

CHAPTER VIII.

Sources of Municipal Revenue in Some Foreign Cities

The sources of Municipal Revenue in many foreign cities should be considered in their relation to the welfare of the community since they may be suggested by landowners in their desire to postpone heavier taxation of their land values, as substitutes for the taxation of land values.

Budapest has a 3 per cent tax on the rent paid by tenants,—an additional tax on the income derived from real estate,—and a 4 per cent tax for the removal of garbage, and an octroi tax levied on food products as well as one levied on the weight of vehicles entering the city. All of these taxes, of course, are largely shifted on to the tenant. The writer was informed by the city statistician, three years ago when in Budapest that rents were unendurably high in the city and many rooms had four to six occupants while speculation in land was most profitable. Other revenues in Budapest are from industrial licenses, dog licenses, water supply, etc. *Budapest.*

Vienna illustrates well the fallacy of trying to conduct municipal trading for profit,—although the city derives considerable revenue therefrom,—while failing to secure revenue from normal sources. *Vienna.*

The principal taxes are taxes on real property and taxes on personal property and trade.

Taxes on houses are assessed on the amount of the annual rents, and on land on the estimated cadastral revenue.

A trade tax amounting to 10 per cent on the net profits is levied on joint stock companies.

An income tax is assessed on the entire receipts of the taxpayer from whatever source derived, although incomes of less than \$244.00 per annum are exempt.

The octroi tax yields a large revenue. Most of Vienna's taxes, however, can be shifted to the ultimate consumer.

In Germany, the main municipal taxes are the income tax, the real estate tax, industrial tax, tax paid by restaurants, drinking saloons and hotels where liquor is sold, department store tax, dog tax, brewing malt tax, temporary vendor's tax and exchange of property tax.

In explanation of the large number of taxes upon industry in Berlin and the relative exemption of land values from taxation, it should be stated that the undemocratic system of votes according to value of property owned still obtains.

Prof. Frank J. Goodnow states:

"In Berlin, the Prussian city in which the voters constitute the largest proportion of the population, in 1900 only 1,227 qualified voters were in the first class, 20,821 were in the second class, while 310,471 constituted the third class. Or, to put it in another way, 22,048 voters could elect two-thirds of the members of the council, while 310,471 voters could elect the other third. Finally, in actual practice, the two upper classes participate more generally than the third class in the election. Thus 34% of the third class, 50.2% of the first class, and 39.4% of the second class of voters actually voted in 1898. This may be due in some degree to the fact that the vote is an open and not a secret vote."

On incomes from \$214.20 to \$249.90 an income tax of \$1.43 is levied and so on until on those from \$428.40 to \$499.80, \$7.38 is levied. It will be noted that the rate upon small incomes is much higher proportionately than upon higher ones. For 1906-7 the yield of the municipal income tax was \$8,227,148.

The United States Consul-General at Berlin, A. M. Thackara explains the real estate and industrial tax in Berlin as follows:

"The real estate tax is based upon the value of real estate as appraised by a permanent committee appointed for the purpose in each of the kreise, or counties. The appraised value of real estate is determined by deducting 8 per cent of the gross income from the property, for expenses, such as taxes, sewerage, interest, etc., and multiplying the net income by 16 to 22, according to whether the location of the property is good or bad. When there is no income from the property, the value is estimated by the committee and taxed accordingly. The tax in 1908 was 75 cents per \$238 of the appraised value of the property, and in 1909 the rate was about 72.4 cents. The rate is fixed by the tax committee. The amount collected in 1906-7 was \$5,523,869.

"There are four classes of industrial taxes, depending upon the capital invested or upon the amount of net annual profit, as follows: Fourth class, from \$357 to \$952 net profit or \$714 to \$7,140 invested capital; third class, from \$952 to \$4,760 net profit or \$7,140 to \$35,700 invested capital; second class, from \$4,760 to \$11,900 net profit or \$35,700 to \$238,000 invested capital; and first class, over \$11,900 annual profit or over \$238,000 invested capital."

The revenue to the city from the industrial tax in 1906-7 was \$2,449,119. The revenue from taxing saloons and department stores is small.

A unique tax is that on the change of ownership of real estate by sale or otherwise, amounting to 1 per cent of the value of improved and 2 per cent of the value of unimproved property, which yielded in 1906-7, \$1,612,974.

The revenue from the city's gas works in 1906-7 amounted to \$1,967,788, from the waterworks to \$785,240; from stockyards and abattoirs to \$189,968, while the 8 per cent on gross earnings of street car lines for the use of the streets amounted to \$819,416 in 1906-7.

