

gets his recreation," is infinitely less imperative than to get off his back, the workingman might be in better form himself to make his home cleaner and brighter and to get his own recreation. The sympathy of the beneficiaries of privilege for the sufferings of its victims is not unlike the sorrow of the—

considerate crocodile
Which lived on the banks of the river Nile.
He lifted his eyes with a look of woe
While his tears ran down to the stream below.
"I am mourning," said he, "the unhappy fate
Of the dear little fish which I just now ate."

Mr. Lyman J. Gage, secretary of the treasury in McKinley's cabinet, has made a discovery in economics. He has discovered that land, labor and capital have in themselves no wealth-producing power, but must be supplemented by "ability"! It would be interesting to know what Mr. Gage imagines "labor" to be, since he finds it necessary to introduce "ability" as a fourth factor in production. He is not a man given to piling up words needlessly. Yet the term "labor" comprises all that he intends to imply by "ability." It is probable that what he means by "ability," is not ability in itself, for all grades of labor—even the lowest grade of the unskilled—must possess the ability to accomplish what it labors to do; he probably means organizing and managing ability. But this form of ability falls into the general category of "labor." It is only when subdivisions are necessary or convenient that it is proper to distinguish "managing labor," "organizing labor," or skilled labor" of any kind from labor commonly called unskilled. As a productive force all labor is one force, whatever its variety of expression, from coal bearer to engineer and thence to captain of industry; just as, on the other hand, all land is, as a productive opportunity, one opportunity, whatever its variety, from hard scrabble farming land to city building land that sells at the rate of ten millions the acre. In the language of the man in the street Mr. Gage "has another guess coming." If he makes that guess out of the ability of his own head, and

the richness of his own experience as a man of affairs, instead of tangling his thought in the fancies of some economic word-builder who puts forth a different name as a different thing, Mr. Gage's last guess will doubtless be very much better than his first.

LAND VALUE IN FARMS.

A gratifying degree of interest has been manifested in the striking fact brought out by the recently published assessments in New York city under the new law which requires the placing in separate columns of the land valuation and the total valuation respectively of each parcel. The public journals have commented on the stupendous and almost inconceivable value attaching to land on Manhattan island, and rural land owners have been forcibly impressed that from the standpoint of land value their farms, with all their vast and conspicuous areas, really cut but a very insignificant figure.

One idea which has frequently found expression, particularly in oral discussions, is to the effect that these enormous taxable values in mere sites ought to be in a sense and to an extent public property. It is hardly to be doubted that as other cities come to adopt the separate assessment plan, as in the interest of equity and good policy they are bound to do, the minds of thoughtful men will turn more and more to the land values thus brought to light as a basis for special assessments in case of such public improvements as cannot be claimed to be of perceptible benefit, pecuniarily or otherwise, to the tenant farmer for instance, or the day laborer.

It has generally been assumed that land-owning farmers, of whom the writer is one, would stand firmly in the way of singling out land value as a subject for special taxation. This assumption clearly involves the further assumption that land value taxation would injure the farmer, and must stand or fall with it. No considerable class of men, we may claim without undue arrogance, have a better capacity or better opportunities for finding out facts that concern their pecuniary interests than we have. We are

coming to be pretty well organized in most of the States, and we have free mail delivery to a considerable extent. A number of facts may be cited to show that up-to-date views even on taxation have been making considerable progress among us. The doctrine that "all property should bear its just burden of taxation,"—that is, should go on the tax list,—though not yet obsolete, is by no means so conspicuous as it formerly was in our Grange resolutions and official utterances. The "listing system," once so popular where it had not been tried, is now seldom asked for, and few among us are so unwary as to speak publicly in its praise. We feel a growing suspicion that our mortgage tax, while a monumental failure as a revenue raiser, is too much of a success as a raiser of interest rates on farm mortgages. And we yield to none in the loudness and vigor of our objections when our assessments are increased by reason of new or newly painted houses and barns.

