

principles find it incumbent upon them to spread their language so lavishly. Their paucity of laws and principles are the explanation of their plethora of words.

"Somethin's Gotta be Done"

IT was the year of our Lord one thousand nine hundred and twenty-eight. The GREAT and HONORABLE General Court (House of Representatives to you) of Massachusetts was deep in the depths of profound meditation. It was sorely perplexed. Taxation—the ever present problem—was receiving special attention at this particular session. Special attention was being given and the Commonwealth's most prominent personage, in the field of legal experts on common and statutory law concerned with taxation, had persuaded the House and Senate leaders that "somethin's gotta be done" in regard to the menacing growth of the taxation muddle.

Emerging from the inner sanctum of the inner sanctoria, the legislative representatives solemnly informed the House and Senate that "somethin's gotta be done" to get at the bottom of the hopeless mess of tax laws. The sober and solemn members of the sober and solemn legislature nodded their heads in wisely profound significance and agreed, one with another, that "somethin's gotta be done."

So somethin' was done.

The very prominent personage who, though not a member of the GREAT and HONORABLE General Court, knew all the answers in legal terminology on common and statute law, was appointed chairman of a body of illustrious representatives and senators whose duty it was to hold a summer session and to find THE solution to all this annoying mess which had resulted from an accumulation of necessary tax laws.

The summer came and went. The harvest moon shone down upon the frazzled State of the Pilgrim fathers. The day for the filing of legislative reports arrived. Ah! Relief at last; relief from the eternal question of multiple taxes and tax laws! The special session experts had explicated; the legal luminary leader of the special session was ready to report. With precision and detail he set forth the multitude of facts found during the summer's stifling session; and, whereas, wherefore and therefore, he and his solemnly profound associates were in duty bound to inform the Great and Honorable Court of the Commonwealth of Massachusetts that

"Somethin's gotta be done."

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Time and tide wait for no man, consequently seven years have passed since the Great and Honorable General Court of the "State of Mind" discovered that "somethin's gotta be done."

The scene shifts. We are in the parish rooms of a very snooty church of the fifty-seven varieties. The intelligentsia has foregathered to listen to words of wisdom

and of warning which are about to drip from the vocal chords of an "undersecretary" of the U. S. Treasury. The "undersecretary," as such are styled in proper, old 'Hengland, has traveled far and wide on the eastern continent. He has studied, at short range, the hopeful conditions prognosticated in Japan's employment of regimented boys and girls at twenty cents per diem. He has marveled at Bonny 'Hengland's production of "things at two and one-half pence per dozen" (tuppence 'apenny, to you). He has studied the alarming overload on Massachusetts "real estate" and informs us that such property now carried sixty-five per cent of the tax load while possessing only "thirty per cent of the wealth." His audience teter on the edges of their seats as they brace themselves to hear his pronouncement which will solve our economic distress for all time. He gives pause to his words as he approaches the climax of his evening's dissertation. The psychological effect of the temporary silence has the desired result. The truth is here.

"SOMETHIN'S GOTTA BE DONE!"

Significant nods of approval begin to gather into a wave which finally engulfs the whole audience. Bald heads, bushy heads, lean heads, fat heads, soft heads and bone heads, nod and nod and nod like a field of ox-eyed daisies bowing to the summer breeze.

"Yeah, somethin's gotta be done," says one to another.

"Somethin's gotta be done. The undersecretary said so."

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The Great and Honorable General Court of the old Bay State, and the undersecretary of the Treasury of the United States, both are right.

"Somethin's gotta be done."

THOMAS N. ASHTON.

A Few Random Land Value Facts

AS one of those interested in support of the bill introduced in Congress by Representative Moritz of Pittsburgh (H. R. 6026) to impose an excise charge of one per cent upon the privilege of owning land in excess of \$3,000 value by one owner, I assumed the task of collecting data for presentation to the House Ways and Means Committee in the event of a hearing, indicating the amount of revenue to be derived from such a charge. I knew that little information of this character was available; but I hoped that I might develop sample figures which might be extended on some basis to larger areas and thus to the United States as a whole.

The task has proved almost impossible. No authentic figures are available anywhere to show the land values of the United States. On page 261 of the Statistical Abstract of the United States for 1934, issued by the Bureau of Foreign and Domestic Commerce, it is stated:

"There have been no official estimates of wealth since 1922." Census figures give values of farms; but nowhere is there any breakdown of land values and improvement values—not even value of buildings. As a Civil Works project early in 1934, there was made a "Real Property Inventory" in some ninety cities. This was so meticulous as to tabulate dwelling units by number of rooms; by number of persons per room; by lighting facilities; by cooking facilities; by mortgages; by condition of repair and a mass of other detail. But the value of dwellings ascertained was a composite, site and structure being lumped together.

