

holdings, without taxation beyond the monopoly value of their respective sites, they have all they are entitled to in morals, all that government can or ever could give them morally, and all that they can get without plundering somebody else.

And as of Calcutta and Delhi in those respects, so of every place on the planet.



Regarding the loss of house value, which the Evening Post suggests, that is a begging of the question, and a rather gauzy bit of beggary into the bargain.

The instances in which an old house would be unsuited to a new location are of minor importance relatively. For the most part they are absolutely so. But without arguing this point, wouldn't it be vastly more economical, as well as more fair all around, to compensate for such building losses *out of* "unearned increment" publicly appropriated, than to turn "unearned increment" over in a mass to private ownership?

As it is no longer necessary to burn down the sty in order to eat roast pig, neither is it any longer necessary to surrender land values to monopolists in order to insure individuals against loss of house values from the removal of a country's capital, the construction of public improvements, the growth or changing currents of population or enterprise, or any of the other social phenomena which are enormously and persistently expanding land values as a whole.

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## EDITORIAL CORRESPONDENCE

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### THE SULLIVAN-BROOKS BILL IN THE NEW YORK LEGISLATURE.

Brooklyn, New York.

The Sullivan-Brooks bill, recently suppressed for the session, was introduced in the New York legislature at the request of the New York Congestion Committee.\* It provides for reducing the tax rate on all buildings in Greater New York 10 per cent each year for five years, thereby reducing the tax on all buildings to one-half the tax on the land.

The New York Congestion Committee made a campaign to secure the passage of this bill, and I was one of a committee of business men interested in its behalf. The bill received good attention; and, with an amendment calling for its submission to the electorate, got the editorial support of a number of New York papers: The Brooklyn Eagle, The Globe, The Mail, The New York American, The Evening Journal, and the Brooklyn Standard Union. The support thus received and the interest aroused were

\*See The Public of September 1, 1911, page 893; also this Public, page 363.

sufficient to give expectations of a good fighting chance for passing the measure next year.



From the point of view of a business man interested in the industries of Greater New York, the bill is necessary to check the progressive increase of the value of land, also to check the speculative manipulation of these values.

For this reason the productive business interests and the real estate interests (be the latter speculative or investment interests) are necessarily in conflict. If the values due to improvements made by the City and State governments and by the railroads, are absorbed by increase of land values, productive business men and wage earners necessarily get none of the benefits of the improvements which they construct.



At the present time, when the high cost of living is an item of such great importance, it is interesting to see to what extent the increasing value of land increases the cost of living—or, putting it in another way, increases the cost of doing business. Here is a table which indicates it:

The assessed value of land of Greater New York (without improvements) this year, is..	\$4,550,000,000
The interest on that sum at 5% is.....	\$ 225,000,000
The tax budget, or the cost of conducting the government of the city last year was.....	\$ 175,000,000
The sum of interest and tax.....	\$ 400,000,000

That sum of \$400,000,000 may be said to be the fixed charges assessed against the privilege of doing business, or living, in New York City; and assuming that this fixed charge is paid by each family of five of our population, the expense per family would be \$420 annually.

This practical question therefore presents itself: Is this fixed charge increasing, and does such an increase tend to increase the cost of living and to increase the cost of doing business?

If we examine the increasing value of land for the last 100 years, we shall find that the percentage of increase in land values is about three times as large as the percentage of increase in population. If the history of the development of this increase continues, both the cost of governing the City and the value of the land will double within the next fifteen years. Within the same period the population of the City will increase about one-half.



Since this increasing tendency has been questioned, allow me to supplement my statement with the principal facts. In the century from 1810 to 1910, the cost of the government of the City of New York was 2,743 million dollars. This includes State taxes, the cost of the government of the Bronx since its annexation, and the cost of the government of Greater New York since 1898, and is not reduced by city revenues from water rates, dock rents, etc. The increase in the value of the land on Manhattan Island alone during the same period—namely, from 1810 to 1910—was 2,905 million dollars. This does not include the value of improvements. Applying

the engineering rule under which we estimate the future population of a city, or the future earnings of a railroad, by the percentage of increase shown in preceding years,—applying this rule to the increase in the value of land within the city (not considering improvements), and we find that within 16 years the present value of the land of the whole greater city, namely, 4,555 million dollars, will have doubled, and that in sixteen years more the value will again double.

