

quarter. A parliamentary paper, issued during the week, contains translations of Prussian official documents telling of the introduction and results of a scheme of assessing real estate on the basis of market value for local purposes. The report states that 'practical experience has confirmed the view that this principle of valuation, in many instances, especially in districts with rapidly increasing population and concurrently increasing ground value has had the effect of materially decreasing the burdens of those entitled to considerate treatment by enabling a heavier assessment to be placed on those capable of bearing it.' That is good; but the report goes on, 'In large towns, developing suburbs, and in industrial districts, where there is a great demand for building sites, speculating induces owners to keep suitable plots out of the market; and in such cases a high taxation of such land is calculated to counteract an unhealthy increase in price.' The contributions obtained under the new system have been, it appears, just what we should expect—viz., in some cases fifty times as great as those under the old. In one case land not built upon paid only 3 per cent. of the local taxes on real estate. Under the new system it paid 36½ per cent. and this led to a diminution of the proportion assessed on buildings from 97 per cent. to 63½ per cent. \* \* \* The basis of the assessment as we have pointed out is the market value of the real estate \* \* \* and every owner of real estate is called upon, under penalty, to give the necessary information in writing, though the assessment authority need not be bound by it."

Surely in the face of such evidence as this the landless multitudes of these Islands have only to mark, learn and inwardly digest the facts of the case to see clearly their grand opportunity of breaking through once and forever that thralldom under which they have remained so long enslaved.

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#### GERMANY.

GREAT PROGRESS IN THE EMPIRE—SINGLE TAXERS PROCEEDING DIFFERENTLY BUT QUITE AS EFFECTIVELY AS IN OTHER COUNTRIES—LEGISLATIVE ADVANCES IN OUR DIRECTION IN MANY MUNICIPALITIES.

To fully understand the development the principle of taxing land values has taken in Germany, it is necessary to get acquainted with some of the leading features of our national life.

It will surprise a great many to learn, that the system of home rule is scarcely anywhere more developed than in Germany, and that our towns, boroughs and villages enjoy a degree of self government which

will be difficult to match in any other country.

Each of the 26 federal states has its own parliament, each province its own diet, each county its council, and each municipality, down to every small village, its representative body with full powers to levy taxes within certain limits, and these are so liberal that in Prussia, each municipality has the right of taxing land values.

As in ancient times all land in Germany was considered common property, we have many towns and villages which through centuries have stuck to it with great stubbornness, and which now enjoy the benefit thereof by being free from any other taxation. There are some places, like Freudenstadt in Wurttemberg, Gernsheim in Hessa, Hagenau in Elsas, where people not only pay no taxes, but get something into the bargain.

Besides most of our states own large areas of wood lands and agricultural estates. From these Prussia alone derives an income of about 20 millions of dollars, and as almost all railroads are state owned property, leaving a yearly revenue of about 150 millions, Prussia can boast of being one of the very few states which have no public debt in the general meaning of the word; i. e., a debt without assets. The revenue from state owned property far exceeds the interest on the public debt.

Considering this, and further that the majority of our municipalities control the traction service, gas, water and electric power supply, in fact everything that bears the character of a monopoly, it is evident that the Single Tax movement in Germany has to follow different lines than in the United States and England.

In the United States you still have the huge struggle before you of solving the question of the railroad and other traction monopolies; we have passed that stage long ago; in England they have to fight for the power of the municipalities to tax land values; we already have that power. Therefore our main object is to teach people to make use of it.

Now as freehold property is the predominant feature in German land tenure, and as the country is divided into innumerable small holdings, it is evident that our proposal to shift taxation from labor to ground rent would meet insurmountable opposition if we should advocate any radical measures. Our mode of procedure therefore has been to introduce the thin end of the wedge and try to convince people of the folly of the principles hitherto followed and to induce them to give the system of taxing land values a fair trial.

So far more than 380 communities have started to do so, beginning slowly with 3 to 4 per cent. upon the capital value of the land, and so it happens that voters are almost unanimous that a juster basis of taxation has been found than heretofore. We

do not overrate this success, but we also do not underestimate it. Abuses in taxation that have grown up through centuries cannot without great hurt to many be eradicated by a single measure, but can only be pushed back by steady and persistent counteraction.

