

of the whole country; and that local authorities should, by a new Rating Act, be required to levy a rate on site value in reduction of the rate as levied on the existing rateable value?

9. Are you in favour of the declaration made at the November 1921 Conference of the Scottish Liberal Federation that the value which attaches to land apart from improvements is the natural and proper source of public revenues, and that rates and taxes should be levied on the value of land, apart from improvements, whether the land is used or not?

10. Do you agree with the opinion expressed by resolution at the November 1921 Conference of the Scottish Liberal Federation that the Taxation and Rating of Land Values would make land and minerals more accessible, would stimulate trade and employment, and cheapen houses?

11. Do you agree with the declaration of the Scottish Liberal Federation at its annual meeting in November 1921 in favour of the Taxation of Land Values, in which Liberal leaders are urged to make a definite pronouncement on that policy, and give it a prominent place in any programme?

Ask Labour Candidates

12. Do you agree with the resolution adopted at the annual conference of the Labour Party in Manchester, January 1917, calling on the Government to impose a direct tax on land values, and affirming that such a tax, in addition to providing a large amount of revenue, would open up the land to the people, increase the production of home-grown food, and thus materially reduce the high cost of living, tend to raise wages and lessen the evil of unemployment?

13. Do you agree with the declaration made by the Trades Union Congress at each of its annual meetings since 1917, that the Taxation and Rating of Land Values would yield large revenues, give all desiring the use of land access to it on more reasonable terms, and thus materially assist in opening up opportunities for employment and raising the economic status of the workers as a whole?

14. Do you support and will you promote that part of the policy outlined in the pamphlet, "The Labour Party and the Countryside," which favours the rating and taxation of owners of land values in relief of occupiers, declares against increased taxation on occupiers who effect improvements, and demands a drastic revision of the entire system of assessment and rating so as to bring directly into contribution to both national and local burdens those who now derive rentals from land or who keep land out of use having a marketable value?

15. Do you stand by Mr. Robert Smillie in his recent repeated declarations, that the Labour Party should concentrate upon the land question, and make the public realise that it is in real earnest about it?

Ask some of these questions yourself Get your friends to ask others

Interesting mining royalty figures were revealed in connection with the Dunnikier mineral field in Fife in a rating appeal case disposed of by the Lands Valuation Appeal Court on 7th January. The field is being worked by the Fife Coal Company. The total output for the year ended October, 1920, was 86,201 tons and the royalties paid to the owner of the field, Colonel St. Clair Oswald of Dunnikier, amounted to £4,559 15s. 7d., being at the rate of 1s. 0½d. a ton.—DUNDEE COURIER report.

THE PITTSBURGH PLAN

Most Progressive System of Taxation in America

[From a Printed Circular published by the Allied Trade Boards of Allegheny County, Pittsburgh.]

As in biblical days surprise was expressed that any good thing could come out of Nazareth so to-day it will doubtless surprise many people to know that a splendid system of taxation exists in that boss ridden City of Pittsburgh located in that stronghold of political reaction—the State of Pennsylvania.

It exists as the result of an effort to correct the system of assessing large tracts of property held out of use for speculation as "agricultural" and charged one-half the tax rate, and "houses surrounded by trees and shrubbery" as "rural" at one-third the tax rate, which was abolished in 1911. Interest created in taxation methods by this movement, and especially with the aid of a progressive mayor (W. A. Magee elected Mayor again in 1921) the system of reduced taxes on improvements was adopted in 1913. The city benefited greatly from this system and it has the enthusiastic support of all classes of citizens except, perhaps, the owners of vacant land. They constitute much less than 5 per cent. of the population of any city so the system measures up to that fundamental axiom of democracy—the greatest good for the greatest number.

WHAT PITTSBURGH DID

What has become known as "The Pittsburgh Plan" exists under special legislation covering only second class cities—Pittsburgh and Scranton—and has proven of such value that the third class cities of the state are endeavouring to have the legislature extend the system to them and it will doubtless be extended throughout the state before many years have passed. Philadelphia is also "taking notice."

This law is locally referred to as the "Graded Tax Law," was enacted in 1913, and has aroused the greatest interest. It provides that the municipal millage on buildings, as compared with that on land, shall be reduced 10 per cent. for the years 1914 and 1915, and an additional 10 per cent. each third year thereafter, until the millage on buildings shall be 50 per cent. of that charged on land. In 1925 and thereafter buildings will only pay half the millage charged on land.

THE RESULTS

The Graded Tax Law was much needed, as owing to wild speculation, land values in Pittsburgh had been boosted beyond all reason and were preventing new plants from locating the city. It was thought that this law would stimulate building and would have a tendency to prevent further land inflation, all of which has been borne out by experience.

Most cities since the war have had considerable land inflation, while Pittsburgh land values remained stationary and in many instances declined so that the land values of competitive cities are now equal to or higher than those in Pittsburgh, which will insure Pittsburgh a greater growth during the present decade than it enjoyed during the last decade, owing to its prohibitive land values. Large landed estates held intact for several generations, with a fixed "no sale" policy, are now glad to sell land at reasonable prices.

The benefit of the Graded Tax Law is most clearly demonstrated by the stimulation it has given building, and when selfish interests attempted its repeal, the Pittsburgh Chamber of Commerce and all other civic bodies came to its defence although many of them had originally opposed it.

Owing to the stimulus of this law, the amount of Pittsburgh building permits per 1,000 of increased population,

from 1914 to 1920 inclusive, exceeded those of her competitive cities as follows:—

25 per cent. more than	New York
57 "	St. Louis
66 "	Philadelphia
66 "	Cleveland
87 "	Buffalo
186 "	Detroit
238 "	Baltimore

The favourable experience with the Graded Tax Law has caused a strong movement for the abolition of all taxes on buildings and the Allied Boards of Trade of Allegheny County are now proposing such a programme, which has the support of many organizations—civic, labour, etc.

