

The Public

A National Journal of Fundamental Democracy &
A Weekly Narrative of History in the Making

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Vol. XIV.

CHICAGO, FRIDAY, FEBRUARY 24, 1911.

No. 673

Published by Louis F. Post
Ellsworth Building, 357 Dearborn Street, Chicago

Single Copy, Five Cents Yearly Subscription, One Dollar

Entered as Second-Class Matter April 16, 1893, at the Post Office at
Chicago, Illinois, under the Act of March 3, 1879.

EDITORIAL

Graft.

"One of the most remarkable things about graft is the eminently respectable pockets that it finds its way to." Judge Lindsey invented the statement, but he did not invent the fact. The owners of the pockets did that.

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President Roosevelt's Latest Feat.

In the second of a series of articles in *The Outlook*, the one in the issue of January 21st, ex-President Roosevelt assents to the proposition of the Initiative, Referendum and Recall—"at least in principle." His discussion of the subject makes you think of a bow-legged man of no previous gymnastic experience trying to walk a tight-rope without a balancing pole, and by some miracle succeeding.

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Judicial Powers in Law-Making.

The judicial issue in American politics (p. 146) was rightly stated by Frank J. Loesch, one of the leaders of the Chicago bar, in a professional address on the 16th before the Illinois Bar Association. Referring to the Referendum as intended now to apply only to legislation, Mr. Loesch said:

But courts make law as well as declare it. What is to hinder, as the next logical step in democratic progress, having a Referendum on opinions and judgments of the Supreme Court upon politico-legal questions? Or, if this is too great a stretch of the

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imagination, we can have a practical question in the Recall.

What is to hinder? Only one thing. And that? A reversal of the judicial policy of overruling people's laws. The courts must take themselves out of politics. Mr. Loesch evidently had this alternative in mind in asking his question, for in his enumeration of the causes of discontent with the judiciary, he defined one of them as "the political power vested in our courts."

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No desire or purpose to interfere with legitimate judicial functions has or ever will inspire any popular demand for a Recall for judges. Let the courts limit their decisions, not only professedly but actually, to applying the people's laws to particular controversies, and the public mind will be content with any plan for the appointment and tenure of office of judges that tends to secure the best judicial service. But so long as the courts continue to *make law*, they perform political functions and must be subject to political control,—which in a republic means people's power. That is to say, if judges are to continue making laws, their office must be an elective office, and they must be subject to recall like any other law-makers. Better incompetent judges who make good laws, than able judges who make bad laws.

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Nor alone as matter of public safety must law-making judges be under popular control; they soon will be, as matter of historical probability. We have seen how the attempt to keep our Presidential office out of politics by means of the Electoral College has resulted; we may see a similar result from letting the Supreme Court into politics. We are seeing how futile in the long run the effort was to put the election of Senators outside of people's rule; we may see how futile in the long run the effort was to substitute Supreme Court decisions for people's rule. What the extra-Constitutional nominations for President were in making an empty formality of Electoral College functions, and the Oregon plan has been in making an empty formality of the legislative function of choosing Senators, so may the Recall—yes, even the Referendum—come to be with reference to law-making by the courts.

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Gentlemen of the bar—you who plead with the people to hold the judicial office sacred, to respect judges in office, to bow to the decisions of the courts as oracular—you are answered by one of your own leaders, one who has analyzed and re-

flected as some of you have not. Divest the courts of political power, and your pleading shall not be in vain. Under no circumstances should courts be sacrosanct, but as arbitrators in litigations even their errors are better than perpetual private warfare. For that reason they and their decisions should be respected—rationally, not superstitiously. But vested with political power, so that their decisions may repeal laws made by the people and make laws to which the people are opposed, they become absolute governors of the Republic. In that capacity they must be subject to all the safeguards against the despotism that always springs from concentrated power, to which any other political department of republican government is or may be subjected. Take your choice, gentlemen: election and recall of judges, or relinquishment by the judiciary of all the law-making and law-repealing power it has assumed. The issue will not end with Arizona if she comes into the Union with her people's power Constitution; it will not vanish if President Taft ventures to keep her out of the Union.

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Annexation of Canada.

President Taft need not have been at the trouble of giving assurances that his reciprocity arrangement with Canada is not part of any plot for Canadian annexation. The vague notion on this side of the border, that Canadians are keen for annexation is without the slightest basis in fact. Nothing could in all probability be more abhorrent to the great mass of them. It is doubtful if a thousand votes for annexation could be got in all Canada.

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The inhabitants of British birth or descent, the descendants of the old loyalists (known over here as the "Tories" of our Revolution), and party Conservatives, all have their own unreasonable reasons; but they, in common with the Liberals and the radicals of every shade, and citizens of the United States who have become Canadian citizens, have also a reasonable reason. If all other objections to annexation were removed, Canadians would still be opposed to it because they regard the Canadian government as more democratic, more sensitive to public opinion, more completely subject to people's rule, than the government of the United States. And they are right. The Canadian government is more directly and immediately responsible to the people than ours. This fact alone puts political annexation out of the field of the possible, out of the field even of the debatable.

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Instead of a step toward political annexation,

reciprocity is a step away from annexation. For the time might come when the United States, as the victor in some hellish war or other, and under the influence of a jingo spirit like that which led us to grab the Philippines from the Republic its people had organized, would be tempted to grab Canada. But this temptation could not arise, or if it did, would be instantly put under, if free trade prevailed between the two countries. American commercial interests intertwined with those of Canada would then stand as an absolute barrier in the way of our government's imposing repugnant political bonds upon Canada.

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The political bonds which make one nation of our States are not the bonds that really hold us together. But for free trade between our States, and the unity of commercial interests—not "interests" created by government, but interests spontaneously generated and voluntarily maintained by freedom of trade—secession would be a perennial question with us. Wipe away all that is bad in the governmental mechanism of the United States, and the true glory and the power of the Republic would still remain, in the absolute free trade that prevails from border to border—the greatest experiment in free trade in the world's history. Pull down the tariff bars that separate us commercially from Canada, and the same amicable relationship would exist between the United States and Canada that now exists between the States, yet without consolidation of political power. As sister nations, with their citizens freely trading, the United States and Canada would be closer than political bonds could make them, though as distinctly separate in government as they are to-day. So, also, not only these two countries, but all the countries of the globe.

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Reciprocity with Canada is a timid, awkward, only slightly effective, yet clear and definite step toward that free trade between all nations which will usher in the reign of universal peace.

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The Chicago City Election.

The Chicago Tribune's devotion to the principle of a corrupt practices law for primaries and elections, has brought confusion into the political camps. By a set of blanket questions it fired off on the 17th at the candidates, it asked them to make public the items of their respective primary campaign funds on the 20th—8 days before the primary—and to promise, if nominated, to make

public the items of their respective election campaign funds. It then interviewed the candidates with this result up to the 18th:

Republicans: (1) Merriam, Yes; (2) Smulski, Yes; Thompson, no response.

Democrats: (1) Graham, no response; (2) Harrison, not without consent of contributors "and that may be hard to obtain"; (3) Dunne, Yes.

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Since the 18th some of the candidates have changed their minds. Although Mr. Graham "stands pat," as becomes Roger Sullivan's bi-partisan Big Business candidate, Mr. Harrison has concluded to give a statement omitting the names of personal friends who contribute, and Mr. Thompson declares that his candidacy is so strictly personal that nobody but himself is making any contributions toward it.

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At the suggestion of Mr. Merriam, that all the candidates meet and arrange a plan for assuring the public of the complete good faith of their statements, a meeting was held on the 21st. The attendants were Dunne (Dem.), Merriam (Rep.), Smulski (Rep.), Scully (Rep.), Murray (Rep.), and Brubaker (Pro.). It was agreed that an audit committee, to which all candidates' accounts may be submitted, should be appointed; one each by the Federation of Labor, the Municipal Voters' League and the Association of Commerce. Mr. Graham and Mr. Harrison did not attend this meeting, nor were they represented at it, and neither has yet given any indication of a desire to submit his account to the proposed auditing committee.

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Edward F. Dunne.

If there had been any doubt in the minds of the democratic Democrats of Chicago on the question of a Democratic nominee for Mayor, there should be none now. There is no more choice than if Dunne were the only candidate. He alone among the Democratic candidates rises above the level of special interests of one kind or another. They have fought or balked him and are fighting him now because when Mayor he would not yield to their selfish demands. Against powerful combinations of open enemies and false friends, all with axes of their own to grind, Mayor Dunne remembered throughout his term that as Mayor he was charged with the guardianship of public interests. So the self seekers prevented his re-election. Shall they be allowed to do it again? The first test comes on Tuesday, February 28th. Every Democrat can vote on that day for a Democratic candi-

date for Mayor. Each can vote at his own regular election voting place, and his vote will be counted by election officers. This is an opportunity, then, for the public spirit of the Democratic party of Chicago to demand that the fidelity of a man who has given his best in service to the city, whose honesty of purpose and action even his worst enemies concede, and whose efficiency only those whose efficiency is at the expense of their honesty are inclined to dispute, shall be recognized by the rank and file of his party. Dunn is the kind of man they should wish their party to honor and trust.

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Champ Clark's Policy.

The only way the Democratic party can reasonably hope to win in 1912, says Champ Clark in Bryan's Commoner of February 17th, is "to keep faith with the people absolutely." That sounds like leadership, good democratic leadership. And what Mr. Clark added, sounds like democratic leadership of an exalted order. It should be done, he adds, not alone in order to win, but "as a matter of principle, simply because it is right." Like the profound democrat he is, Mr. Clark considers that—

the masses of the people of all parties are honest in their political opinions, and deserve to be treated honestly, fairly, and candidly. They are entitled to that square deal of which we hear so much and see so little. They will not be mocked. . . . Men should say what they mean and mean what they say. Normal minds dissent from the immoral dictum that everything is fair in war, love and politics.

And the promises which he regards as having been most frequently made and therefore as calling for immediate redemption are these:

To revise the tariff down to a reasonable, or revenue basis; to abolish Cannonism; to submit a Constitutional amendment providing for the election of United States Senators by popular vote; to cut appropriations to the needs of the government economically administered.

If Champ Clark as Speaker can lead the Democratic party along the path he here points out, it is a fair prophecy that he will have higher responsibilities thrust upon him.

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Senator Martine Gets Ready.

