's share of the profits, thus tending to take public utilities out of politics. Taxation would thus be, as it were, the vital nexus between public and private interest, extracting annually a profit already accrued to the franchise alone, and operating like a board of equalisation between the corporation and the state. When this point is reached, regulation and administration will no more think of exploiting each other than would individual partners in a

business firm. Clearly, the advantage, if it be an advantage, temporary or permanent, of regulation over public ownership, is the relief of the public from the details and responsibilities of administration.

The State of New York has a Public Utilities Commission already installed by way of example, and has paved the way with an enabling statute to aid in the process of valuation for purposes of taxation of those public assets to which the public may rightfully lay claim.

The Ford Law for the Taxation of Special Franchises, now in operation in the State of New York, was enacted in 1899. It was amended at a special session called by Governor Roosevelt, and, after five or six years' contest, was sustained by the Court of Appeals of the State of New York, and by the Supreme Court of the United States.

This bill did not "prescribe any specific method of assessment," but simply "added certain items to the prescribed classes of real property, full provision for the assessment and taxation of which was already provided for by other laws in force."*

An essential provision of the original bill was set forth in the following lines: "The terms, 'land,' 'real estate,' and 'real property,' as used in this chapter, include the land itself above and under water, all buildings and other articles and structures, substructures and superstructures, erected upon, under or above, or affixed to the same; all wharves and piers, including the value of the right to collect wharfage, cranage, or dockage thereon; all bridges, all telegraph lines, wires, poles, and appurtenances upon, above, and under ground; all surface, under ground, and elevated

*"The Ford Bill," *Municipal Affairs*, June 1899, New York Reform Club.

railroads, all railroad structures, substructures, and superstructures, tracks and the iron thereon; branches, switches, and other fixtures permitted or authorised to be made, laid, or placed in, upon, above, or under any public or private road, street, or ground; all mains, pipes, and tanks laid or placed in, upon, above, or under any public or private street, or place for conducting steam, heat, water, oil, electricity, or any property, substance, or product capable of transportation or conveyance therein or that is protected thereby; all trees and underwood growing upon land, and all mines, minerals, quarries, and fossils in and under the same, except mines belonging to the state."

What is known as the Ford amendment was an addition of seven lines to the above section further elaborating the legal definition of "land" in the following words:

> Including the value of all franchises, rights, authority, or permission to construct, maintain, or operate, in, under, above, upon, or through, any streets, highways, or public places, any mains, pipes, tanks, conduits, or wires, with their appurtenances, for conducting water, steam, heat, light, power, gas, oil, or other substance or electricity for telegraphic, telephonic, or other purposes.

These seven lines are a clear and concise restatement of the legal meaning of the term "land" as including the recognised "rights and privileges thereto pertaining." It is this definition for purposes of taxation that is the basis of the few words of argument which I have to offer. It is interesting, because, with the sanction of the highest courts of the state and Nation, it defines a public franchise as "land," a public franchise value as "land value."

It is evident that the public can reap its franchise

benefit either in lower fares or in franchise taxes. It may be assumed that the gross amount of the benefit is the same whichever way it is distributed. If the franchise is taxed, the benefit is distributed immediately among all the people. If rates are reduced, would not the benefit, while going immediately to the patrons of the road, likewise be ultimately diffused among all the people?

If the above analysis be correct, it follows that the question of method is one, not of justice, but of expediency, and it is submitted that, on the ground of expediency, the taxation method is preferable by reason of its greater simplicity.

A too frequent change in schedule rates is at least inconvenient. This disadvantage finds illustration in the contrasted conditions of 1907 and 1908. By hard times and greatly reduced business, the railroads now seek to justify either a reduction of wages or a paradoxical advance of rates, in place of the reduction usually resulting from dull business.

It is at this point that taxation offers itself, like the "ratchet" or the "follower" in the machine, to "take up the slack" be it more or less from year to year.

Under the system here considered, in which regulation is supplemented by taxation, instead of a legislative reduction of rates once in every five, ten, or twenty-five years, in the face of a formidable lobby, there would be a periodical but not too frequent general readjustment of rates, which presumably must be high enough to include dividends on capital actually employed; there would be an annual flexible regulation of the tax based upon the net earnings of the previous year, in the light of an honest, expert, and inquisitorial public

inspection and accounting. This tax would appropriate to the public such net earnings (barring a liberal surplus), leaving the industry itself free from tax. Such regulation would seem to promise all the benefits which could be claimed for public ownership without the dangers which would attend that policy. It may be that the management and the commission could be merged into a holding company, which would become, to all intents and purposes, a public commission with all the benefits of actual municipal ownership.

By way of illustration, let it be supposed that a number of railway experts (not exploiters) have formed a company to take over the franchise and operation of a great railway. Although small holders of stock, these men naturally become the salaried officers and managers of the business.

Under what must amount to a municipal guarantee of dividends (out of profits in good years, or out of surplus in bad years), the promise of a low market rate suffices to attract ample funds from the sale of capital stock, and the corporation is established as a going concern.

Let it be further assumed that taxation has been operative, say, for a generation; that it has gradually recovered to the public the value of the franchise by a process so tentative and even cautious as to make "grim financial disaster" impossible. Let it be next assumed that, as a result, the triple concurrent agencies, "private ownership," "public regulation," and "taxation of franchise," are now in mutual and harmonious control of the situation, from which speculation and exploitation will have been eliminated as superfluous.

The problem of government regulation will be to harmonise the three interests of capital, management, and the public; a fair profit to capital; fair rewards for skill and enterprise in management; a fair return to the public for franchise privileges.

CAPITAL: A fair rate of return to capital invested in railways is the market rate of interest upon investments of equal security, as fixed in competitive industries, and this is all that capital (minus speculation) demands.

When the public thus asserts its rights and enforces them, it must, of course, first guarantee dividends to the stockholders, whose property rights would otherwise be imperilled.

Capital does not run the road, and hence it is not entitled to unusual profits due to the risks of an established business. Reduction of rates and taxation of franchise will have squeezed the water from the stock, and actual capital, as determined by the commission valuation. will get its "fair profit" in dividends, and profits will go to skill and enterprise, where they properly belong. The claim that a higher rate of dividend should be paid to capital on account of skill and enterprise in management is a vicious one, arising from the attribution to one factor of what clearly belongs to an entirely distinct one.

MANAGEMENT: The administration of the business of the public service corporation would be, as now, in the hands of agents, superintendents, and managing directors, who would profit by salaries in proportion to their skill and brains, from $1,000 to $50,000, a year. It is these men who run the road now, and it is their concern to deserve profits by so doing. "Traffic men,

as a whole, keen, adroit, and sensitive to every change in the industrial world, would turn to with their magnificent forces and abilities and work with the commission instead of against it." Skill and enterprise, and public exigency, instead of selfishness and greed, would provide the initiative for legitimate extension and development.

THE PUBLIC: Its concern is to reap from its own business, delegated to private hands, a fair return, whether it be by lower rates or higher taxation. The public utilities commission, composed of men of good judgment and incorruptible honesty, its functions being supervisory rather than managerial, will fix upon a fair capitalisation, and will determine when and what gross reduction in current or accumulated earnings the administration should proceed to effect through the reduction of specific rates. By the municipalisation of the franchise the main motive for "stock watering and corporation wrecking" or for "underpaid or overworked employees or false economies" will be destroyed. Whatever "rebates," "stock watering," and "corporation wrecking" survive the assumption of the franchise by taxation, the commission will prevent under statute. The value of the franchise will be gradually absorbed through reduction of rates, leaving, however, a substantial margin as the best possible index and basis for taxation and regulation. This marginal surplus would serve the purpose of equalising conditions from year to year, bridging over lean financial periods, and thus securing more fully the stability of the fair profits to capital invested.

To sum up, it is my contention that, with railways privately owned, publicly regulated, and taxed approxi-

mately to the value of their franchises, public audit will increasingly protect both public and stockholder; public inspection will keep up the standard of the service; capital will get its interest; managerial skill and enterprise will get its compensation; the public will get its low rates and taxes. It will, therefore, appear, that franchise taxation is proposed not as a sole solution of the railway problem, but as a flexible, practicable, speedy supplement to the necessarily more rigid policy of regulation.

The people should have the benefit of monopoly, and how can this benefit be better secured to the people than by charging the corporation a fair price for what the people do for it, leaving the corporation free to prosecute its private business in its own way?

Chapter XI

INHERITANCE AND INCOME TAXES*

THE proposed Presidential and Congressional plan of limiting fortunes and raising revenue by inheritance and income taxes may, it is suggested, be greatly improved by two simple modifications, viz.: (1) Let fortunes be taxed chiefly in the process of their accumulation, rather than at probation; and (2) let the income tax be limited to those incomes which are not only unearned, but which are now untaxed. I ask consideration for a few of the arguments upon these points.

It is substantially correct to say that wealth, as fast as produced, is divided into two parts: one part goes to wages of hand and brain, the other part goes to privilege. The greater the part that goes to wages, the smaller the part that goes to privilege, and vice versa. The prime agency in determining how large shall be the part that goes to privilege is the private appropriation of ground rent, economic rent, in its various forms. The essence of privilege is the law-given power of one man to profit at another man's expense. A man gets rich, not out of his earnings, but out of his savings. If obliged to spend all his earnings it is not possible for him to accumulate riches. The poor man rebels, not because his rich neighbour

* Address before the Economic Club of Boston. Published in the New York *Evening Post*, March 6, 1907; *Harper's Weekly*, May 25, 1907; and the *Outlook*, August 3, 1907.

can accumulate five hundred dollars to his one, but because, through the operation of this special privilege, it is at his, the poor man's, expense that the rich man's accumulation is made. Ex-Governor Long says that there will be discontent just so long as certain comforts and possessions are within the reach of one class and beyond the reach of another class. This discontent Archbishop O'Connell calls the "tumult of the envious." But unprivileged men, whether unprivileged rich or unprivileged poor, have not far to look to find that discontent and envy start only where skill and enterprise leave off and special privilege begins. You are not envious of Edison or Marconi or Bessemer or railroad magnates, or captains of industry; you gladly accord them princely rewards as public benefactors. It is only when the people are called upon to provide an Edison fortune for every city and town in the country through privileged exaction that your discontent is aroused. It is only when they are required to superimpose upon an unprivileged steel fortune of three or four millions a privileged fortune of a thousand millions, based upon economic rent, that the shoe begins to pinch. It is only when the ore baron, the coal baron, the oil baron, the railroad baron, and the land baron are privileged to take ten dollars or a hundred dollars from their wages and add it to the monopoly price of coal and iron and oil that men are swayed by the "tumult of the envious."

Legislation has been busy constituting criminal offences. The air is charged with criminal prosecution and conviction where fortunes have been swelled through violation of law. But is it not true that neither legislatures nor courts have seriously addressed

themselves to stopping the continuous drain of wealth from the pockets of the producers into the coffers of the privileged? President Roosevelt in his last message enjoins upon Congress: "Let us not do what the next generation cannot undo. We have a right to the proper use of both the forests and the fuel during our lifetime, but we should not dispose of the birthright of our children." Mr. Bryan, in his prediction of "A Great Moral Awakening," quotes the declaration of the United States Supreme Court that "an unjust tax is larceny in form of law." Unjust fortunes are, we claim, the fruit of unjust taxes, taxes that subtract from wages and make almost impossible the savings of labour while augmenting the fortunes of privilege; or, to be more exact, unjust fortunes are due to the absence of just taxes.

But it is asked, what are you going to do about it? We say that there is just one punishment to fit the crime, to wit, the taxation of privilege. Tax the oil and the coal, the franchise, and all other forms of economic rent, at its fixed initial source, the land, which, without inquisitorial or dooming process, bears always the imprint of its own market valuation. Tax, not private ownership or corporate franchise, but the privilege attached thereto. The colossal error of the century is the private appropriation, instead of the taxation, of rent. This it is that makes the shopping district of every city a continuous battlefield for the business interests of her people, and every battle a Waterloo.

For the prevention of unjust fortunes a natural process is already provided. For an equitable reduction of accumulated fortunes artificial machinery

remains to be invented. President Roosevelt in his message confesses that the question of an income tax is "very intricate, delicate, and troublesome." It would seem that the proposed dissipation of fortunes by means of an inheritance tax must prove awkward and of questionable justice, besides discouraging enterprise at its point of greatest efficiency, and in the midst of a beneficent career. It would discourage the accumulation of unprivileged fortunes, which are a blessing in proportion to their size.

With all his boasted freedom, the American citizen cannot invent or manufacture his own principles. He can select them, but he cannot remould or ignore them. He may make permutations and combinations to his heart's content, but two and two will always make four, and the square of the hypotenuse will always be equal to the sum of the squares of the other two sides of the triangle.

So in economics, certain fundamentals cannot be disregarded, as for example that the expenditure, enterprise, and activity of society express themselves in economic rent, the value of land. Whoever pays this rent pays, as President Roosevelt says, "for the protection the State gives him." Whatever of this rent the city gets in taxes it has bought and paid for; whoever else gets any considerable part of it gets something for nothing. Taxes are like the wheat poured into the public hopper; rent, in whatever form, may be described as the flour that comes from the public mill. The privileged man, who is allowed to carry off the grist, eats his bread, as it were, at the taxpayer's expense. A tax upon rent subtracts nothing from wages, and any tax upon rent, however large,

cannot remain a burden upon the owner beyond a generation at most. Land value, otherwise perishable, is made imperishable by public conservation; hence the plea that the whole tax, whether inheritance or income, be gradually transferred to this one basis. Whether it shall be imposed lightly, as a life rate, or heavily, as a death rate, is merely a question of method. In either case it will soon cease to be a burden upon any one.

Unjust fortunes are made out of ground rent accumulated and compounded. They can be perpetuated only by the private appropriation of ground rent; cut off from ground rent the public nutriment and they will quickly crumble and perish from the face of the earth.

Mr. Carnegie says: "Who made the 'wealth' of the Manhattan Island farm? The community, the population, the people. Then you tell me that wealth is sacred. I say that the community was the leading partner that made that wealth. It was hundreds of people settling up there, thousands of people settling around there, and here are these millionaires. They have toiled not, neither have they spun." Is it not sensible to make such cumulative fortunes as these the basis of live taxation?

President Roosevelt cannot eliminate "intricacy, delicacy, and troublesomeness" from his income tax until he learns to distinguish sharply between capital and privilege, between incomes that are earned and those that are unearned.

Chapter XII

THE SINGLE TAX*

FOR the practical views which it is my privilege to present to this distinguished conference I beg to assume responsibility individually, rather than as representing any organised body, who thereby might be compromised. To express my conviction in ecclesiastical form I begin with the

Credo

(1) I believe in the single tax defined by Henry George in "Progress and Poverty" as "the abolition of all taxes save those on land values," to be accomplished, as he said at Saratoga, "by the slow process of educating men to demand it"; to which he added: "In thinking of details it should be remembered that we cannot get to the single tax at one leap, but only by gradual steps, which will bring experience to the settlement of details."

(2) I believe that the amount of the single tax should be limited to the needs of the State for an effective and economical administration of government.

*Address before the National Tax Association, November 13, 1907, at Columbus, Ohio. See "State and Local Taxation. First National Conference, 1907." The Macmillan Company, 1908. The reader is warned that this chapter is made up largely of expressions found elsewhere in the book, especially in the first three chapters. The only reason for its insertion is that it represents the author's latest résumé of the subject, prepared for an important occasion.

"It is a question of applying land values to common use as far as they will go, or as much of them as may be needed, as the case may prove to be."*

(3) I believe in the classification, formulated by the New York Ford Franchise Act, of a public franchise as "land," and a public franchise value as "land value," together with the plainly consequent converse truth, viz., that the site value of land is a private franchise value, because land depends for its value upon those same concrete and tangible things that give value to a public franchise.

(4) I believe with Henry George that "in truth the right to the use of land is not a joint or common right, but an equal right; the joint or common right is to rent, in the economic sense of the term. Therefore it is not necessary for the State to take land; it is only necessary for it to take rent." Accordingly I believe that a man who owns land owns the site, and every right and privilege, fee, title, etc., pertaining to the land, from zenith to earth's centre, exclusive and absolute, as against any other individual, but nevertheless subject always to the right of eminent domain, and to the claims of the community to its share in the value of those rights and privileges, through the sovereign power of taxation.

(5) I believe in this single tax doctrine of Henry George, because it is broad and catholic like the air, the sunshine, and all other bounties that heaven sends alike upon the just and the unjust. It knows no distinction of race, denomination, party, sect, or creed. It knows no socialism, individualism, communism, anarchism, Greek, barbarian, bond, or free. The Land

* Louis F. Post, "The Single Tax," p. 86.

Question is under all these. Where it leaves off, these begin. A single taxer may be any of these. All these should be single taxers.