The Berliner Electricitäts Werke, a private company which furnishes electric light and power to the people, pays the municipality for the use of the streets 10 per cent of its gross net earnings amounting in 1906-7 to \$899,957.

For the fiscal year 1906-7 Berlin had a surplus of \$3,486,595, a little more than the total receipts from the city gas and water works and the revenue from the 8 per cent tax on the gross earnings of street car lines for the use of streets. It is self-evident that these three necessities of life are used by practically all of the working people of Berlin and that they paid higher prices to yield these net profits. Berlin is the paradise of land speculators in Germany as New York is in this country, while the zone system of fares on lines of transit gives them an exceptional opportunity to confiscate land values.

The income tax both for state and municipal purposes is based upon income from personal property, that is business as well as upon real estate, land and buildings. Even in the case of the real estate tax when there is no income from property, the estimated value by a committee representing a legislative body dominated by realty owners is usually quite low. The 2 per cent on transfer of unimproved property is of course in the nature of a land increment tax although a very low one, but is paid by the purchaser.

The basis of the present fiscal system of Paris was enacted immediately following the revolution of 1789. The taxes are of two classes, direct and indirect. *Paris.*

The *impôt foncier*, a direct tax on land and buildings, averages about 3.20 per cent and it is paid by the owner of the property, but is subject to a complicated system of temporary exemptions for certain improvements.

The *impôt personnel mobilier* or tax on unoccupied houses is divided into two parts, the personal tax due from the occupant of the premises and assessed upon all residents of France, and the "*contribution mobilière*" or furniture tax, assessed upon the rentable value of the personal domicile.

Paris has also a tax on doors and windows, and a license to transact business assessed upon the practitioners of all professions, trades and avocations except the liberal arts. As part of this tax a percentage is assessed upon the rentable value of the domicile, store, warehouse, shop, factory, etc., occupied by the person taxed as a place of business.

Consumer the ultimate payer.

The direct taxes are those based upon the sale, transfer and introduction of articles of commerce which as Mr. Frank H. Mason, United States Consul-General at Paris states, "although primarily paid by the manufacturer, the importer, or the dealer are ultimately paid by the consumer." As Mr. Mason states further:

"The octroi is considered an annoying and troublesome form of taxation, and is unpopular with the public and costly to administer, as it entails delays at the city gates and employs an army of inspectors and collectors, but it yields in an average year about 100,000,000 francs, or \$21,037,000, a sum which, it appears, this expensive municipality cannot spare or derive from any other source without reorganizing the present system of municipal taxation."

London.

The following comment on the system of taxation in London is made by Consul-General John L. Griffiths:

"The annual rates levied in the different parishes in London vary from \$1.50 to \$2.57 in every \$4.87 of the assessed rental value of the property. There have been fluctuations in the rates from year to year in the different parishes, but they are not as great as might be anticipated. This is owing to a disposition to increase the valuation of the rentals of all property to meet growing expenditures necessitated by the development of new needs and functions rather than to augment the rates. The rates are levied on real property, or rather upon a proportion of its rental value.

Tenant pays the rents.

"The tenant usually pays the rates, or the greater portion of them, so that if the rental of an office, or a dwelling or a business house is \$1,200 a year, he must pay in rates ordinarily about one-third or \$400 more.

"An equalization fund was established for London in 1894. This fund is raised by a rate of about 2½ cents on the dollar of the ratable value levied annually on the whole county of London. The fund so raised is redistributed on the basis of population. A poor district with a congested population and a low ratable value may receive several times as much out of this fund as would go to a more advantageously located district, from a sanitary point of view, in another part of the city with a similar population and a heavier ratable value.

"The greater portion of the revenue required for the carrying forward of the government of London is raised out of rates, but there are also further sources of revenue in the way of market tolls, rentals of corporation property, building fees, contributions by the fire insurance companies to the corps of the first brigade, penalties, costs recovered,

etc., and a certain amount which is received from the imperial exchequer. About 65 per cent of the revenue is derived from the rates, 9½ per cent from imperial taxation, and the balance from other sources.