Senator Martine "makes good" in his first official act—the choice of a secretary. He has appointed William W. St. John of Trenton, editor of the Elizabeth (N. J.) Evening Times in its best editorial days, and a democratic Democrat of pronounced personal and political honesty. Mr. St. John has been editor of the Plainfield Daily Press

and the Plainfield Courier News, and is now managing a legislative news service at Trenton. The importance to a genuinely democratic Senator of a genuinely democratic as well as efficient secretary, is greater than the unsophisticated might guess; and in making his selection, Senator Martine has paid a tribute to his own judgment as well as a deserved compliment to Mr. St. John.

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Crompton Llewelyn Davies.

The February issue of Land Values, that always serviceable, almost venerable, and constantly improving organ of the Henry George movement in Great Britain, announces the marriage of Crompton Llewelyn Davies, a most helpful man in the British movement, one whose practical service to it and the circumstances that impelled him to volunteer, will some day make a bright page in British history. "Crompton Llewelyn Davies," says Land Values, "is a household name in single tax circles, and in all other land reform circles; while his influence as an able and level-headed politician is widely recognized in the larger field of Parliamentary effort. As one of the joint secretaries of the United Committee he has rendered service to the movement for the taxation of land values which cannot be too highly praised. His one weakness is his habit of quietly keeping in the background. This is mainly due to his busy professional life as a prominent solicitor. Only those who are his colleagues know now he is behind so much of the work carried out and inspired by the committee. His wife is widely known as a gifted speaker on democratic platforms. She is a keen student of social problems, and an enthusiastic supporter of our policy. Mrs. Davies came into the democratic movement with good credentials, and fully equipped as the daughter of Mr. James O'Connor, who was M. P. for West Wicklow from 1892 till his death about a year ago."

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Mayor Fitzgerald and the Unearned Increment.

We commend to the thoughtful attention of progressive citizens everywhere, the efforts of Mayor Fitzgerald of Boston to recover for the public treasury some of that "unearned increment," all of which as he clearly sees and definitely declares belongs to the community and not to the persons on whose land it happens to swarm. His appeal to Governor Foss to try to secure the appointment of a tax investigating commission (p. 179), not to make some inconsequential report or other, but

to formulate an "unearned increment" tax measure, is probably the most he could ask for with hope, if indeed he can hope for that much. There are difficulties, however,—not merely on the surface of politics but economically inherent—in any attempt to tax the "unearned increment" of land occasionally, and Mayor Fitzgerald evidently appreciates them. They could be avoided by a general annual plan of land value taxation, such as Vancouver has adopted. Exempt all improvements, and tax all land values annually, and you get at least part of the "unearned increment" for the public in the way the public ought to get it—as an annual ground rent instead of a haphazard share now and then in increased capitalizations of ground rent. It would fall on anterior capitalized values also, but are they not "unearned increments" too? Better such movements as Mayor Fitzgerald's, though, than none at all or timid ones. The economic and the moral principles are involved, inadequate and awkward though the method be.

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THE SOMERS SYSTEM OF TAX VALUATIONS.

The condensation of Lawson Purdy's speech at Philadelphia on the subject of taxation, which, as verified by Mr. Purdy appears this week in our department of Related Things (p. 184), concludes with a paragraph that necessitates editorial explanation and comment. Explanation because the paragraph alludes in general terms to a fiscal controversy which has become specific in several cities, notably in Philadelphia; comment because, although such fiscal criticism from a source so high and trustworthy (vol. xii, p. 1203; vol. xiii, p. 691) ought not to be excluded from *The Public*, yet its publication here without comment might be misinterpreted.

The specific controversy rises out of a valuation contract of the Manufacturers' Appraisal Company of Cleveland with the City Councils of Philadelphia. In so far as they relate to land, the valuations were made according to the Somers system to which we have frequently called favorable attention. Buildings as well as land were valued, but as we oppose the taxation of buildings, our interest in the controversy relates only to its bearing on land values.

I.

The appraisal company appears to have arranged with the originator of the Somers system for his private collection of valuation data, his rules for estimation, his computation tables, etc.,

and his services as an expert; and thereupon to have offered the aid of the Somers system in making tax valuations. It is its contracts in that respect with public authorities to which Mr. Purdy objects (p. 185) that (1) if it were possible to procure even a perfect assessment of city lands by paying outside parties to make it, it ought not to be done; and that (2) no office rules for the valuation of city land can take the place of intelligent field work. Interpreted with reference to the Cleveland company and the Somers system, those objections resolve into an expression of two opinions: (1) That if there were even a perfect tax assessment system, it ought not to be applied through the employment of non-official persons; and (2) that no system can reduce the work of fairly valuing land in cities to mathematical rules on the basis of units of value ascertained by intelligent field work.

Both objections are at variance with the claims of Mr. Somers and the Cleveland appraisal company that (1) the Somers system has in fact demonstrated in Philadelphia and other cities, and will demonstrate in any city offering the opportunity, that the work of fairly valuing land in cities can be done by mathematical processes on the basis of intelligently ascertained units of value; and that (2) the advisory use of such a system for tax valuations through the employment of non-official persons is analogous to the employment of non-official persons to audit public accounts or otherwise to check up the competency or faithfulness of bureau officials or assist them in their work.

II.

The essential claim for the Somers system is stated as follows by the company in question:

When the value of a unit foot has been fixed on the four sides of a city block, the exercise of judgment of the value of land in that city block is complete. The Somers system provides a method of applying that judgment accurately and scientifically to all the land in that block.

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This method of land valuation first attracted our attention early in the year 1901 (vol. iii, p. 815), through a pamphlet by W. A. Somers of St. Paul, Minn., in which we find this explanation of the system:

Site value is fixed and determined by local opinion. . . . As this opinion is the basis of all purchases and sales, it is evident that it is the true measure of the value of the land, and is the measure which must be used in any successful effort to find the true and full cash value of each piece of property. This opinion may be designated, for convenience, Community Opinion. . . . To take advantage of Community Opinion . . . the work must

be reduced to a system, in which the gathering and recording of the information will not be burdensome, but which will tend rather to relieve the burden of the work by prescribing limits that will take away the uncertainties of guessing at values. The secret of successful work in handling great numbers of similar things—lies in reducing the labor connected with it to such movements or thoughts as may become mechanical. . . . The lots in a city are so numerous, and of such widely varying shapes and dimensions, and the corner influence is such a disturbing element, that Community Opinion as to the value of specific tracts or lots cannot be formed. . . . Notwithstanding the fact that Community Opinion does not exist in cities as to values of specific tracts, there does exist a Community Opinion which is just as definite and valuable for the purpose of taxation as though it extended to specific tracts, and which has elasticity enough to conform to growth, no matter how rapid, and to changes caused by shifting of business or residence districts. This is the opinion of the relative value of streets, and is Community Opinion formed by those familiar with the streets. . . . To make use of this Community Opinion of the relative worth of the streets, it is necessary to find some common term that can be used to express their comparative value as a unit in all parts of the city. The value of one foot in width for some fixed depth is the best measure for this purpose. . . . By assuming in every case that the unit of one foot frontage is located in the center of a block, that is, half way between the cross streets forming the block, the most disturbing element, viz., the corner influence, will be entirely eliminated from the problem, and the judgment required in fixing the value of the units will be reduced to a simple comparison of street values. Provided the value of the units has been fixed at the true and full cash value of the property, the most delicate shading of difference as to comparative value of streets may be accurately recorded in dollars, and any citizen can quickly and easily compare the work and judge of its accuracy, both as to the relative value of the streets and the actual value of the property. The work of fixing the units can be best accomplished through a committee of citizens to determine the most valuable part of the city, and indicate by marking upon maps prepared for the purpose the value of the units, or the value per front foot for a certain fixed depth in the middle of each side of each block, within the district selected. . . . Any tax payer, by an examination of the unit values, can very quickly learn the relative difference between the assessment of his property and any other property in the city, knowing that the values recorded indicate the value per front foot for the same fixed depth in all parts of the city. It is therefore necessary that this map, or copies of it, should be made records accessible to all citizens and tax payers. The unit values being fixed for a certain depth, while the lots themselves may vary in depth, it is necessary to determine the ratio of the unit value to be used for different depth. . . . as the foundation for the construction of scales, by the use of which the same relative proportions can be read for any depths between the points thus fixed. By the use of the scale to determine the frontage value, the value of any lot may be

ascertained by a simple multiplication of the width of the lot by its frontage value. . . . To make the unit values the basis for determining the value of the corner it is necessary to get an expression of opinion from the committees of the value of a corner under several different conditions, or values of cross streets, as a foundation for the construction of scales by which this opinion may be applied to the determination of the value of any lot or subdivision of a lot coming within the corner influence. . . . The unit values having been determined and marked upon the map upon each side of each block throughout the whole city, and the necessary rules and scales, based upon the community opinion of value as expressed through the committees, having been formulated and constructed, the actual assessment of the value of the land is completed. The balance of the work, that is, the determination of the value of each particular tract throughout the city, is purely clerical, and may be computed by any one having a knowledge of the rules and understanding the use of the scales.



Interested as we were in the Henry George ideal of land value taxation, and realizing the plausible character of some of the criticisms offered by land value experts as to the "impracticability" of assessing land values, fairly, we considered this Somers pamphlet of 1901 as an important contribution to the practical side of the George movement.

Tom L. Johnson was probably impressed with it in much the same way. At any rate, soon after his first election as Mayor of Cleveland, 1901, he employed Mr. Somers (vol. iv, p. 100) to assist Peter Witt in the work of the Cleveland "tax school" (vol. iv, pp. 66, 406; vol. v, pp. 266, 275) which was afterward "ripped" by Mr. Hanna's Ohio legislature. Mayor Johnson's impression may be read in this quotation (vol. iv, p. 155) from a letter of his written soon after his employment of Mr. Somers:

Mr. Somers has been with us some time, giving instructions to the engineers and valuers, and as an improvement of his plan has adopted my suggestion to have a large blackboard at one end of a room in which a hundred people could be seated so as conveniently to see upon this blackboard a map drawn with white chalk showing about one-hundredth part of the city, in blocks, but without property lines. . . . I think that Mr. Somers's invention for valuing property for taxation, as explained in his pamphlet, will very greatly facilitate our work; and with the aid of the blackboard arrangement I have explained above, we hope to utilize it in such manner as to present the question of bare land valuation to an interested audience.