The Argument

The argument in the case may be put briefly as follows:

The three economic legs necessary and sufficient whereupon the single tax stool may firmly stand are found in three generic peculiarities quite exceptional in their nature, which distinguish land from houses or other man-made products. The failure to recognise this distinction is, we believe, sufficient to account for the crookedness of present systems of taxation. Such a recognition must lie at the very foundation of any just system of the future.

These three attributes, firmly grounded in orthodox economics, are, in economic language, as follows:

a The site value of land is a social product.

b A land tax cannot be "shifted."

c The selling value of land is an untaxed value.

These three fundamentals are worthy of brief separate consideration.

a First in order is the fact that land value is a social product, i. e., it is created principally by the community through its activities, industries, and expenditures. The value of land is based primarily upon economic rent, defined as "what land is worth for use," what it would command in the open market.

Strictly speaking this "worth for use" usually attaches not to the land itself, not to the earth's surface, not to the inherent capabilities of the soil, not to light and air or other bounties of nature resident in the land,

but to scores of things exterior to the land and through it made available for use, so that, as applied to urban land, the following would be a more accurate definition:

Ground rent is the annual value of the exclusive use and control of a given area of land, involving the enjoyment of those "rights and privileges thereto pertaining" which are stipulated in every title deed, and which, enumerated specifically, are as follows: right and ease of access to water, health inspection, sewerage, fire protection, police, schools, libraries, museums, parks, playgrounds, steam and electric railway service, gas and electric lighting, telegraph and telephone service, subways, ferries, churches, public schools, private schools, colleges, universities, public buildings — utilities which depend for their efficiency and economy on the character of the government; which collectively constitute the economic and social advantages of the land; and which are due to the presence and activity of population, and are inseparable therefrom, including the benefit of proximity to, and command of, facilities for commerce and communication with the world — an artificial value created primarily through public expenditure of taxes. In practice, the term "land" is erroneously made to include destructible elements which require constant replenishment; but these form no part of this economic advantage of situation or site value.

Consequently ground rent may be said to result from at least three distinct causes, all of which are connected with aggregated social, as distinguished from individual, activity: (1) public expenditure; (2) quasi-public expenditure; (3) private expenditure. Thus their very nature and origin would seem to point to land

values as peculiarly fitted to bear justly the burden of taxation.

b Second in order is the fundamental fact that a tax upon ground rent cannot be shifted upon the tenant in increased rent. The argument in the case may run thus: Ground rent, "what land is worth for use," is determined not by taxation, but by demand. Ground rent is the gross income, what the user pays for the use of land; a tax is a charge upon this income, similar in its nature to the incumbrance of mortgage interest. It is a matter of every-day knowledge that even though land be mortgaged nearly to its full value, no owner would think to rid himself of the mortgage interest that he has to pay through raising his tenant's rent by a corresponding amount. Mortgage interest is a lien upon land held by an individual; similarly, a tax may be conceived most clearly as a lien upon land held by the state. Both affect the relations between owner and mortgagor, and between owner and state respectively; neither has any bearing upon the relations between owner and tenant. "Tax" is simply the name of that part of the gross ground rent which is taken by the State in taxation, the other part going to the owner; the ratio these two parts bear to one another has no effect upon the gross rent figure, which is always the sum of these two parts, viz., the net rent plus the tax. The greater the tax the smaller the net rent to the owner, and vice versa. Ground rent is, as a rule, "all that the traffic will bear"; that is, the owner gets all he can for use of his land, whether the tax be light or heavy. Putting more tax upon land will not make it worth any more for use. If the market value of a lot of land for

use is $300 a year, a tax of $100 will not make it worth $400 a year.

These two propositions (*a*) that land value is a social product, and (*b*) that a tax upon land cannot be shifted by the owner upon his tenant in increased rent, are well settled in the professional mind.

(*c*) Third and last is the fact, a necessary corollary of the second, that the selling value of land is an untaxed value, a proposition that has received the definite approval of upwards of fifty leading American teachers of economics and has been seriously questioned by but two or three of the three hundred to whom it has been submitted.

Every purchaser of a piece of property knows, without argument, that he is governed as to the price he will pay, not by the gross income, but by the net income that will remain to him after all charges and incumbrances by way of mortgage interest or tax have been discharged.

To illustrate: Assuming a piece of land worth $300 a year for use to be free of all charges and incumbrances, and assuming the current rate of interest to be 5 per cent per annum, a purchaser would buy the lot for $6,000, because interest upon that sum would amount to the stipulated $300 a year. But assume that, on the contrary, it is found to be subject to a mortgage of $2,000, upon which the annual interest charge is $100; then he will buy the land, not at $6,000, but at $4,000, the value of the equity remaining after mortgage interest has been paid.

But assume further thas this lot of land, besides being subject to a mortgage of $2,000, is subject also to an established tax of $100, which charge the pur-

chaser must also assume. He will then purchase the land not at $4,000, but at $2,000. The tax charge of $100 and the mortgage interest charge of $100 respectively reduce the selling price of land by the same amount, $2,000. The mortgage and the tax together therefore reduce it by $4,000; and the purchaser will buy the land at $2,000, the value of the equity that remains after both mortgage interest and tax have been paid. This $2,000 is the capitalisation of the annual value of the lot after all charges have been met. The gross value is the taxed value. The net value is an untaxed value.

It follows from the above too brief analysis that, under the present system, *the selling value of land is an untaxed value* and land owners who invest to-day are entirely exempt from taxation.

As this exemption of the present owner holds true to-day, so it will be true in future of each new purchaser subsequently to the imposition of any new tax. It is in the very nature of things that the burden of a land tax cannot be made to survive a change of ownership.

But when we turn to the case of the taxation of houses we find that no parallel appears. Whereas a tax upon the lot could not, in the nature of things, increase its annual rental, or cost for use, a similar tax upon the house is added directly to the annual cost to the user. If a house costing $6,000 to build is subject to a tax of $100, this amount must be paid annually in addition to an interest charge of $300. Increasing or decreasing taxation upon the lot has no influence upon its annual cost to the user; while increasing or decreasing the tax upon the house

increases or decreases in exact proportion the annual cost to the user.

The moral of this illustration is that a tenant gets for use annually $300 worth of land for $300, and a house costing $300 for $400. In other words, a house tax of $100 takes in taxation $100 a year of the user's income. A land tax of $100 takes in taxation no part of the income of the present owner, provided that he purchased the land after the tax was imposed.

The beauty of this illustration is that while land stands for everything except the products of labour, a house is here made to stand as the representative of any and all products of individual labour, and the illustration thus becomes all inclusive.

The practical exemption of the selling value of land is vital in its bearing upon any proposition for obtaining an increased revenue from that source, accompanied by a corresponding exemption of other property.

In the light of the foregoing argument it is interesting to consider

WHAT ONE CITY, THE CITY OF BOSTON, MIGHT HAVE DONE TO PROMOTE BUSINESS AND SECURE EQUITY THROUGH A SOUND AND JUST SYSTEM OF TAXATION

The following estimate indicates the gigantic proportions of the factor ground rent, and its sufficiency to meet all reasonable costs of government economically administered, not only without impoverishing the landowner, but without subjecting him at any time to a

tax more burdensome or more continuous than that borne by every man that has lived in a house since a house tax was invented.

The gross ground rent of the land of the City of Boston is by careful estimate more than .	$50,000,000
Of this amount there is already taken in taxation	10,000,000
Leaving to the landowners of to-day a net ground rent of	$40,000,000

The fact that this sum amounts to $68 per capita, or $340 per family, will help the mind to grasp its magnitude as a factor in the distribution of wealth.

State and local taxes upon improvements, buildings, personal property, and polls amount to something over	11,000,000
If this additional amount were taken from rent there would still remain to the landowners a balance of	$29,000,000

or $48 per capita, or $240 per family.

Coming to the consideration of the means by which more revenue may be gradually raised from the land and the burden of taxation made more proportionate and reasonable, choice may be had from a variety of methods. The one most frequently suggested is that of appropriating by taxation part or all of the future increase in land values. If Boston should decide to start to-day and take in taxation her future unearned increment above the present value of $653,000,000, the case would be exactly the same as that of some new community where no value has accrued, a situation in which the ideal justice of the single tax is so frequently conceded.

If Boston had decided ten years ago upon the large

annual increase of one dollar per thousand each year for ten years in the rate of taxation upon its land, coupled with similar reduction in rate upon buildings and personal property, that city would be raising to-day from its land $10 per thousand more than it does now, or,

Land $653,000,000, at $10, an increase of more than	$6,000,000
The increase in land value in the same ten years was $188,000,000, 5 per cent of which is over	$9,000,000

And Boston would be taking in increased taxation to-day only two-thirds of its land increment for the same ten years.

Under this supposition the $468,000,000 valuation of ten years ago would still remain untouched by taxation, as is now the case with substantially the whole $653,000,000 valuation of 1907.

The foregoing Boston figures are submitted simply for purposes of illustration, not in any way as support of a specific recommendation.

Important Conclusion

If the preceding argument is valid, it establishes the fact of gross inequality in the incidence of taxation as between land values and improvement values. If it is admittedly wrong that present land values should be untaxed, how can such fiscal wrong best be righted? Begin at once a transfer of taxes from improvements to land, so gradual that two old injustices will cease for every new one that is begun, until this untaxed value is made to bear at least its proportionate burden at the same rate with other things.

In conclusion I wish to emphasise this basic fact:

that the burden of a land tax cannot be made to survive a change of ownership has in turn this corollary of its own, viz., that a new tax burden if imposed to-day would in one generation, by sale or by inheritance, cease to be a burden. If all taxes are finally collected from the landowner, he will then be the only man taxed. If another generation serves to let his successor out from under the burden, who will remain under it? Ground rent, economic rent, being an equivalent for value received, is not a burden, and if all taxes are ultimately taken from rent, it follows that in the course of two or three generations taxation may cease entirely from being a burden upon any one.

If professional economists and taxation experts will at once, to use a nautical phrase, quit their dead reckoning and steer their craft by the single tax pole-star, time and tide will do the rest.

PART IV.

APPENDIX

A. Ethics of the Single Tax: Its Breadth and Catholicity.

B. Tolstoy and Henry George.

C. The Disproportionate Treatment of Agricultural Rents by Economists.

D. Statement of the Rev. Edward McGlynn.

E. A Protest Against Unjust Taxation.

F. Agreements in Political Economy.

G. Details of One Hundred and Twenty Sales.

H. Details of Seven Hundred and Fifty-one Rentals.

A

ETHICS OF THE SINGLE TAX, ITS BREADTH AND CATHOLICITY*

THE appeal to reason contained in the doctrine of Henry George, whether as a moral philosophy, or as a system of taxation, is as universal as is the natural tax (ground rent), which has been in automatic and irresistible operation for centuries, in every civilised country under the sun. A response to this universal appeal only awaits the precipitation of a mass of relative ignorance and error now held in solution in the public mind regarding the author and his doctrine.

This single tax of Henry George is broad and catholic like the air, the sunshine, and all other bounties that heaven sends alike upon the just and the unjust. It knows no distinction of race, denomination, party, sect, or creed. It knows no socialism, individualism, communism, anarchism, Greek, barbarian, bond, or free. The land question is under all these. Where it leaves off, these begin. A single taxer may be any of these. All of these should be single taxers.

There is in the single tax, or natural taxation, nothing of technical socialism, which means the assumption by society of functions that are primarily individual. It is rather a re-socialisation of that which by its own nature, in its inception and in its growth, can be nothing but socialised, but which has been artificially de-socialised. There is in natural taxation no communism, if by communism is meant the compulsory pooling of the products of human labour. Such taxation is, however, the divine communism of the common enjoyment of a natural bounty bestowed upon all in common. There is in natural taxation no taint of the anarchism of disorder. It is the recognition of the ideal anarchism of law, so perfect, self-adjusting, self-operating, that no external force is needed to carry it into execution.

* Published in the *Arena* of January, 1899.

Its appeal is no less to the Catholic than to the Protestant; no more to the Christian than to the Jew or the Mohammedan, or the Pagan; it appeals alike to Republican and Democrat. Being a veritable lodestone — all attraction, no repulsion, and with the whole arsenal of arguments on its side — why should it not quickly gather to itself a victorious host?

Economically, the single tax proposes the displacement of an unjust distribution by a just distribution of wealth. Instead of distribution according to special privilege, and taxation according to ability, it proposes distribution according to ability, and taxation according to special privileges, chief of which is the private appropriation of ground rent. Morally, it offers itself as a fundamental bond of unity to reinforce the great accomplishments already made, and greater efforts to be made along the line of Christian agreement.

Henry George offers to the world, not only a political philosophy that will stand the test of the gospel, but a religious philosophy also, that removes a great beam from the eye of the Christian Church, enabling it to see clearly where it now confesses blindness, and adding to its light a warmth and a radiance which the indifference of the world could not resist. Hence the persistent disciples of Henry George ask Christians to consider this doctrine; to gather to the standard of the single tax, and to follow that standard, not as the hound follows the fox, winding and redoubling upon its own trail, but as the bee flies, and as the carrier-pigeon flies, by the instinct of principle, in the straight line that lies between right and wrong.

B

TOLSTOY AND HENRY GEORGE*

Tolstoy's letter to the London *Times* upon the subject, "A Great Iniquity," is the Russian philosopher's latest utter-

*Published in the Springfield *Republican*, December 10, 1905; New York *Evening Post*, December 19, 1905; and the Boston *Evening Transcript*, December 26, 1905.

ance upon the land question. In it is declared his belief that the greatest of all iniquities is the private ownership of land, together with his explicit endorsement of the single tax doctrine of Henry George.

The utterances of this world-famous man, heralded far and near, are likely to foster the misapprehension that the aim of both Henry George and himself is the destruction of private property in land.

I, therefore, beg, with only a word or two of comment, to call critical attention to one of Tolstoy's statements, leaving it to the reader to make his own interpretation of its meaning.

Notwithstanding Tolstoy's unequivocal declaration that "the soil must be restored to the people," and his reiteration of "the wrong of private property in land," the conclusion that he would destroy the private ownership of land must be, it seems to me, a mistaken one, and out of harmony with both his text and context. Henry George specifically arraigned the institution of private property in land, as it now exists. He condemned that feature of land tenure which necessitates the invasion by taxation of the otherwise sacred right of private property in the products of labour in order that ground rent may continue to inure mainly to private benefit. Hence, it must be submitted that what Tolstoy had in mind was private property in land "as now existing." The length and breadth of George's proposed remedy, to which Tolstoy gives full endorsement, was, in Mr. George's own words, "I do not propose . . . to confiscate private property in land. . . but to appropriate rent by taxation." ("Progress and Poverty," Book VIII, Chapter 2). In the enjoyment of every other "right and privilege" of tenure, the right to "own, possess, buy, sell, devise and bequeath" excepting only the one privilege of the private appropriation of rent, Mr. George's specific declaration was that the land owner should be left undisturbed. The following paragraph is from Tolstoy's "A Great Iniquity":

"A member of the English Parliament, Labouchere, could publicly say, without meeting any refutation, that 'he was not

such a visionary as Henry George; he did not propose to take the land from the landlords and rent it out again; what he was in favour of was putting a tax on land values.' That is, whilst attributing to George what he could not possibly have said, Labouchere by way of correcting these imaginary fantasies, suggested that which Henry George did indeed say."

Tolstoy's language thus proves beyond a possible doubt that he does not believe in taking the land from the landlords, and that he does not believe that Henry George could have said so, but that both are agreed in taking ground rent in taxation.

One more thought by way of comment. George and Tolstoy, in common with Herbert Spencer, found, in the literature of the land question, in the dictionaries, and in works on political economy, one word, "land," standing for soil and for situation, and they used the one term without defining to themselves and to their readers the two ideas embraced in it. A clear distinction presents itself between what academic economists might call two separate "concepts," viz., "land" and "land value." It is as follows: "Land," defined as the earth's surface; the inherent capabilities of the soil; the bounties of nature; natural resources; "natural media";—"land value," defined to be the value of "rights and privileges thereto pertaining," as specified in deeds of conveyance; value of the advantages of society and government; value of proximity; value due to command of facilities for commerce and communication with the world; an artificial value, not a value of "natural media." Land and land value as above defined may be contrasted by supposing one of two city lots to have a doorless and windowless hundred foot wall around it, or to have no legal right of way to and from it, in either of which cases the value would be that of land as a purely physical thing, without its social incidents.

If any one will re-read both authors, bearing in mind to apply to private property in land wherever it occurs, the above distinction, as well as the qualifying words, "as at present existing," a great deal of confusion will surely be dissipated,

and sense will appear in place of what may have been pronounced foolishness.

C

THE DISPROPORTIONATE TREATMENT OF AGRICULTURAL RENTS BY ECONOMISTS

Has not agricultural rent, as a somewhat natural result of the fact that Ricardo's law of rent was specifically expressed and illustrated in agricultural terms, received undue attention from the schools, to the neglect of urban or city rent in its more acute forms?

