

part of the consideration on its part for these later cancellations was an agreement to improve all the lots with a \$300,000 building.

The cancellations which a few tenants of the Board secured in 1895, and thereafter, have since been urgently sought for by other tenants, who have gone into the courts to prevent the collection of rents readjusted under their leases. In consequence of technical errors in proceedings under those leases—which errors, if any, were made by the Board of 1904-05, they have thus far succeeded in resisting collection. And in addition to resisting collection under the rental readjustment clauses of their leases, they have pressed the Board of Education in the past, as they doubtless will in the future, to cancel those clauses altogether, thereby in effect giving them leases for 80 years or more upon the rental values of the present time. While this would be a better basis than that of 1895, when site values were abnormally low, your Committee urges that the School Board retain for the benefit of the schools the increasing values which our growing city is giving, generation by generation, to its remnant of school lands.

(Signed)

John C. Harding, Chairman,
Louis F. Post, Secretary,
Wiley W. Mills,
Raymond Robins.

Chicago, May 6, 1908.

TAX REFORM IN FAR OFF LAND AND HOW IT IS WORKING OUT.*

Sydney, New South Wales, the port at which the American battleship fleet is due to day, is just now a place of more than ordinary interest for folk even on this side of the world. It is suffering from or enjoying, whichever way you choose to look at it, the collapse of land speculation.

The city had in 1901 a population of 481,000. It has the same problem of congested districts every large city has. According to one real estate man in the suburbs there was enough land subdivided to give every man, woman and child in the city two lots each. It was held for speculative purposes. Taxes on it were low. Rents were high.

A reform government was elected and an act was passed making it com-

*This remarkable editorial from the *Pittsburg Leader* is an indication that the truths for which we contend, and which are receiving practical exemplification in distant lands, cannot much longer be kept from the American newspaper-reading public. This editorial is an illustration, if any were needed, of the usefulness of the wider circulation among newspaper offices of our periodicals—especially of the *REVIEW*, from which the information contained in this article is largely derived. Mr. A. G. Huie's contributions to the *REVIEW* have contained full and splendid reports of the great and unexpected gains made by the advocates of our principles in New South Wales.

Editor *Single Tax Review*.

pulsory for counties to make the basis of taxation for local needs the unimproved value of land. Municipalities are required to levy a tax of one penny in the pound on land alone, and it is optional with them to raise all of their funds on the unimproved value of the land. Practically all of them took advantage of the option and made the whole of the assessment on land.

Since the new system became effective real estate men and large land owners have been able to see nothing but disaster. It is lowering land values, they say, and cheapening rents, thus wiping out a vast amount of capital.

How it will work out in the end remains to be told. An early result of it was to throw a lot of land upon the market at almost the buyers' price. But buyers, of course, would not invest heavily in it under the circumstances. They would take only as much as they could put to profitable use.

Some of the things that happened so far are here mentioned. The owner of a suburban lot built upon had his taxes reduced from \$15 to \$5. The owner of an adjoining lot unimproved had his increased from \$1.25 to \$5. The owners of large tracts of suburban land had their taxes increased as much as 500 per cent. and they immediately ordered their agents to sell.

The men who bought and were paying for homes on the installment plan were hit hard. They are under contract to pay the price under the old valuation system and must put more into the land than they will get out of it. The man who has his home on a 100-foot lot must pay the same taxes as the man next to him who may have his land built up with tenements.

That, the opponents of the system say, will add to the overcrowding evil of the city since every man will want to get the highest possible revenue he can from his land and will build as many houses as he can on it. But to get tenants for the houses would be another question. There would be an oversupply and rents would be forced down to a very low figure. Besides with land so cheap there would probably be more men who would move away from the congested districts and acquire homes of their own.

Some of the landlords and real estate men have been interviewed by the Sydney newspapers. They make particularly gloomy predictions of the future. "People won't invest in land," says one of them, "unless they actually need it and then they will not buy more than they need. The market will be glutted with land."

"Owners of large estates in the suburbs," says another pessimistic real estate agent of the city, "cannot afford to let their land lie idle waiting for an increase in values. Many people I know are getting ready to build. They want to get some return from their land, seeing that the rates are the same whether there is a house on it or not. That, of course, means a reduction in house rents. Take it any way you like there is bound to be a slump in land values."

Unfortunately both sides of the story cannot be told. The newspapers at hand contain no interviews with persons who have no land lying idle but who would probably like to have a piece to use, nor with persons who are now living in tenements and who perhaps do not view with the same alarm the

outlook for a heavy cut in rent. We must wait for further news from that far-off corner to learn just how these people like this tax reform.

But it may be noted that, oddly enough, the very things that are happening and of which the landlords complain are the things that the tax reformers said would happen. They said land speculation would be killed by the building of untaxed houses, that there would be a rush to get rid of idle and unproductive land, that buyers who could be found for it would take no more of it than they could use with profit and that in general the land would be used for productive purposes rather than for speculation.

ONE PAPER IN IRELAND SPEAKS OUT.

Trade continues in very bad state in all the principal Scottish towns. Poverty exists to an extent that is unknown in the experience of many who devote their spare time to alleviating the lot of the poor, and the calls that are being made on the funds of charitable and other agencies is surprising. In Glasgow, Govan, Port-Glasgow, Greenock, Dumbarton, and Clydebank there are thousands out of employment. I know a shipbuilding yard that usually employs two thousand men, in which there are at present scarcely two hundred employed. It is calculated that in this city alone there are fifteen thousand trade unionists unemployed, while some authorities state the number is nearer 20,000. The outlook for the winter months is very poor. Those who have studied the problem of men seeking work and unable to find it, observe ten and twelve families, consisting of from forty to sixty persons, living in a single tenement house, suitable building land in the same district, unoccupied, and hundreds of masons and bricklayers going idle. They observe thousands traveling around badly in need of new boots and clothes, yet hundreds of shoemakers and tailors cannot get employment. As I write these lines there are thousands supperless and without the wherewithal to procure one in this alleged Christian country. Think of it—thousands supperless and thousands of acres in this country utilised for grazing cattle and for deer forests. Thousands of men in this and other cities who formerly were engaged in agricultural pursuits in Ireland and Scotland, but the system of land tenure has driven them from tilling the soil. Thousands of men toiling in mines for a mere existence wage, and the persons who generously permit them to toil, and who do no work, pocket in royalties and wayleaves out of the mines in Ireland, England, Wales, and Scotland over five million pounds. The only real unemployed problem we have affects the dukes, the lords, and other "superior" persons who grant the workers permission to till "their land," erect buildings on "their land," and bring out of it the minerals, and we pay them millions of pounds for the privilege in rents, royalties, and wayleaves. There is undying fame for the politician who can acquire political