Finally and seriously, we feel that rural production and consumption figure largely among the causes which give rise to the enormous taxable site values of populous centers; and while we fully appreciate the fact that much is being done for our pacification in the way of school and highway appropriations, public instruction in agricultural science and the like, we believe that we have, notwithstanding, a right to desire and to seek by all proper means a still more just distribution of the burdens and benefits of public expenditure between city and country. And as we come to more fully realize the impracticability of reaching by taxation the vast personal possessions, tangible and intangible, held in cities, our attention is hopefully attracted to comparative real estate values and assessments. The notorious undervaluation of unimproved lands in cities and suburbs, and even in our neighboring villages, is a matter of discussion among us, and the subject of proportionate land values in urban and rural communities possesses a growing interest.

In view of the above and other considerations the United States Department of Agriculture began

several years ago an investigation for the purpose of ascertaining the facts regarding farm values and assessments, including the proportion of land value to the total value, in the farms of certain sections of the State of New York. The results of this inquiry, as far as available at the time, were published by the Department in an official document entitled "Local Taxation as Affecting Farms." It had a considerable circulation and was widely known and quoted as "Circular No. 5."

This little pamphlet will repay careful study on the part of any farmer, good roads advocate, or other person deploring the drift of young people from country to city, and feeling the need of some practical means of increasing the advantages and attractions of rural life without adding to the heavy burden of local taxation on farms. Space will not allow of extended quotation, but it may be stated that 1,114 farms are covered by the report (Table 2, page 13), having a total real estate value of \$7,257,802, and an unimproved land value of \$2,842,192, or 39.2 per cent. of the total value. This 39.2 per cent. of land value is compared (page 9) with the only corresponding urban statistics then available, namely, those of Boston, whose assessments showed a proportion of land value to total value of 58.1 per cent. Accepting these as fair averages for country and city, the conclusion stated (page 11) was that a farming community having an equal total real estate value with a city community under the same fiscal authority would pay 19.4 per cent. less than one-half the common tax levy if land value, instead of total value, were the basis of assessment, the city, of course, paying correspondingly more than one-half.

The Greater New York assessment tables show a land value for the entire area equal to 77 per cent. of total real estate value (see The Public, vol. vi, p. 690). Detroit, which has also honored her civic judgment by adopting the separate assessment plan, reports 59 per cent. of land value to total value. It may, therefore, be assumed that the 58.1 per cent. of city land value employed in Circular No. 5 is not too high, and it is

the purpose of this article to show, among other things, that the 39.2 per cent. of farm land value is by no means too low as regards the great majority of farms in the sections examined.

The writer is in possession of duplicates of all the work done by one of the Department agents employed in collecting the data for "Circular No. 5," a large part of which was omitted through clerical carelessness from the report as originally published. An examination of these duplicates, whose figures cover a considerable area of good back-country farming land in the counties of Cattaraugus and Chautauqua, State of New York, as well as some very choice locations in the Lake Erie grape belt, has suggested some further interesting tabulations.

The 892 farms are first classified according to value, the basis of classification being the value per acre, as noted in the proper column of the official blank, of the cultivated portion of each farm, exclusive of buildings. This value in class I is \$50 and upwards; in class II, \$35 to \$50; and in class III, \$35 and less.

Table 1 shows the number of farms in each class by townships, and it is to be noted that the aim of the examiner was to take sample valuations from the best, the poorest, and the average, farming sections respectively of each township.

	Class 1.	Class 2.	Class 3.
Chautauqua County.			
Hanover	19	2	6
Sheridan	20	1	5
Dunkirk	13	—	—
Pomfret	20	3	1
Portland	14	1	5
Westfield	18	—	5
Ripley	10	2	5
Mina	—	—	19
French Creek	—	—	18
Clymer	1	2	11
Sherman	3	1	17
Chautauqua	7	5	12
Stockton	—	—	25
Charlotte	—	1	27
Arkwright	—	1	22
Villanova	—	—	29
Cherry Creek	—	—	21
Total	125	19	228
Cattaraugus County.			
Perryburg	9	3	10
Dayton	—	3	16
Otto	—	3	13
Leon	—	2	16
Persia	—	—	14
New Albion	—	5	14
Coldspring	—	2	18
South Valley	—	—	15
Red House	—	—	18
Carrollton	—	—	15
Ellicottville	1	1	13
Mansfield	—	2	16
East Otto	2	2	13
Ashford	—	7	14
Yorkshire	—	7	13
Franklinville	6	5	6
Lyndon	—	1	21
Ischna	—	2	33
Humphrey	—	—	30