Out of a curiosity to ascertain the actual preponderance accorded to agricultural over urban rent in standard economic treatises, the writer has instituted careful comparisons of the space devoted by the authorities to agricultural land and to urban land respectively in treating questions bearing on land values and land rent. The result shows that in thirty-four leading works of thirty authors, 42,094 lines were given to agricultural rents, and 2,919 lines to urban rent,* a ratio of fourteen to one.

Following is the list complete:

Author and Work	Agricultural			Urban		
	Text lines	Notes lines	Total lines	Text lines	Notes lines	Total lines
Adams, H. C., The Science of Finance, 1887	803	6	809	36	...	36
Andrews, E. B., Institutes of Economics, 1889	30	26	56	15	24	39
Bullock, C. J., Introduction to the Study of Economics, 1897 . . .	570	3	573	81	7	88
Cairnes, J. E., Some Leading Principles of Political Economy, 1874 .	135	26	161	...	...	...

* Where agriculture has been considered for other purposes than value and rent of land, it has been omitted from the comparison. The line of distinction is sometimes drawn with difficulty, and in one or two cases, where the argument has seemed to bear equally on agricultural and urban land, it has been included under both heads. In view of the liability to error in such a comparison, this list is circulated in the hope that interested parties may supply any authorities which ought not to be omitted, and note any corrections in the readings for future publication and reference.

Author and Work	Agricultural			Urban		
	Text lines	Notes lines	Total lines	Text lines	Notes lines	Total lines
Carey, H. C., Principles of Political Economy, 1840.	542	64	606	118	...	118
Chalmers, Thos., Political Economy, 1882.	3,312	205	3,517	...	...	...
Clark, J. B., The Distribution of Wealth, 1899	1,148	69	1,217	12	...	12
Ely, R. T., Socialism, 1894 . . .	84	...	84	84	...	84
Ely, R. T., Introduction to Political Economy, 1889.	110	...	110	48	...	48
Ely, R. T., Land, Labour, and Taxation, 1882	288	...	288	192	...	192
Fawcett, H., Manual of Political Economy, 1874.	1,835	5	1,840	274	...	274
Gide, Chas., Principles of Political Economy, 1896.	907	16	923	117	...	117
Hadley, A. T., Economics, 1896. .	240	5	245	70	...	70
Jevons, W. S., The Theory of Political Economy, 1871	301	...	301	...	...	...
Laughlin, J. L., Elements of Political Economy, 1896	579	...	579	19	...	19
Malthus, T. R., Nature and Progress of Rent, 1815	1,705	45	1,750	...	...	...
McCulloch, J. R., Principles of Political Economy, 1849	1,378	60	1,438	...	...	...
Macleod, H. D., The Elements of Economics, 1886	1,257	...	1,257	109	...	109
Macvane, S. M., The Working Principles of Political Economy, 1890.	492	5	497	78	17	95
Marshall, Alfred, Principles of Economics, 1898	3,557	343	3,900	40	180	202
Mill, J. S., Principles of Political Economy, 1864.	782	...	782	...	20	20
Nicholson, J. S., Principles of Political Economy, 1901	2,622	203	2,825	355	9	364
Rae, John, Contemporary Socialism, 1884.	920	...	920	2	...	2
Ricardo, D., Principles of Political Economy, 1819.	2,859	112	2,971	...	...	...
Rogers, Thorold, A Manual of Political Economy, 1868	1,010	...	1,010	20	...	20
Rogers, Thorold, Six Centuries of Work and Wages, 1884 . . .	562	...	562	207	...	207
Say, J. B., Political Economy, 1821 .	442	11	453	114	...	114
Seligman, E. R. A., The Shifting and Incidence of Taxation, 1892 . .	1,365	...	1,365	500	6	506
Senior, N. W., Political Economy, 1863	451	...	451	...	...	...

Author and Work	Agricultural			Urban		
	Text lines	Notes lines	Total lines	Text lines	Notes lines	Total lines
Sidgwick, H. I., Principles of Political Economy, 1883	371	35	406	3	...	3
Smith, Adam, Wealth of Nations, 1818.	2,755	...	2,755	22	...	22
Walker, F. A., Land and Rent, 1888	4,648	254	4,902	19	12	31
Walker, F. A., Political Economy, 1888.	2,228	85	2,313	58	13	71
Walker, Amasa, The Science of Wealth, 1872	228	...	228	38	...	38
Total	40,516	1,578	42,094	2,611	288	2,919

D

DOCUMENT PRESENTED TO MGR. SATOLLI BY THE REV. EDWARD McGLYNN, D.D., IN DECEMBER 1892—AND BY HIS DIRECTION EXAMINED BY A COMMITTEE OF THE PROFESSORS OF THE CATHOLIC UNIVERSITY, AT WASHINGTON, D. C. — DECLARED TO CONTAIN NOTHING CONTRARY TO CATHOLIC TEACHING

All men are endowed by the law of nature with the right to life and to the pursuit of happiness and therefore with the right to exert their energies upon those natural bounties without which labour or life is impossible.

God has granted those natural bounties, that is to say, the earth, to mankind in general, so that no part of it has been assigned to anyone in particular, and so that the limits of private possession have been left to be fixed by man's own industry and the laws of individual peoples.

But it is a necessary part of the liberty and dignity of man that man should own himself, always, of course, with perfect subjection to the moral law. Therefore, besides the common [equal] right to natural bounties, there must be by the law of nature private property and dominion in the fruits of industry or in what is produced by labour out of those natural bounties to which the individual may have legitimate access, that is, so far as he does not infringe the equal right of others or the common rights.

It is a chief function of civil government to maintain equally sacred these two natural rights.

It is lawful, and it is for the best interests of the individual and of the community and necessary for civilisation that there should be a division as to the use and an undisturbed, permanent, exclusive private possession of portions of the natural bounties, or of the land; in fact, such exclusive possession is necessary to the ownership, use and enjoyment by the individual of the fruits and products of his industry.

But the organised community through civil government must always maintain the dominion over those natural bounties, as distinct from the products of private industry and from that private possession of the land which is necessary for their enjoyment. The maintenance of this dominion over the natural bounties is a primary function and duty of the organised community, in order to maintain the equal right of all men to labour for their living and for the pursuit of happiness, and therefore their equal right of access directly or indirectly to natural bounties. The assertion of this dominion by civil government is especially necessary because, with the very beginning of civil government and with the growth of civilisation, there comes to the natural bounties, or the land, a peculiar and an increasing value distinct from and irrespective of the products of private industry existing therein. This value is not produced by the industry of the private possessor or proprietor but is produced by the existence of the community and grows with the growth and civilisation of the community. It is therefore called unearned increment. It is this unearned increment that in cities gives to lands without any improvements so great a value. This value represents and measures the advantages and opportunities produced by the community, and men, when not permitted to acquire the absolute dominion over such lands, will willingly pay the value of this unearned increment in the form of rents, just as men, when not permitted to own other men, will willingly pay wages for desired services.

No sooner does the organised community, or state, arise, than it needs revenues. This need for revenues is small at first while population is sparse, industry rude, and the functions of the state few and simple, but with growth of population and advance of civilisation the functions of the state increase and larger and larger revenues are needed. God is the author of society and has pre-ordained civilisation. The increasing need for public revenues with social advance being a natural God-ordained need, there must be a right way of raising them — some way that we can truly say is the way intended by God. It is clear that this right of raising public revenues must accord with the moral law or the law of justice. It must not conflict with individual rights, it must find its means in common rights and common duties. By a beautiful providence, that may be truly called divine, since it is founded upon the nature of things and the nature of man, of which God is the creator, a fund, constantly increasing with the capacities and needs of society, is produced by the very growth of society itself, namely, the rental value of the natural bounties of which society retains dominion. The justice and the duty of appropriating this fund to public uses is apparent in that it takes nothing from the private property of individuals except what they will pay willingly as an equivalent for a value produced by the community, which they are permitted to enjoy. The fund thus created is clearly by the law of justice a public fund, not merely because the value is a growth that comes to the natural bounties which God gave to the community in the beginning, but also, and much more, because it is a value produced by the community itself, so that this rental value belongs to the community by that best of titles, namely, producing, making, or creating.

To permit any portion of this public property to go into private pockets, without a perfect equivalent being paid into the public treasury, would be an injustice to the community. Therefore the whole rental fund should be appropriated to common or public uses.

This rental tax will make compulsory the adequate utilisation of natural bounties exactly in proportion to the growth of the community and of civilisation, and will thus compel the possessors to employ labour, the demand for which will enable the labourer to obtain perfectly just wages. The rental tax fund growing by a natural law proportionately with the growth of civilisation will thus be sufficient for public needs and capacities and therefore all taxes upon industry and upon the products of industry may and should be abolished. While the tax on land values promotes industry and therefore increases private wealth, taxes upon industry act like a fine or a punishment inflicted upon industry—they impede and restrain and finally strangle it.

In the desired condition of things land would be left in the private possession of individuals, with full liberty on their part to give, sell, or bequeath it, while the state would levy on it for public uses a tax that should equal the annual value of the land itself, irrespective of the use made of it or the improvements on it.

The only utility of private ownership and dominion of land, as distinguished from possession, is the evil utility of giving to the owners the power to reap where they have not sown, to take the products of the labour of others without giving them an equivalent — the power to impoverish and practically to reduce to a species of slavery the masses of men, who are compelled to pay to private owners the greater part of what they produce for permission to live and to labour in this world, when they would work upon the natural bounties for their own account, and the power, when men work for wages, to compel them to compete against one another for the opportunity to labour, and to compel them to consent to labour for the lowest possible wages — wages that are by no means the equivalent of the new value created by the work of the labourer, but are barely sufficient to maintain the labourer in a miserable existence, and even the power to deny to the labourer the opportunity to labour at all. This is an injustice against the equal

right of all men to life and to the pursuit of happiness, a right based upon the brotherhood of man which is derived from the fatherhood of God. This is the injustice that we would abolish in order to abolish involuntary poverty.

That the appropriation of the rental value of land to public uses in the form of a tax would abolish the injustice which has just been described, and thus abolish involuntary poverty, is clear; since in such case no one would hold lands except for use, and the masses of men, having free access to unoccupied lands, would be able to exert their labour directly upon natural bounties and to enjoy the full fruits and products of their labours, beginning to pay a portion of the fruits of their industry to the public treasury only when, with the growth of the community and the extension to them of the benefits of civilisation, there would come to their lands a rental value distinct from the value of the products of their industry, which value they would willingly pay as the exact equivalent of the new advantages coming to them from the community; and again in such case men would not be compelled to work for employers for wages less than absolutely just wages, namely, the equivalent of the new value created by their labour; since men surely would not consent to work for unjust wages, when they could obtain perfectly just wages by working for themselves; and, finally, since, when what belongs to the community shall have been given to the community, the only valuable things that men shall own as private property will be those things that have been produced by private industry, the boundless desires and capacities of civilised human nature for good things will always create a demand for these good things, namely, the products of labour — a demand always greater than the supply; and therefore for the labour that produces these good things there will always be a demand greater than the supply and the labourer will be able to command perfectly just wages — which are a perfect equivalent in the product of some other person's labour for the new value which his own labour produces.

ITALIAN ORIGINAL OF THE PRECEDING DOCUMENT

Tutti gli uomini sono investiti dalla legge di natura col diritto alla vita ed al proseguimento del proprio bene e godono per conseguenza del diritto ad esercitare le proprie forze su quei doni della natura, senza i quali il lavoro o la vita sarebbe impossibile.

Iddio ha dato questi doni della natura, cioè a dire, la terra al l'umana famiglia in genere di modo che nessuna parte di essa è stata concessa ad alcuno in particolare, e di modo che la determinazione dei limiti della possessione privata è stata lasciata alla propria industria dell' uomo ed alle leggi dei singoli popoli.

Ma appartiene necessariamente alla libertà e dignità del l'uomo, che l'uomo sia padrone di se stesso (sui juris), sempre, ben s'intende, con perfetta soggezione alla legge morale. Per conseguenza oltre al diritto comune ai doni della natura, vi dev'essere per la legge della stessa natura proprietà privata e dominio privato nei frutti dell' industria ossia quel che il lavoro produce da quei doni della natura ai quali l'individuo abbia legittimo accesso, cioè a dire, in quanto egli non infrange l'ugual diritto deglialtri ossia i diritti comuni.

Una funzione capitale del governo civile si è di mantenere ugualmente saldi questi due diritti naturali.

Egli è lecito non solamente ma è per il miglior bene del l'individuo e della comunità ed è necessario per la civiltà che vi sia divisione in quanto all' uso di porzione dei doni della natura ossia della terra, e possessione privata dei medesimi, pacifica, permanente ed esclusiva; e diffatti, questa possessione esclusiva è necessaria acciocchè l'individuo possa godere il dominio e l'uso dei frutti e prodotti della propria industria.

Ma la comunità organizzata per mezzo del governo civile deve sempre mantenere il dominio sopra quei doni della natura, affine di mantenere l'ugual diritto di tutti gli uomini a lavorare per mantenere la propria vita e per proseguire il proprio bene 'e

conseguentemente a mantenere il loro diritto di aver accesso direttamente o indirettamente ai doni della natura. L'asserzione pratica di questo dominio per parte del governo civile, è necessaria per la ragione che col primo cominciamento del governo civile e coll' incremento della civiltà vi arriva ai doni della natura ossia della terra un valore peculiare ognora crescente, ben distinto dai prodotti dell' industria privata esistenti su di tali terreni e senza alcun riguardo ai medesimi. Questo valore non è già prodotto dall' industria del possessore o proprietario privato, ma bensì è esso prodotto dall' esistenza della comunità e cresce mano a mano coll' aumento e colla crescente civiltà della comunità istessa. Ed è perciò che questo valore vien chiamato col nome d'incremento avventizio e non guadagnato. E, da questo incremento avventizio e non guadagnato che nelle città, per esempio, deriva ai terreni senza alcun miglioramento [come case o altro] un si grosso valore. Questo valore rappresenta e misura le opportunità ed i vantaggi prodotti dalla comunità, e quando agli uomini non sia permesso di acquistare l'assoluto dominio sopra tali terreni, volontieri pagheranno essi il valore di questo incremento avventizio nella forma del prezzo d'affitto, precisamente come, quando agli uomini non sia permesso d'impossessarsi di altri uomini, pagheranno essi volontieri una mercede per i servigi che si richieggono.

Appena nasce la comunità organizzata, ossia lo Stato, che abbisogna essa di entrate. Questo bisogno di entrate è tenuissimo sul bel principio mentre la popolazione è tuttora scarsissima, l'industria è rozza e le funzioni dello Stato sono poche e semplici, ma coll' aumento della popolazione e col progresso della civiltà si aumentano le funzioni dello Stato e vi è bisogno di sempre piu grandi entrate. Dio è l'autore della società ed ha preordinato la civiltà. Il bisogno di pubbliche entrate crescenti sempre col progresso sociale essendo un bisogno naturale divinamente ordinato, vi dev'essere una via giusta e diritta di riscuoterle, qualche via della quale possiamo dire con verità che essa fu nella intenzione divina. E cosa chiara che questa via,

giusta e diritta di riscuotere le entrate pubbliche, dev'essere in accordo colla legge morale ossia la legge della giustizia. Non dovrà essa stare in conflitto coi diritti dell' individuo e dovrà trovare i suoi mezzi nei comuni diritti e nei comuni doveri. Per una bella provvidenza, che può chiamarsi Divina (giacchè è essa fondata sulla natura delle cose e sulla natura dell' uomo della quale Dio è il creatore), un fondo di risorse, crescente costantemente a misura della capacità e dei bisogni della società, vien prodotto dall' istesso aumento della società medesima, cioè a dire, le entrate da riscuotersi dai valori dei beni che sono puramente doni della natura, e dei quali la società ritiene ognora il dominio. Che l'appropriazione di questo fondo di risorse ad usi pubblici sia e giusta e doverosa, apparisce evidentemente da ciò che esso nulla piglia dalla proprietà privata degl' individui se non quello che essi pagheranno volontieri come un equivalente a quel valore prodotto dalla comunità e del quale è lasciata agl' individui libera facoltà di godere. Il fondo creato in questa maniera è evidentemente per la legge di giustizia un fondo pubblico, non solamente perchè questo valore è un aumento non guadagnato ed avventizio ai doni di natura i quali furono dal bel principio dati alla comunità da Dio, ma eziandio e vieppiù per la ragione che esso è un valore prodotto dalla comunità istessa, di modo che questa rendita, riscossa dal valore fondiario, appartiene alla comunità per il più giusto di tutti i titoli, cioè a dire, dal produrre, dal fare o dal creare. Il permettere che alcuna porzione di questa proprietà pubblica vada nelle tasche di privati senza che si paghi al tesoro pubblico un perfetto equivalente sarebbe un ingiustizia contro i diritti della comunità. Per conseguenza tutto il valore fondiario dev'essere appropriato ad usi pubblici o comuni.

