

Mr. Nicholson says that the State Courts "have been quite liberal in their views" regarding the proper use of the special power. That is more than can be said for municipal officials of the last sixteen years. They have been slow in using the power. The Sixth Avenue line should be a practical demonstration and shake New York out of the rut. The same method applied to other proposed subways would go far toward settling the problem of the debt limit and the need for more subway lines.

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Tax And Destroy

IN 1697 the British government levied a tax on houses according to the number of windows. It lasted until 1851. It was then seen to be a tax which destroyed windows and shut out light from houses and injured the health of women and children especially. Windows were destroyed by taxation. The tax showed darkness in governmental minds and produced it in homes.

In Egypt once, the government, arguing that incomes came from date trees, taxed them. Thousands of date trees were cut down to avoid taxation, the government lost taxes, and the people starved for dates.

The power to tax is the power to destroy. A tax on date trees destroys the trees. A tax on windows destroys windows. A tax on incomes destroys incomes. A tax on improvements destroys the purpose to improve.

In Pittsburgh, Pa., the city is trying to avoid the destruction of desirable things by taxation. There is no state tax in Pennsylvania on real estate or personal property. Now the city has reduced its tax on improvements until they pay only 60 per cent. of the rate on land values. If you owned a factory on a \$10,000 site in Pittsburgh, with buildings on it worth \$10,000, with machinery, raw materials and finished goods worth \$50,000, your taxes would be \$190 on the land value, \$114 on the building, and nothing at all on the goods on hand, making a total of \$304.

Next year the tax on buildings and improvements will be reduced to 50 per cent. of the rate on land values. They seem to like the system there.

It is a guarantee that the things produced by industry will not be destroyed by taxation, as the date trees were in Egypt and the windows in England.

The thing which this system tends to destroy is land monopoly; for the burden rests more and more heavily on sites. But this is beneficial to industry.

"Come to Pittsburgh," says this policy in taxation. "We levy taxation so as not to destroy industry, but to do away partially with monopoly of natural opportunity, the foe of industry. We try not to kill the good thing."

Taxation is destruction—of something.

HERBERT QUICK, (Syndicated).

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The Increase In Wealth Valuation

STATISTICS compiled by the United States Department of Commerce, showing the increase in the national wealth during the decade of 1912-1922, are frequently quoted to prove this, that, or the other contention as to the welfare and prosperity of the American people as a whole. On their face these figures, which show an increase of nearly \$135,000,000,000 in wealth valuation in ten years, are sufficiently impressive, and when divided by the total population indicate a per capita share of nearly \$3000, or taken on the basis of five to the average family, a family holding of about \$15,000. Just how fair this method of computing the average wealth may be does not appear. Bolton Hall, fabulist and real estate speculator, was wont to boast that he belonged to the West Island Fishing Club, and that the average wealth of the twenty members was \$2,000,000. Pressed for details, he explained that Cornelius Vanderbilt, a member, was worth \$40,000,000, so that the average wealth was as he stated. Something of this kind might have been found if, instead of dividing the total wealth by the number of Americans, the amounts owned by a comparatively small number of persons had been given; so as to show more clearly the actual distribution of the great bulk of the national wealth.

Another feature of the reputed wealth increase which deserves closer analysis than is given by the official reports referred to, is that relating to the increased value of real property and improvements, which are reported as more than one-half of the total, or an increase in ten years of more than 60 per cent. Separate figures are not given for the respective values of land and improvements, but assuming that the ratio of these values was approximately the same in 1922 as in 1912, it is evident that a very large part of the supposed increase in wealth was merely an increase in the price of land. This, of itself, can hardly be said to be additional wealth in the true sense of the word, since it merely represents an increased payment for the use of land. Thus in a recent series of articles in a popular weekly an eminent real estate operator refers to the increase in the valuation of a New York City corner lot from \$30,000 to \$1,000,000, as an addition to the city's wealth of nearly a million dollars. What it actually represents is increased rentals of the building occupying the lot, and, therefore, no addition to real wealth, since the tenants of the building had to part with a larger share of their income, an expenditure that required larger payments in other wealth forms. Higher charges for rent of homes, stores or factories can hardly be said to be evidence of a greater abundance of real wealth.

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