Mayor Johnson himself must have taken lessons in the Somers system, for in *The Public* of June 22, 1901 (vol. iv, p. 163) we find this editorial account of a public demonstration he gave for the

benefit of an incredulous and reluctant body of tax officials:

Taking the Fourth ward for the purpose of illustrating his plan (which is the plan adopted successfully in St. Paul a few years ago by W. A. Somers, when he was assessor there), Mr. Johnson displayed upon a large blackboard a map of the ward with its streets and squares outlined. Each square was numbered in a circle to distinguish it for reference. Within the squares, at each of the four sides and midway between street corners, was written the actual market value per front foot (100 feet deep), as ascertained by the tax experts of the city tax bureau. . . . According to the Somers theory, a mathematical calculation upon a regular scale from the units, will yield (not accurately, to be sure, but with reasonable approximation), the value per front foot of all the rest of the land of the square to which the units belong. In the course of his explanation at the first meeting, Mayor Johnson soon had his theory brought to a striking test. "Here's a square," said he, pointing to his blackboard map, "where the value of a front foot on one side is \$200, and on the other three sides it is respectively \$300, \$400 and \$500. Now these are the units of value by which we can ascertain the value of every foot front on the four sides of this square." A member of the decennial board, Mr. B. F. Phinney, interrupted: "Do you mean," he asked, "that after finding these units of value you can ascertain the value of all the property in that square without viewing the property?" "Absolutely," replied the Mayor; "absolutely. We can assess every foot of land in the city without seeing it." But Mr. Phinney was incredulous, and other members of the decennial board exclaimed that it could not be done; whereupon Mayor Johnson took the units of a square the true values of which were well known by those present, and using the Somers system, which he had been explaining, calculated with substantial accuracy from those units the values of the rest of the square. What followed we quote from the Cleveland Plain Dealer's report:

"This is Somers' system," said the Mayor, "and by it all property in St. Paul was assessed. No system is infallible. This one is not, for, after all, it is only the judgment of men. What I contend is that by this system you can arrive more nearly at the true result. It is simpler than any we know of and certainly better than the one on which you have always worked." He then pointed out glaring inequalities as they exist in present values, and demonstrated how it would have been impossible for such errors to have been made by following the unit rule of values.

Since Mr. Equalizer Phinney had been so neatly headed off by the Mayor in one direction, Mr. Equalizer Healey tried another. "How many years," he asked, with a confident expression, "do you imagine it would take us to assess property according to your method?" Mr. Healey fared as ill as Mr. Phinney. "Let's see," returned the Mayor—

there are 42 wards in the city. It would take just 42 afternoons to arrive at the unit value. After that it is a mere matter of work for clerks. You gentlemen come here with the people and agree on the unit values. Then we will have the map photographed with the figures you have agreed on; the board can be cleared and another map drawn. The photographs will be placed in the

hands of clerks. I will employ just as many as are needed, and they will figure out the value of all the property in the wards on the basis of the unit values which you have agreed on. After they have found the value of all the parcels of land in a ward the figures will be submitted to you. Then you can call in the people as the law requires you to, and tell them the values you have placed on their land.

The utility of the Somers system for valuing city land, thoroughly tested in Cleveland in 1901, was afterwards demonstrated by Mr. Somers in Chicago (vol. viii, p. 35; vol. x, p. 2) where it elicited from a member of the valuation committee of the Real Estate Board a tribute to the effect that it is "a scientific way of getting at values for the purpose of assessment because it applies rational principles to all cases."

Subsequently, Mr. Somers was employed by Mr. Purdy in the tax department of New York (vol. x, p. 251); and it is due them both to quote the mention of his system in the introduction to the 1909 edition of those land value maps which are suggested in the Somers pamphlet of 1901, but of which for New York City (vol. xii, p. 987) Mr. Purdy, as president of the New York Tax Department, was the originator. These maps exhibit what are probably the most valuable land-value data in print anywhere in the world, unless we except the quadrennial valuation of the city of Cleveland for 1910. Following is the quotation:

W. A. Somers, connected with this department, has for several years used and published a rule showing the percentage of value corresponding with each foot in depth up to 250 feet, based upon the frontage value being fixed for 100 feet in depth. . . . The only attempt to formulate rules that take into consideration the various conditions affecting the value of corner lots has been made by Mr. W. A. Somers, and is worked out in the form of tables showing the value of a corner lot having 100 feet front on each of two streets forming the corner. This lot is divided into 100 squares, each 10 feet square, and the value is worked out for each one of the 100 squares under 100 different conditions of street values, using full value on one street and using 100 different values for the other street, varying from one one-hundredth part to full value. By the use of these tables it is possible to determine the effect of any combination of street frontage values, and by taking out the value for the 10-foot squares to correspond with the size, the shape and the position of the lot, an effect is obtained that is always the same under similar conditions of lots and street values.

The best work of the Somers system of land valuation—best because it completely covers a city of the large class—was done last year by Mr. Somers himself for Cleveland (vol. xiii, p. 604), upon employment by the Board of Assessors (vol. xii, p.

1162) elected under the new quadrennial law. Of this work the official report of the Board says:

The public has very little conception of the many details involved in the enormous, almost appalling, task of appraising over 145,000 parcels of land, and over 100,000 buildings within the time limited by law, viz: July 1, 1910, or about seven months. . . . All this work was done under the direction and supervision of Mr. W. A. Somers, a tax expert of many years' training and experience. Without any hesitation we say that it could have been done neither in the time allowed nor in the manner, nor with the same general satisfaction without his constant aid and direction. . . . The system adopted by the Board admits, in our opinion, of no improvements. It is the first city of the United States which has been fully and thoroughly valued on the Somers plan. The Board, first acquiring extended knowledge of the down-town values, through consultation with leading experts, such as W. A. Greenlund and J. G. W. Cowles, placed tentative values on the down-town section, published the same for criticism and held numerous meetings thereon. This once established and thoroughly circulated, the people seemed to take to this idea with avidity. It was apparent at a glance that such a system had no place for favorites; that favoring one lot meant favoring the street and this again requiring a change of the next street, and so on until the whole neighborhood and district would be reduced, all of which individual, local and sectional favoritism would immediately and readily be discernible even by the uninitiated. . . . To the many objections to our valuations, this Board had but one reply, viz: "Give the Real Estate Board an option for thirty days at our appraisal. If they can't sell it we will reduce it." This procedure proved of incalculable benefit to the citizens of Cleveland. In but one instance was our request complied with.

III.

Meanwhile, and upon the recommendation of Tom L. Johnson, the arrangement between Mr. Somers and the Manufacturers' Appraisal Company was made. Mayor Johnson's experience with the Somers system had convinced him of its value as an effective factor in promoting popular acceptance of land value taxation in place of the blighting industrial taxes now in vogue. The appraisal company in question, a business institution of long and reputable standing in Cleveland, accordingly established a department of tax valuation under the management of E. W. Doty whose explanation of the importance of the Somers data may be found in *The Public* of July 1, 1910 (vol. xiii, p. 608, 609):

Each combination of two unit values necessitates its own table, and to work out this computation access must be had to these tables, several hundred in number. Other tables based upon the same underlying principles have been devised for the purpose of computing the values of irregularly shaped plots, of corner lots, with acute or obtuse angles. Mr.

Somers has also devised an equitable plan of assigning additional values to lots abutting upon alleys or public places that are not thoroughfares and that are used for purposes of light area and access for merchandise.



In the development of its tax valuation department the appraisal company secured a contract with Columbus, Ohio, and was negotiating for similar contracts with other Ohio municipalities as well as elsewhere, when Allen Ripley Foote,* of Columbus, interposed with such effect as to prevent any further contracts in that State. Consequently, Columbus and Cleveland are the only Ohio cities in which the Somers system was used for

*Allen Ripley Foote is known in Ohio as an unobtrusive and skillful guardian of reactionary interests. His methods, as Tom L. Johnson describes them, usually take the form of a suggestion of something "a little different" whenever a progressive movement shows signs of life.

In the 70's or 80's Mr. Foote was interested in labor organization in New York. He came to Illinois in 1901. The street car question was then acute (vol. iv, p. 179) and municipal ownership was in the air (vol. i, No. 37, p. 10). His announced mission was to secure legislation establishing uniform accounting; and he got a uniform accounting bill through the legislature, but Gov. Yates vetoed it (vol. iv, p. 82). The bill seemed to be a good one. It required all public accounts to be kept on the same plan, so that the finances of different townships, of different cities, etc., might be comparable. In Mr. Foote's opinion this system, if applied to public service corporations, would make public ownership, to which he was frankly opposed, wholly unnecessary. While promoting his uniform accounting bill in the Illinois legislature, Mr. Foote prepared and got Representative Crafts to secure the passage of a bill now known as the "Crafts' public policy law" (vol. iii, p. 803; vol. iv, p. 83), an advisory initiative which has been of very considerable use for progressive purposes in Illinois. But in Ohio a few years later, when the question of a mandatory Initiative and Referendum was up, Mr. Foote left nothing undone to defeat it (vol. xi, p. 76). Before leaving Illinois, he tried without success to secure the passage of a bill for municipal ownership and leasing out of public utilities—Senate bill 301 (vol. v, p. 771), session of 1903. This seemed to be a good bill for that time in most respects, but in others it was so seriously defective that unless amended it would probably have given perpetual ownership of public utilities to private corporations, and incidentally have validated the fraudulent 99-year grant (vol. ix, pp. 150, 158) which has since been nullified by the courts. One member of the legislature was reported as having refused to introduce the bill, not for particular reasons alone, but for the general reason that he understood Mr. Foote to be connected with the electric light and power interests. It was, indeed, surmised that "Public Opinion," a periodical which Mr. Foote published in Chicago at that time, was financed from electric lighting sources; and in Cleveland Mr. Foote's relations with the private electric lighting interests are reputed to be cordial.

Not very long after the defeat of his public utilities bill in Illinois, Mr. Foote went to Ohio, where he organized the Ohio State Board of Commerce, of which he is nominally the vice-president. In fact, however, he is the life of this organization, through which he has served reactionary interests by skillful obstruction to progressive measures. Among the measures that have felt the influence of his opposition were Senator Frederick C. Howe's franchise bill (vol. ix, p. 319; vol. x, pp. 1041, 1065, 1113;

the quadrennial assessments of last year, and the appraisal company in question assert that these are the only cities in Ohio in which the land is fairly assessed.

In Philadelphia the company made contracts for an experimental valuation. There was vigorous opposition, but the company had the support of Haines D. Albright, secretary of the Tax Reform Association of Pennsylvania, of which Joseph Fels is president and Charles S. Prizer is vice-president. It was in consequence of the agitation

vol. xi, p. 36), the direct legislation amendment (vol. x, p. 1065), the child labor bill, a bill to protect miners, etc. Tom L. Johnson and his coadjutors say that in their progressive work they have encountered constant and subtle opposition from Mr. Foote.