La riscossione di questa imposta fondiaria farà sì che sia giuoco forza utilizzare adequatamente i beni offerti dalla natura, esattamente in proporzione all' incremento della comunità e della civiltà, e così costringerà i possessori ad impiegare il lavoro proprio o d'altrui di modo che i lavoranti che si offriranno in corrispondenza alla domanda, potranno ottenere la mercede

precisa richiesta dalla giustizia. La entrata proveniente dal l'imposta sui valori fondiari, crescente per forza di d'una legge naturale proporzionatamente all' incremento della popolazione e della civiltà, sarà perciò suffciente a tutti i bisogni pubblici ed alle pubbliche capacità, e per questa ragione tutte le imposte sull' industria e sui prodotti dell' industria potranno essere abolite, e si dovrebbero abolire. Mentre l'imposta sui valori dei terreni promuove l'industria e perciò aumenta la ricchezza privata, le imposte sull' industria hanno la forza d'una multa o d'una punizione inflitta all' industria, la impediscono, la ristringono e finalmente la strangolano.

In questa condizione di cose i terreni sarebbero lasciati nella possessione privata di invidui, con piena libertà da loro parte di donare, di vendere o di lasciare agli eredi, e lo stato da altra parte riscuoterebbe per usi pubblici una rendita in forma di imposta che equivarrebbe al valore annuo dei medesimi, terreni senza aver riguardo all 'uso che ne facciano od ai miglioramenti che vi producono.

L'unica utilità della proprietà privata ossia il dominio privato del terreno, in quanto si distingue dalla possessione od occupazione, si è la mala utilità del dare ai proprietari il potere di mietere dove non hanno seminato, di pigliare i prodotti del l'altrui lavoro senza dare a loro un compenso — il potere di impoverire le masse degli uomini e di ridurle a quel che è praticamente una specie di schiavitù; dacchè sono essi costretti a pagare a proprietari privati la più gran parte di quello che producono, e ciò devono dare per il permesso di vivere in questo mondo e di esercitarvi il loro lavoro, quando essi vogliono lavorare direttamente sul bene naturale — il terreno — per conto proprio; ed il potere di costringere gli uomini che lavorano per una mercede, di far a gara l'uno contro l'altro, per l'opportunità di lavorare — acconsentendo così a lavorare per la più tenue mercede — una mercede nullamente equivalente al nuovo valore creato dall 'opera del lavorante ma che è semplicemente ed appena sufficiente a mantenere il lavorante in una miserabile esistenza — il potere finalmente di negare del tutto al lavorante

l'opportunità di impiegare il suo lavoro. Questo è un ingiustizia contro il diritto uguale di tutti gli uomini alla vita ed al proseguimento della propria felicità — un diritto fondato sulla fratellanza degli uomini, la quale è derivata dalla paternità di Dio. Questo sì è la ingiustizia che noi vorremmo abolire affine di abolire la povertà involontaria.

Che l'appropriazione del valore avventizio e non guadagnato del terreno ad usi pubblici nella forma di una imposta, varrebbe bene ad abolire la ingiustizia la quale or ora abbiamo dimostrata e per conseguenza ad abolire la povertà involontaria, apparisce chiaramente; giacchè in tal caso nessuno occuperebbe dei terreni se non per utilizzarli e le masse degli uomini, avendo libero accesso ai terreni non-occupati, sarebbero in istato di esercitare il loro lavoro sui beni della natura e di godere appieno dei frutti e dei prodotti del proprio lavoro, allora solamente cominciando a pagare una porzione dei frutti della propria industria al pubblico erario quando, coll' aumento della comunità e coll' estensione a loro dei benefizi della civiltà, deriverebbe ai loro terreni un valore fondiario di rendita distinto dai prodotti della loro industria il qual valore essi pagherebbero volontieri come l'esatto equivalente dei nuovi vantaggi a loro derivanti dalla comunità; e dippiù in tal caso, non sarebbero costretti gli nomini a lavorare per padroni per una mercede minore di quella che è assolutamente la giusta mercede, cioè, l'equivalente del nuovo valore creato dal loro lavoro; imperciocchè gli uomini certamente non acconsentirebbero a lavorere per una ingiusta mercede, quando essi potessero ottenere una mercede del tutto giusta lavorando per proprio conto; e finalmente giacchè quando quel che appartiene alla comunità sarà stato dato alla comunità, allora le sole cose di valore che gli uomini possederanno come proprietà privata saranno quelle cose che sono state prodotte dalla privata industria, i desideri e le capacità senza limiti della incivilità umana natura, di usare e godere dei beni, creerà una domanda per tali beni che sono i prodotti del lavoro, una domanda sempre maggiore del l'offerta; e perciò vi sarà sempre, per quel lavoro che produce

questi beni, una domanda maggiore del l'offerta e così il lavorante potrà pretendere effettivamente alla mercede veramente giusta, la quale sarà un preciso equivalente reso dal prodotto del l'altrui lavoro, in contraccambio del nuovo valore che egli produce col lavoro proprio.

There has recently appeared from the pen of a Catholic layman a book* in which the author tries to extenuate the importance of Monsignor Satolli's decision by intimating that it represents only the simple individual opinion of the four professors. Loyalty to truth dictates that this criticism should be here offset by some pertinent facts in the case.

Monsignor Satolli in a former visit to the United States in 1889 and as the guest of Archbishop Corrigan, had ample opportunity for investigation of the land question from the viewpoint of the United States and of Rome. Hence he had four years of time in which he might have made a preliminary examination. Monsignor Satolli was credited with having been one of those consulted when the Pope's Encyclical, Rerum Novarum, of May 15, 1891, was in preparation, and was thereby the better able to judge what was in accord or in conflict with it.

Among the important duties of his mission was to bring to a satisfactory conclusion what was then known as the McGlynn Controversy. Dr. McGlynn, at the request of the Apostolic Delegate, submitted to him through his counsel, Dr. Burtsell, a statement in Italian of his views on the subject of private property in land. On this statement Monsignor Satolli consulted four of the professors of the Catholic University. The decision of Monsignor Satolli that there was nothing contrary to Catholic doctrine in the opinions of Dr. McGlynn as exhibited

"*Fundamental Fallacy of Socialism," Arthur Preuss, published by B. Herder, St. Louis, Mo., 1908.

in that statement was official, and was followed by the return of Dr. McGlynn to active duty.

E

A PROTEST AGAINST UNJUST TAXATION

THE following remarks were addressed by the author to the assessors of the City of Newton, Mass., less with the idea of securing an economic advantage through a deduction of his tax payments than by reason of a hope that he might strike a blow for the acceptance of single tax principles of taxation.

"Gentlemen — I am assessed on my house lot, Newtonville Avenue and Bellevue Street, 20,264 square feet, at fifteen cents a foot; on additional land, less desirable, facing on Lewis Terrace, 17,496 feet, valued at ten cents a foot, in all —

On land, $4,750 at $16.20 per thousand	$76.95
On house, $9,000 at $16.20 per thousand	145.80
Personal estate and water tax	74.40
Total	$297.15

"To the valuation of the land, which is fair and reasonable, I make no objection. Against so large a tax upon my house I desire to protest, and I respectfully ask its abatement not only because the actual cost of the house was fictitious and exaggerated beyond any true market value, but because its selling value is greatly depreciated by the surroundings, which to-day would not justify a house of much more than half its pretensions. Not only have I by building my house contributed liberally to create the value of my neighbours' land, but the best part of my substance has in the last ten or a dozen years been largely wasted in trying, by private improvement and adornment of both house and land, to counteract the adverse influences of coal yards and freight yards and steam whistles. I have thus attempted to rescue and protect my neighbours' land values just

as much as my own, and mine have rapidly perished in the attempt.

"I think we are all agreed that the value of the land of Newton is created by the whole community of Newton, with its improvements, character, activity, and its industry. Are we not also agreed upon the fact, equally important and more patent perhaps to the casual observer, viz., that this land value is maintained from year to year by the public expenditure of Newton's taxes? When your public service ceases or languishes, when you stop the care of streets, the water supply, fire department, or the schools, land values respond almost instantly. All these public expenditures of the people's money add nothing to the value of a house—which value is ultimately the cost of building another house as good—but they do add to or rather maintain the value of my neighbours' land and mine, which otherwise would rapidly depreciate in value. Why should you tax the decaying value of my house, to help maintain the augmenting value of hundreds of other men's vacant acres, standing unused, just like so many idle mills supplied with the main shafting from nature's power house with a great city's lavish supplies on tap?

"There would be far more reason to ask me and others to pay taxes on our houses, if public service were at all limited to the needs of these houses, instead of being, as it is, vastly in excess, if not indeed double, that need. This public service costs the same for a vacant lot as it does for the adjoining similar lot with a $20,000 house on it. I object to being taxed to pay for the other man's share of this public service.

"Thus I am asking abatement of a tax that is $\frac{11}{15}$ upon improvements and personal property and $\frac{4}{15}$ upon land, because it is in violation of the requirements of the constitution of the State of Massachusetts that all assessments shall be 'proportionate and reasonable'; because it is more than my proportionate and reasonable share of the total assessment—unequal taxation for equal benefits.

"Now for what purpose do you lay taxes except for public

service? What more reasonable than to lay these taxes in proportion to public service rendered, in proportion to benefits bestowed; that is, in proportion to special privileges enjoyed? The land value is a perfect reflection of this constant service. The same is not true of houses or other improvements or personal property.

"Thus I am constrained to ask by what canon of taxation do you tax me so far beyond the public service that I enjoy as indicated in the market value of my land? Surely it is not taxation according to ability, but rather according to a spendthrift disposition. My house adds not a dollar to the city's expense on my account. That expense would be the same if my house should burn down. The same is true of my personal estate. So large a tax cannot be on account of special privilege. It is no special privilege to me to border on a coal yard and a freight yard and a railroad. It is no special privilege to me that while the woods of Newton are full of concrete sidewalks, I have lived twenty-four years in the vain hope of access to either the Newton or Newtonville station over a clean sidewalk. It is no special privilege that until within a very few years the sidewalk to Newtonville has been at seasons impassable because of mud and surface water ankle deep, or that to-day the sidewalk to the Newton station, one-half plank and the other half gravel, is only wide enough to accommodate people Indian file.

"The land value is the balance or equilibrium between these public advantages and disadvantages. If assessed according to my proportionate and constitutional share of the public expense, my tax would be determined in this wise: as $20,927,850 (the total land value of Newton) is to $4,750 (the value of my land), so is $895,915 (the total tax of Newton) to $203.35 (my proportionate share of that tax). I am taxed to-day $297.15, or $93.80 in excess of this fair amount. It is the abatement of this excess that I respectfully ask your honourable board to grant."

F

AGREEMENTS IN POLITICAL ECONOMY*

[The following address, delivered at a Round Table Conference of The American Economic Association is thought worthy of inclusion here, because it is believed that the plan proposed, defended, and adopted is bound to prove fruitful in advancing every good cause the promotion of which depends upon the widespread knowledge and acceptance of sound economic opinion.]

I FEEL highly honoured in having been called to the chairmanship of a Round Table of the American Economic Association for the discussion of Agreements in Political Economy, a topic that has long appealed to me as of the very greatest interest and importance.

I have been engaged for several years in a sort of probationary work, known to many, perhaps to most of you — that of trying to elicit from economists agreement upon certain definitions and statements of principles, touching land value and land taxation.

Perhaps the best illustration I can give of the plan I have in mind is a statement of the present fruits of this effort, imperfectly indicated by the following recorded canvass of opinions:

			YES	NO
1902.	1.	DEFINITION: Ground rent is what land is worth for use	135	0
1902	2.	DEFINITION: Public Franchises are exclusive free privileges granted to one or several persons incorporated, from which the mass of citizens are excluded. These franchises usually pertain to land, including as they do (to use the language of the New York Legislative Ford Bill) all "rights, authority, or permission to construct, maintain, or operate, in, under, above, upon, or through, any streets, highways, or public places, any mains, pipes, tanks, conduits, or wires, with their appurtenances, for conducting water, steam, heat, light, power, gas, oil, or other substance, or electricity for telegraphic, telephonic, or other purposes." Hence their classification, by the above Act, as "land values" may be confirmed as correct, and their annual values properly classed as ground rent	103	25

* Paper presented at a Round Table Discussion at the Annual Meeting of the American Economic Association, Madison, Wis., December 28, 1907.

			YES	NO
1902.	3.	A tax upon ground rent is a direct tax and cannot be shifted	108	26
1902.	4.	The selling value of land is, under present conditions in most American states, reduced by the capitalised tax that is laid upon it	105	17
1902.	5.	Hence the selling value of land is, to the same extent, an untaxed value, so far as any purchaser, subsequently to the imposition of the tax, is concerned .	95	24
1904.	6.	DEFINITION: Monopoly: Control, absolute or substantial, temporary or permanent, of the supply and hence of the price of any commodity or service, whether maintained (1) through control of of natural resources, (2) through some special and exclusive right or privilege conferred by law, (3) through combination or concert of action, or (4) by any other means which are not available to similar capital and skill in competitive hands. . .	86	3
1904.	7.	It would be sound public policy to make the future increase in ground rent a subject of special taxation.	77	10
1906.	8.	The Selling Value of Land is an Untaxed Value (Illustration No. 19)	59	2

The concrete suggestion I would here offer is that, with the work already done for a nucleus, the same method be extended, corrected, improved, and adapted to include, as experience may justify, other, and finally perhaps all points of economic theory, and the practical economic rules and principles to be deduced from them. I would emphasise the great importance of such a step as a means of securing agreement on economic principles, and not as a method of advancing any practical programme of reform.

Let it be supposed, for instance, that the association itself should see fit to adopt a resolution somewhat as follows:

Whereas: This association, recognising the value of substantial agreement upon the largest possible number of definitions of common terms and of economic principles, commends effort toward the establishment and general enlargement of such agreement and favours response and cöoperation from the members of the association, therefore

Resolved: That the President is authorised to appoint a general committee of not more than twelve members, upon whose recommendation definitions and statements of principles

may be submitted to the full membership of the association for approval or criticism; the progress of such agreement to constitute an available subject of annual discussion and report in the proceedings of the association, and be it further resolved that this general committee may appoint or confirm working committees in various departments to conduct the necessary correspondence and report partial or preliminary agreements to the general committee.*

An incident of such a concerted movement, as above outlined, might be an enthusiasm equal to or exceeding that of the recent Columbus Conference on Taxation, an interest that promises to be permanent and increasing. Work of this nature, which must of course be a growth, might afford pleasure as well as profit, and might readily enlist the interest of those who would make of themselves centres of agitation and development in the various fields of Capital, Labour, Rent, Wages, Interest, Taxation, Population, Production, Distribution, etc. If such a race is worth the running, what more appropriate than that the American Economic Association should set the pace?

It is not expected that agreements like these will be new discoveries, but simply old discoveries brought into stronger light, formulated, and subjected to continuous correction and perfection, through reconciliation of differences and re-statement of old agreements to conform to the latest thought.

Such an assembly and exposition of essential principles can but be of inestimable profit to the student, the teacher, the university, and the State, compassing, as it must eventually, an accepted body of principles — principles that may be taught fearlessly by teachers old and young, experienced or inexperienced, leading or led, and with a confidence and satisfaction akin to that pervading the domain of exact science.

On the relatively solid ground of such accepted doctrine the

* Professors Hollander, Carver, Seager, Fetter and others spoke in approval of the plan as presented, Professor Carver expressing the opinion that its adoption would mark a new epoch. At a subsequent business meeting of the association the executive committee unanimously recommended, and the association adopted, the resolution without dissent.

college graduate will take with him to his home and into the concerns of life something that will be to him an armour and a weapon always at hand — an economic code that shall be as a handbook to the publicist, politician, and statesman — that shall make of the college men in Congress and Legislature not dreary followers of a groping public sentiment, or the confident advocates of exploded economic opinion, but instructors and leaders of their time.

G

DETAILS OF ONE HUNDRED AND TWENTY BOSTON PROPERTY SALES*

Number of Estate	Assessed Valuation of Land	Assessed Valuation of Buildings	Total Assessed Valuation	Price Indicated by Revenue Stamps on Deeds	Percentage of Selling Price Represented by Valuation
1	$67,200	$75,000	$142,200	$165,000	86
2	43,500	15,000	58,500	75,000	78
3	245,000	85,000	330,000	625,000	52
4	65,000	10,500	75,500	75,500	100
5	77,600	22,400	100,000	120,000	83
6	89,500	17,500	107,000	130,000	82
7	196,000	60,000	256,000	280,000	91
8	42,000	11,000	53,000	75,000	70
9	10,800	4,000	14,800	20,000	74
10	101,500	24,500	126,000	175,000	72
11	17,000	3,000	20,000	28,000	71
12	33,700	2,300	36,000	45,000	80
13	6,000	2,700	8,700	8,500	102
14	21,200	15,000	36,200	42,000	86
15	115,500	59,500	175,000	290,000	60
16	21,500	10,500	32,000	35,500	92
17	22,400	8,000	30,400	46,000	66
18	135,700	75,000	210,700	210,000	100
19	492,000	232,400	724,400	925,000	75
20	10,800	5,100	15,900	30,000	53
21	49,500	9,000	58,500	46,500	125
22	90,000	17,000	107,000	136,000	78
23	14,300	2,700	17,000	21,000	80
24	48,000	7,000	55,000	85,000	64
25	68,800	10,000	78,800	94,000	83
26	164,600	120,400	285,000	425,000	67
27	1,800	2,100	3,900	3,500	111
28	167,000	100,000	267,000	333,000	80

*For comments see page 16.