"The total receipts of greater London, exclusive of loans, of all the local authorities for 1906-07, amounted to \$126,449,949, divided as follows:

Public rate	\$74,918,652
Imperial funds	14,195,250
Tramways	6,921,088
Markets	1,336,988
Electric-lighting undertakings	2,703,132
From other local authorities.....	15,531,022
Other sources	10,843,808

"The expenditures, exclusive of loans, during the fiscal year 1906-7 amounted to \$119,022,146, distributed as follows:

EXPENDITURES.	AMOUNT.
Administration of justice.....	\$801,172
Education—	
Elementary	\$16,894,303
Higher	3,328,900
Electric lighting (other than public).....	1,275,315
Fever and small-pox hospitals.....	2,064,403
Fire engines and brigades.....	1,146,996
Highways, bridges, etc.....	8,663,757
House refuse, removal of.....	1,821,044
Housing of the working classes.....	504,340
Lighting (public)	1,895,351
Lunatics and lunatic asylums.....	3,193,879
Markets	643,327
Parks, etc.	961,052
Police and police stations.....	9,117,554
Poor relief	13,077,639
Sewerage and sewage disposal works.....	2,018,673
Tramways	5,168,661
Loan charges	19,149,230
Other works and purposes.....	11,968,281
Total	\$103,693,877
Payments to other local authorities, etc.....	15,328,269
Grand total	\$119,022,146"

It will be noted that the expenditures for poor relief total nearly one-ninth of the city's total expenditures, and this expense with the cost of lunatics and lunatic asylums and loan charges (what we designate "debt service") was \$35,420,748 or nearly one-third of the total municipal expenditure and one-half of the total receipts from the public rate, of which as Mr. Griffiths remarks: "The

tenant usually pays the rates or the greater portion of them." To the \$8,258,076 receipts from tramways and markets a large proportion of the wage-earning population of London contribute, and the direct result of lowering the standard of living by running these public necessities for a profit, is obvious. It is not strange that Mr. Lloyd-George advocated a land tax as a means of securing some revenue since the landlord "does not contribute a penny out of his income toward the local expenditure of the community which has thus made him wealthy."

TAXATION OF LAND VALUES.

The most important and general method of taxing land values abroad is the land increment tax.

The land increment tax in Germany.

The following summary of the extent and progress of taxing land increment in Germany is taken from the Report to the Special Tax Commission of Illinois by Prof. John H. Fairlie:

"The taxation of the increment of land values was first attempted in a practical way in Germany. A tentative step was taken in 1898 in the German Colony of Kiautschou in China; but this attracted little attention. More general interest was aroused when, in 1904 and 1905, the two important cities of Frankfort and Cologne enacted ordinances for the taxation of the increase in land values. These have been followed by a considerable number of municipalities, including both large and smaller cities. Dortmund and Essen adopted the new tax in 1906; Breslau and Kiel in 1907; and Hamburg in 1908. . . . In Berlin itself, the Board of Magistrates in 1907 proposed the introduction of the tax; but the project was defeated through the influence of the House and Land Owners Association in the Municipal Council.

"In July, 1909, the increment tax was in force in fifteen of the forty-one German cities of more than 100,000 population, and in at least forty smaller places. In all the more important states of the Empire, the higher administrative officials have given attention to improving the details of the tax.

Methods and rates of land increment tax in German cities.

"The several local tax ordinances vary not a little in details; but certain main features appear in all of them. The object upon which the tax is levied is the unearned increase of value of real estate. From the total increase in value, as measured by the differences between the price at a transfer and the price or value at a previous change of ownership, reductions are allowed for the expense of permanent improvements, street building and sewer connections, transfer charges, and sometimes for other expenses. There are certain exemptions, both for some kinds of transfer (as inheritances or judiciary sales) and for small increases in value. The tendency is to tax increases in value of vacant land more highly than those of land which is built upon. Special provisions are often made for a lower tax or for exemption, where the preceding transfer occurred a good many years ago. The incre-

The accompanying table shows the proceeds of the increment tax in a few German cities from 1906 to 1908.

INCREMENT TAX IN GERMAN CITIES.

[From Boldt: Die Wertzuwachssteuer, pp. 120-127.]