Knowing the tedious character of this process, we have meanwhile introduced and are advocating another action. Arguing that it will take some time to regain part of the ground rent of the past, and that it therefore would be well to save at least the ground rent of the future, we are propagating the idea of taxing the increased increment apart from the tax on land values, and so far the following not unimportant towns have introduced this measure: Frankfurt-am-Main, Cologne, Essen, Dortmund, Gelsenkirchen, Hanau, Nauen, Kreuznach and Weissensee, whilst Berlin is at this moment discussing the question.

To show the mode of procedure, I quote Cologne as an example:

10 per cent. of increment is free from taxation.

10 to 20 per cent. increment is subject to a tax of 10 per cent.

20 to 30 per cent. increment, of 11 per cent.

30 to 40 " " " 12 "

and so on up to 25 per cent. maximum.

Improvements made by the owner and a transfer fee of 5 per cent. may be deducted, as well as 4 per cent. interest on building sites (the latter a measure we do not approve of).

For the purpose of hitting speculators in landed property harder than bona fide ownership the tax is only levied in full, if the transfer of property falls within a term of 5 years. If from 5 to 10 years elapse between purchase and sale, only two-thirds of the tax has to be paid, and only one-third if the act of purchase dates back more than ten years.

Of course, this is also a very mild form, but it is a beginning, and the combination of this tax with that on ground values has had one great advantage. While hitherto people valued their sites as low as possible, in order to avoid the land tax, they now complain of not being assessed high enough, so as not to fall within too heavy a tax on the increased increment when they sell out. By this also the municipalities have the advantage of gaining on both sides.

The fact that the power of taxing land values rests with our communities, is also of great avail to the propagation of Single Tax principles, because in every town where this new mode of taxation is mooted, our friends have a splendid opportunity of explaining the justice of our cause and of the Single Tax principle in general, as well as extending the circulation of our literature.

Thus it is, that public opinion with us is already to a great extent permeated with

the consciousness of the paramount importance of the land questions in public affairs.

When the Prussian government proposed to build a canal, leaguings the Rhine with the Elbe, we urged it to do so on Single Tax principles, *i. e.*, not only to expropriate the land necessary for building the canal, but also the adjoining lands, thus securing to the nation the full advance in land values sure to follow upon the construction of this important waterway. By this mode a regular Single Tax colony would have been formed right in the centre of Germany, and if the *whole* scheme has not been realized, we have at least succeeded so far that the Prussian Diet has empowered its government to expropriate such lands as it should deem necessary to acquire to check the land grabbers, and wherever it should deem proper to do so in the public interest. Now it will depend upon the executive how far this expropriation scheme will be realized. A public petition just forwarded by our League, urging the government to make use of these powers as amply as possible, has been signed in a short time by more than 75,000 people of all classes.

Also other German governments follow on similar lines. Thus Wurttemberg has declared all untouched deposits of mineral salts public property, and the Duchy of Anhalt has put a tax on mining rights of \$1 a year for each grant of 4,000 square meters, so as to force people either to make use of their grants or to abandon them.

In Switzerland they are contemplating the wisdom of declaring all water power not yet used public property.

Thus everywhere our ideas are spreading. Large corporations have of late joined our League as corporate members, such as workmen's unions, clerks' unions, etc.; even whole communities of the old imperial city of Vienna.

These rapid strides have been chiefly made since we laid less stress upon propagating our theories than upon showing what they mean translated into dollars and cents. Of course this means more work in detail, and sometimes it may appear that the achievements are insignificant, as indeed they are when compared with our great final aims, but we must not underestimate the value that lies in slowly educating public opinion upon all these small occasions, touching people's personal interest with new ideas and changing the tendency of fiscal laws. For as a wise man said, there is no force so mild and at the same time so strong as a tendency.

Upon this background the Single Tax movement in Germany must be judged, and I trust that further details from here may not be uninteresting to your American readers, notwithstanding the difference between your and our way of procedure.

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