Number of Estate	Assessed Valuation of Land	Assessed Valuation of Buildings	Total Assessed Valuation	Price Indicated by Revenue Stamps on Deeds	Percentage of Selling Price Represented by Valuation
29	$14,200	$7,000	$21,200	$23,500	90
30	39,300	11,500	50,800	60,000	84
31	4,200	3,100	7,300	9,500	76
32	105,000	25,000	130,000	160,000	81
33	29,000	6,000	35,000	35,000	100
34	34,100	7,000	41,100	55,000	74
35	79,300	7,000	86,300	122,000	70
36	10,000	3,000	13,000	12,500	104
37	79,300	20,000	99,300	135,000	73
38	54,000	8,000	62,000	69,500	89
39	25,900	12,000	37,900	57,000	66
40	131,000	28,000	159,000	200,000	79
41	14,000	23,500	37,500	39,000	96
42	7,700	14,900	22,600	29,000	77
43	8,600	8,400	17,000	16,500	103
44	2,000	7,500	9,500	10,000	95
45	27,500	26,500	54,000	65,000	83
46	9,200	11,800	21,000	22,000	95
47	14,000	20,000	34,000	47,500	71
48	11,000	9,000	20,000	21,000	95
49	9,200	10,300	19,500	22,000	88
50	11,500	56,000	67,500	75,000	90
51	6,000	17,000	23,000	33,000	69
52	4,400	6,100	10,500	10,000	105
53	14,300	22,700	37,000	42,000	88
54	26,000	5,000	31,000	38,000	81
55	5,900	12,100	18,000	23,500	76
56	3,200	6,500	9,700	9,500	102
57	17,000	27,000	44,000	47,000	93
58	16,200	10,800	27,000	25,000	108
59	13,300	14,000	27,300	27,000	101
60	3,600	5,200	8,800	9,000	97
61	9,200	11,800	21,000	22,000	95
62	8,300	29,200	37,500	42,000	89
63	4,000	6,700	10,700	9,500	112
64	18,000	18,000	36,000	32,000	112
65	7,600	20,900	28,500	35,000	81
66	13,300	20,700	34,000	33,000	103
67	3,600	4,200	7,800	9,000	86
68	30,000	31,000	61,000	80,000	76
69	65,000	20,000	85,000	91,000	93
70	18,000	13,000	31,000	38,000	81
71	7,800	17,000	24,800	28,000	88
72	4,800	16,000	20,800	25,000	83
73	18,000	11,500	29,500	27,000	109
74	6,300	10,700	17,000	15,500	109
75	8,800	8,200	17,000	22,000	77

Number of Estate	Assessed Valuation of Land	Assessed Valuation of Buildings	Total Assessed Valuation	Price Indicated by Revenue Stamps on Deeds	Percentage of Selling Price Represented by Valuation
76	$14,700	$12,300	$27,000	$25,000	108
77	6,200	15,000	21,200	25,500	83
78	18,800	11,200	30,000	29,000	103
79	10,800	10,200	21,000	25,000	84
80	6,400	11,600	18,000	18,000	100
81	3,700	6,800	10,500	10,500	100
82	3,600	4,500	8,100	10,000	81
83	4,500	1,200	5,700	6,500	87
84	1,300	2,500	3,800	4,000	95
85	4,800	8,200	13,000	15,500	83
86	1,000	3,500	4,500	5,000	90
87	4,200	10,000	14,200	17,000	83
88	2,900	3,600	6,500	8,500	76
89	2,800	5,000	7,800	7,800	100
90	1,600	2,600	4,200	4,500	93
91	12,500	64,000	76,500	70,000	109
92	1,600	3,600	5,200	5,800	89
93	4,000	6,500	10,500	12,000	87
94	3,500	4,800	8,300	7,000	118
95	8,400	25,000	33,400	25,000	133
96	1,000	1,500	2,500	2,300	108
97	2,400	2,900	5,300	4,000	132
98	5,800	7,200	13,000	15,000	86
99	3,200	5,200	8,400	9,300	90
100	3,100	6,000	9,100	8,000	113
101	6,000	5,200	11,200	12,000	93
102	3,600	5,500	9,100	10,000	91
103	2,700	6,000	8,700	10,000	87
104	30,000	14,500	44,500	45,000	98
105	15,700	8,000	23,700	20,000	118
106	6,300	7,700	14,000	12,000	116
107	4,300	7,700	12,000	13,000	92
108	5,400	5,000	10,400	11,000	94
109	3,000	4,000	7,000	8,000	87
110	25,200	2,500	27,700	29,000	95
111	3,900	9,000	12,900	15,000	86
112	6,200	9,800	16,000	16,000	100
113	8,000	16,000	24,000	27,000	88
114	5,600	9,500	15,100	12,000	125
115	4,000	5,000	9,000	10,000	90
116	4,800	6,000	10,800	10,000	108
117	1,600	5,400	7,000	5,500	127
118	2,000	1,600	3,600	3,675	97
119	9,000	13,000	22,000	27,000	81
120	8,000	6,000	14,000	14,000	100
Totals	$3,758,600	$2,079,700	$5,838,300	$7,291,375	80

H

DETAILS OF SEVEN HUNDRED AND FIFTY-ONE BOSTON RENTALS *

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
1	$914,000	$339,000	$575,000	$75,000	$57,500	$17,500	5.1	$22,517	$450,340
2	8,000	3,600	4,400	902	440	462	12.8	515	10,300
3	13,500	6,500	7,000	1,600	700	900	13.8	996	19,920
4	28,600	6,600	22,000	3,177	2,200	977	14.8	1,075	21,500
5	133,000	112,000	21,000	10,000	2,100	7,900	7.1	9,557	191,140
6	185,200	149,200	36,000	10,000	3,600	6,400	4.3	8,608	172,160
7	13,400	7,400	6,000	802	600	202	2.7	311	6,220
8	77,300	54,300	23,000	3,100	2,300	800	1.4	1,604	32,080
9	66,800	47,800	19,000	4,500	1,900	2,600	5.4	3,307	66,140
10	21,800	20,300	1,500	1,177	150	1,027	5.	1,327	26,540
11	5,900	2,900	3,000	260	300	—40	—13	3	60

* In each of these cases there is deducted from the net rental (column D) 10 per cent of the assessed valuation of buildings (column C) for interest, depreciation, insurance, and repairs, leaving a balance of income (column F) to be credited to the land. The valuation of the land (column B), expressed as thousands of dollars and fractions thereof, multiplied by Boston's tax rate ($14.80) plus the net rent (column D) gives what the user pays for the use of the land (*net* rent plus taxes, column H). This gross ground rent which the user pays (column H) multiplied by twenty, i. e., capitalised at 5 per cent, gives the gross capitalised ground rental value of the land (column I).

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
12	$4,000	$3,200	$800	$289	$80	$209	6.5	$256	$5,120
13	19,300	18,100	1,200	1,814	120	1,694	9.3	1,962	39,240
14	10,300	7,300	3,000	568	300	268	3.7	376	7,520
15	57,000	17,300	39,700	7,356	3,970	3,386	19.5	3,642	72,840
16	14,700	7,600	7,100	1,182	710	472	6.2	584	11,680
17	89,000	70,600	18,400	5,683	1,840	3,843	5.4	4,888	97,760
18	210,000	179,800	30,200	11,392	3,020	8,372	4.6	11,033	220,660
19	72,900	45,900	27,000	8,921	2,700	6,221	13.5	6,900	138,000
20	21,000	8,600	12,400	2,339	1,240	1,099	12.7	1,226	24,520
21	80,500	69,500	11,000	6,000	1,100	4,900	7.	5,928	118,560
22	32,200	25,200	7,000	1,800	700	1,100	4.3	1,473	29,460
23	20,000	6,600	13,400	1,744	1,340	404	6.1	501	10,020
24	200,000	170,000	30,000	9,640	3,000	6,640	3.9	9,156	183,120
25	64,500	24,500	40,000	6,845	4,000	2,845	11.6	3,207	64,140
26	58,000	13,500	44,500	8,412	4,450	3,962	29.3	4,162	83,240
27	20,000	15,000	5,000	704	500	204	1.3	426	8,520
28	26,000	11,000	15,000	2,365	1,500	865	7.8	1,028	20,560
29	27,000	10,000	17,000	2,350	1,700	650	6.5	798	15,960
30	124,000	113,000	11,000	6,000	1,100	4,900	4.3	6,572	131,440
31	3,000	1,600	1,400	342	140	202	12.6	225	4,500
32	18,500	7,200	11,300	1,826	1,130	696	9.7	802	16,040
33	82,500	49,000	33,500	6,279	3,350	2,929	8.9	3,654	73,080
34	80,000	17,500	62,500	7,816	6,250	1,566	9.	1,825	36,500
35	114,000	46,800	67,200	7,973	6,720	1,253	2.6	1,945	38,900

36	33,500	24,000	9,500	1,964	950	1,014	4.2	1,369	27,380
37	18,500	7,200	11,300	1,826	1,130	696	9.6	802	16,040
38	150,700	118,700	32,000	8,500	3,200	5,300	4.4	7,056	141,120
39	155,000	123,000	32,000	7,000	3,200	3,800	3.	5,620	112,400
40	117,000	26,500	90,500	20,268	9,050	11,218	42.3	11,610	232,200
41	98,500	76,500	22,000	6,442	2,200	4,242	5.5	5,374	107,480
42	141,000	111,000	30,000	11,013	3,000	8,013	7.2	9,656	193,120
43	34,800	30,600	4,200	1,945	420	1,525	5.	1,978	39,560
44	56,800	51,800	5,000	3,000	500	2,500	4.8	3,266	65,320
45	57,300	45,300	12,000	4,000	1,200	2,800	6.2	3,470	69,400
46	127,700	104,200	23,500	4,970	2,350	2,620	2.5	4,162	83,240
47	6,500	4,300	2,200	792	220	572	13.3	635	12,700
48	6,000	3,300	2,700	595	270	325	9.8	374	7,480
49	7,500	4,300	3,200	707	320	387	9.	450	9,000
50	5,800	3,800	2,000	446	200	246	6.4	302	6,040
51	5,400	2,800	2,600	555	260	295	10.5	336	6,720
52	12,500	6,500	6,000	775	600	175	2.7	271	5,420
53	5,900	3,700	2,200	537	220	317	8.6	371	7,420
54	5,500	3,700	1,800	519	180	339	9.2	393	7,860
55	13,200	10,200	3,000	1,489	300	1,189	11.7	1,340	26,800
56	20,000	10,100	9,900	2,404	990	1,414	14.	1,563	31,260
57	15,500	8,600	6,900	1,115	690	425	4.9	552	11,040
58	9,900	5,900	4,000	754	400	354	6.	441	8,820
59	27,000	13,800	13,200	2,600	1,320	1,280	9.2	1,484	29,680
60	103,300	80,300	23,000	8,471	2,300	6,171	7.6	7,359	147,180
61	5,800	2,800	3,000	635	300	335	12.	376	7,520
62	67,000	27,000	40,000	5,608	4,000	1,608	6.	2,007	40,140
63	31,500	30,000	1,500	574	150	424	1.4	868	17,360
64	54,400	35,400	19,000	3,595	1,900	1,695	4.8	2,219	44,380
65	6,700	4,200	2,500	400	250	150	3.6	212	4,240

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
66	$32,500	$13,800	$18,700	$2,099	$ 1,870	$229	1.6	$433	$8,660
67	128,000	112,000	16,000	9,505	1,600	7,905	7.	9,562	191,240
68	48,800	38,800	10,000	4,278	1,000	3,278	8.5	3,852	77,040
69	20,900	15,400	5,500	804	550	254	1.6	482	9,640
70	12,500	6,900	5,600	715	560	155	2.2	257	5,140
71	9,800	7,000	2,800	695	280	415	5.9	518	10,360
72	15,900	12,400	3,500	765	350	415	3.4	598	11,960
73	13,000	7,000	6,000	1,008	700	308	4.4	411	8,220
74	124,000	113,800	10,200	6,000	1,020	4,980	4.4	6,664	133,280
75	12,500	7,100	5,400	775	540	235	3.3	340	6,800
76	100,000	46,000	54,000	6,834	5,400	1,434	3.1	2,115	42,300
77	20,500	6,900	13,600	1,977	1,360	617	8.8	719	14,380
78	317,000	269,600	47,400	15,000	4,740	10,260	3.8	14,250	285,000
79	58,000	13,500	44,500	9,141	4,450	4,691	34.7	4,891	97,820
80	57,000	34,000	23,000	4,214	2,300	1,914	5.6	2,417	48,340
81	61,500	55,500	6,000	2,300	600	1,700	3.	2,521	50,420
82	200,000	170,000	30,000	9,940	3,000	6,940	4.1	9,456	189,120
83	220,000	199,500	20,500	8,744	2,050	6,694	3.4	9,646	192,920
84	56,400	47,900	8,500	2,365	850	1,515	3.2	2,224	44,480
85	2,000	1,300	700	210	70	140	1.08	159	3,180
86	36,300	22,000	14,300	1,963	2,200	237	1.	88	1,760
87	77,500	70,500	7,000	3,000	700	2,300	3.3	3,343	66,860
88	28,000	12,900	15,100	1,983	1,510	473	3.7	664	13,280
89	41,900	23,900	18,000	4,780	1,800	2,980	12.5	3,333	66,660

90	22,200	8,200	14,000	2,311	1,400	911	11.1	1,032	20,640
91	35,000	28,000	7,000	2,095	700	1,395	5.	1,809	36,180
92	24,200	19,200	5,000	2,142	500	1,642	8.6	1,926	38,520
93	17,500	14,000	3,500	1,173	350	823	5.9	1,030	20,600
94	27,900	26,400	1,500	587	150	437	1.7	827	16,540
95	13,500	10,500	3,000	640	300	340	3.2	495	9,900
96	4,000	2,100	1,900	420	190	230	11.	261	5,220
97	4,500	2,500	2,000	353	200	153	6.1	190	3,800
98	4,900	3,200	1,700	570	170	400	12.5	447	8,940
99	9,300	6,300	3,000	512	300	212	3.4	305	6,100
100	6,000	3,700	2,300	331	230	101	2.7	155	3,100
101	6,300	4,000	2,300	327	230	97	2.4	156	3,120
102	24,600	20,700	3,900	236	390	—154	—	152	3,040
103	9,100	7,100	2,000	345	200	145	2.	250	5,000
104	7,200	6,000	1,200	243	120	123	2.	212	4,240
105	8,300	6,000	2,300	417	230	187	3.1	276	5,520
106	8,300	6,000	2,300	417	230	187	3.1	276	5,520
107	7,900	5,600	2,300	363	230	133	2.3	216	4,320
108	6,900	4,300	2,600	378	230	148	3.4	211	4,220
109	7,600	5,300	2,300	368	230	138	2.6	216	4,320
110	7,500	4,700	2,800	369	280	89	1.9	158	3,160
111	7,000	4,700	2,300	316	230	86	1.8	155	3,100
112	6,300	3,500	2,800	567	280	287	8.2	339	6,780
113	4,700	2,400	2,300	350	230	120	5.	155	3,100
114	4,700	2,400	2,300	350	230	120	5.	155	3,100
115	7,300	4,700	2,600	372	260	112	2.4	181	3,620
116	5,100	3,300	1,800	285	180	105	3.2	154	3,080
117	5,200	3,400	1,800	283	180	103	3.	153	3,060
118	2,800	1,600	1,200	199	120	79	4.9	102	2,040
119	3,200	1,500	1,700	311	170	141	9.2	163	3,260

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
120	$9,900	$5,900	$4,000	$754	$400	$354	6.	$441	$8,820
121	64,000	29,000	35,000	7,963	3,500	4,463	15.4	4,892	97,840
122	12,000	5,500	6,500	822	650	172	3.1	253	5,060
123	40,500	31,500	9,000	2,800	900	1,900	6.	2,366	47,320
124	7,600	3,600	4,000	1,303	400	903	25.	956	19,120
125	3,500	1,500	2,000	298	200	98	6.5	120	2,400
126	631,300	331,300	300,000	50,000	30,000	20,000	6.	24,903	498,060
127	8,300	3,300	5,000	777	500	277	8.4	325	6,500
128	33,000	9,000	24,000	5,012	2,400	2,612	29.	2,745	54,900
129	7,700	2,500	5,200	486	520	—34	—1.3	3	60
130	23,000	10,000	13,000	1,810	1,300	510	5.1	658	13,160
131	25,800	16,600	9,200	1,500	920	580	3.5	825	16,500
132	11,800	5,800	6,000	1,325	600	725	12.5	810	16,200
133	17,500	7,500	10,000	1,121	1,000	121	1.6	232	4,640
134	8,800	4,800	4,000	670	400	270	5.6	341	6,820
135	6,600	2,600	4,000	502	400	102	4.	140	2,800
136	11,200	5,000	6,200	938	620	318	6.3	392	7,840
137	8,300	2,400	5,900	597	590	7	.3	42	840
138	4,600	2,900	1,700	674	170	504	17.3	547	10,940
139	6,700	3,000	3,700	789	370	419	14.	463	9,260
140	11,500	3,900	7,600	1,030	390	640	16.4	697	13,940
141	11,500	3,900	7,600	1,030	390	640	16.4	697	13,940
142	11,500	3,900	7,600	1,030	390	640	16.4	697	13,940
143	16,000	8,000	8,000	1,363	800	563	7.	681	13,620

