

Art. 6—Annually, in view of the increase of land values, the Mayor shall propose to the Municipal Council the suppression of other taxes from the urban budget, and increase the Land Tax until all taxes levied in the City are substituted by the Land Tax, which thus becomes the Single Tax of the urban budget, and liberates the industry, trade, consumption and other necessities of the population from every fiscal burden.

Art. 9—The following City taxes are hereby suppressed:—

(a)—City rate on the rental value of all properties.

(b)—The industrial and professional license on the following businesses:—(Here follows a list of thirty-eight businesses).

(c)—Special Trade: (Here follows a list of four).

(d)—Various taxes:—The area charge for building within the city limits, license for same, metre frontage tax on land without fence or sidewalk.

(e)—The statistical tax on the export of all products of factories established from 1st Jan. onward, which have no similar competitors in the city.

A Prize to High School Students

THE Henry George Association, 538 South Dearborn Street, Chicago, Ill., has offered a first prize of \$30, a second prize of \$20 and a third prize of \$10 for the best essay on "The Single Tax—what it is and what it will accomplish," submitted by students of high schools on or before July 15.

All essays must be forwarded to the office of the Association. The principal or some official of the high school faculty must certify that the writer of the essay is a student enrolled in his school between March 15 and the close of the school year. All prizes will be awarded on or before September 15, 1921.

How Do They Do It?

IT seems scarcely credible that the following resolutions could have been passed at one and the same meeting of grown-up men. Yet the event actually happened at the annual session of the National Grange, at Boston, in November last, as reported in the *Rural New Yorker*, of December 4, 1921:

1. "Opposing the Nolan Bill (the 1 per cent. land tax and all Single Tax proposals.)"

2. "All taxes should be levied so as to encourage home-owning, and to discourage speculation and tenantry as far as sound public policy permits, by graduated land tax and exemption."

The probability is that the good-natured indifferent mass of the members were willing, for the sake of peace, to oblige Single Taxers and the antis alike, with fine impartiality,—leaving the score a draw. It is also evident that the farmers do not take seriously the political function of this organization.

Exemption of New Buildings From Taxation

THE City Government of New York has taken a step which may have far reaching consequences.

Confronted with the task of finding the means to solve the housing shortage the legislature, as related in the September—October number of the *SINGLE TAX REVIEW*, gave permission to municipal authorities throughout the state to exempt new buildings for dwelling purposes, from local taxes for a period of ten years.

The proposal was not received very cordially by New York municipalities. Some cities, like Niagara Falls, where the need for more houses is acute because of the growing population attracted by the establishment of new industries, actually voted down the proposal. Saratoga Springs, on the other hand, adopted it. The City Government of New York delayed action from September 1920, to the end of February, apparently trying to discover some method by which political capital could be made out of it. F.H. La Guardia, President of the Board of Aldermen, was a most vociferous opponent of the proposal. Whatever benefit the city may derive from the final enactment of the measure will be due to Henry Curran, President of the Borough of Manhattan, a Republican, Alderman William Collins, the Democratic Leader of the Board of Aldermen, Senator Charles C. Lockwood, a Republican, Raymond V. Ingersoll, Secretary of the City Club and Dr. Copeland, the Health Commissioner of the City of New York, whose insistence on the need for more houses and whose lurid presentation of the inevitable consequences of failure to provide them stirred into action our sluggish representatives.

The text of the ordinance as finally adopted reads as follows:

Be it Ordained, by the Board of Aldermen of the City of New York, as follows:

Section 1. Pursuant to and in accordance with the provisions of section 4-B of the Tax Law of the State of New York as such section was added by chapter 949 of the laws of 1920, entitled, "An Act to amend the Tax Law in relation to the exemption from local taxation of new buildings planned for dwelling purposes," it is hereby determined that until January 1, 1932, new buildings in the City of New York planned for dwelling purposes exclusively, except hotels, shall be exempt from taxation, as herein provided, for local purposes other than assessments for local improvements during construction and so long as used or intended to be used exclusively for dwelling purposes, or if a building of four stories or more in height used exclusively for dwelling purposes above the ground floor, provided construction was completed since April 1, 1920, or if not so completed that construction be commenced before April 1, 1922, and completion for occupancy be effected within two years after such commencement, or if on September 27, 1920, in course of construction within two years after such act took effect.

