

TAX REFORM IN THE CITIES.

In National elections for two generations the Tariff issue has been settled by the fact that it is an indirect tax; the voter does not see it. The toiler has seen year by year his living expenses increase, but having been taught the false theory that wages depended on taxing himself, and not knowing the economic truth that the toiler, in connection with the resources of nature, produces the fund from which wages, capital, taxes, and millionaires are evolved, has again in 1908 allowed "privilege" to win. In Municipal elections, however, the tax question receives immediate attention from the influential voter; for the real estate tax is a straight one. It shows in the tax bill, and the owner feels the burden at once.

Now that the majority of the population live in cities and towns that collect their revenue by direct taxation, would it not be wiser for tax reformers to concentrate their energies upon the cities, and join tax associations? In the great city of New York, whose millions of population and billions of valuation exceed many States, there has lately been shown two Exhibits, of Congestion, and of the Budget, which should make direct tax payers, and tenants as well, do some thinking. If the direct tax payers have formed associations to promote improvements and reduce extravagant expenses, how much more necessary for the tenants, who comprise some seventy-five per cent. of the voters, and who indirectly pay the greater part of the taxes, to look after their own interests? A little figuring will show that the toilers who live in the tenement houses pay at least one-quarter more rent proportionately for smaller standing room on earth than the well to do owner or renter who lives in a detached house in the suburbs. Besides the sickness and miseries of tenement house existence, where over three hundred human beings live in the same space that only five persons occupy in wealthier parts of the city, these congested workers pay twenty-five per cent. more ground rent in proportion, for poorer accommodations. With such a handicap

against them year after year, is it any wonder that they are called "poor," or that they always will be poor.

To get them out into the country is now impracticable under present conditions, because they can not live so far from their work; therefore transportation and municipal operation and subways and bridges affects them.

While proposed exemption of personal property interests the wealthy, the exemption of houses and improvements from tax discrimination as compared with vacant lots, interests the rent paying community very directly. The bricks and mortar of a house are merely personal property put in a fixed shape, and their exemption would lead to more houses being built, to activity in real estate, to concessions in rents, and more comfort to renters.

The small increase in the tax rate necessary to secure the same amount of revenue would be borne by the owners of land privilege; but that would be carrying out the just principle of paying taxes according to the benefits government affords. Under the present unfair tax system, which is largely responsible for the enormously congested condition of cities, the expenses of the departments of police, courts, prisons, hospitals, and charitable institutions, are unduly enlarged, throwing the burden upon the "tax payer," who shifts it to the rent payer. But the exemption of house property from tax, would largely prevent such shifting, and be some offset to the improving "tax payer" for the annual rise of ground rents. This question of exemption of improvements from taxation could be placed in a bill of the legislature, referring the measure to a referendum vote at the next municipal election, with a fair prospect of success.

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THERE is a movement on foot to have a million copies of Judson Grenell's article "What is the Single Tax," printed in last issue of the REVIEW. The suggestion is made that it might be possible to issue it as a speech in Congress and thus secure its circulation more cheaply through the mails.