

United States—Historical*

AFTER THE PUBLICATION IN 1879 OF HENRY GEORGE'S *Progress and Poverty*, there was considerable agitation in the United States for the greater taxation of land values, but little legislation resulted. And except in Pennsylvania¹ such legislation as was enacted was soon repealed, usually because it was in conflict with existing laws. This note is added to preserve the record of the most outstanding of these efforts—outstanding because they became political issues in states, or cities—and to guide the reader who is interested to those books in which the events are related in detail.

STATE CAMPAIGNS²

A number of campaigns were conducted to change the laws of various states so that more, or all, state and local revenue might be raised from land values. None of these campaigns resulted in legislative action. They were conducted in Delaware in 1895; in Washington in 1897—

*This note was prepared from the sources indicated, by a member of the publisher's staff.

¹See pp. 93-105.

²See *The Single Tax Movement in the United States*, by Arthur Nichols Young (Princeton University Press, 1916), *The Single Tax Year Book*, Joseph Dana Miller, Ed. (Single Tax Review Publishing Co., New York, 1917), and *The Philosophy of Henry George*, by George R. Geiger (The Macmillan Co., New York, 1933). The first two volumes named are out of print but are believed to be available in the larger public and college libraries.

99; in Colorado in 1902; in Oregon in 1908-14; in Missouri in 1912, and at various times in California between the years 1909 and 1938.

LOCAL CAMPAIGNS³

HOUSTON, TEXAS

By far the most colorful of all the local campaigns was that conducted in Houston, Texas, by J. J. Pastoriza, one-time proprietor of a prosperous printing establishment in that city, who was elected to the office of Finance and Tax Commissioner in 1911.

For many years additions and deductions to the tax rolls of Houston had been made arbitrarily and, it was said, many properties were not even on the tax rolls when Pastoriza took office. Undervaluation, inequality of assessment and evasions were common.

As a first step in correcting this chaotic situation Pastoriza applied the unit-value system to real estate in the business district and, later, to the assessment of land throughout the city. As a second step he recommended that land be entered upon the 1912 rolls at approximately its full value and that buildings be assessed at only 25 per cent of their value. This recommendation was modified when protests were made, and in 1912 land was assessed at approximately 70 per cent and buildings at $33\frac{1}{3}$ per cent of their true value. In 1914 the assessment of buildings was dropped to 25 per

³*Ibid.* Also, *The Exemption of Improvements from Taxation in Canada and the United States* (a report), by Robert Murray Haig (1915), p. 241 ff.

cent, the assessment of land having meantime been slightly increased.

Franchises of public service corporations were added to the tax rolls in 1912 for the first time, and from that year a definite policy of light taxation of personal property was adopted. Some personal property was entirely exempt; the rest continued to be taxed on a self-assessment basis with no vigorous enforcement of collections.

Pastoriza was aware that his "Houston Plan of Taxation" went counter to the state Constitution, which required "equal assessment," but he contended that there was not a city or a county in Texas that ever had complied with this requirement and that he, therefore, did not feel compelled to do so.

In his 1913 campaign for re-election Pastoriza made his tax policy a distinct issue, and with such success that he was returned to office by a vote larger by 1,200 than that of any other candidate for commissioner.

The Houston Plan of Taxation was in operation for two years—1912-14—and was then repealed as unconstitutional. The city grew rapidly during that period, but because the plan was in effect so short a time it is impossible to say how much of this growth was due to it entirely. Nevertheless, it was universally agreed that it checked speculation in the outlying districts where future growth was expected, and that it encouraged building.

PUEBLO, COLORADO

In 1912 Colorado adopted an amendment to Section 6 of Article XX of its Constitution, giving extensive

home-rule powers to cities having the commission form of government. Under these powers, Pueblo, Colorado Springs and Denver voted on measures of land-value taxation in November 1913, April 1915 and May 1915, respectively. Only the Pueblo amendment prevailed.

This amendment, which was submitted by initiative petition, provided that, in 1914, 50 per cent and, in 1915, 99 per cent of the value of improvements should be exempt from municipal taxation. (The 1 per cent was retained to forestall possible unfavorable action by the courts.) It retained a nominal tax upon personal property—not less than a fourth of a mill nor more than one mill—and stated that liquor licenses and taxes should remain in force.

In 1914 taxes were levied on the basis of a 50 per cent exemption of improvements, but before the 99 per cent exemption could become effective the measure was again placed before the people and repealed by a small majority—3,255 to 3,042.

EVERETT AND SEATTLE, WASHINGTON

In 1911 Everett adopted an amendment for the gradual exemption of improvements, but the State Tax Commission ruled it unconstitutional and it was never enforced.

Seattle, in 1912, voted on three separate amendments, the Erickson Amendment calling for the immediate exemption of improvements; the Griffith Amendment providing for the gradual exemption of improvements over a five-year period, and a Chamber of Commerce spon-

sored amendment for a ten-year exemption of factories. In 1913 another amendment was submitted for spreading the total exemption of personal property and improvements over four years. All these amendments were defeated.