NAME OF CITY (POPULATION IN 1905)	DATE TAX TOOK EFFECT	RATE OF TAXATION ON INCREMENT	PROPORTION OF TAX IN CASES OF LONG PERIODS OF OWNERSHIP		PROCEEDS OF INCREMENT TAX			
			REAL ESTATE WITH BUILDINGS	UNBUILT REAL ESTATE	1905 MARKS	1906 MARKS	1907 MARKS	1908 MARKS
Hamburg, (874,000)	Jan. 1, 1908	1-12 1/2 %	After 30 years three-fourths.	After 30 years three-fourths.	.....	.....	.....	1,500,000
Breslau, (470,000)	June 23, 1907	6-25 %	Over 5 years 1/2 %.	Over 10 years 1/2 %.	.....	.....	57,945	127,331
Cologne, (428,000)	July 17, 1905	10-25 %	Over 10 years 1/2 %.	Over 10 years 1/2 %.	.....	287,186	385,133	.....
Frankfurt a. M., (334,000)	Feb. 19, 1904	2-25 %	20-30 yrs. 1 %.	30-40 yrs. 1 1/2 %.	b 833,659	b 1,104,997	b 498,183	b 198,043
			Over 40 yrs. 2 %.	Over 60 yrs. 5 %.	c (353,065)	c (631,084)	c (295,535)	c (75,045)
Essen, (231,000)	June 5, 1906 March 18, 1908	3-20 %	Over 10 yrs. about one-tenth each year; over 20 years no tax, but 2 % addition to Transfer Tax.	None.	.....	90,000	164,000	153,000
Dortmund, (175,000)	Sept. 8, 1906	3-15 %	After 6 yrs. about 10 %; after 15 years free.	None.	.....	78,491	179,757	209,319

^a Additions to Transfer Tax, in place of increment tax where property has been held more than 20 years.
^b Including additions to Transfer Tax. ^c Not including additions to Transfer Tax.

*Appeal to
conservatism
of land
increment tax.*

ment tax is always levied on the principle of progression—at a higher rate for the higher proportionate increase in value. Minimum rates are from 3 to 10 per cent; maximum rates are from 15 to 30 per cent.

"The rapid adoption of the increment tax in the German cities indicates that this form of taxation has appealed to the conservative officials and members of councils in that country, in spite of the opposition of real estate owners, a class which exercises a strong influence in municipal government. The tax has, however, been in force for too brief a period to demonstrate very clearly what the effective results will be. From the table below, showing the proceeds of the tax in half a dozen of the larger cities, it will be seen that the revenue shows wide fluctuations; and it forms as yet but a small fraction of the income of any city. The largest amounts are for Frankfort-on-the-Main (1,104,997 marks in 1906) and Hamburg (1,500,000 marks for 1908).

"The Imperial Government of Germany has incorporated the increment tax in the new finance legislation of 1909. One of the financial measures passed on July 15th of that year provides that the Empire shall receive twenty million marks from such a tax by 1912. Cities in which the increment tax was in operation before April 1, 1909, will be compensated for five years after the Imperial Act goes into effect by an amount equal to the average annual yield of the municipal tax prior to April 1, 1909. But these compensating payments will be made only from surplus to be realized over and above the twenty millions to be collected for the Imperial Treasury."

*The land
increment
tax in Great
Britain.*

Prof. Fairlie summarizes the new land taxes in Great Britain from the Parliamentary Debates, 1910, as follows:

"The British Budget for 1909-10 (which finally became law April 29, 1910) provides for new taxes on the increment of land values, on the site value of undeveloped land and on mineral rights.

"A valuation of all real property in the United Kingdom is to be made, as from the 30th of April, 1909; and on any increment value accruing after that date a tax or duty of one-fifth (20 per cent) of that value will be taken on the occasion of a transfer, or a lease of more than fourteen years in the case of land owned by incorporated or unincorporated associations. The increment value is the increase in value by any other cause than the landowner's own labor or capital; but the first 10 per cent of this 'unearned increment' is not to be taxed, nor will the increment duty be charged 'in respect of agricultural land while that land has no higher value than its value for agricultural purposes.' This tax is expected to fall mainly on urban building land and mining lands.

"Another tax, called a reversion duty, of 10 per cent. will be charged on the benefit accruing to a lessor on the determination of a lease of over twenty-one years.

"A third provision imposes an annual duty of one-half penny in the pound (about two mills on the dollar) on the capital site value of undeveloped land exceeding in appraisement \$50.00 an acre.

"The mineral rights duty is imposed at the rate of 5 per cent on the rental value of all rights to work minerals and of all mineral way leaves."

In the speech on the proposed land tax, Mr. Lloyd-George stated, "The yield in the first year will necessarily be small and I do not think it safe to estimate for more than £50,000 for 1909-10. -The amount will increase steadily in future years and ultimately become a further source of revenue."

In his Budget Speech, however, he discriminates between agricultural and urban land and between the extortions of urban landowners and owners of agricultural land.