The National Resources Board spent millions of dollars to ascertain that seventy-five million acres of submarginal farming land should be "retired;" but nowhere in the beautifully printed and charted 400-page report is there any inkling of the value of such lands.

It seems essential, when presenting our proposal to any legislative body, that we must be prepared to show the fiscal effect to some extent at least. Such committees are faced with practical revenue problems; and it is idle to expect them, no matter how impressed with the justice of our claims, to favor legislation, unknowing its effect on the treasury.

Through the courtesy of John A. Zangerle, Auditor, Cuyahoga County, O., and with the cooperation of John Lawrence Monroe, Field Director Henry George School of Social Science, a sampling of Cleveland was secured.

In Cleveland (city proper) the total number of tracts assessed is 195,087, with a total valuation of \$357,866,620. One thousand taxpayers, taken at random, were shown to own 1,400 tracts. Thus it may be assumed that the total number of taxpayers is five-sevenths the number of tracts, or 136,561 taxpayers in the city.

Of the 1,000 taxpayers, ninety-two owned land of a value in excess of \$3,000 each, to a total value of \$2,301,730—an average value of \$25,019. Nine hundred and eight owned land of a total value of \$773,110. Applying the ratio, 9.2 per cent, to the total number of taxpayers, it may be assumed that there are 12,463 owning tracts of an average value of \$25,019 each. Deducting the exemption, \$3,000 each, gives a taxable value of \$22,019; a tax at one per cent of \$220.19 each; and a total revenue from Cleveland under the proposed bill of \$2,644,227.

For the whole of Cuyahoga County, land values are \$560,325,060 in 383,402 tracts. Applying the percentage of taxpayers over \$3,000 found in the city proper, it may be assumed that in the County there are 26,164. The ratio of holdings above \$3,000 to the total value of holdings in the sample group is seventy-five per cent. Applying this ratio to the County, the average of the above—\$3,000 holdings are found to be \$16,043; and deducting the \$3,000 exemption, the revenue at one per cent of the excess would be \$130.43 each, or \$3,412,510 for the County.

Figures collected by John C. Rose for Pittsburgh show

that 901 landowners have holdings valued at \$328,480,380. It is simple, then, to compute that the charge on these 901 at one per cent with an exemption of \$3,000 each would be \$3,257,773. But we can go no further, since we have no data on the holdings of the balance of 161,700 landowners, with a balance valuation of \$233,885,180.

But a comparison of Pittsburgh with Cleveland shows other facts inciting mental speculation. 161,799 landowners in Pittsburgh own land valued at \$562,365,560, an average of \$3,478 each. 136,561 owners in Cleveland have \$357,866,620, and average of \$2,620 each. The population of Pittsburgh (1930 census) is 669,817, giving a per capita valuation of \$490; Cleveland, with a population of 900,429, shows per capita valuation of \$397. Since we believe that land values, to a certain extent, bear a relation to population, the figures given above indicate either errors in official valuation or other influences at present unascertained. This situation is introduced simply to indicate the impossibility of extending data found in one locality to another locality and points the necessity of extensive and intensive investigation.

Coming to Greater New York, we find the total number of tracts to be 811,616, with a total valuation of \$8,000,995,996. Parenthetically, the per capita valuation here is \$1,154. A detailed study of the tax rolls for Manhattan Borough discloses that 6,065 tracts are owned by 4,843 owners. That is, the number of owners is eighty per cent of the number of tracts. If this ratio holds true throughout the city, the number of owners is \$579,726.

In Manhattan Borough the number of tracts valued at less than \$3,000 is practically negligible. Not having access to records of the other Boroughs, no information on this point is there available, but it is probable that in outlying districts such tracts will be found. However, eliminating this probability, the one per cent excise charge, after the \$3,000 exemption, would return \$60,530,870 for Greater New York.

In the November issue of *Tax-Bits*, publication of the Tax Policy League, the figures of land values in twenty-eight States were given as \$40,552,488,629 (with some additions and corrections made by this writer). These figures, however, give no adequate basis for estimates of revenue under our proposal, since the value of improvements in land is included; and withal fail to indicate the percentage reductions from true valuation observed by assessors in most sections. They disclose, however, a fact which may or may not have significance. *Tax-Bits* figures show 48.3 per cent of total assessed valuation as land value; New York State (Tax Commission Report, 1933) shows forty-four per cent land value; while Greater New York shows forty-seven per cent land values; Chicago shows forty-five per cent land values; Pittsburgh, forty-seven per cent and Cleveland, forty-two per cent.