New York City got quick results from its law abolishing all taxes on new residences for ten years, 1921, building being 300 per cent. of 1920.

Land value is a dead load on both labour and capital, and it will never be known how great a measure of industrial prosperity is really possible, until the burden of taxation is removed entirely from the personally-created values of industry and enterprise, and placed where in all equity it belongs, on the community-created values of land.

HOW THEY LIKE IT

Representative Pittsburgh firms speak as follows regarding the "Pittsburgh Plan."

Westinghouse Electric and Manufacturing Company: "Exemption of machinery, raw materials and other personal property is just and reasonable. The graded tax on real estate has also proved very satisfactory."

National Fireproofing Company: "By reason of the very liberal municipal tax laws, manufacturing industries thrive and prosper."

American Bridge Company: It induces corporations to improve their manufacturing facilities and tends to the growth of industry.

H. J. Heinz Company: "Popular with the taxpayers, encourages the improvement of vacant land—sound in principle and advantageous in operation."

Armstrong Cork Company: "Beneficial effect upon industry—approval of citizens generally—the most practical method for solving the housing problem."

Waverley Oil Works Company: "Pittsburgh manufacturers have a tremendous handicap over manufacturers in other states."

Pittsburgh Building and Loan Association officials state as follows:—

- "Reduces tax on houses."
- "Is generally approved by B. & L. investors."
- "Encourages people to become home owners."
- "Breaks up large land holdings."
- "Hastens the improvement of unused land."
- "Encourages smaller homes for working people."
- "Reduces tendency to land speculation."

Pittsburgh Realtors say:

- "Certainly a good thing for Pittsburgh."
- "Pittsburgh Real Estate Board endorsed the law."
- "Most rational system of taxation in the country."

THE LAW

Pennsylvania Laws of 1913, page 209, No. 147

For Cities of the second class (Pittsburgh and Scranton)

Art. VI. *Department of Assessors.* They shall classify all real estate in the city in such a manner, and upon such testimony as may be adduced before them, so as to distinguish between buildings on land and the land exclusive of buildings, and to certify to the councils of said city the aggregate valuation of city property subject to taxation. It shall be the duty of said councils, in determining the rate—for the years 1914 and 1915 to assess a tax upon

the buildings equal to nine-tenths of the highest rate of tax required for said years; and for the years 1916, 1917 and 1918, to assess a tax upon the buildings equal to eight-tenths of the highest rate of tax required to be assessed for those years; and for the years 1919, 1920 and 1921, to assess a tax upon buildings equal to seven-tenths of the highest rate of tax required to be assessed for those years and for the years 1922, 1923 and 1924, to assess a tax upon buildings equal to six-tenths of the highest rate of tax required to be assessed for those years; and for the year 1925 and for each year thereafter, to assess a tax upon buildings equal to five-tenths of the highest rate of tax required to be assessed for the year 1925, and for each year thereafter, respectively, so that upon the said classes of real estate of said city there shall, in every year, be two rates of taxation. Approved 15th May, 1913.

WHAT THEY PROPOSE

Resolutions adopted by the Executive Organizations of the Allied Boards of Trade of Allegheny County, Pennsylvania.

Resolved: That we prepare and introduce in the Pennsylvania Legislature and urge for speedy passage the following bills.

First: A bill or amendment to what is known as the "Pittsburgh Graded Tax Law" which will immediately reduce the tax on all buildings or improvements on land to 1 per cent. of the amount levied on land.

Second: A bill or amendment which will give counties and school districts the right to vote on the proposition of reducing their tax on all buildings or improvements on land, live stock or machinery to 1 per cent. of the amount levied on land.

This plan will result as follows as compared with equal millage on both land and buildings.

Vacant land will pay	60%	Higher taxes
Land with 30% in buildings will pay	23%	" "
" " 70%	" "	same taxes
" " 100%	" "	20% Lower taxes
" " 200%	" "	47% " "
" " 300%	" "	60% " "
" " 700%	" "	80% " "

A \$600 lot improved with a \$4200 house would pay a total of \$144.00 on a 30 mill tax levied in the usual manner while under the plan proposed above the tax would be only \$28.80 or a saving of \$115.20 a year or almost \$10.00 a month.

FROM OUR BOOKSHELF

(Postage extra as shown in Brackets)

Progress and Poverty. By HENRY GEORGE. Bagot Edition: Paper, 4d. (3d.); cloth, 2s. (4d.); Everyman Edition: Cloth, 2s. 6d.; reinforced cloth, 3s. 6d. (5d.) Kegan Paul Edition: Paper, 2s.; cloth, 3s. (5d.)

Protection or Free Trade. By HENRY GEORGE. Paper, 6d.; cloth, 1s. 6d. (4d.).

Social Problems. By HENRY GEORGE. Paper, 2s.; cloth, 3s. (5d.).

A Perplexed Philosopher. By HENRY GEORGE. Paper, 1s.; cloth, 1s. 6d. (5d.).

The Law of Human Progress. By HENRY GEORGE. Cloth, 1s. (3d.).

"Moses," and the "Crime of Poverty." By HENRY GEORGE. (Presentation Copy.) Cloth, 6d. (2d.).

My Neighbour's Landmark. By FREDK. VERINDER. Paper, 1s. (2d.); cloth, 2s. (3d.).

Land Value Rating. By A. W. MADSEN, B.Sc., 1s., post free.

Is there a Cure for Unemployment? By FREDK. VERINDER. 3d.

Obtainable from

THE UNITED COMMITTEE FOR THE TAXATION OF LAND VALUES

11, Tothill Street, London, S.W.1