144	32,500	27,300	5,200	1,119	520	599	2.2	1,003	20,060
145	8,300	3,300	5,000	767	500	267	8.	315	6,300
146	7,000	3,700	3,300	556	330	226	6.1	280	5,600
147	12,200	7,800	4,400	714	440	274	3.5	389	7,780
148	28,800	21,800	7,000	1,774	700	1,074	4.9	1,396	27,920
149	6,900	5,100	1,800	448	180	268	5.3	343	6,860
150	11,500	8,500	3,000	670	300	370	4.3	495	9,900
151	11,000	5,000	6,000	1,037	600	437	8.7	511	10,220
152	19,000	10,800	8,200	1,559	820	739	6.8	898	17,960
153	11,100	3,900	7,200	736	720	16	.4	73	1,460
154	8,200	5,200	3,000	479	300	179	3.4	256	5,120
155	8,200	5,200	3,000	599	300	299	5.7	376	7,520
156	10,200	5,200	5,000	849	500	349	6.7	426	8,520
157	14,400	6,900	7,500	1,287	750	537	7.7	639	12,780
158	21,000	16,000	5,000	1,639	500	1,139	7.1	1,375	27,500
159	5,600	2,800	2,800	542	280	262	9.3	303	6,060
160	25,500	11,200	14,300	2,523	1,430	1,093	9.7	1,258	25,160
161	16,500	9,500	7,000	936	700	236	2.5	376	7,520
162	14,000	9,400	4,600	1,293	460	833	8.8	972	19,440
163	17,400	14,400	3,000	1,422	300	1,122	7.7	1,335	26,700
164	13,000	6,000	7,000	2,208	700	1,508	25.	1,596	31,920
165	39,000	20,000	19,000	2,423	1,900	523	2.6	819	16,380
166	39,500	21,000	18,500	2,415	1,850	565	2.7	875	17,500
167	29,500	21,600	7,900	2,643	790	1,853	8.5	2,172	43,440
168	84,000	29,500	54,500	10,557	5,450	5,107	17.3	5,543	110,860
169	23,500	11,000	12,500	3,452	1,250	2,202	20.	2,364	47,280
170	4,500	2,200	2,300	353	230	123	5.6	155	3,100
171	6,500	3,300	3,200	786	320	466	14.1	514	10,280
172	17,000	6,300	10,700	1,602	1,070	532	8.4	625	12,500
173	6,300	3,100	3,200	447	320	127	4.1	172	3,440

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
174	$6,500	$4,000	$2,500	$504	$250	$254	6.3	$313	$6,260
175	5,500	4,000	1,500	519	150	369	9.2	428	8,560
176	6,400	4,000	2,400	505	240	265	6.6	324	6,480
177	21,700	14,700	7,000	3,179	700	2,479	16.8	2,696	53,920
178	34,000	25,300	8,700	1,997	870	1,127	4.4	1,501	30,020
179	42,900	27,900	15,000	12,115	1,500	10,615	38.	11,028	220,560
180	39,800	37,300	2,500	1,661	250	1,411	3.8	1,963	39,260
181	80,000	25,000	55,000	6,816	5,500	1,316	5.3	1,686	33,720
182	32,000	21,000	11,000	1,926	1,100	826	3.9	1,137	22,740
183	31,300	22,300	9,000	2,537	900	1,637	7.3	1,967	39,340
184	30,100	21,600	8,500	1,955	850	1,105	5.1	1,424	28,480
185	44,000	21,700	22,300	1,949	2,230	—281	—1.3	40	800
186	23,500	5,500	18,000	1,800	1,800	—	—	81	1,620
187	25,800	17,800	8,000	1,618	800	818	4.6	1,081	21,620
188	52,000	39,000	13,000	3,150	1,300	1,850	4.7	2,427	43,540
189	104,800	86,800	18,000	10,449	1,800	8,649	10.	9,934	198,680
190	44,000	37,000	7,000	2,400	700	1,700	4.6	2,247	44,940
191	45,200	37,200	8,000	2,300	800	1,500	4.	2,050	41,000
192	140,000	64,000	76,000	8,750	7,600	1,150	1.8	2,097	41,940
193	91,000	77,700	13,300	6,403	1,330	5,073	6.5	6,223	124,460
194	99,000	84,400	14,600	5,135	1,460	3,675	4.3	4,924	98,480
195	23,800	15,800	8,000	748	800	—52	—.3	182	3,640
196	19,300	15,800	3,500	614	350	264	1.7	498	9,960
197	9,900	6,400	3,500	700	350	350	5.5	445	8,900

198	9,900	6,400	3,500	600	350	250	4.	345	6,900
199	15,000	7,600	7,400	978	740	238	3.1	350	7,000
200	11,200	9,200	2,000	814	200	614	5.6	750	15,000
201	74,200	66,700	7,500	4,500	750	3,750	5.6	4,737	94,740
202	85,600	63,600	22,000	5,000	2,200	2,800	4.4	3,741	74,820
203	45,800	37,800	8,000	1,722	800	922	2.4	1,481	29,620
204	50,000	45,000	5,000	2,600	500	2,100	4.7	2,766	55,320
205	22,000	12,000	10,000	1,360	1,000	360	3.	537	10,740
206	102,300	58,300	44,000	7,536	4,400	3,136	5.4	3,999	79,980
207	8,000	5,000	3,000	602	300	302	6.	376	7,520
208	107,000	102,000	5,000	4,916	500	4,416	4.3	5,925	118,500
209	40,900	30,900	10,000	2,755	1,000	1,755	5.7	2,212	44,240
210	60,000	40,000	20,000	2,612	2,000	612	1.5	1,204	24,080
211	42,000	36,000	6,000	1,378	600	778	2.1	1,311	26,220
212	25,800	21,300	4,500	1,618	450	1,168	5.5	1,483	29,660
213	46,900	28,900	18,000	3,431	1,800	1,631	5.6	2,059	41,180
214	157,000	123,500	33,500	8,476	3,350	5,126	4.2	6,954	139,080
215	117,500	57,500	60,000	3,761	6,000	—2,239	—3.9	1,388	27,760
216	49,000	33,900	15,100	3,000	1,510	1,490	4.4	1,992	39,840
217	22,000	17,000	5,000	1,500	500	1,000	6.	1,252	25,040
218	21,000	17,000	4,000	1,000	400	600	3.5	851	17,020
219	56,800	51,800	5,000	3,000	500	2,500	4.8	3,267	65,340
220	25,200	19,200	6,000	1,500	600	900	4.7	1,184	23,680
221	32,500	19,500	13,000	1,969	1,300	669	3.4	957	19,140
222	75,000	55,000	20,000	4,390	2,000	2,390	4.3	3,204	64,080
223	134,700	99,700	35,000	10,406	3,500	6,906	7.	8,381	167,620
224	36,300	23,300	13,000	2,163	300	1,863	8.	2,208	44,160
225	97,500	69,900	27,600	5,557	2,760	2,797	4.	3,831	76,620
226	20,000	11,000	9,000	1,904	900	1,004	9.1	1,166	23,320
227	238,000	229,500	8,500	10,000	850	9,150	4.	12,546	250,920

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
228	$12,800	$9,800	$3,000	$1,211	$300	$911	9.3	$1,056	$21,120
229	84,900	64,900	20,000	6,943	2,000	4,943	7.6	5,903	118,060
230	141,900	116,900	25,000	7,000	2,500	4,500	3.8	6,230	124,600
231	127,700	104,200	23,500	4,970	2,350	2,620	2.5	4,162	83,240
232	59,400	34,400	25,000	3,500	2,500	1,000	2.8	1,509	30,180
233	54,900	40,900	14,000	4,750	1,400	3,350	8.2	3,955	79,100
234	54,600	50,400	4,200	1,192	420	772	1.5	1,518	30,360
235	98,500	76,500	22,000	6,442	2,200	4,242	5.5	5,374	107,480
236	141,000	111,000	30,000	1,013	3,000	8,013	7.2	9,656	193,126
237	163,200	130,200	33,000	7,000	3,300	3,700	2.8	5,627	112,540
238	149,000	136,000	13,000	11,000	1,300	9,700	7.1	11,713	234,260
239	305,000	146,500	158,500	24,000	15,850	8,150	5.5	10,318	206,360
240	269,000	189,000	80,000	20,000	8,000	12,000	6.3	14,797	295,940
241	11,800	9,300	2,500	305	250	55	.6	193	3,860
242	13,300	10,600	2,700	223	270	—47	—.4	110	2,200
243	25,700	25,200	500	1,370	20	1,350	5.4	1,723	34,460
244	14,100	11,300	2,800	271	280	—9	—.1	158	3,160
245	13,300	11,300	2,000	803	200	603	5.3	770	15,400
246	15,600	12,600	3,000	249	300	—51	—.4	135	2,700
247	13,000	11,700	1,300	288	130	158	1.3	331	6,620
248	18,000	8,500	9,500	1,338	950	388	4.6	514	10,280
249	9,300	6,300	3,000	402	300	102	1.6	195	3,900
250	9,300	6,300	3,000	402	300	102	1.6	195	3,900
251	7,800	3,400	4,400	485	440	45	1.3	95	1,900

252	9,300	6,300	3,000	402	300	102	1.6	195	3,900
253	10,500	7,500	3,000	1,345	300	1,045	14.	1,156	23,120
254	184,000	104,000	80,000	6,000	8,000	—2,000	—1.9	—461	—9,220
255	140,000	134,000	6,000	7,000	600	6,400	4.8	8,383	167,660
256	3,500	1,300	2,200	100	220	—120	—3.4	—101	—2,020
257	124,500	91,500	33,000	10,000	33,000	6,700	7.3	8,054	161,080
258	5,600	3,900	1,700	277	170	107	2.7	165	3,300
259	8,000	5,500	2,500	142	250	—108	—1.9	27	540
260	9,000	3,500	5,500	707	550	157	4.5	209	4,180
261	7,800	5,000	2,800	269	280	—11	—.2	63	1,260
262	10,300	7,300	3,000	304	300	4	—	112	2,240
263	10,300	7,300	3,000	328	300	28	.4	136	2,720
264	10,300	7,300	3,000	328	300	28	.4	136	2,790
265	10,300	7,300	3,000	352	300	52	.7	160	3,200
266	10,300	7,300	3,000	352	300	52	.7	160	3,200
267	10,300	7,300	3,000	352	300	52	.7	160	3,200
268	10,300	7,300	3,000	328	300	28	.4	136	2,700
269	249,000	179,000	70,000	15,000	7,000	8,000	4.5	10,649	212,980
270	13,300	10,500	2,800	403	280	123	1.2	278	5,560
271	7,000	4,500	2,500	234	250	—16	—2.8	50	1,000
272	5,200	3,200	2,000	403	200	203	6.3	250	5,000
273	5,400	2,000	3,400	460	340	120	6.	150	3,000
274	6,600	1,600	5,000	502	500	2	.1	26	520
275	6,600	1,600	5,000	502	500	2	.1	26	520
276	5,400	1,600	3,800	520	380	140	8.8	164	3,280
277	6,600	2,300	4,300	622	430	172	8.4	226	4,520
278	8,900	3,400	5,500	668	550	118	3.5	168	3,360
279	12,500	5,400	7,100	915	710	205	3.8	285	5,700
280	16,500	6,200	10,300	956	1,030	—74	—1.2	17	340
281	10,300	5,300	5,000	748	500	248	4.7	326	6,520

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent. on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
282	$13,000	$4,800	$8,200	$808	$820	$—12	—.2	$59	$1,180
283	5,200	3,200	2,000	403	200	203	6.3	250	5,000
284	5,200	3,200	2,000	403	200	203	6.3	250	5,000
285	108,000	72,000	36,000	4,500	3,600	900	1.3	1,965	39,300
286	7,600	4,900	2,700	368	270	98	2	170	3,400
287	7,500	5,000	2,500	369	250	119	2.4	193	3,860
288	7,400	4,900	2,500	370	250	120	2.4	192	3,840
289	7,800	5,300	2,500	365	250	115	2.2	193	3,860
290	7,300	4,800	2,500	336	250	86	1.8	157	3,140
291	6,300	4,100	2,200	363	220	143	3.1	203	4,060
292	117,900	97,900	20,000	7,255	2,000	5,255	5.4	6,704	134,080
293	54,800	39,300	15,500	1,589	1,550	39	.1	620	12,400
294	352,000	288,000	64,000	18,000	6,400	11,600	4.	15,862	317,240
295	159,000	147,200	11,800	10,300	1,180	9,120	6.2	11,298	225,960
296	4,700	1,700	3,000	452	300	152	9.	177	3,540
297	8,400	6,400	2,000	1,200	200	1,000	15.6	1,095	21,900
298	320,000	285,600	34,400	15,264	3,440	11,824	4.1	16,051	321,620
299	7,800	2,300	5,500	569	550	19	.9	53	1,060
300	27,300	15,800	11,500	1,780	1,150	630	4.	864	17,280
301	36,500	24,400	12,100	1,560	1,210	350	1.4	711	14,220
302	45,500	40,000	5,500	1,127	550	577	1.4	1,169	23,380
303	14,500	10,900	3,600	1,345	360	985	9.	1,146	22,920
304	14,900	8,400	6,500	979	650	329	4.	453	9,060
305	400,000	299,000	101,000	19,080	10,100	8,980	3.	13,405	268,100

306	94,000	78,800	15,200	3,109	1,520	1,589	2.	2,755	55,100
307	54,100	45,100	9,000	1,999	900	1,099	2.4	1,766	35,320
308	9,500	9,000	500	699	50	649	7.2	782	15,640
309	4,400	2,400	2,000	300	200	100	4.2	135	2,700
310	51,000	43,000	8,000	2,321	800	1,521	3.5	2,157	43,140
311	176,800	146,800	30,000	14,383	3,000	11,383	7.7	13,555	271,100
312	64,500	34,400	30,100	3,245	3,010	235	.7	744	14,880
313	23,500	11,400	12,100	1,652	1,210	442	3.8	610	12,200
314	150,300	120,300	30,000	7,196	3,000	4,196	3.5	5,976	119,520
315	32,500	28,200	4,300	1,919	430	1,489	5.3	1,906	38,120
316	30,200	15,200	15,000	3,153	1,500	1,653	10.8	1,878	37,560
317	11,900	9,400	2,500	924	250	674	7.1	813	16,260
318	39,100	31,100	8,000	3,021	800	2,221	7.1	2,681	53,620
319	9,000	3,900	5,100	1,067	510	557	14.3	615	12,300
320	7,100	3,600	3,500	675	350	325	9.	378	7,560
321	80,000	49,700	30,300	6,000	3,030	2,970	6.	3,705	74,100
322	44,500	15,800	28,700	5,141	2,870	2,271	14.4	2,505	50,100
323	68,000	60,000	8,000	2,160	800	1,360	2.3	2,248	44,960
324	74,200	66,700	7,500	2,902	750	2,152	3.2	3,139	62,780
325	100,000	65,400	34,600	4,670	3,460	1,210	1.8	2,178	43,560
326	72,000	60,000	12,000	2,434	1,200	1,234	2.	2,122	42,440
327	98,000	82,400	15,600	4,916	1,560	3,356	4.	4,575	91,500
328	119,000	100,000	19,000	9,309	1,900	7,409	7.4	8,889	177,780
329	138,000	73,000	65,000	11,458	6,500	4,958	6.8	6,038	120,760
330	86,500	83,000	3,500	4,720	350	4,370	5.3	5,598	111,960
331	40,400	24,400	16,000	3,402	1,600	1,802	7.4	2,163	43,260
332	116,000	51,000	65,000	10,283	6,500	3,783	7.4	4,537	90,740
333	8,500	3,300	5,200	594	520	74	2.2	123	2,460
334	7,800	2,000	5,800	785	580	205	10.2	234	4,680
335	8,000	3,100	4,900	602	490	112	3.6	158	3,160