Mr. Foote is the creator of the National Tax Association, now the International Tax Association, under the auspices of which a national conference on State and local taxation was held at Columbus in November, 1907 (vol. x, p. 734, 804; vol. xi, p. 68) upon a call of Governor Harris made at the suggestion of Mr. Foote. This conference resulted in a collection of papers on taxation, published by Macmillan's, which fully justify the call; and out of it came an International Conference at Toronto in October, 1908 (vol. xi, p. 686; vol. xii, p. 428), another at Louisville, Ky., in 1909 (vol. xii, p. 946), and the fourth at Milwaukee in 1910 (vol. xiii, p. 421), all of them of a highly useful order. It was at Milwaukee that Mr. Foote gave official expression, as president of the International Tax Association, to his indignation "that a private corporation organized for profit" should propose "to contract with city boards of real property appraisers to do the work of determining the value for taxation of all real property in their respective cities." His allusion was to the Cleveland appraisal company and its use in Columbus and Philadelphia of the Somers system, which he likened to the ancient iniquity of tax farming.

Nearly a year prior to that declaration Mr. Foote had induced the State Auditor of Ohio to call a conference of the newly elected quadrennial assessors. The Auditor invited Mr. Somers to speak at this meeting, at the suggestion of Mr. Foote, but Mr. Foote learned thereafter (what was not the fact) that the Cleveland appraisal company named above had acquired the exclusive right to the services of Mr. Somers, whereupon the State Auditor, at Mr. Foote's suggestion, notified Mr. Somers that he would not be permitted to speak. Mr. Somers was in fact at that time in the official employment of the Cleveland assessors, not as a subordinate of the appraisal company but directly and personally. But if the fact had been as Mr. Foote supposed, this could hardly have disqualified Mr. Somers as a speaker on such an occasion. Inasmuch as he had been an assessment expert for many years, inasmuch as he had worked out and demonstrated prior to 1901 a system which would subject the guess work and favoritism methods of assessment to mathematical tests and had improved it from the experience of the following years, it is not clear on any hypothesis of good faith, why the assessors of Ohio, assembled to consider methods of securing fair assessments, and who were addressed by comparatively obscure experts (invited there by the State Auditor at the suggestion of Mr. Foote and at the expense of the Ohio State Board of Commerce, of which he is the manager), should have been arbitrarily denied the benefit of an address by an expert of Mr. Somers' experience, standing, and abilities, whether Mr. Somers were in the exclusive employment of an appraisal company, as he was not, or in the employment of the assessors of the City of Cleveland, as in fact he was, or in no employment at all.

of the Tax Reform Association under Mr. Albright's leadership that the City Councils was induced to employ the Somers system. The official assessments were regarded as low and grossly unfair, and this seems now to have been proved by the work of the Cleveland appraisal company.

The preliminary work of establishing unit values in Philadelphia appears from Philadelphia papers to have been done with extreme publicity under the direction of the Cleveland company, and on those estimates the company calculated lot values by means of the Somers data and tables. The results are thus certified to in their official report by experts appointed by the City Councils committee—namely, William F. Deakyne and James Johnston, appointed on the recommendation respectively of the Real Estate Brokers' Association and the Builders' Exchange, and John Adams, selected by the committee itself:

In compliance with your instructions and in furtherance of the purposes of our appointment, we have continuously, from that time, been actively and diligently employed, separately and in cooperation with the Manufacturers' Appraisal Company, in placing values upon the land and the improvements thereon erected, embracing individual properties in the Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Wards. After careful consideration and independent investigation by ourselves of land and building values, we are of the opinion that the valuations made by the representatives of the Manufacturers' Appraisal Company and ourselves upon the properties passed upon (land and improvements thereon erected), are as nearly correct at the time of our fixing such valuations as it is humanly possible to have them. We further desire to express our approval of the company's method of measuring buildings and carefully fixing a present market value thereon, separate and apart from the land value. Its calculations of land values by the Somers system is a decided improvement upon, and much superior to the method of assessment at present in use. By the company's method every foot of ground of each and every lot is accounted for and given its accurate value.

IV.

There is a traditional anecdote about the origin of a wonderful bit of mechanism of extreme simplicity, a toy which promises in these later days to be of incalculable value for practical purposes. As the anecdote runs, an humble maker of ax-helves told some learned scientists, distinguished experts in their professions, of what the "gyroscope," as we call it now, would do. With one accord the experts told the ax-helve maker that in their opinion no such thing could be. "But, gentlemen," he replied, "it are." This is the response in substance, as it seems to us, which advocates of the Somers system of land valuation are warranted in making to Mr. Purdy's contention.

His expert opinion that no office rules for the valuation of city land can take the place of intelligent field work, appears to be demolished by facts. The use of the Somers system at St. Paul where it was first applied, its use at Cleveland in connection with Peter Witt's "tax school" under Mayor Johnson in 1901, its use for the quadrennial assessment of Cleveland and Columbus in 1910, and its more recent use at Philadelphia, go to show that, upon the basis of intelligently ascertained units of value, the values of city land can be fairly computed by mathematical processes—by office rules. Opposing facts, if there be any, might indeed be strong enough to controvert the inference from the facts here presented; but that inference cannot be controverted by expert opinion alone, however competent and worthy the expert.

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For his opinion that even a perfect assessment ought not to be used by paying outside parties to make it, Mr. Purdy's reasons do not seem adequate. He considers that it would not bring official assessors any nearer to doing their own work as it ought to be done,—that "farming out assessment work" is objectionable because "progress cannot be achieved by such an artificial process."

We do not assume that Mr. Purdy, in the expression "farming out," means what Mr. Foote meant when he identified the operations of the Cleveland appraisal company with the oppressive farming out of taxes to petty satraps in ancient Persia and to farmer-generals under the old regime in France. There is, of course, not the slightest similitude. If a modern instance of "farming out" taxes were needed, one exquisitely closer to the old custom may be found in a recent law of New York State, which authorizes New York City to "sell its right to receive and collect taxes"!* Never a ghost of French farmer-general or Persian satrap do we detect even in that law, under which New York City "is now selling the right to collect" \$50,000,000 of "delinquent taxes";* but if any such ghosts are seeking reincarnation, they are more likely to find suitable conditions in the New York law than in the uses by the Cleveland appraisal company of the Somers system for ascertaining the value of land for taxing purposes. It is not in the historical sense, however, that we understand Mr. Purdy to use the expression, but as an inoffensive verbal equivalent for a private contract to do certain public work. Even in that sense we find in the history of the

Somers system controversy nothing objectionable, unless it be objectionable to employ any kind of non-official expert work in connection with the public service.

Neither Mr. Somers nor the appraisal company offers to make binding assessments of property for taxation. What they offer, and what they contracted for in Columbus and Philadelphia, is to calculate valuations on the basis of units of value adopted locally, and to report results for acceptance or rejection. Their relation to the matter is evidently similar to that of a non-official lawyer employed for pay by a City Attorney or an Attorney-General to advise or assist him, he himself and not the outside lawyer retaining control. It is like that of a firm of accountants employed to audit official finances; or of non-official architects employed to assist official architects; or of a firm of sanitary engineers employed to design a sewerage system for a city; or of any other kind of expert in private business or employment who is on occasion employed to advise or otherwise assist public officers in the performance of official functions.

In Philadelphia the appraisal company was not employed by the taxing body at all, but by a committee of the Councils appointed to ascertain whether or not the taxing body was making full and fair valuations. The company was on precisely the same level with the other experts employed by that committee—an expert adviser. And in Columbus, although the employment was by the taxing officials, it was advisory only and not binding. In Cleveland, where Mr. Somers himself was employed officially, the assessors acted with reference to his advice and not under any contract making his assessments final.

As to Mr. Purdy's point that assessors would be no nearer doing their own work as it ought to be done, by using their judgment in the field, if outside experts with even a perfect system of calculating from unit values the values of regular lots, irregular lots, alley lots, and corner lots, were brought in, his conclusion is not self-evident. We should suppose that official assessors would be more likely to progress, as assessors, if their work were occasionally checked up by outsiders with a mathematical system that had been proved to be approximately accurate—much more so if it were perfect. Even though the "checking up" were done by means of important data, rules, tables, etc., the private property of the outsiders,—assessors fit for the office ought to have gumption enough, after an occasional checking up by a system that "delivered the goods," to collect data of their own, and

*The quotations are from an investment circular of Warren W. Erwin & Company (26 and 28 Beaver St., New York).

make rules and tables of their own, and thereby to progress to a point at which they would be much nearer doing their own work as it ought to be done.

There is of course the question of extra expense involved in occasional outside tests of the fullness and fairness of official assessments. But upon the hypothesis of a system producing approximately fair valuations in place of the wretched ones which favor owners of valuable land at the expense of modest home owners, and land gamblers at the expense of land users, incidentally keeping the public treasury empty, the question of extra expense cuts a small figure.

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In the addendum, then, to his Philadelphia speech in which he implied the impossibility of the claims for the Somers system and the impropriety of such service as the Cleveland appraisal company did at Philadelphia with that system, it seems to us that Mr. Purdy was in error. The addendum does not bear analysis, and it is out of tune with a speech which in other respects impresses us as extremely helpful in its practical suggestions and eminently sound in its indications of principle.

NEWS NARRATIVE

To use the reference figures of this Department for obtaining continuous news narratives:

Observe the reference figures in any article; turn back to the page they indicate and find there the next preceding article, on the same subject; observe the reference figures in that article, and turn back as before; continue until you come to the earliest article on the subject; then retrace your course through the indicated pages, reading each article in chronological order, and you will have a continuous news narrative of the subject from its historical beginnings to date.

Week ending Tuesday, February 21, 1911.

Direct Legislation in the East.

It is not generally known that there are now pending before the Massachusetts legislature, two measures for adopting the Initiative and Referendum in that State.

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House document No. 190, offered January 9, is a resolution proposed for Constitutional amendment by petition of John Weaver Sherman and others, and advocated by Representative Tom Riley of Malden. It requires, in substance, that—
an Initiative may be set in operation by 8 per cent of the voters. If not passed unamended, or if vetoed and not passed over the veto, it must be referred to the people along with any amended form or substitute recommended by the legislature; if passed, either with or without amendment, it is also subject to Referendum. A Referendum may be ordered

by the legislature, and on any but emergency measures may be had upon petition, within 90 days, of 5 per cent of the voters, and as to a part or the whole of the measure. Emergency measures must be declared by a two-thirds record vote of each House to be immediately necessary for the preservation of the public peace, health or safety, and cannot apply to franchise grants. Statutory measures approved by a majority voting thereon cannot be vetoed and they go into effect 30 days after the election. Constitutional amendments must receive a majority voting thereon at two elections in successive years.