	Class 1.	Class 2.	Class 3.
Allegany	5	10	8
Olean	8	9	1
Portville	2	3	24
Hinsdale	—	6	22
Machias	—	2	13
Farmersville	1	1	14
Freedom	—	16	6
Total	34	90	306
Grand total	159	109	624

It will be noted that the farms whose cultivated land without buildings is worth \$50 and upwards per acre constitute a trifle more than one-fifth of the total number of farms. More than one-half of the townships show no farms of this class, though this does not in every case indicate that none exist in the township, but only that the examiner, taking at random half-a-dozen farms in the best section, nearest the principal village as a rule, failed to hit upon land so highly valued. Classes I and II together make up less than one-third the whole, and it may be stated, as a matter of knowledge on the part of the writer, that good arable land in western New York, in localities not traversed by railroads and distant three miles and upwards from stations, is very rarely valued at more than \$25 an acre without buildings, while hillside pastures sell at from \$5 to \$10. It may, therefore, be safely asserted that class III, for all the purposes of the following table, typifies a grade of farms considerably above rather than below the general average of the prosperous rural townships of that section of the country.

Before presenting table 2 it may not be amiss to state that land value, as explained in "Circular No. 5," does not in all cases mean the value of the bare land in its actual state, but in its unimproved state, without advantages of any kind due to the application of recent labor. As a forcible illustration, suppose a farm lately cleared in the midst of a marsh or the wilderness of an abandoned timber tract. In such a case the land value would be no greater than the value of an equal area of the surrounding waste to which no labor had been applied. It might be \$5 an acre, while the actual farm was worth \$25 an acre or more; and it may well be supposed that land value instead of total value as a basis of tax assessments could have no terrors for the industrious and enterprising

owner of such a farm. But ordinarily, as in long settled and well improved localities, the difference between land value and the value of bare land is much less, though seldom if ever quite imperceptible.

Table 2 shows the proportion in the three classes respectively of land value and of actual assessments to total real estate value.

	Class 1.	Class 2.	Class 3.
Chautauqua County.			
Number of farms....	125	19	228
Per cent. land value of total value.....	55.1	40.6	34.0
Per cent. assessment of total value.....	36.0	44.8	56.4
Cattaraugus County.			
Number of farms....	34	90	396
Per cent. land value of total value.....	55.4	43.0	37.5
Per cent. assessment of total value.....	47.9	57.9	60.4
Chaut. and Catt. Counties.			
Number of farms....	159	109	624
Per cent. land value of total value.....	55.1	42.7	36.2
Per cent. land value of total value.....	38.0	56.0	58.9

It is often stated, as a general rule, that, taking any section of inhabited country as a whole, the land values are reflected in the improvements, the two divisions being substantially equal. But such data as are thus far available to throw light on the subject go to prove that as civilization and social development proceed land values tend to increase faster than improvement values, and from being considerably less to become correspondingly greater. Whether this follows from the natural order of social growth or is the result of institutional and artificial causes may be an academic question, but the fact itself undeniably demands practical consideration.

The further interesting fact indicated in table 2, that, other things being equal, the most intelligent and conscientious assessors tend in their estimates to come nearer the actual value of small and low-priced than of large and high-priced properties, seems to be due to a mysterious, but everywhere obvious principle of our logical processes. The irresistible conclusion is that, in view of this principle, and pending its scientific explanation, our tax laws and systems ought to be wisely and carefully readjusted, to counteract, as far as possible, rather than to foster and encourage, the injustice, not to say cruelty, involved in its operation.

Returning to the general showing of the table, we see that as

the proportion of land value falls from class to class, the proportion of actual assessment rises, as if the rise, equally with the fall, occurred in accordance with an irresistible law. The same tendencies are very noticeable in "Circular No. 5," although shown in separate tables and without the emphasis given by the classification of farms according to value. Take, for instance, Red House and South Valley, near the Cattaraugus Indian reservation, on the one hand, and on the other Portland and Pomfret, in the beautiful and fertile Chautauquan grape section. (Tables 4 and 6).

