

## FOR REFORM IN TAXATION |

## TAX ONLY LAND.

*To the Editor of The New York Times:*

There must be one correct principle in taxation, by adherence to which exact justice shall be done to all taxpayers, so that none should have reason to complain. That principle cannot be that of mere "ability to pay," unless we are to assume that all taxation is robbery, and that because a man possesses wealth he ought therefore to be plundered in proportion to its amount—for the benefit of other men. All the progress we have made in civilization has been mainly due to the effort to create wealth, and the measure of our success in this endeavor is the measure of our standing in the civilized world. Wealth is a good and necessary thing. We cannot throw discouragements on its possession without at the same time placing impediments in the way of its production.

The true principle of just and equitable taxation must necessarily be something in the nature of an equivalent for value received, for it will hardly be denied that the Government, for the support of which taxes are imposed, increases the value of some things more than others, and is, therefore, of greater financial advantage to the possessors of the things which increase in value than to other property owners. If we assent to this, the common-sense view, I think, it surely ought not to be difficult to ascertain what things increase in value and the consequent degree of their owner's indebtedness to the Government.

Take any piece of property—a building, for instance—and ascertain how much of the value it possesses is due to the Government, and you have a true basis for assessment. But while a house or other building is taxable, as are other forms of produced wealth, it will be found in every case that where government is best houses and similar taxable subjects can be produced most cheaply, showing that good government does not confer any value on them, but the contrary. Therefore a building as a taxable subject owes nothing to government and should pay nothing. The same argument applies with equal force to any other form of wealth, ordinarily taxable, produced by labor. Such wealth can never sell for more than it costs to reproduce, and every improvement in the machinery of government tends to the cheapening of production.

But there is one form of taxable property usually designated "wealth"—though "privilege" would be a more exact term—which does increase in value with efficiency of government and consequent desirability of location—which reflects in exact degree every wise expenditure for public purposes. Good government raises the value of land. The value of the house on it may decline owing to the cheapening processes of good government and natural decay, but the land under the house—the franchise enabling the owner to monopolize that certain portion of the public domain and exact taxes from users—grows in value with every public improvement. Is a sewer laid or a street newly paved or lighted; not only do the owners of abutting properties reap a benefit thereby, but in adjoining streets the values of land advance in a greater or less degree as the properties lie near or far from the improvement. Central Park does not merely make value for the property immediately adjoining. It diffuses value throughout the whole Borough of Manhattan. Yet it does not give a cent's worth of value to the buildings which overlook it.

Is it not plain that the land owner, and the land owner only, (as distinguished from the "house owner,") reaps every advantage of good government? The possessors of produced wealth reap none. A just system of taxation would entirely exempt the latter and place the whole burden on the land owners, on each in proportion to the value of his holding, as an "equivalent for value received."

GEORGE SUTHERLAND.  
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