Sec. 2. It is further ordained that such exemption shall be granted to the extent only of one thousand dollars for each living room, including the kitchens, but not

including the bathrooms, in each such building, provided that the total amount of such exemption shall not exceed for every single-family house coming within the terms of the statute, five thousand dollars of the value of the building, and for every two-family house coming within the terms of the statute ten thousand dollars, of the value of the building, and for every multi-family house coming within the statute, an amount of the value of the building equivalent to five thousand dollars for each separate family apartment therein contained.

Sec. 3. This ordinance shall take effect immediately upon approval by the Board of Estimate and Apportionment.

The consequences of the adoption of the ordinance have up to the present been marvelous. The official journal of the real estate interests of the city in its issue of March 12th, one week after the adoption of the measure heads a long article as follows: "Tax Exemption Sets Speculative Builders to work." From that article we quote the following passages:

TAX EXEMPTION SETS SPECULATIVE BUILDERS TO WORK.

Immediate effects of the tax exemption ordinance, passed two weeks ago by the Board of Estimate, are already manifest in the number of plans being prepared for multi-family dwellings to be erected in Greater New York during the coming Spring and Summer. For the first time since the out-break of the World War in 1914 every borough of this city will, during the current year, become the scene of activity for apartment house builders who are actively planning to resume operations on a large scale because of the favorable combination offered through the exemption from local taxation for ten years plus a decidedly favorable market for building materials and labor.

One of the most encouraging facts which shows apartment house projects scheduled for an early start in the various boroughs of Greater New York, is the return into the active building field of such well known speculative and investment builders as A. J. Schwartzler, Julius Tishman, the Rhinelander Real Estate Company and others of the same class. It was these builders in combination with many others who, in the pre-war period, were the leaders in multi-family house construction and who materially aided in the development of this city as a community of modern dwelling places. Their return at this time, after a long season of relative inactivity, indicates a strong confidence in the future of city real estate as typified by speculative and investment construction. What is even more important at this moment is that under the leadership of experienced builders of this type many other prospective builders, who are less conversant with the inside conditions of the real estate and building material markets and who have been more or less timid about starting prematurely, are being influenced to commence work on their contemplated operations without further delay.

Concerns like the F. W. Dodge Co. which make a business of collecting information as to contracts for construction of buildings, report similar conditions.

Of course, as readers of the SINGLE TAX REVIEW would anticipate, prices of lots have shown a tendency to advance in correspondence with the building boom, but it may be doubted if this movement will get very far. There are a

great many vacant lots in New York. Their owners have been sweating for several years under high taxes based on nearly full value. These people know that the exemption of new dwellings will only last until 1922, and that if they have not improved or sold by that time they are likely to be in for some more hard times. So we are not unlikely to see before the end of the exemption period owners of lots bidding against one another to get them sold.

There is always the possibility that New York will not have satisfied its needs for new housing by 1922, in which event a popular demand may arise for the extension of the exemption for a longer period.

Some opponents of the exemption measure oppose it on the ground that it was an entering wedge for "Single Tax." But the same stupidity which prevents the multitude from understanding the Single Tax made it impossible for the rank and file to see any relation between untaxing new houses and that philosophy. It is still an open question how far the general run of people would benefit from a system, which merely untaxed houses and still left other systems of taxation operative as now. All advances in civilization redound to the benefit of the landowner and to the extent that we stop short of taking the full rent of land in taxes we shall fall short of the ideal solution. But the results in New York for the next two years will be worth watching and may afford the whole world a striking lesson.

A Remarkable Will

THE Houston Foundation for public welfare is the beneficiary of a remarkable will—that of the late Edward Pinkney Hill, jurist, capitalist and ranch owner, who died in San Antonio, Texas, during the summer of 1919. The provisions of this will, described in the November issue of *The American City* by H. Wirt Steele, director of the Department of Charity, Benevolence and Public Welfare of Houston, show that its author recognized a concept of social responsibility which might be that of some future utopia.

"I give, bequeath and return to the people of Houston in their corporate capacity as the city of Houston, and the Houston Foundation as created and organized by and under the ordinance of said city passed March 22, 1915, and for the uses and purposes expressed and defined in said ordinance, all my property, real and personal, that I may own at my death.

I am influenced to this disposition of my estate by the reflection that I went to Houston early in 1886 with nothing. When I had made a few dollars above necessity I invested in city lots and continued like investments while I lived there up to 1897, before which time, after a division of my property, there remained to me enough to enable me to retire from business. This good fortune came unearned by me through increased value of real estate, and it seems appropriate that the city of Houston should have such share in that good fortune as I am in a situation to return."

—*The Survey.*