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House document No. 365, offered January 12, the other of these direct legislation measures, is a resolution proposed by petition of the Massachusetts Direct Legislation League, and advocated by Prof. L. J. Johnson of the technological department of Harvard University. This measure requires in substance, that—

the Initiative may be set in operation by a petition of 8 per cent for a statute and 15 for a Constitutional amendment. If the statute petitioned for is not passed unamended, or is vetoed and not passed over the veto, it goes to the people along with such amended form as the legislature may recommend; if passed by the legislature unamended, it shall still be subject to Referendum; if a Constitutional amendment be petitioned for, it must be referred to the people along with any amended form the legislature may recommend. A Referendum may be ordered by the legislature, or by a 5 per cent petition, on the whole or part of any measure, unless the measure be declared by the legislature to be emergent because, for stated reasons, immediately necessary to preserve the public peace, health or safety by a two-thirds record vote in each House, and franchise grants, either original or amendatory, cannot be emergent. If approved by a majority of the popular vote cast thereon, a referred measure takes effect in 30 days, or at such later period as therein provided, and whether a statute or a Constitutional amendment, and if emergent, it ceases to operate at the expiration of 30 days after an adverse referendum vote. No veto applies to measures approved on Referendum. Conflicting measures adopted on Referendum at a given election take effect in the order of the highest affirmative vote.

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The "Unearned Increment" Movement in Boston.

The Mayor of Boston, John F. Fitzgerald, has not receded from his agitation for the taxation of "unearned increment" of land (vol. xiii, p. 964), but appears from the Boston papers to be pushing it with more vigor and better understanding than ever. He has recently sent to Governor Foss a proposed legislative resolution, which, if adopted, would be the most advanced step in the East, with high official sanction, in the direction of land value taxation, and probably the most advanced anywhere in the United States outside of Oregon:

Resolved, That the Governor with the advice and

consent of the Council be authorized to appoint a commission of five persons, citizens of the Commonwealth, one of whom shall be designated as chairman, for the purpose of investigating the present laws relating to taxation of real estate with a view of changing them so as to permit the taxation of the unearned increment of real estate. The commission shall investigate the laws and systems in regard to such taxation in operation in other States and countries, shall correspond or confer with committees and commissions in other countries considering the same subject, and shall draft an act for the taxation of such unearned increment. The commission shall be provided with suitable quarters in the State House or elsewhere. It may employ all necessary clerical or other assistance and may incur other reasonable expense and shall receive such remuneration as may be approved by the Governor and Council. The commission shall report in print the draft of the act and the compilation of the data and statistics and such other information as the commission may be possessed of as a result of its investigation and study on or before the second Wednesday in January in the year nineteen hundred and twelve, and the powers of said commission shall terminate on that date. The total expense to be incurred under this resolve shall not exceed the sum of ten thousand dollars.

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In transmitting the above resolution to the Governor, Mayor Fitzgerald explained it with a letter of transmittal in which he said:

I desire to call your attention to the pressing necessity of adjusting our tax system so as to permit the taxation of the unearned increment of real estate in our cities and large manufacturing towns.

In many places farms and uncultivated areas of comparatively valueless land have increased in value a thousand-fold during the last 50 years, and the former owners or their descendants have become immensely wealthy without any exertion on their part.

I do not allude to land speculation where not infrequently it happens that great stretches of land are opened by such speculation and the promoter must be admitted to have contributed greatly toward the rise in value, but in the cases I have in mind, the great rise in value of land, especially in cities, is not brought about by the owner and is quite unearned by him. It is society which brings it about through its activity and at its cost whereas the existing land system causes the gain to inure entirely to the owners and not to the community.

Not only would the taxation of this unearned increment add considerably to the revenue of our growing cities and towns, but it would be a step toward the attainment of justice in taxation. Almost every one admits the justice and desirability of so taxing this unearned increment that a portion, at least, of it shall go to the community whose industry, skill and labor have caused the increase.

Noting then in his letter the Constitutional difficulties in the way of making such taxes proportional, Mayor Fitzgerald enumerates suggested plans as follows, in substance:

1. Deduct from the price of actual sales the cost of improvements and of public betterments paid for since the previous sale, also the price of previous sale, and if the remainder exceeds 5 per cent of the former price impose upon it a special transfer tax.

2. Value real estate decennially, and after deducting cost of improvements and betterments, levy a tax upon so much of the increase as exceeds 10 per cent of the previous valuation.

3. If the rent increases in the decennial period more than 10 per cent above a fair return on cost of improvements, tax the increase.

Mayor Fitzgerald notes as follows the objections to each of those three plans:

The tax on transfers or sales would not affect the estates which are not sold and which have been held by the same family or by land trusts for many years and are not in the market; as far as the valuations are concerned, the judgment of the valuers like that of the board of assessors would be fallible; and as to the third, it would not apply to unimproved real estate.

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The Fels Single Tax Tour.

Pursuing his journey with Daniel Kiefer in behalf of the Henry George movement for the taxation of land values, Joseph Fels (p. 153) has spoken at Stanford University and at latest reports in southern California. He arrived in Pasadena on the 9th, speaking that evening at Throop Institute, and the next evening at the Hebrew Temple. He spoke to a large audience at the City Club in Los Angeles on the 11th. It was here that in direct answer to a question Mr. Fels is reported by the Los Angeles Herald as saying—

No man of wealth can use his wealth to better advantage than by helping to wipe out all taxation on industry and everything created by labor and placing taxation where it rightly belongs—on land values entirely separate from personal property and buildings created by labor.

Going to San Diego on the 12th, Mr. Fels got mixed up in highly sensational but wholly creditable fashion there with a local referendum over a traction question, which came to a vote on the 14th. The referendum was for an alteration in the city charter so as to take away the people's power over the traction company for 50 years. It had been urged in behalf of the company that a 50 years' franchise was necessary in order to finance extensions; whereupon Mr. Fels offered to buy it at its physical value on a 25-year franchise and on the same terms as the franchises are held by the company, and to pay the city 2 per cent of gross receipts; also that the city of San Diego may at any time take over all the lines and property for municipal operation, on paying the value of the physical property then in use. This offer was exploited by the San Diego Sun, a Scripps paper, and the last day preceding the election was a live day in San Diego. It was a single tax speaking cam-

paign throughout. But the traction company won at the election on the 14th by 4,056 to 1,756.

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Ohio Constitutional Convention.

Delegates to a Constitutional convention for Ohio are to be elected on the 7th of next November. The convention is to assemble January 9, 1912. In order to secure delegates pledged to the Initiative and Referendum the Direct Legislation League of Ohio (p. 130) has begun a canvass of the State for the purpose of holding public meetings to be addressed by Herbert S. Bigelow and other advocates of direct legislation; publishing articles in local newspapers favoring the Initiative and Referendum; obtaining signatures to a voters' pledge agreeing to support only those candidates for delegates who shall have publicly pledged themselves to support the Initiative and Referendum in the convention, and creating a fund to provide for the necessary expenses of this work. A women's auxiliary league is being organized. The People's Church of Cincinnati has formed a "Town Meeting Society" in connection with the direct legislation movement.

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Reciprocity with Canada.

The reciprocity agreement (p. 156) is pending in the Senate Committee on Finance.

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To express his idea that reciprocity with Canada means annexation, Congressman Bennet of New York, who was defeated for re-election last fall by Henry George, Jr. (vol. xiii, pp. 1092, 1095), introduced in the House on the 16th, a resolution requesting the President to enter into negotiation with the British government looking to the annexation of Canada by the United States. The resolution was referred to the Committee on Foreign Affairs, of which Mr. Bennet is a member, and on the 17th this committee agreed by 9 to 1 to report it adversely. Mr. Bennet's was the only vote the resolution got in committee.

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The British Parliament.

In the British Commons on the 16th, Prime Minister Asquith announced the purpose of the Ministry to take up the Irish question as soon as the question of the Lords' veto is disposed of. In making this announcement he said:

We can only arrive at a satisfactory solution of the problem of congestion of business in this House by creating an Irish parliament with an Irish executive. They shall deal with purely Irish affairs, while the supremacy of this Parliament must be maintained.

Augustine Birrell, Chief Secretary for Ireland, in summing up the debate in which Mr. Asquith made

the foregoing announcement, said that Ireland alone could deal adequately with her own affairs. He promised that the government's home rule scheme would be placed before the Commons as soon as the Lords' veto bill had passed.

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The motion of the Ministry appropriating all the time of the Commons until Easter to the Lords' veto bill was carried by 196 to 188. Mr. Asquith stated that he expected the veto bill to be sent to the House of Lords early in May. He introduced it in the Commons on the 21st with an uncompromising speech.

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Russia Menacing China.

Russian troops were ordered to the Russo-Chinese frontier, Province of Ili, on the 16th, as a military demonstration in aid of the treaty of 1881, which Russia charges China with persistently violating. On the same day Russia notified Great Britain, France and Germany of her intention to force China to fulfill the provisions of the treaty and of the fact that troops had been ordered to the Chinese frontier. The Province of Ili, which had been occupied by Russian troops since 1871, was restored to the Chinese by the treaty of 1881. This treaty will expire in August. The demands of Russia as reported in the news dispatches are not very intelligible.

NEWS NOTES

—The commission form of government for Danville, Ill., was defeated on the 16th by a vote of 930 to 2,054.

—Andrew P. Canning will debate the Single Tax with Samuel Block on the 26th at 10 a. m., at the Crown Theater, Division street and Ashland avenue, Chicago.

—President Taft signed the bill on the 15th, designating San Francisco as the city in which will be held in 1915 the exposition celebrating the opening of the Panama canal.

—Gen. Navarro, commanding Diaz troops in Mexico (p. 157) placed Juarez under martial law on the 16th, closing every business place and taking possession of the Mexican Northwestern Railway.

—The third National Peace Congress has been actively initiated by the directors of the American Peace Society, to be held at Baltimore on the 3d, 4th and 5th of May, in McCoy Hall, Johns Hopkins University.

—Bank accounts for every school child in Middleboro, Ky., were started on the 18th by J. H. Bartlett of that city, in the recently established postal savings bank. Not one of the 1,425 children enrolled in the schools, white or black, was forgotten.

—A conference on factory inspection will be held on the 25th at 2 p. m., in the directors' room of the

Public Library building, Washington street entrance, Chicago, at which Edwin R. Wright, Mrs. Mary Wilmarth, Edgar T. Daores, Mrs. Raymond Robins and Edgar Bancroft will be speakers.