Information from Massachusetts is to the effect that total land value (1932) is \$4,076,604,278 with 785,370 owners (1934). Other incomplete and inconsequential

figures have been secured and are of no particular interest until correlated with other data now unattainable.

These few fragmentary facts have been set down here for the dual purpose of preserving them for future general reference and with the hope of encouraging others similarly to collect and preserve their findings. What a wonderful opportunity is here presented for some fundamental and valuable "boon-doggling" for the "white-collar unemployed!"—GEORGE H. DUNCAN.

The California Campaign

THE fight of a decade is on today in California. Let no one mistake this. Those who most thoroughly realize it are the great landed interests of California—controlling so largely the social, economic and political conditions which prevail here; naming governors, members of the legislature and local boards of supervisors and assessing officials. These are almost unanimously united in resisting the passage of our Constitutional Amendment; which abolishes the sales tax, and progressively gets rid of all taxes on improvements and personal property, transferring the same to land values.

Already privilege is beginning to show its fangs, and attempts are being made to persuade the people to believe that if this measure goes through the State of California will be driven to the wolves; that its credit will be destroyed; that the land values will be insufficient to meet the charges upon them.

The great real estate values of the State have gained in a tremendous measure through the building up of the educational system in the State; and now, owners of these values, pocketing their gains, insist the school teachers shall support the sales tax levy, which throws the cost of maintenance of the schools upon those least able to bear it; while the recipients of the swag seek to remain untouched.

Privilege, as I have said, is showing its fangs; and Privilege is to the last degree, alarmed.

I have just returned to Los Angeles from a three-day stay in San Diego, where I spoke before five large audiences; one of which was presided over by a leading realtor who declared to those who listened to him that the Governor of the State and the State's Finance Director, whom he had recently seen in Sacramento, were alarmed lest our amendment should receive endorsement of the people; and in the present condition of the minds of a majority of the people of the State, they feared such adoption.

In a few days a convention is to be held in Sacramento, by members chosen from the select, self-constituted, real rulers of the State, which the Governor will solicit to find some way of furnishing an escape from the abolition of the sales tax, and from the substitution of what he terms the Single Tax. He will ask them to consider the most

extreme measures to this end, including creation of a transaction tax. Of course this is in itself the worst form of sales tax the State can perpetrate. By this change of front, involving the abolition of the existing sales tax, he hopes to take the wind out of our sails. That he can succeed, I think, is improbable. It is not an easy task, as military men tell us, to change front in the face of the enemy. The measure, if taken, will be obviously one of desperation, and the procedure will tend to work its own defeat.

Will we succeed or not? I do not profess to know, but if I am to judge by the actions of our opponents, I am bound to believe that with work on our part, success will be assured.

My reception the past few days in San Diego has been very gratifying, as well as the reception in Los Angeles earlier, and I am sure the same will be true as to my present return.

Among the more significant of important recent developments have been these: The State Executive Board of the American Federation of Labor has recently issued instructions to every one of the 700 subordinate Unions to appoint committees to see that every member of the organization is registered, for the express purpose of voting for our amendment. It is made the duty of such committee to inform the membership of the merits of the measure and the arguments supporting it. This, together with the determined support of some twenty labor papers, indicates the mass feeling of labor toward our measure. I may add that favorable resolutions were passed only a few days ago by the Executive Board of the Brotherhood of Railway Trainmen, which will go out immediately to the thousands of members of that organization. Last week a convention of what is known as the EPIC Democrats has been held in Los Angeles, at which were representatives from nineteen or twenty congressional districts of the State, and upon the unanimous report of its resolution committee, the 600 delegates unanimously resolved to support the measure in every possible way. This goes a long way toward success.

I am glad to see that those upon whom we rely for work in every part of the State are becoming more and more interested, determined and confident. Among those whom I have had the pleasure of meeting the past few days in San Diego, and this enumeration must be regarded as incomplete, are very effective workers in the persons of E. M. Stangland, George S. Siebert, City Councilman; Paul Richie, Epic Assemblyman; Judge Andrews, lately retired from the Supreme Court Bench; S. S. Taber, and particularly efficient among the real business men of San Diego, Henry R. Cramer. Others of equal capacity and devotion, I feel I have overlooked.

It is beyond question that our friends in Los Angeles