	Red House..	South Valley.....	Portland.....	Pomfret.....
Per cent. land value of total value.....	24.7	23.2	43.2	50.0
Per cent. assessment of total value.....	41.6	36.0	33.2	36.2

Such facts as these are worthy the serious attention of Patrons of Husbandry, as well as of all in whatever walk of life who are interested in just taxation. They should go far to dispel what may remain of prejudice against special land value taxation and against local option with a view to such taxation, showing, as they plainly do, that rural land owners have nothing to fear, but much to hope for, from a recognition of the justice and availability of this source of additional public revenue.

They should, furthermore, rally the mass of farmers to follow the good example of New York city and demand assessments at full value and separate valuation of land and improvements.

In connection with these reforms the Purdy plan of apportionment deserves a word of earnest commendation as a desirable and probably a necessary preliminary measure. This plan, named for the indefatigable secretary of the New York Tax Reform Association, is embodied in a bill presented to the legislature of that State by Senator Elsberg. It provides that the apportionment of State tax among the several counties shall be according to local revenue (aside from that applied to public schools), instead of according to local assessment valuations; thus entirely disconnecting

the methods of assessment in the different counties from their quota of the general tax levy, and obviating the necessity of expensive State supervision of local assessments. One county might tax all property at 40 per cent., another real-estate alone at 70 per cent., and a third land alone at full value; and all might make any change desired in their basis or their rule as to percentage without affecting their apportionment, which would be according to the amount of revenue they raised for local purposes, other than schools, without reference to their manner of raising it. The same system could be applied equally well to the county tax levied on the different townships, and, besides the saving in log-rolling and wire-pulling by members of the board of supervisors, would furnish added incentive to vigilance on the part of local tax-payers by making the county tax to an extent the penalty for extravagance and mismanagement of the public funds, and not, as now, a fine upon honesty and conscientiousness in the public service of assessment. With the Purdy plan of apportionment in operation, full value assessments, as well as other tax reforms, would be greatly facilitated and any injustice between localities during the progress of the change obviated.

The entire range of topics relating to taxation, assessment and apportionment, in all their bearings, but especially with reference to comparative real estate assessments and land values in city and country, are here earnestly commended, by one of their own class, to the attention of land-owning farmers whose interest and influence in these subjects are so great. The principles of taxation and the effects of its various forms, while not difficult of comprehension when carefully and candidly considered, are still not obvious to the casual thought, but quite otherwise. That to tax evidences of debt is to tax debtors and not creditors, that a tax on vacant lots makes them cheaper, while a tax on merchants' goods makes them dearer, are truths plain enough when once pointed out. But how many of us would ever have discovered them independently? Of all the great public

questions that appeal to us at this time, none calls more urgently for examination and discussion than how to employ most equitably and to the greatest general benefit the mighty and far-reaching power of taxation.

E. P. ROUNSVELL.

EDITORIAL CORRESPONDENCE.

BUFFALO.

Buffalo, N. Y., July 31.—On the 25th the mayor signed the local public opinion ordinance which had been passed on the 11th and 12th by the two houses of the Buffalo common council. This ordinance is patterned after the Illinois public opinion act. It provides that when five per cent. of the voters petition for the submission to the people at a general election of any question of public policy, or when the common council by a majority resolution orders it, the question shall be submitted. Not more than three questions may be submitted by petition, however, in any one year.

The ordinance is a result of the activity of the Referendum League of Erie county, of which Lewis Stockton, upon whom has devolved most of the work, is president. Last fall, when Mr. Stockton was elected president of the League, he made an aggressive campaign by the distribution of literature and the questioning of candidates for office. All the local candidates for the assembly (the lower branch of the State legislature) save one, professed to favor the two bills the League had prepared—one a public opinion law for Buffalo, and the other a compulsory referendum law on Buffalo franchises. All the candidates for councilman (one of the two houses composing the common council of Buffalo), and nearly all the candidates for alderman (the other house of the common council) also gave favorable replies to the League's questions. The public opinion bill was indorsed unanimously by the then existing common council, and the referendum bill was indorsed by the chamber of commerce on a referendum vote. The president of the street railway company, who is an influential member of the chamber of commerce, worked very hard to defeat this latter indorsement, but failed. Both bills were indorsed by the labor organizations.