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
336	$9,000	$4,800	$4,200	$587	$420	$167	3.5	$238	$4,760
337	10,000	3,300	6,700	692	670	22	.7	71	1,420
338	12,000	6,900	5,100	822	510	312	4.5	414	8,280
339	30,500	23,900	6,600	1,849	660	1,189	5.	1,543	30,860
340	6,800	5,400	1,400	379	140	239	4.4	319	6,380
341	10,000	7,500	2,500	332	250	82	1.1	193	3,860
342	14,800	12,800	2,000	381	200	181	1.4	370	7,400
343	12,300	5,700	6,600	1,300	660	640	11.	724	14,480
344	16,600	12,000	4,600	754	460	294	2.4	471	9,420
345	18,100	10,100	8,000	1,600	800	800	8.	949	18,980
346	19,600	7,100	12,500	1,660	1,250	410	6.	515	10,300
347	20,000	15,500	4,500	1,504	450	1,054	6.8	1,283	25,660
348	36,500	7,800	28,700	2,580	2,870	—290	—3.7	—175	—3,500
349	33,500	9,900	23,600	3,590	2,360	1,230	12.4	1,376	27,520
350	34,000	18,000	16,000	2,797	1,600	1,197	6.6	1,463	29,260
351	34,500	25,700	8,800	1,689	880	809	3.1	1,189	23,780
352	37,000	31,000	6,000	2,202	600	1,602	5.1	2,061	41,220
353	42,500	16,500	26,000	5,321	2,600	2,721	16.2	2,965	59,300
354	50,000	13,000	37,000	3,580	3,700	—120	—.9	72	1,440
355	45,500	11,600	33,900	5,127	3,390	1,737	15.	1,908	38,160
356	57,000	34,000	23,000	3,956	2,300	1,656	4.9	2,159	43,180
357	54,400	35,400	19,000	4,895	1,900	2,995	8.4	3,519	70,380
358	20,000	15,000	5,000	704	500	204	1.4	426	8,520
359	22,500	19,300	3,200	723	320	403	2.	688	13,760

360	15,600	12,600	3,000	369	300	69	.5	255	5,100
361	7,000	4,700	2,300	376	230	146	3.1	216	4,320
362	11,500	6,300	5,200	1,126	520	606	9.6	699	13,980
363	22,000	7,800	14,200	1,614	1,420	194	2.5	309	6,180
364	7,700	5,200	2,500	426	250	176	3.4	253	5,060
365	7,700	5,200	2,500	426	250	176	3.4	253	5,060
366	9,200	4,600	4,600	664	460	204	4.4	272	5,440
367	19,000	8,000	11,000	1,800	1,100	700	8.7	818	16,360
368	42,200	35,700	6,500	2,447	650	1,797	5.	2,325	46,500
369	66,500	56,500	10,000	3,100	1,000	2,100	3.7	2,936	58,720
370	37,700	23,700	14,000	3,042	1,400	1,642	6.9	1,992	39,840
371	140,000	134,000	6,000	8,500	600	7,900	5.9	9,883	197,660
372	95,000	77,000	18,000	4,850	1,800	3,050	3.9	4,189	83,780
373	17,000	11,000	6,000	1,468	600	868	7.9	1,031	20,620
374	21,000	17,000	4,000	1,279	400	879	5.2	1,130	22,600
375	196,000	86,200	109,800	9,000	10,980	—1,980	—2.3	—704	—14,080
376	29,400	14,100	15,300	1,800	1,530	270	1.9	478	9,560
377	98,000	79,600	18,400	5,600	1,840	3,760	4.7	4,938	98,760
378	64,500	44,400	20,100	2,845	2,010	835	1.2	1,492	29,840
379	25,000	19,000	6,000	1,790	600	1,190	6.2	1,471	29,420
380	52,500	42,500	10,000	4,500	1,000	3,500	8.2	4,129	82,580
381	125,900	65,900	60,000	9,600	6,000	3,600	5.4	4,575	91,500
382	71,600	41,600	30,000	5,540	3,000	2,540	6.1	3,155	63,100
383	425,000	317,000	108,000	16,000	10,800	5,200	1.6	9,891	197,820
384	73,000	65,000	8,000	3,900	800	3,100	4.7	4,062	81,240
385	49,000	38,500	10,500	4,000	1,050	2,950	7.6	3,520	70,400
386	13,000	11,700	1,300	288	130	158	1.3	331	6,620
387	52,000	27,400	24,600	3,030	2,460	570	2.	975	19,500
388	260,000	156,000	104,000	15,000	10,400	4,600	2.9	6,909	138,180
389	9,000	5,000	4,000	467	400	67	1.3	141	2,820

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
390	$8,600	$6,100	$2,500	$293	$250	$43	.7	$133	$2,660
391	185,500	125,500	60,000	11,580	6,000	5,580	4.4	7,437	148,740
392	39,300	34,300	5,000	3,418	500	2,918	8.5	3,425	68,500
393	7,000	1,900	5,100	396	510	—114	—.6	—86	—1,720
394	9,000	3,000	6,000	623	600	23	.7	67	1,340
395	13,000	5,700	7,300	1,168	730	438	7.7	522	10,440
396	32,500	25,900	6,600	1,619	660	959	3.7	1,342	26,840
397	169,400	150,000	19,400	6,750	1,940	4,810	3.2	7,030	140,600
398	65,500	39,500	26,000	3,531	2,600	931	2.3	1,515	30,300
399	31,000	23,800	7,200	1,541	720	821	3.4	1,173	23,460
400	370,000	337,500	32,500	20,000	3,250	16,750	5.	21,737	434,740
401	84,000	67,800	16,200	7,500	1,620	5,880	8.7	6,883	137,660
402	243,000	224,000	19,000	9,454	1,900	7,554	3.3	10,869	217,380
403	103,600	83,600	20,000	3,300	2,000	1,300	1.5	2,537	50,740
404	218,000	191,500	26,500	13,000	2,650	10,350	5.4	13,184	263,680
405	77,000	60,000	17,000	7,000	1,700	5,300	8.8	6,188	123,760
406	180,000	133,000	47,000	12,000	4,700	7,300	5.5	9,268	185,360
407	19,000	15,000	4,000	619	400	219	1.4	441	8,820
408	227,000	197,000	30,000	10,000	3,000	7,000	3.5	9,915	198,300
409	32,000	12,400	19,600	2,026	1,960	66	.5	249	4,980
410	105,400	90,400	15,000	4,000	1,500	2,500	2.7	3,838	76,760
411	286,000	263,600	22,400	9,500	2,240	7,260	2.7	11,161	223,220
412	1,760,000	1,460,000	300,000	100,000	30,000	70,000	4.7	91,608	1,832,160
413	205,000	118,000	87,000	14,772	8,700	6,072	5.1	7,818	156,360

414	131,500	81,500	50,000	8,054	5,000	3,054	3.7	4,263	85,260
415	6,500	6,500	vacant	480		480	7.4	576	11,520
416	9,300	6,300	3,000	282	300	—18	—	75	1,500
417	9,300	6,300	3,000	402	300	102	1.6	195	3,900
418	9,800	6,300	3,500	395	350	45	.7	138	2,760
419	13,500	5,800	7,700	1,000	770	230	4.	316	6,320
420	20,200	11,700	8,500	1,700	950	850	7.3	1,023	20,460
421	16,200	6,200	10,000	560	1,000	—440	—2.8	—348	—6,960
422	9,800	3,300	6,500	655	650	5	.2	54	1,080
423	27,000	22,500	14,500	1,600	1,450	150	.7	483	9,660
424	28,000	11,200	16,800	1,586	1,680	—94	—.8	72	1,440
425	28,000	17,100	10,900	1,586	1,090	496	2.9	749	14,980
426	23,500	10,000	13,500	1,652	1,350	302	3.	450	9,000
427	20,000	11,000	19,000	1,904	1,900	4	—	167	3,340
428	34,500	16,500	18,000	1,989	1,800	189	1.1	433	8,660
429	20,000	7,000	13,000	1,504	1,300	204	2.9	307	6,140
430	15,500	6,500	9,000	1,271	900	371	5.7	467	9,340
431	15,000	7,000	8,000	1,178	800	378	5.4	482	9,640
432	18,000	8,300	9,700	1,534	970	564	6.8	687	13,740
433	43,000	17,000	26,000	2,364	2,600	—236	—1.4	16	320
434	9,000	3,900	5,100	867	510	357	9.2	415	8,300
435	7,200	3,300	3,900	613	390	223	6.7	372	7,440
436	18,400	14,900	3,500	808	350	458	3.1	678	13,560
437	9,100	7,100	2,000	665	200	465	6.5	570	11,400
438	10,500	4,700	5,800	1,245	580	665	14.1	735	14,700
439	7,500	3,300	4,200	689	420	269	8.2	318	6,360
440	22,500	13,900	8,600	2,167	860	1,307	9.4	1,512	30,240
441	8,300	2,900	5,400	777	540	237	8.2	280	5,600
442	9,200	6,200	3,000	464	300	164	2.6	256	5,120
443	46,900	26,900	20,000	1,106	2,000	—894	—3.3	—496	—9,920

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent. on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
444	$35,000	$14,600	$20,400	$1,982	$2,040	$—58	—.4	$ 158	$ 3,160
445	25,000	10,000	15,000	1,630	1,500	130	1.3	278	5,560
446	48,000	32,500	15,500	1,790	1,550	240	.7	721	14,420
447	26,000	12,300	13,700	1,815	1,370	445	3.6	627	12,540
448	34,000	19,000	15,000	2,497	1,500	997	5.2	1,278	25,560
449	22,000	11,700	10,300	1,874	1,030	844	7.2	1,017	20,340
450	47,000	22,500	24,500	1,804	2,450	—646	—2.8	—313	—6,260
451	22,000	11,200	10,800	1,174	1,080	94	.8	260	5,200
452	27,500	17,100	10,400	1,393	1,040	353	2.1	606	12,120
453	26,500	12,600	13,900	1,708	1,390	318	2.5	504	10,080
454	31,000	14,000	17,000	1,241	1,700	—459	—3.3	—252	5,040
455	25,000	10,000	15,000	1,830	1,500	330	3.3	478	9,560
456	13,300	6,300	7,000	703	700	3	—	96	1,920
457	23,500	10,000	13,500	1,152	1,350	—198	—2.	—50	—1,000
458	20,000	11,000	9,000	2,004	900	1,104	10.	1,267	25,340
459	26,000	15,100	10,900	1,315	1,090	225	1.5	448	8,960
460	22,200	12,100	10,100	1,371	1,010	361	3.	540	10,800
461	19,000	10,300	8,700	1,219	870	349	3.4	501	10,020
462	40,000	19,300	20,700	1,608	2,070	—462	—2.3	—176	—3,520
463	24,000	8,000	16,000	1,845	1,600	245	3.1	363	7,260
464	20,500	15,800	4,700	2,041	470	1,571	9.9	1,805	36,100
465	7,500	4,100	3,400	689	340	349	8.5	410	8,200
466	7,700	2,700	5,000	686	500	186	6.9	226	4,520
467	17,000	10,000	7,000	948	700	248	2.5	396	7,920

468	18,500	12,300	6,200	926	620	306	2.5	488	9,760
469	43,000	14,000	29,000	5,364	2,900	2,464	17.6	2,671	53,420
470	16,000	8,800	7,200	763	720	43	.5	173	3,460
471	14,000	4,800	9,200	993	920	73	1.5	144	2,880
472	13,800	5,300	8,500	996	850	146	2.7	224	4,480
473	15,500	8,000	7,500	1,171	750	421	5.3	539	10,780
474	7,000	2,700	4,300	696	430	266	9.8	306	6,120
475	8,300	3,300	5,000	729	500	229	6.9	278	5,560
476	13,300	6,300	7,000	803	700	103	1.6	196	3,920
477	12,700	9,100	3,600	1,012	360	652	7.2	787	15,740
478	9,500	3,000	6,500	699	650	49	1.6	93	1,860
479	9,400	4,400	5,000	761	500	261	6.	326	6,520
480	8,300	3,300	5,000	617	500	117	3.5	166	3,320
481	5,200	2,600	2,600	648	260	388	15.	426	8,520
482	30,600	12,500	18,100	1,147	1,810	—663	—5.3	—478	—9,560
483	5,500	3,000	2,500	399	250	149	5.	193	3,860
484	6,200	1,300	4,900	508	490	18	1.5	37	740
485	5,400	1,200	4,200	460	420	40	3.3	58	1,160
486	4,800	2,000	2,800	409	280	129	6.4	159	3,180
487	124,000	106,000	18,000	9,165	1,800	7,365	6.9	8,934	178,680
488	3,400	1,500	1,900	382	190	192	12.8	214	4,280
489	15,000	8,900	6,100	778	610	168	1.9	300	6,000
490	9,000	3,900	5,100	867	510	357	9.	415	8,300
491	9,500	3,900	5,600	759	560	199	5.	257	5,140
492	9,500	2,900	5,600	759	560	199	5.	257	5,140
493	22,500	19,500	3,000	867	300	567	3.	856	17,120
494	7,000	2,000	5,000	546	500	46	2.3	76	1,520
495	6,000	2,300	3,700	416	370	126	5.5	160	3,200
496	13,500	5,800	7,700	1,300	770	530	9.	616	12,320
497	8,200	3,600	4,600	479	460	19	.5	72	1,440

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
498	$11,200	$7,000	$4,200	$674	$420	$254	3.6	$358	$7,160
499	11,800	6,800	5,000	725	500	225	3.3	326	6,520
500	12,400	6,700	5,700	656	570	86	1.3	185	3,700
501	13,100	7,600	5,500	910	550	360	4.7	472	9,440
502	12,000	5,800	6,200	722	620	102	1.7	188	3,760
503	22,000	5,400	16,600	1,440	1,660	—220	—4.	—140	—2,800
504	19,600	13,600	6,000	1,330	600	730	5.4	931	18,620
505	13,400	8,600	4,800	1,802	480	1,329	15.4	1,449	28,980
506	9,500	3,900	5,600	759	560	192	5.1	257	5,140
507	7,500	3,200	4,300	489	430	59	1.9	106	2,120
508	8,000	3,300	4,700	562	470	92	2.8	141	2,820
509	21,000	4,000	17,000	1,601	1,700	—99	—2.5	—40	—800
510	9,000	3,300	5,700	917	570	347	10.5	396	7,920
511	9,000	3,400	5,600	917	560	357	10.5	407	8,140
512	9,000	3,000	6,000	827	600	227	7.6	271	5,420
513	3,700	1,900	1,800	365	180	185	10.	213	4,260
514	8,700	2,700	6,000	591	600	—9	—.3	31	620
515	11,700	5,700	6,000	1,740	600	1,140	20.	1,224	24,480
516	9,000	4,800	4,200	643	420	223	4.7	294	5,880
517	8,200	4,000	4,200	1,079	420	659	16.5	718	14,360
518	11,500	7,500	4,000	886	400	486	6.5	597	11,940
519	6,000	1,800	4,200	471	420	51	3.	77	1,540
520	10,000	3,000	7,000	1,052	700	352	11.7	396	7,920
521	19,500	10,500	9,000	1,311	900	411	4.	566	11,320

522	9,000	5,300	3,700	737	370	367	6.9	445	8,900
523	6,300	4,300	2,000	1,407	200	1,207	29.	1,271	25,420
524	50,000	21,900	28,100	4,560	2,810	1,750	8.	2,074	41,480
525	52,700	36,200	16,500	4,320	1,650	2,670	7.4	3,206	64,120
526	27,400	10,900	16,500	1,594	1,650	—56	—1.9	105	2,100
527	68,500	41,400	27,100	6,986	2,710	4,276	10.3	4,889	97,780
528	19,900	9,600	10,300	2,305	1,030	1,275	13.3	1,417	28,340
529	3,100	1,600	1,500	410	150	260	16.3	284	5,680
530	8,000	6,400	1,600	492	160	332	5.2	427	8,540
531	11,500	4,900	6,600	930	660	270	5.5	342	6,840
532	11,500	4,900	6,600	1,030	660	370	7.6	442	8,840
533	15,400	10,900	4,500	1,043	450	593	5.4	754	15,080
534	194,500	168,500	26,000	5,321	2,600	2,721	1.6	5,215	104,300
535	9,500	7,000	2,500	859	250	609	8.7	713	14,260
536	9,000	5,500	3,500	371	350	21	.4	102	2,040
537	9,500	5,400	4,100	859	410	449	8.3	529	10,580
538	13,000	5,900	7,100	808	710	98	1.7	185	3,700
539	580,000	516,000	64,000	42,000	6,400	35,600	6.9	43,237	864,740
540	454,00	437,300	16,700	18,000	1,670	16,330	3.7	22,802	456,040
541	216,000	192,000	24,000	11,803	2,400	9,403	4.9	12,245	244,900
542	150,700	118,700	32,000	8,500	3,200	5,300	4.5	7,057	141,140
543	106,500	81,500	25,000	8,299	2,500	5,799	7.1	7,005	140,100
544	325,000	315,000	10,000	6,000	1,000	5,000	1.6	9,662	193,240
545	425,000	317,000	108,000	32,000	10,800	21,200	6.6	25,892	517,840
546	61,500	20,800	40,700	5,090	4,070	1,020	4.9	1,328	26,560
547	22,000	5,400	16,600	1,574	1,660	—86	—1.6	6	120
548	13,600	8,200	5,400	819	540	279	3.4	400	8,000
549	11,000	4,600	6,400	787	640	147	3.2	215	4,300
550	9,900	3,900	6,000	1,200	600	600	15.4	658	13,160
551	44,300	16,300	28,000	4,244	2,800	1,444	8.8	1,685	33,700