"Agricultural land has not, during the past twenty or thirty years, appreciated in value in this country. In some parts it has probably gone down. I know parts of the country where the value has gone up. But there has been an enormous increase in the value of urban land and of mineral property. And a still more important and relevant consideration in examining the respective merits of these two or three classes of claimants to taxation is this. The growth of the value, more especially of urban sites, is due to no expenditure of capital or thought on the part of the ground owner, but entirely owing to the energy and the enterprise of the community. Where it is not due to that cause, and where it is due to any expenditure by the urban owner himself, full credit ought to be given to him in taxation, and full credit will be given to him in taxation. I am dealing with cases which are due to the growth of the community, and not to anything done by the urban proprietor. It is undoubtedly one of the worst evils of our present system of land tenure that instead of reaping the benefit of the common endeavor of its citizens, a community has always to pay a heavy penalty to its ground landlords for putting up the value of their land.

*Distinction
between agri-
cultural and
urban land.*

"There are other differences between these classes of property which are worth mentioning in this connection, because they have a real bearing upon the problem. There is a remarkable contrast between the attitude adopted by a landowner toward his urban and mineral property, and that which he generally assumes towards the tenants of his agricultural property. I will mention one or two of them. Any man who is acquainted with the balance-sheets of a great country estate must know that the gross receipts do not represent anything like the real net income enjoyed by the landowner. On the contrary, a considerable proportion of those receipts are put back into the land in the shape of fructifying improvements and in maintaining and keeping in good repair structures erected by him which are essential to the proper conduct of the agricultural business upon which rents depend. Urban landlords recognize no obligation of that kind, nor do mineral royalty owners. They spend nothing in building, in improving, in repairing, or in upkeep of structures essential to the proper conduct of the business of the occupiers. The urban landowner, as a rule, recognizes no such obligation. I again exclude the urban landowner who really does spend money on

his property; that ought to be put to his credit. The rent in the case with which I am dealing is a net rent free from liabilities or legal obligations. Still worse, the urban landowner is freed in practice from the ordinary social obligations which are acknowledged by every agricultural landowner towards those whose labor makes their wealth."

Dr. Albert Bushnell Hart in the "American Year Book," 1910, summarizes the proposed land tax in the Australian Commonwealth.

"The progressive land tax is the most important feature of the Labor Party program. The tax is to be levied on 'the reasonable market value of the land, assuming that the actual improvements thereon had not been made.' The rates run from 1d. in the pound on estates between £5,000 and £10,000 in value, to 4d. on estates above £50,000. Absentee landowners (including corporations in which more than two-fifths of the shares are held by absentees), pay taxes on the whole value of the property and 1d. extra on every pound of valuation; others pay taxes on market values less £5,000. The usual exemptions are made in favor of land held for charitable, religious, or public purposes. The taxpayer must make his own valuation, which may be amended by a commissioner, who has power also to make independent valuations or to use those made by any state authority. The taxpayer may appeal to the High Court against overvaluation; the commissioner may also appeal to the High Court for a declaration allowing the Commonwealth to resume at the owner's valuation land willfully undervalued. The tax is a first encumbrance and may not be evaded. Mortgagors pay it; the mortgagee is not liable unless he has entered into possession. Willful understatements involve a fine of £500, plus treble tax; and estimates more than twenty-five per cent below the finally ascertained value are deemed willful. The avowed purpose of the land tax, in addition to revenue raising, is to stimulate immigration, and enforce the subdivision of large estates which have never been placed under cultivation."

Several of the provinces of Australasia have increased the rate of taxation on land with the following results. Mr. Arthur Searcy, Deputy Commissioner of Taxes in Adelaide, reports in 1906 the results of increasing the tax on land from $\frac{1}{2}$ d. to $\frac{3}{4}$ d. in the £:

"Considerable areas of suburban land, formerly the property of large owners, have been subdivided, and many persons have purchased a plot of land for residential purposes and built thereon. For years past there has been a gradual closing up of all vacant land around the city, a great deal of which may be attributed to the land tax, more particularly since the application of additional and absentee land taxes in conjunction with the increased rates of income tax imposed at the same time; but much of the movement would have occurred irrespective of taxation, with gradual growth and advancement of the state.

"The effect on the building trade has been beneficial owing to the subdivision of suburban lands and the building of residences, as previously mentioned.

The land tax in the Australian Commonwealth.

Higher tax-rate on land than buildings in Adelaide.

"In regard to land speculation, the tax must certainly have a deterrent effect, but as a burnt child dreads the fire, so are the people of South Australia chary of land speculation after the losses generally sustained with the collapse of the 'Land Boom' of the early eighties."