—The statistics of exports and imports of the United States (p. 1214) for the seven months ending January 31, 1911, as given by the statistical sheet of the Department of Commerce and Labor for January were as follows:

	Exports.	Imports.	Balance.
Merchandise ..	\$1,256,792,956	\$893,763,376	\$363,029,580 exp.
Gold	10,179,451	49,374,817	39,195,365 imp.
Silver	55,957,831	27,528,074	8,429,757 exp.

\$1,302,930,238 \$970,666,267

—Using one of his hydro-aeroplanes on the 17th, Glenn Curtiss alighted on the water alongside the armored cruiser Pennsylvania off San Diego, California, and was hoisted on board. Soon afterward the aeroplane was dropped back into the water and the aviator flew away. The test was made to show the Navy Department that an aeroplane (p. 12) equipped like that of Curtiss does not need an especially constructed platform on a ship's deck to make it of practical use to the navy.

—Louis F. Post, of Chicago, editor of The Public, will lecture as follows in Brooklyn, N. Y., on the 5th and 6th of March: Ethical Society, Bedford ave., March 5, 10:30 a. m., on "The Responsibilities of Democracy"; Church of the Pilgrims, 109 Remsen street, 12:15 p. m., on "Socialism Economically Considered"; Trinity Parish House, 157 Montague street, 8 p. m., on "The Initiative, Referendum and Recall"; March 6, at 8:15 p. m., before the New Social Forum in the chapel of Packer Institute, 170 Joralemon street, on "The Liberty of the Press."

—At the national council of the Boy Scouts of America which was held at Washington on the 15th, President Taft and ex-President Roosevelt were elected honorary president and vice president respectively. The following were elected as active officials: President, Colin H. Livingstone, first vice president, D. L. Dulaney, second vice president, Milton A. McKea, treasurer, George D. Pratt, chief scout, Ernest Thompson Seton. Daniel C. Beard, Adjutant General William Verback and Colonel Peter S. Brown were elected national scout commissioners.

PRESS OPINIONS

The Annexation Scare.

Chicago Record-Herald (ind. Rep.), Feb. 18.—If Speaker-To-Be Clark's passing reference to annexation was a bad break, it was at least an innocent break. What is to be said about the "force" annexation resolutions introduced in Congress and the "questions" asked in regard to alleged possibilities of "war" and the alleged relation between those possibilities and additional military appropriations? It is to be said that the lowest and meanest hypocrisy betrays itself in such opposition to the reciprocity agreement. Beaten in argument, conscious that the great majority of the people are with the Adminis-

tration on the question, the desperate opponents of the agreement are resorting to jingo bluster—nay, to something worse than bluster. They have no notion that any sane man will take their annexation and war talk seriously; but they know that there are jingoes and treacherous politicians in Canada and in England as well as in this country. Their insinuations and hints are, of course, eagerly caught up abroad by persons of that ilk, and this is what they are counting on. A "scare," they say to themselves, may kill the agreement, a scare deliberately "worked" by selfish and canting demagogues.

† †

President Taft and the Warren Case.

The Boston Common (ind.), Feb. 11.—A President who continues in his Cabinet a Secretary of the Interior convicted at the bar of public opinion of infidelity to the public interest seizes occasion, while commuting a judicial excess, to flay a Socialist editor, who, whatever his faults, at least may be credited with zeal in standing up for his convictions. We hold no brief for Fred D. Warren of "The Appeal to Reason." Warren's way is not our way. But we wish that William H. Taft might aim his blows at more dangerous targets.

† †

Arizona and President Taft.

The Commoner (W. J. Bryan), February 17.—Mr. Taft has read the Constitution; if he had intended to disapprove it he should have said so and pointed out the parts to which he objected. It is hardly good faith—certainly not generous—to keep silent until the people speak and then withhold Statehood because of personal objection to one or more provisions. If he thinks that any provisions are objectionable let him point out those provisions and ask Congress to authorize a separate vote on those propositions at the time State and local officials are elected. This will give the people a chance to vote on those particular propositions, and he would hardly take the position that the people should not be allowed to have them if they desire them. In every other State the people can have a Constitution that suits them, why not in Arizona? The Initiative and Referendum are not new. They have been adopted in eight States extending from Oregon to Maine and from Montana to Arkansas; they will be submitted to the people in at least eight more by the legislatures now in session. The Recall is already in operation in several States and is rapidly spreading. The only living ex-President is in favor of the Initiative, Referendum and Recall; the Progressive Republican League is in favor of all three reforms. Can President Taft afford to deny Statehood to the people of Arizona because of his opposition to three Constitutional provisions? Let no friend of his charge him with being so hostile to the fundamental principles of self government.

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The (St. Louis) Mirror (Wm. Marion Reedy), February 16.—Can Arizona come into the sisterhood of States? There are those who think not, because of the Constitution that provides for the Recall for

the judiciary under certain conditions. . . . If the Recall be a bad thing, Arizona will have to suffer for it. But suppose the Congress and the President do veto the Arizona Constitution, what then? She can eliminate the Recall as to the judiciary, secure the ratification by Congress and the President, and then put the Recall in the ratified Constitution by amendment. . . . If people can elect judges, why cannot they unelect judges? If corporation skulduggery can put judges on the bench, popular vote should have a chance to shake them off. Ah, but judges would, under the menace of the Recall, respond too readily to popular pressure! Why not a little more responsiveness to popular pressure, as an offset to responsiveness to private pressure? If judges are popularly elected they should be subject to the Recall, just like other elective officers.

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The Regular Thing.

(Will M. Maupin in) The Commoner (W. J. Bryan) Feb. 10. "I don't understand it," mused Billington, gazing sadly at his tax receipts. "Don't understand what?" I asked. "Well, you see; it's this way. I paid \$750 for the lot on which I built my little home, and the owner of the next lot adjoining said he'd take that much for his if I wanted to buy it. I didn't have the money then, so I had to content myself with the one lot. The other day I made a deal and got hold of \$800, and thought I'd buy that lot, but the owner said he wanted \$1,200 for it and of course I couldn't buy it." "Well, what about it?" I queried. "I don't see why that should puzzle you. When you built your house you improved the adjoining property, and of course it is worth more now." "That isn't what puzzles me," said Billington. "I can understand how my building improved the adjoining property. The puzzle is this: I paid \$7 a year taxes on my vacant lot, but as soon as I built my \$3,000 cottage my taxes went up to \$28. I am fined \$21 for improving my premises, and although I added \$500 to the value of my neighbor's lot his tax on it remains at \$7. In other words I am fined for building a home, and made to pay for being enterprising. My neighbor gets a bonus of 70 per cent on his property because he sits around and does nothing. What's the answer?" Of course I instantly realized that Billington was falling a victim to that socialistic, anarchistic, communistic land value tax idea, and having no patience therewith I only smiled pityingly at him and went on about my business.

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The Whole Story.

(London) Land Values (l. v. taxation) Feb. —.—"Trade is exchange." This is the slogan to be seen on the latest Free Trade posters. But this is only half the story, and the second half at that. "Trade is production and exchange" would provide a better watchword for those who espouse the cause of freedom. Until production has taken place there can be no exchange, and free exchange is of little use if production is hampered and fettered as it is today. When men have the freedom to produce; when they have freedom to apply their energies and abilities to the production of wealth unhampered by landlordism

and the tax-collector; then will free exchange bestow all its benefits.

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That "Favorable" Balance.

The (Philadelphia) Saturday Evening Post (ind.), January 14.—Our foreign trade in 1910 amounted to about three and a quarter billion dollars, and exports of our own goods exceeded imports of all goods by about a quarter of a billion. This "favorable" balance is quite satisfactory. England's foreign trade during the year amounted to upward of five billions, and imports of all goods exceeded exports of her own goods by more than a billion. This "adverse" balance was quite satisfactory also. What the figures mean is that we owed the world for interest, freights and so on about a quarter of a billion, which we had to pay by exporting more goods than we imported; while the world owed England for interest, freights and so on about a billion dollars, which England collected by importing more goods than she exported. Generally speaking, a "favorable" trade balance means simply that the country is in debt and must meet its obligations by selling abroad more goods than it buys; while an "adverse" balance means that the country is a creditor nation and collects its rents from the world by taking more goods than it sells.

RELATED THINGS

CONTRIBUTIONS AND REPRINT

ANY SOUL TO ANY BODY.

So we must part, my body, you and I,
 Who've spent so many pleasant years together!
 'Tis sorry work to lose your company,
 Who clove to me so close, whate'er the weather,
 From winter unto winter, wet or dry;
 But you have reached the limit of your tether,
 And I must journey on my way alone,
 And leave you quietly beneath a stone.

They say that you are altogether bad
 (Forgive me, 'tis not my experience),
 And think me very wicked to be sad
 At leaving you, a clod, a prison, whence
 To get quite free I should be very glad.

Perhaps I may be so, some few days hence;
 But now, methinks, 'twere graceless not to spend
 A tear or two on my departing friend.

Now our long partnership is near completed,
 And I look back upon its history,
 I greatly fear I have not always treated
 You with the honesty you showed to me.
 And I must own that you have oft defeated
 Unworthy schemes by your sincerity,
 And by a blush or stammering tongue have tried
 To make me think again before I lied.

'Tis true you're not so handsome as you were,
 But that's not your fault, and is partly mine—
 You might have lasted longer with more care,
 And still looked something like your first design;

And even now, with all your wear and tear,
'Tis pitiful to think I must resign
You to the friendless grave, the patient prey
Of all the hungry legions of decay.

But you must stay, dear body, and I go;
And I was once so very proud of you!
You made my mother's eyes to overflow
When first she saw you, wonderful and new.
And now, with all your faults, 'twere hard to find
A slave more willing or a friend more true;
Ay—even they who say the worst about you
Can scarcely tell what I shall do without you.

—Cosmo Monkhouse.



VALUATIONS FOR TAXATION.

Abstract of Address by Lawson Purdy, President of
the Department of Taxes and Assessments of
The City of New York, at the City Club,
Philadelphia, January 21, 1911.

Philadelphia is fortunate in having assessors who are well paid as compared with assessors in other cities, whose tenure of office is reasonably certain, and who have no more work to perform than assessors in most other cities. I am not sufficiently familiar with local conditions to say whether they are sufficient in number or not. While these conditions are reasonably satisfactory the law governing assessments is very far from satisfactory. So long as assessments are made in one lump sum, without separating the value of the land, it is impossible fairly to analyze the assessments even when they are well made. There is a general impression in Philadelphia, as I gather from the newspapers, that assessments are not made at full value. It would be rather extraordinary if they were, for there are very few cities in the country where an honest effort is made to comply literally with the law, which everywhere requires assessment at full value.