Such a continuance of increase as this would, of course be ridiculous to expect. If the rent were figured at 5 per cent, and were to equal, as it would, 225 million dollars per year, and if that rent were to be double this amount in sixteen years, and double again in thirty-two years, it is obvious that, notwithstanding that this has been the history of the development of land values in New York City, it could not so continue.

Somewhere the increase in land value must stop. And it would in fact stop with a panic caused by the removal of the business of the city to communities where the burden would be less.



Is it not evident that, without appealing to ethical considerations, the business community must protect itself from an increase in the expense of doing business which is driving business away? Or shall we wait until the exodus of business from New York assumes proportions sufficiently large to stop the growth of the city?

FREDERICK L. CRANFORD.

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## NEWS NARRATIVE

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The figures in brackets at the ends of paragraphs refer to volumes and pages of *The Public* for earlier information on the same subject.

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Week ending Tuesday, April 16, 1912.

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### A Great Ocean Disaster.

Word was sent out from Newfoundland in the early morning of the 15th that wireless calls for help had been received from the White Star Steamer *Titanic*, which had struck an iceberg at 10:25 on the evening before. The *Titanic* was the largest steamship afloat. She had left Southampton for New York on the 10th on her maiden voyage, carrying 325 first-class passengers, 285 second-class passengers, 710 steerage passengers, and a crew and service of 860 persons. Wireless appeals and directions as to location had been sent out from the sinking ship, and were caught by the *Carpathia* of the Cunard line, by the *Virginian* and the *Parisian* of the Allan line; by the *Olympic* of the White Star line, only second in size to the *Titanic*; by the *Baltic*, and four steamers of the two German lines. Later dispatches state that the *Titanic* sank at 2:20 on the morning of the 15th, barely four hours after she was struck—at

a point just south of the Grand Banks of Newfoundland, and 600 miles southeast of Halifax. None of the steamers arrived before the great ship went down. The *Carpathia* reached the spot three hours later, and rescued 868 persons from tossing lifeboats—most of them women and children. The loss of life as we go to press is estimated at 1,312 persons. Of the 328 persons reported by name as having been saved, 79 are men, 233 are women, and 16 are children. Among the passengers who were probably not saved were W. T. Stead, the English editor and author; F. D. Millet, the artist; Major Archibald Butt, aide to President Taft; John Jacob Astor (Mrs. Astor being probably among the saved) and Benjamin Guggenheim of New York, and J. G. Widener of Philadelphia.



### Home Rule for Ireland.

The long expected bill on Irish home rule was introduced in the British House of Commons on the 11th by the Prime Minister, who said of the cardinal principle of the bill that it retains "the supreme authority of the Imperial parliament, while at the same time real autonomy is conferred on Ireland in regard to Irish concerns." The bill is reported by cable as providing for the establishment of an Irish parliament consisting of a Senate and a House of Commons, with power to make laws for Ireland, the Senate to consist of 40 members and the House of 164, of which Ulster is to have 59 and the universities 2. The Senate is to be composed of nominated members. In the first instance the Imperial executive is to control the nominations with a view of assuring representation for the minority, but the nominations are to be for a fixed term, and as the members retire by rotation the vacancies will be filled by the Irish executive. In case of disagreement the two houses are to sit in joint session. The Lord Lieutenant is to be head of the executive. There will be no religious bar and he will hold office for a fixed term. The authority of the executive is to be co-extensive with that of the Irish Parliament. The 164 representatives are to be elected by the existing constituencies, but no constituency is to have less than 27,000 population. The bill also provides that the questions to be excluded from the control of the Irish Parliament are the Crown, the army and the navy, Imperial affairs, the Irish land purchase and the old age pensions and national insurance acts, the Irish constabulary, the postoffice savings bank and public loans in addition to those excluded by the home rule bill of 1893, which left the customs under the control of the Imperial government. [See current volume, page 179.]



T. P. O'Connor, M. P., says of the bill and its