Mr. L. S. Spiller, the First Commissioner of Taxation in Sydney, says that by the tax on land:

"Values of residential properties have been reduced principally in the city and immediate suburbs by reason of the development of the more outlying area. Vacant sites have suffered a reduction in value in many districts. The tax has considerably affected land held solely for speculation and has certainly compelled many owners to sell for a lower figure than previously required. In the city and suburbs very little land speculation has been in operation. Buyers now in view of the Land Tax mostly secure properties with the definite idea of speedily making a home, and not as heretofore, waiting for a rise in values.

"In the country the effect has been to break up a number of land monopolies and secure improved conditions of larger and closer settlement with considerable profit to the speculator and advantage to the purchaser."

The Marquis of Salisbury stated before the Royal Commission on the Housing of the Working Classes, in 1884:

"A proposal to remedy overcrowding for which the state is largely responsible by utilizing a gain on enhanced value of land which is due to density of population can hardly be called eleemosynary. It more closely resembles the provision of compensation than the offer of a gift."

The Select Committee on the Land Values Taxation, etc. (Scotland) Bill (1906) favored a higher taxation of land than improvements, and state:

*Scottish Select
Committee
favor higher
tax-rate on
land.*

"The desirability of taking land on the basis of valuation does not depend solely upon the question of the allocation of the burden between parties. The most valuable economic advantages of this reform follow from the change of the basis of rating. We have already referred to the nature of these advantages, which may be thus summarized:

"First.—Houses and other improvements would be relieved from the burden of rating. This would encourage building, and facilitate industrial developments.

"Second.—As regards the large towns, it would enable land in the outskirts to become ripe for building sooner than at present, and would thus tend very materially to assist the solution of the Housing problem. It would also have a similar effect in regard to Housing in rural districts.

"In our opinion these advantages depend upon the alteration of the basis of rating, and are not dependent upon the question as to what proportion ought to be contributed by the various persons interested in the property. Without seeking to minimize the importance of that ques-

tion, we think it right to point out that the taxation of land values is advocated equally by persons who take different views upon this aspect of the question."

Municipal ownership of land.

An indirect method of taxing land values or securing for public use the ground rent of land in vogue in foreign countries, especially in Germany, is extensive municipal ownership of land. This is technically "municipalization" of land and not taxation of land values. It is the avowed intention of many German and Swiss municipalities to own practically all the land within the city, and large tracts outside the city in territory to be annexed as the city's population increases. In addition to reducing the tax-rate or even in some cases enabling cities to conduct government without any tax-rate by the revenue from the municipally owned land, such a policy enables the city, it is claimed, by competing with private land-owners to prevent land speculation, and to keep land cheap and rents low.

The following table gives the acreage and per cent of the city's area owned by several German cities and by Vienna and Zurich in 1908:

	Total Area of City. Acres.	Total Amount of Land Owned by City. Acres.	Proportion of Total City Area.	
			Within City Boundary.	Without Boundary.
Berlin	15,689.54	39,151.28	9.2	240.8
Munich	21,290.24	13,597.02	23.7	37.8
Leipzig	14,095.25	8,406.84	32.3	27.4
Strassburg	19,345.45	11,866.98	33.2	28.1
Hanover	9,677.25	5,674.90	37.7	20.4
Schöneberg	2,338.60	1,633.33	4.2	65.1
Spandau	10,470.37	4,480.79	3.05	42.9
Zurich	10,894.64	5,621.52	26.0	25.9
Vienna	67,477.57	32,062.48	13.4	54.8

It is part of the policy never to part with any land the city acquires so that it may secure not only the ground rental of the land at the time of acquisition but as well the increased ground rental due to the small, but natural increase of the land values with increasing population. Professor Adolph Damaschke gives two cases of cities, one with very low taxes, the other with practically none:

Cities without taxes.

"From Hagenau (Alsace), a town of about 12,000 inhabitants, I received the following particulars: 'In 1891-92, Hagenau obtained £14,256 from its public land. To this add the produce of the water system, £1,075, and the gas, £850. Local rates and taxes practically negligible on account of these possessions.

"Görlitz (Schlesia) takes the most favorable place of all German towns of over 50,000 inhabitants with regard to local rates and taxes. The total local rates per inhabitant came in 1890-91 to 8 marks 35 pfennigs; in 1891-92 to 8 marks 2 pfennigs; in 1892-93 to 7 marks 28 pfennigs.

"The reason lies in the circumstance that this town has obtained a landed property of 77,127 acres, from which, in 1892, £33,028 went to the common chest."