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
552	$12,400	$10,600	$1,800	$900	$180	$720	6.8	$877	$17,540
553	7,500	6,500	1,000	370	100	270	4.2	366	7,320
554	9,100	7,100	2,000	865	200	665	9.3	770	15,400
555	12,600	9,600	3,000	1,314	300	1,014	10.6	1,156	23,120
556	9,800	9,000	800	855	80	775	8.6	908	18,160
557	46,600	28,600	18,000	3,510	1,800	1,710	6.	2,133	42,660
558	13,400	8,600	4,800	1,521	480	1,041	12.1	1,168	23,360
559	44,500	25,500	19,000	5,000	1,900	3,100	12.2	3,477	69,540
560	16,300	11,100	5,200	809	520	289	2.6	453	9,060
561	21,300	18,300	3,000	765	300	465	2.5	736	14,720
562	14,800	12,800	2,000	321	200	121	.9	310	6,200
563	8,100	6,900	1,200	150	120	30	.4	132	2,640
564	208,000	188,000	20,000	10,000	2,000	8,000	4.3	10,782	215,640
565	10,800	9,500	1,300	1,220	130	1,090	11.5	1,231	24,620
566	20,000	11,000	9,000	784	900	—116	—.9	47	940
567	98,000	82,400	15,600	4,200	1,560	2,640	3.2	3,860	77,200
568	302,500	246,400	56,100	20,000	5,610	14,390	5.8	18,037	360,740
569	36,000	34,000	2,000	2,267	200	2,067	6.1	2,570	51,400
570	21,600	14,600	7,000	1,080	700	380	2.6	596	11,920
571	141,000	122,500	18,500	5,663	1,850	3,813	3.1	5,626	112,520
572	200,000	170,000	30,000	6,540	3,000	3,540	2.1	6,056	121,120
573	137,000	112,300	24,700	6,572	2,470	4,102	3.6	5,764	115,280
574	28,000	24,000	4,000	1,486	400	1,086	4.5	1,441	28,820
575	10,000	8,000	2,000	692	200	492	6.2	610	12,200

576	78,300	54,300	24,000	4,341	2,400	1,941	3.6	2,745	54,900
577	249,800	234,800	15,000	11,000	1,500	9,500	4.	12,975	259,500
578	9,000	5,200	3,800	943	380	563	10.8	640	12,800
579	6,300	1,800	4,500	687	450	237	13.2	264	5,280
580	6,400	1,900	4,500	685	450	235	12.4	263	5,260
581	250,000	88,100	161,900	26,300	16,190	10,110	11.5	11,414	228,280
582	27,500	22,500	5,000	2,593	500	2,093	9.3	2,426	48,520
583	103,300	80,300	23,000	10,000	2,300	7,700	9.6	8,888	177,760
584	63,000	50,800	12,200	3,488	1,220	2,268	4.5	3,020	60,400
585	64,500	24,500	40,000	6,848	4,000	2,848	11.6	3,211	64,220
586	106,500	81,500	25,000	7,800	2,500	5,300	6.5	6,506	130,120
587	255,000	226,300	28,700	11,126	2,870	8,256	3.6	11,605	232,100
588	570,000	396,000	174,000	21,564	17,400	4,164	1.1	10,025	200,500
589	3,900	900	3,000	342	300	42	4.7	55	1,100
590	3,900	900	3,000	342	300	42	4.7	55	1,100
591	4,000	1,200	2,800	494	280	214	17.8	232	4,640
592	2,900	900	2,000	308	200	108	12.	121	2,420
593	2,900	900	2,000	308	200	108	12.	121	2,420
594	3,000	1,000	2,000	299	200	99	9.9	114	2,280
595	1,900	400	1,500	193	150	43	10.7	49	980
596	1,900	400	1,500	193	150	43	10.7	49	980
597	1,900	400	1,500	284	150	134	33.5	140	2,800
598	55,000	10,900	44,100	4,582	4,410	172	1.6	333	6,660
599	12,100	2,100	10,000	1,621	1,000	621	29.6	652	13,040
600	6,000	1,900	4,100	391	410	—19	—1.	9	180
601	7,800	1,800	6,000	869	600	269	14.9	296	5,920
602	7,600	1,600	6,000	848	600	248	15.5	272	5,440
603	21,700	3,700	18,000	1,359	1,800	—441	—11.9	386	7,720
604	5,800	1,800	4,000	514	400	114	6.3	141	2,820
605	4,900	1,400	3,500	191	350	—159	—11.3	138	2,760

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
606	$4,900	$1,400	$3,500	$287	$350	$—63	—4.5	$42	$840
607	4,100	1,500	2,600	203	260	—57	—3.8	35	700
608	1,800	1,300	500	189	50	139	10.7	158	3,160
609	4,700	1,300	3,400	410	340	70	5.4	89	1,780
610	7,000	2,500	4,500	186	450	—264	—10.5	227	4,540
611	4,700	1,300	3,400	350	340	10	.8	29	580
612	3,000	2,500	500	280	50	230	9.2	267	5,340
613	3,300	1,300	2,000	251	200	51	3.9	70	1,400
614	5,900	3,400	2,500	393	250	143	4.2	193	3,860
615	14,600	9,100	5,500	924	550	374	4.1	509	10,180
616	13,200	5,200	8,000	621	800	—179	—3.4	102	2,040
617	14,800	6,800	8,000	589	800	—211	—3.1	110	2,200
618	11,800	5,800	6,000	533	600	—67	—1.1	19	380
619	8,700	3,200	5,500	471	550	—79	—2.4	32	640
620	6,000	1,500	4,500	1,111	450	661	44.1	683	13,660
621	13,300	4,100	9,200	1,243	920	323	7.9	384	7,680
622	11,000	2,500	8,500	713	850	—137	—5.4	100	2,000
623	11,200	2,700	8,500	566	850	—284	—10.5	244	4,880
624	3,000	800	2,200	244	220	24	3.	36	720
625	3,000	800	2,200	196	220	—24	—3.	12	240
626	3,500	1,700	1,800	236	180	56	3.3	81	1,620
627	1,900	900	1,000	212	100	112	12.4	125	2,500
628	88,000	10,200	77,800	10,378	7,780	2,598	25.5	2,749	54,980
629	12,000	2,600	9,400	1,262	940	322	12.4	360	7,200

630	8,800	5,800	3,000	570	300	270	4.7	356	7,120
631	12,800	6,000	6,800	2,011	680	1,331	22.2	1,420	28,400
632	16,400	5,200	11,200	1,457	1,120	337	6.5	414	8,280
633	111,000	13,500	97,500	16,676	9,750	6,926	51.3	7,126	142,520
634	6,700	2,400	4,300	681	430	251	10.5	287	5,740
635	5,700	1,700	4,000	576	400	176	10.4	201	4,020
636	9,000	4,400	4,600	818	460	358	8.1	423	8,460
637	8,200	4,000	4,200	1,175	420	755	19.	814	516,280
638	3,900	900	3,000	342	300	42	4.7	55	1,100
639	42,300	6,300	36,000	5,812	3,600	2,212	35.1	2,305	46,100
640	10,900	1,900	9,000	1,003	900	103	5.4	131	2,620
641	3,900	2,400	1,500	182	150	32	1.3	67	1,340
642	5,000	3,200	1,800	370	180	190	5.9	237	4,740
643	2,900	2,400	500	139	50	89	3.7	125	2,500
644	5,200	700	4,500	571	450	121	17.3	131	2,620
645	2,700	500	2,200	476	220	256	51.2	263	5,260
646	36,100	16,100	20,000	2,310	2,000	310	1.9	548	10,960
647	8,500	1,500	7,000	694	700	—6	—.4	16	320
648	6,100	1,100	5,000	390	500	—110	—10.	94	1,880
649	5,900	2,400	3,500	393	350	43	1.8	78	1,560
650	7,000	2,200	4,800	616	480	136	6.2	168	3,360
651	3,700	900	2,800	137	280	—143	—15.9	130	2,600
652	21,400	8,000	13,400	1,103	1,340	—237	—2.9	119	2,380
653	10,500	6,500	4,000	709	400	309	4.8	405	8,100
654	3,000	900	2,100	366	210	156	17.3	169	3,380
655	119,000	96,600	22,400	5,359	2,240	3,119	3.2	4,549	90,980
656	11,300	4,700	6,600	1,333	660	673	14.3	743	14,860
657	16,300	13,500	2,800	639	280	359	2.7	559	11,180
658	18,100	10,100	8,000	632	800	—168	—1.6	19	380
659	14,000	4,700	9,300	993	930	63	1.3	133	2,660

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
660	$7,900	$3,200	$4,700	$720	$470	$250	7.8	$297	$5,940
661	51,000	28,000	23,000	1,945	2,300	—355	—1.2	59	1,180
662	53,000	28,000	25,000	2,816	2,500	316	1.1	730	14,600
663	36,500	17,200	19,300	1,860	1,930	—70	—.4	185	3,700
664	11,500	5,700	5,800	930	580	350	6.1	434	8,680
665	9,700	3,700	6,000	756	600	156	4.2	211	4,220
666	8,000	5,000	3,000	602	300	302	6.	376	7,520
667	5,500	2,400	3,100	1,369	310	1,059	44.1	1,095	21,900
668	6,000	2,200	3,800	511	380	131	6.	164	3,280
669	5,500	2,000	3,500	639	350	289	14.4	319	6,380
670	24,000	11,500	12,500	1,245	1,250	—5	—	165	3,300
671	15,500	5,800	9,700	970	970	—	—	86	1,720
672	27,000	15,500	11,500	1,900	1,150	750	4.8	979	19,580
673	20,000	11,900	8,100	1,504	810	694	5.8	870	17,400
674	50,000	37,000	13,000	2,760	1,302	1,460	4.	2,008	40,160
675	20,500	14,300	6,200	1,297	620	677	4.7	889	17,780
676	20,000	12,000	8,000	424	800	—376	—3.1	198	3,960
677	8,700	5,500	3,200	771	320	451	8.2	532	10,640
678	12,700	4,800	7,900	812	790	22	.4	93	1,860
679	8,700	3,900	4,800	771	480	291	7.5	349	6,980
680	11,000	7,700	3,300	557	330	227	2.9	341	6,820
681	11,000	6,000	5,000	2,300	500	1,800	30.	1,889	37,780
682	12,500	7,500	5,000	2,300	500	1,800	24.	1,911	38,220
683	40,400	24,900	15,500	1,800	1,550	250	1.	619	12,380

684	8,100	5,300	2,800	680	280	400	7.5	478	9,560
685	6,800	3,900	2,900	679	290	389	10.	447	8,940
686	9,400	3,900	5,500	1,061	550	511	13.1	569	11,380
687	23,000	11,800	11,200	1,260	1,120	140	1.2	315	6,300
688	27,000	11,000	16,000	1,600	1,600	—	—	163	3,260
689	24,000	10,700	13,300	845	1,330	—485	—4.5	327	6,540
690	17,000	8,600	8,400	1,348	840	508	6.	635	12,700
691	16,000	9,200	6,800	1,163	680	483	5.2	619	12,380
692	4,500	2,300	2,200	934	220	714	31.	748	14,960
693	30,000	18,600	11,400	1,356	1,140	216	1.2	491	9,820
694	17,500	8,000	9,500	1,244	950	294	3.7	412	8,240
695	26,500	10,800	15,700	2,108	1,570	538	5.	698	13,960
696	25,500	11,200	14,300	1,323	1,430	—107	—.9	59	1,180
697	11,800	5,000	6,800	1,025	680	345	6.9	419	8,380
698	123,000	106,000	18,000	19,165	1,800	7,365	6.9	8,934	178,680
699	182,000	172,000	10,000	10,000	1,000	9,000	5.2	11,546	230,920
700	64,400	38,400	26,000	3,547	2,600	947	2.5	1,515	30,300
701	71,000	52,000	19,000	3,849	1,900	1,949	3.7	2,719	54,380
702	141,000	120,800	20,200	9,113	2,020	7,093	5.9	8,881	177,620
703	165,400	151,400	14,000	9,627	1,400	8,227	5.4	10,468	209,360
704	52,500	37,500	15,000	2,723	1,500	1,223	3.3	1,778	35,560
705	30,000	21,500	8,500	2,556	850	1,706	8.	2,024	40,480
706	30,100	21,600	8,500	2,555	850	1,705	7.9	2,024	40,480
707	61,500	53,000	8,500	3,590	850	2,740	5.2	3,524	70,480
708	104,800	53,800	51,000	8,000	5,100	2,900	5.4	3,696	73,920
709	58,800	40,800	18,000	4,130	1,800	2,330	5.7	2,934	58,680
710	48,400	34,400	14,000	3,284	1,400	1,884	5.5	2,393	47,860
711	48,000	36,000	12,000	3,500	1,200	2,300	6.4	2,833	56,660
712	77,500	62,500	15,000	5,853	1,500	4,353	7.	5,278	105,560
713	136,800	121,800	15,000	4,725	1,500	3,225	2.6	5,028	100,560

Numbers.	A Total Assessed Valuation.	B Assessed Valuation of Land.	C Assessed Valuation of Buildings.	D Net Rental after Paying Taxes.	E Less 10 per Cent on Buildings for Interest, Insurance, Repairs, and Depreciation.	F Net Income from Land.	G Per Cent of Net Income on Assessed Valuation of Land.	H What the User Pays for the Use of the Land, i. e., the Net Ground Rent Plus the Tax	I Gross Value of Land, the User's Rent Capitalised at 5 per Cent.
714	$19,500	$14,500	$5,000	$1,351	$500	$851	5.9	$1,066	$21,320
715	47,600	29,600	18,000	9,936	1,800	8,136	27.5	8,574	171,480
716	5,100	1,100	4,000	417	400	17	1.5	33	660
717	5,100	1,100	4,000	417	400	17	1.5	33	660
718	5,000	1,000	4,000	418	400	18	1.8	33	660
719	5,100	1,100	4,000	417	400	17	1.5	33	660
720	7,000	2,500	4,500	712	450	262	10.5	290	5,980
721	3,200	2,600	600	133	60	73	2.8	111	2,220
722	3,000	1,100	1,900	172	190	—18	—1.6	2	40
723	2,800	800	2,000	151	200	—49	—6.	37	740
724	4,900	1,800	3,100	263	310	—47	—2.6	20	400
725	7,000	3,000	4,000	544	400	144	4.8	188	3,760
726	5,800	1,300	4,500	490	450	40	3.1	59	1,180
727	6,900	900	6,000	341	600	—259	—28.7	246	4,920
728	24,500	7,500	17,000	1,857	1,700	157	2.1	268	5,360
729	22,400	6,400	16,000	1,888	1,600	288	4.5	383	7,600
730	4,600	1,200	3,400	332	340	—8	—.7	10	200
731	4,800	1,200	3,600	329	360	—31	—2.6	13	260
732	4,600	1,200	3,400	332	340	—8	—.7	10	200
733	4,600	1,200	3,400	332	340	—8	—.7	10	200
734	4,500	1,100	3,400	333	340	—7	—.6	9	180
735	4,600	1,200	3,400	332	340	—8	—.7	10	200
736	4,600	1,200	3,400	332	340	—8	—.7	10	200
737	5,400	1,400	4,000	412	400	12	.8	33	660

738	5,100	1,100	4,000	417	400	17	1.5	33	660
739	5,100	1,100	4,000	417	400	17	1.5	33	660
740	5,100	1,100	4,000	417	400	17	1.5	33	660
741	5,100	1,100	4,000	417	400	17	1.5	33	660
742	5,100	1,500	3,600	297	360	—63	—4.2	41	820
743	45,700	8,200	37,500	4,124	3,750	374	4.6	495	9,900
744	44,800	7,300	37,500	4,137	3,750	387	5.3	495	9,900
745	1,300	700	600	317	60	257	36.7	267	5,340
746	4,900	4,300	600	527	60	467	10.9	531	10,620
747	7,000	2,200	4,800	616	480	136	6.2	169	3,380
748	1,800	500	1,300	189	130	59	11.8	66	1,320
749	7,700	2,400	5,300	636	530	106	4.4	142	2,840
750	6,900	900	6,000	341	600	—259	—28.7	246	4,920
751	1,900	400	1,500	167	150	17	4.2	23	460
	$35,808,800	$25,067,800	$10,741,000	$2,277,222	$1,071,800	$1,205,422	Av. 4 8	$1,577,425	$31,548,500

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