

note that ordinary repairs and maintenance are not reckoned in, so that a man may paint his house without fear of adding to his tax bill. Five per cent. is allowed for the owner's trouble in getting the repairs put through; and if he conducted them himself, 15 per cent. as a sort of architect's fee. He may also count four per cent. a year for whatever street assessments have been levied against him, until such time as he sells the property. He may likewise add in two per cent. a year for what he paid for improved property, and one and one-half per cent. for unimproved property; this, because a man often seems to be making a large profit on land sales when such is not the case at all. The obvious defect in all allowances is that they provide for the owner's interests when prices go against him, and do not show an equal tenderness for the welfare of the State.

From the selling price deductions are made if the owner has not made three per cent. a year, with the effect that unless the owner makes at least five per cent. a year, the tax does not touch him at all. For those who do fall within the act's scope the rates are progressive (a feature of governmental policy in taxation which is definitely accepted in Germany), running from 10 to 30 per cent., the latter rate being charged only when the owner's profits are 290 per cent. or more. The rate is reduced one per cent. for each year of tenure.

The income from the tax is divided on the basis of 40 per cent. for the city, 10 per cent. for the State, and the remaining 50 per cent. to the empire. Unquestionably the two latter organizations are entitled to a share in the revenue, contributing as they do to the landowner's welfare, but the cities feel that the empire has been greedy. The amount that will be raised is hard to predict. The expectation that it would yield ten million marks a year, on which theory a stamp tax to that amount was dropped, is sure to be disappointed because of the changes, detailed above, that have been made in the original scheme.

In general, we may call the plan fairly strong in its retroactive features, but weak elsewhere. It is not a financial

mainstay, and its principal product for some time is likely to be litigation. Needlessly complex, and not suiting city, empire or real estate owners, it is certain to be severely amended. But the principle has come to stay; and though the Single Taxers complain the law has no teeth, the truth probably is that as yet it has only cut its milk-teeth, and that a more permanent set will follow."

TAXATION OF THE UNEARNED INCREMENT IN GERMANY.

Municipal experts of Germany are united in recognizing the efficiency of taxation as a means of discouraging land speculation, of promoting house building, and of reducing the burden of local taxation. Prior to 1893, local real estate taxes in Germany were assessed against the actual rental value of property, according to the English rating system. Land in the suburbs of a city might be used as a cabbage patch: its rental value for taxation was that of a cabbage patch rather than of a building site.

In 1893 the Interior Department issued an order enabling municipalities to assess land according to its selling value, as is done in the United States. Local authorities immediately took advantage of the authorization. Within a few years 350 communities had made the change in the face of the hostility of speculators and large landowners. The revenues of these cities increased enormously. More than this, it made possible the taxation of unearned increments inaugurated by the City of Frankfort in 1904. The new tax is termed "Wertwachsteuer," or tax upon the increment of value. This is not the Single Tax, although it partakes of the character of this proposal in appropriating a portion of the social value given to land by the growth of population. Under the ordinances of Frankfort—and the ordinances, methods and rates of taxation in the cities differ widely—a tax of 2 per cent. is levied on the increase in value between sales of property if the increase between such sales amounts to from 15 to 20 per cent.; from this tax of 2 per

cent. it increases up to 25 per cent. of the profits gained by the seller if such profit amounts to between 55 and 60 per cent. If the land does not change hands a revaluation is held just the same, and the tax is imposed upon any increase which has taken place. Improved land is taxed less heavily than unimproved land. This tax has spread very rapidly to other cities and is yielding a very substantial return.

In the spring of this year the German Parliament, recognizing the obvious justice of this measure, adopted a bill unifying the unearned increment tax of the cities and appropriating a portion of its yield to imperial and State purposes. The local ordinances of the various cities are repealed by this act. Under this bill the revenue of the Imperial Government is estimated at \$6,000,000 per annum, which is approximately one-half of the total yield. Ten per cent. goes to the several States of the empire, and 40 per cent. is retained by the cities. Municipalities are authorized to increase the rate of federal taxation and retain the excess return in their local treasuries. Under this new imperial bill, ten per cent. of the land speculators' profits are taken if the increase in value amounts to ten per cent. of the value of the property. From this it rises to a rate of 30 per cent. of the profits where the increase in value amounts to 40 per cent. or more.

Municipal authorities assert that the unearned increment tax has a tendency to discourage land speculation. The burden of the tax leads to the sale and development of property and the lower rate on improved property discourages speculation still more. In addition to this, it yields a very substantial revenue; the City of Hamburg collecting \$800,000 from this source last year.—FREDERICK C. HOWE, Address at City Planning Conference of 1911.

THE *West Coast Magazine*, Los Angeles magazine, has a number of Single Taxers contributors to its issue for March, among whom are Jackson H. Ralston, J. W. Bengough and the able and indefatigable

Edmund Norton. The latter treats of the Single Tax in his usual clear and illuminating style.

DEATH OF FATHER BURTSSELL.

The death of Monsignor Richard Lalor Burtzell early in February deprives the church and the world of a devoted priest. Scarcely a month before his death he was created a prelate by Cardinal Farley whom he had accompanied to Rome.

It is nearly a generation ago that his generous espousal of the cause of Dr. McGlynn, who was excommunicated at the instance of Archbishop Corrigan, resulted in Dr. Burtzell's suspension and transfer to St. Mary Church at Roundout. There he filled his priestly functions, living to see his beloved brother in the cloth vindicated by reinstatement and dying in full possession of his churchly honors and with the love of countless men and women, a growing number, who had embraced the doctrines of Henry George, for which both had suffered.

Dr. Burtzell was one of the foremost canonical authorities of the church. If there is any Catholic reader of the REVIEW who is in ignorance of the fact, let us reiterate what we have often stated in these pages that this authority on the faith and doctrine of the Church whose motto is *Semper idem*, contended (a contention ratified by Dr. McGlynn's unconditional reinstatement) that the teachings of Henry George are in no place condemned, and that a Catholic is free to espouse them.

The funeral services were held at St. Patrick's Cathedral, and a solemn high mass at Kingston. The eulogy was delivered by Rev. Daniel Burke.

Howard M. Holmes is one of the indefatigable letter writers whose communications to the press of Cleveland keep the Single Tax before the readers of that city.

There have been many cordial meetings between W. E. Macklin and Sun Yat Sen, and others prominent in the new government of China. It is to these meetings