But neither bill passed the legislature. The explanation was that George A. Davis, one of the two senators from Erie county and a member of the committee on cities, to which the bills were referred, refused to allow them to be reported back to the senate.

As soon as the legislature adjourned Mr. Stockton presented to the common council the public opinion bill, in the form of an ordinance, and asked them to pass it, under their general authority, contained in the city charter, to pass ordinances for the good government of the city, and under a section of the general election law which requires the election officials to put upon the ballots any question submitted to the voters of the State or any subdivision of the State. A hearing was had by the committee on ordinances and a large number attended. About 15 men spoke in favor of the ordinance, some of the speakers being the most prominent business and professional men in the city. There was no opposition and the matter was referred to the corporation counsel for his opinion on the legality of the proposed ordinance. He advised that the common council had the power to enact the ordinance. He did not think, however, that the election officials, who are mostly county officers, could be required to place the questions on the ballot. Yet he recommended that the ordinance be passed so that the question might be tested in the courts. It was accordingly passed, and has been signed by the mayor as stated above.

The League therefore proposed a resolution for the common council to adopt, providing as a question for submission to the voters, that the schoolhouses be opened for citizens to hold meetings in to discuss public questions. The aldermen refused on the 25th to adopt this resolution without a reference to committee. That means that probably it will not be passed in time for the next election, for it must be passed by the common council two months before the election, and the common council has now adjourned until September. If the League wish to have the public opinion ordinance passed upon by the courts this year, they must procure a petition of about 3,500 names for the submission of a question under the ordinance, and file the petition before September 8. This would not be difficult under ordinary circumstances, but as August is the vacation season, when most of the League's workers are away, it may be neglected. But local interest in the referendum idea has wonderfully increased.

ALBERT H. JACKSON.

NEWS

Week ending Thursday, August 4.

What is believed to be in all probability the decisive battle of the Russian-Japanese war (p. 265)

has been in progress in the region of Haicheng and Liaoyang since the 23d. It has been a double movement of the Japanese, with Haicheng for one objective and Liaoyang for the other, yet with a common purpose. The Haicheng or left wing of the movement is led by Gen. Oku, and the Liaoyang or right wing by Gen. Kuroki.

Advancing westward from Kiaotung (p. 265) by two roads, Gen. Kuroki has driven the Russians out of Yangtyuling on the southern road line and out of Yashulintzu on the northern road, points about 26 miles apart and 30 miles east of Liaoyang. These points were secured by the Japanese on the 2d, when the Russians withdrew westward to Anping.

Meanwhile Gen. Oku advanced upon Haicheng. Fighting began on the 23d at Tatchekiao, a point on the railroad to the south of Haicheng. Tatchekiao was soon evacuated by the Russians, and on the 29th Gen. Oku had swung his force eastward and attacked Simucheng, which he captured on the 31st. Haicheng itself fell on the 3d, and the Russians withdrew back of the defenses of Liaoyang, which they still hold.

These defenses are Anshan-shan, on the railroad and south of Liaoyang; Liandiansian, to the east of the railroad and southeast of Liaoyang; and Anping, to the east of Liaoyang. The Russian line stretches in front of Liaoyang in a semicircle, touching those three points; while the Japanese enveloping movement, now completely unified, with Liaoyang for the objective, is pressing on.

By some correspondents it is believed that the Russians are retiring farther north to Harbin, the junction where the Russian railroad diverges southward to Port Arthur and eastward to Vladivostok. Their losses in guns are reported to be heavy, from which it is inferred that their retreat is not pursuant to any prearranged plan of campaign.

While Gens. Oku and Kuroki have been driving the Russians under Kouropatkin northward, Field Marshal Oyama has continued his advance upon Port Arthur