Full Valuation.

It is sometimes said that equality of assessment is the object desired, and that it is immaterial whether equality is reached on a basis of full value or some percentage of full value, and often there is great objection to an increase in assessments from some ratio of full value, say 75 per cent to the full 100 per cent. It is hard to understand why such objections are made where assessments have no bearing on taxes, as, for example, in the city of New York, where the tax rate is derived mathematically from the budget previously determined and the taxable base fixed by the assessment. It is easier to understand such objection in Philadelphia where the tax rate has become a habit and expenditures are limited by the money raised by this arbitrary rate. It would seem, however, that this habit is not a good one, and that it would be better to change to the budget system in

Philadelphia than longer to endeavor to make assessments conform to the needs of the city. A tax rate which varies from year to year in accordance with the budget and assessed values has a salutary influence in checking a too rapid increase in expenditures.

Where assessments are made at some percentage of full value the proceeding is necessarily arbitrary and secret, for sworn officers are unable publicly to state that they have disregarded the law and assessed at a fraction of what the law requires. An arbitrary assessment at less than full value gives no certain standard of comparison, and taxpayers are unable to determine whether their property is fairly or unfairly assessed. It was common in the city of New York prior to the time when assessments were made at full value to answer a complaint of over-assessment by the inquiry whether the property was assessed at more than it was worth. It might have been assessed at only 80 per cent of its value and yet the assessment may have been very unfair as being 30 per cent more than the average. I have observed the great advantage which ultimately came from the mere brutal doubling up of assessments; on the average assessments in that territory had been probably at not more than 50 per cent of the value of the property; they were doubled, and errors came to light which had been concealed under the low ratio. Thus a piece of property formerly assessed at 75 per cent of its value was now assessed at 50 per cent more than it was worth, whereas property formerly assessed at only 30 per cent of its value was still far below its selling price. Persons who had never complained because they did not know that they were injured complained bitterly when their property was assessed at 50 per cent more than they could sell it for. This resulted in appropriate reductions of property which was over-assessed and the discovery of cases of under-valuation, which would never otherwise have come to light.

Assessors often object to assessing property at full value because it gives them a great deal more work to do, for the very reason that assessments are more closely scrutinized, the standard is known to all, and over-assessments are promptly attacked. It is generally safe to say that property is not well assessed when there are no complaints. Fair assessment should be a live issue all the time, and it will be kept a live issue when an honest effort is made to assess all property at market value.

Separate the Value of Land.

For a great many years the State of Massachusetts has enjoyed a good reputation for real estate assessments, and Massachusetts is one of the few States in which the separate statement of the value of land is required in all assessments in

both city and country. About nineteen years ago the State Board of Tax Commissioners of New Jersey was given power to order such a separation in assessments in New Jersey cities. They issued the order for first class cities, and gradually year by year enlarged the number of cities in which the rule was enforced. There is ample testimony from city officials and citizens of New Jersey that this change worked a very great improvement in city assessments. I am inclined to believe that the standard of assessment work in New Jersey cities is today superior to that that obtains in any other State in the Union unless it be in Massachusetts. Some New York cities are as good as the best, but in many of our cities in New York we adhere to the old alphabetical roll, do not separate the value of the land, and the results are what one can confidently anticipate under such conditions.

It is quite impossible to make comparisons of assessed values where the land value is not set down separately, without a painstaking examination of every parcel which it is desired to compare. When the values are separately stated it is possible to set down on every block, or wherever the value changes, the unit of value to a lot or per front foot, and then with these values displayed on a map comparisons may be made over a large territory by anyone at all familiar with the conditions. This display of the unit values on maps not only helps citizens to make comparisons and determine whether the work is fairly done, but it is of the greatest assistance to the assessor himself. I have known cases where an assessor made material changes in his own work when for the first time he saw it displayed on a map covering his whole district. When he had determined the values in the first instance, street by street, he had been too much influenced by some few transactions in certain streets, and when the values were displayed on the map he saw at once that certain streets were too low and certain streets were too high.

I am not in favor of the Massachusetts plan of setting down land, buildings and total in three columns, but greatly prefer the New York law which provides but two columns, one for the land and one for the total. Where three columns are used there is a tendency to over-assess buildings. In our rapidly growing American cities buildings often become obsolete in a few years, and although they are in good condition and would last a life-time their value is substantially gone. A building is never worth more than the difference between the value of the land and the value of the property as a whole; the additional column is an unnecessary labor as well.

True Considerations in Deeds.

During the last twenty-five years it has become the fashion to omit the actual consideration from deeds. This is a great detriment to the work of

assessors, does no one any good, and does a good deal of harm by making it easier for unscrupulous operators to obtain outrageous prices for land. The law should require that a statement of the actual consideration made under oath should be filed with the recording officer and by him delivered to the board of assessors for their use. It is said that some of these statements would be untrue; probably a few of them would be untrue, but the untruthful statements would appear at once by comparison with the truthful ones, and assessors would rarely be misled by this sort of falsifying.

Appraisal Company.

I have been asked to say a few words about the plan of hiring outside assistants to make assessments. If any man has special knowledge which would be useful to any board of assessors, there could be no objection to his temporary employment to aid the board of assessors, but I think it is most undesirable by any device whatever to farm out the governmental function of assessing property for taxation. What we all desire is the improvement of our law where it is defective and the improvement of the administration of the law. There is no royal road to such improvement; we must work out our own problem. If it were possible to procure a perfect assessment by paying outside parties to make it, I should be absolutely opposed to it because we would not be one bit nearer to doing our own work as it ought to be done. Assessments should be made annually, and assessing officers should be held to strict account for the way in which they do their work; they should be given the best law under which to work and the best tools with which to work, and be adequately paid. They must be competent to use their judgment in the field, and no office rules can take the place of intelligent field work either for land values or building values. Rules for determining the value of short lots, deep lots and corners are necessary, and if well devised are excellent aids to judgment, but no such rules can have universal application and enable the city to dispense with the services of men competent to apply the rules with judgment upon the actual conditions that exist. Rules for appraising buildings are necessary aids to intelligent appraisals, but these again cannot replace the judgment of the competent appraiser. No system of allowing for depreciation by zones can enable a clerk in an office to value buildings correctly. A man who knows the conditions and who knows how to make valuations must personally inspect the buildings and judge of the amount of depreciation that should be allowed for age and obsolescence. These objections to farming out assessment work are not based on any legal ground, but on the much stronger ground that progress cannot be achieved by such an artificial process.

A GOOD MAN.

Charlotte Perkins Gilman, in *The Forerunner*.

A certain Good Man possessed many virtues of character by right of inheritance, so that my Critical Friend remarked, "It is easy for him to be good."

Now the Good Man was by no means satisfied with his inherited virtues, and with Ceaseless Diligence and Long Effort he strove to acquire more, and in due season acquired them, abundantly, so that even my Critical Friend allowed these virtues were of some credit to him.

Nevertheless, being critical, he criticised the Good Man, to my grief and amazement.

"How can you criticise this Great White Soul?" I cried. "He has never committed a crime."

"Neither have you or I," interrupted my Critical Friend.

"He has never sinned," I continued, "he has not a single vice, he has not even a fault! And as to his Virtues!"—

"What are his Virtues?" asked my Critical Friend.

Then I considered the Virtues of that Good Man and was lost in admiration and amazement. "He is unimpeachably Honest, Trustworthy and True," said I. "He is Humble and Modest even in his Superiority, and has Hope of Improvement; he is Brave in meeting adversity and Patient in bearing it. He is Chaste and Temperate, he is Generous and Unselfish and Self-sacrificing, he is Persevering and Diligent, Faithful and Enduring. He is Good."

"Yes?" said my Critical Friend. "What good is he?"

"What good?" said I.

"Yes, what good? What does he do?"

"What do you mean?" I asked. "His business?"

"Of course. What's his business? What does he do in the world?"

"He's a business man," said I, "and a very good business man, if that is what you mean."

My Critical Friend grinned unfeelingly. "What use is he?" he asked. "Whom does he serve? Of what use to humanity is his work? In what may the human race be benefited by his business? What will the world lose when he is gone?"

"They will lose a Good Man," said I, a little angrily.

And my Critical Friend subsided, merely grunting once more, in that tiresome way of his, "What good?"

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It is not to die, nor even to die of hunger, that makes a man wretched; many men have died; all men must die. . . . But it is to live miserable we know not why; to work sore and yet gain nothing; to be heart-worn, weary, yet isolated, unrelated, girt in with a cold, universal *Laissez-faire*.—Carlyle.

THE HEART OF THE SOCIAL QUESTION.

Portions of the 1910 Official Report of Frank B. Schutz*, Tax Commissioner, to the City Council of Milwaukee.

Of all taxes, that on the value of land conforms best in every respect to the canons of taxation.

A tax on the value of land does not bear on production, because it is in the nature of a tax on monopoly.

The value of land is an increment produced by society in every community. It is therefore only just that the value so created should be appropriated by society, to maintain itself for the benefit of all who compose it.

A tax on the value of land will not hamper or retard improvement, because it falls entirely upon the land owner as such, and cannot be shifted upon the user of the land. In his "Wealth of Nations" Adam Smith says: "Ground-rents are still more subject to taxation than the rents of houses. A tax upon ground-rents would not raise the rents of houses. It would fall altogether upon the owner of the ground-rents, who acts always as a monopolist and exacts the greatest rent which can be got for the use of his ground."

While a tax on a certain industry will tend to diminish production, no system of taxation can increase or decrease the amount of land. Dr. Richard T. Ely says, in his "Problems of Today": "There are certain things which can neither leave us nor come to us. City lots will serve as an example. It is manifest that taxes upon city lots will not injure business. There is a certain amount of land accessible, neither more or less, and no taxation will alter the circumstance. If city lots are taxed on all that they are worth, up to the last dollar of their selling value, as they should be by our law as it stands, instead of discouraging enterprise it will encourage it; for it will make it harder for speculators to withhold the land from those who wish to improve it."

A tax on land value conforms to the principles of an equal or equitable tax, in that the owner of land pays in proportion to the benefits he receives. If this land is well located for business abutting a street that is traversed by the travel and commerce of the community, his land is valuable, and he is enabled to charge higher rents for its use. So it is if he has land especially well located for residence purposes; he has advantages over his fellow men and he would equalize that advantage by paying a tax proportionate thereto.

The certainty of a tax on land value commends it. There is no chance for evasion or escape. The land is in view, the value of it may easily be ascertained, and the tax that the owner of one piece

*See this volume of *The Public*, page 75.

of land pays may easily be compared with the tax paid by the owner of another piece, and if there is any inequality in the tax paid by the different owners of land an investigation will easily disclose it.

In a discussion of economic principles, the student and the public administrator are often sneered at as theorists whose ideas are not practical. I am therefore pleased to quote the following from a prospectus issued by the Trustee Securities Company, located at No. 1 Wall St., New York, with offices in Seattle, Los Angeles and Spokane, which makes a specialty of real estate investments on a large scale: "Why do people buy and hold (speculate in) land, unimproved, unproductive land? To get the increment. Increment produced by whom? By the owner? No, by the public—by the increasing population. The power to collect a tax from all the people living in the distributive territory of a commercial city is the privilege and profit of the comparatively few owners of the central business properties of such a city. A centrally located business building draws its 'rent-tax' from the entire population, not only of the city in which it stands, but of the entire commercial territory tributary to such city, reaching often into other States and across oceans into foreign countries. The tenants are the real 'rent collectors' (tax collectors). The people at large are the real 'rent payers' (tax-payers). This ground value 'increment' is a natural, in fact an inevitable product of city growth. We find it in the hands of a few property owners in every city, left there for hundreds of years by the stupidity of our predecessors in law and finance." This is a frank confession of one of the large corporations dealing in real estate, that it is appropriating to itself and for its customers values that belong to the people as a whole.

Land is the source of all wealth. But labor must be applied to it to make it productive. Without labor, land cannot produce; neither can labor produce without land. Therefore any system of land tenure that prevents the freest accessibility of labor to land is morally and economically bad, because it prevents the fullest return that labor should have for its exertion. Placing taxes that are now on industry and improvements upon the value of land, will make it unprofitable to hold land out of use, and will open up to labor and capital the natural resources to which they may be applied for the production of all things necessary for the livelihood and comfort of mankind.

A tax on buildings and improvements in general adds to the cost of living. If the buildings are used for industrial and commercial purposes, the tax is shifted to the purchaser of the merchandise, commodities and articles sold or manufactured in those buildings; if the buildings are residences, the tax is paid by the tenant in the

increased rent that he has to pay. The term "rent" in general use, includes the price paid for the use of the buildings as well as the ground; but it should be borne in mind that there is a distinction and a difference. The price we pay for the use of a building is really interest, because a building is the product of labor and comes under the economic term "wealth," and when such building is used for industrial and commercial purposes or is sublet by the owner to another for a consideration, it is "capital," the earnings or increment of which is "interest;" but the ground is not a product of labor,—the value of it, if it has any, is not produced by the owner, and the price that the owner exacts for its use is not "interest," but "rent."

The tax on the value of land will not increase the cost of living, but is the taking by the community for its maintenance of a part of the increment created by it, which would otherwise go to the owner of the land. In other words, if the owner were not taxed one penny on the value of his land, the rent that he would exact from the user would be as much as he now takes; or, putting the proposition conversely, if all taxes were taken from improvements and commodities and placed on the value of land, it would not increase the rent to the user of the land. The owner could not shift the increase in taxes on his tenant.

But if you tax buildings you increase the cost of buildings to the amount of the tax, and thereby increase the cost of living. Unless building operations are profitable, new buildings will not be constructed, which will operate to make buildings scarce, which in turn will raise the price that the tenants will have to pay for their use. This truth is generally recognized and accepted, and it is astonishing that the logic of the proposition does not prompt our lawmakers to enact it into law, as have some of the municipalities in British Columbia—notably the cities of Vancouver, Prince Rupert, and Edmonton.

In 1895, Vancouver exempted 50 per cent of the value of buildings from taxation; in 1906 the exemption was increased to 75 per cent, and in March, 1910, buildings were made entirely free from taxation. Note the effect. For the first nine months during the year 1910, Vancouver, with a population of about 100,000, issued building permits for the construction of buildings to the value of \$9,011,360, and her building operations are not equaled by any city of the same class and are exceeded by few of much larger population. Milwaukee with a population of 373,000 during the same period, has issued building permits for the erection of buildings amounting to \$6,865,603 only. Vancouver's policy of exempting buildings and improvements from taxation, has made it more profitable for owners of city

ground to improve it than to let it lie idle. The increase in building operations has helped general business, and general business has enhanced the value of land, which increase has made it possible for the city to lay all the taxes upon land value without increasing the tax rate.

Would it not be wisdom on the part of our legislators to take heed of the experience of Vancouver and encourage industry, and follow her in economic progress by exempting improvements from the burden of taxation?

If the workingman and farmer, who compose the majority of our people, only understood the effect of a bad system of taxation, such as is the tax on personal property, and that it is they who have to bear practically all of the burden, the death knell of such a tax would soon be sounded. That the tax on personal property retards industrial development and hampers production has been recognized by our lawmakers in the enactment of statutes exempting certain industries from taxation.

When making provisions for the exemption from taxation of particular industries, the legislature undoubtedly recognized the fact that the exemption will stimulate the development of these particular industries. Why did they not go further and stimulate and encourage all the industries of the State? If a tax exemption will lead to the development of an industry, will not a tax burden upon another industry retard its development?

Some one has said "The power to tax is the power to destroy," and the truth of the statement has also been recognized by our lawmakers. Was not the tax placed on oleomargarine with the avowed purpose of limiting its production and consumption?

Nothing will so encourage the growth and development of our city, commercially and industrially, as will a policy that will relieve every worthy enterprise from the burden of taxation.

BOOKS

A PEARL IN THE MUCK.

"The Least of These." A Fact Story. By Lincoln Steffens. Hillacre Bookhouse, Riverside, Conn. Price 50 cents net.

A book by a "muck raker," perhaps really a pearl diver.

Anybody can say "there's good in everyone"; some persons know it in their souls, but few have such perception (which is art) as to be able to make others feel it.

Lincoln Steffens has it. He says in the Dedication to "The Least of These": "I would not have any son of man leave the book behind just because he was going to break into a house at night, or get

drunk, or preach half the truth, or write a lie, or employ little children, or sell bad goods, or accept, or even offer, a bribe. That's the very time to have it by."

So if you have any doubts about it yourself, if you think "criminals" are bad, or don't know that you are a criminal yourself (for we are of one flesh), read this little book. It will convince anyone but a heart-hardened sinner that, as the Freedom Group of London Anarchists say, "The guilt of these crimes lies upon every man and woman who, intentionally or by cold indifference, helps to keep up social conditions that drive human beings to despair."

BOLTON HALL.

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CONTROLLING INTEMPERANCE.

The Last Battle Ground. By Margaret S. Organ, M. D., Box 321, White Plains, N. Y. Price, \$1.60 by mail.

The ill effects produced by the use of alcohol as medicine; and the efficacy of a non-irritant vegetarian diet, called by Dr. Organ a "hygienic diet," in inhibiting a desire for alcoholic drink, or overcoming the drink habit when already formed,—are the propositions to which Dr. Organ has aimed to give concrete interest by presenting them in combination with an experience story. It is unusual to find in books of this class, as we find here, the arguments more convincing than the story.

ALICE THACHER POST.

BOOKS RECEIVED

—War or Peace. By Hiram M. Chittenden. Published by A. C. McClurg & Co., Chicago. 1911. Price, \$1 net.

—The Man-Made World. By Charlotte Perkins Gilman. Published by the Charlton Co., New York. 1911. Price, \$1.

—Second Biennial Report of the Minnesota Tax Commission. Published by the Syndicate Printing Co., Minneapolis, Minn. 1910.

—The Folly of Building Temples of Peace with Untempered Mortar. By John Bigelow. Published by B. W. Huebsch, New York. 1910.

—Education in Sexual Physiology and Hygiene. A Physician's Message. By Philip Zenner. Published by the Robert Clarke Co., Cincinnati. 1910. Second Edition. Price, \$1.00 net.

PAMPHLETS

The Fairlie Tax Report.

The report on the taxation and revenue system of Illinois by Prof. Fairlie of the University of Illinois and chief clerk of the Tax Commission (pp. 125, 131), is in favorable contrast with the recommendations of the Commission. Concisely but very clearly and

without color of partisanship, this report outlines the history and operation of tax legislation in Illinois, and sketches the principal suggestions considered, and experiments in general for improving taxation. In these connections, land value taxation finds a place at pages 27 to 33, and the legal victory of the Chicago Teachers' Federation against tax-dodging public utility corporations is duly credited to that organization—for the first time, perhaps, in a public document.

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Pamphlets Received.

One Cause of Our Financial Weakness. By W. E. Waldron, Yellowstone National Bank, Billings, Mont.

Speech of Hon. J. Warren Keifer of Ohio for the Neutralization of the Panama Canal Government Printing Office, Washington.

Report of the Twelfth Annual Meeting of the Anti-Imperialist League, November 26, 1910. Published by the League, Boston.

PERIODICALS

Gustav Buscher's Challenge.

The first installment in the Single Tax Review (New York) for January-February, of the book by Gustav Buscher, of Zurich, Switzerland, translated for the Review by Lewis H. Berens, of London, lends verification to the assurance of the Review that the work as a whole will be found to be a

contribution to the literature of the single tax movement of great value. Instead of a preface, the author writes an open letter to the finance commissioners of Zurich, in which he refuses to pay taxes, challenging the authorities to proceed against him as they "deem desirable." The reason he offers is that "so long as the state does not assure to all its inhabitants equal rights to the use of the earth," so long will he refuse it obedience, "so as not to become an accomplice in the exploitation and disinheriting of the masses" of the people. This letter is followed with a discussion in a series of chapters, the first of which appears in the current Review.

+ + +

Miss Smith: "Now, Madge, tell me, which would you rather be—pretty or good?"

Madge (promptly): "I would rather be pretty, Miss Smith; I can easily be good whenever I like to try."

+ + +

The elevator in the department store was nearly full.

Raynor, who was one of the passengers, drew a

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small and withered potato from his trousers pocket. "What do you carry that for?" asked Shyne. "Protection." "Protection from what? Rheumatism?" "No; hatpins." By way of illustration he deftly impaled it upon the point of one that was within two inches of his left eye.—Chicago Tribune.

+ + +

"Gentlemen," said the lawyer for the defense, in closing his eloquent and impassioned speech, "all

I demand for my client at your hands is justice—justice with a large G!"

The principal of the district school was on the jury, and the verdict was Guilty—with a large G.—Chicago Tribune.

+ + +

Father (to son, who has been bragging at school about his father's wealth and possessions: "You must not do it, old chap. It's such awfully bad form."

Son: "But, dad, how are they to know about it if I don't tell them?"—Punch (London).

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Entered at the Chicago, Illinois, Postoffice as second class matter.

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