

value of \$1,582,422,762. It appears then, as Mr. Martin asserts, that the owners of the site of New York—the mere natural site—have profited as follows from 1899 to 1908:

Increase in site values .....	\$1,582,422,762
Taxes paid .....	788,693,513
<b>Net profit .....</b>	<b>\$ 788,693,513</b>

A tidy profit that, when it is considered that it is over and above all profits from improvements, and that the capital—the site of New York—never wears out, never calls for replacement or repairs, and increases constantly in amount whether put to use or not, and when put to use increases also in actual annual earnings.

Mr. Martin's specific conclusions are, like his facts, of universal interest and concern. They are as follows:

(1) Since total taxes are growing more slowly than real estate values, the basis of the city's taxation is improving.

(2) Investment in New York land is extravagantly remunerative.

(3) Expenditures on city services have brought enormous returns to the property owners.

(4) The city authorities have allowed expenditures on schools, parks, hospitals, charities, health protection, public improvements and the like to lag behind increases of property values.

Referring to the fourth item above, Mr. Martin justly says: "A great injustice is thus being done to the tenants in the city who pay the high rents that not only have met all taxes, except on vacant property, but also provide annual returns upon the fabulous increase of real estate values." For "taxes simply measure the amount which the city takes back from rent receivers and spends on services for both rent-receivers and rent-payers. All improvements which attract population increase the demand for city space and raise property values. Therefore, property owners get back their share of the expenditures with rich increase added. But tenants have no defense except the taxing authorities. Pay the higher rents they must; for no rent court, no plea of poverty, no dodging will save them. Therefore, city administrations should represent the interests of tenants at least as earnestly as the interests of owners. But they are not giving the tenants a square deal when they reduce the proportion of taxes to values, and so reduce the proportion of total rents spent on schools, parks, health, playgrounds, baths, music and the like services which rent-payers can enjoy free." Probably the rich parasites of New York, and their kind everywhere else, will call this "socialism." But if it is socialism, let them make the most of it.

It is a kind of socialism that is gaining headway in every community where a sense of justice prevails.

\* \*

#### Municipal Reform.

Two taxation measures of extraordinary general interest in municipal affairs, have been introduced in the New York legislature this winter at the suggestion of the taxing authorities of New York City. One of them proposes a court of record in the city exclusively for the trial of questions relating to the assessment of property for taxation and to the condemnation of property to public use. This in itself would be a wise innovation; for regular trials in a special tribunal would open the way to weeding out the discriminations that are so prevalent in this connection under administrative as distinguished from judicial methods. But vastly more important is the other measure. It would authorize the city, whenever it takes property by condemnation for public use, to take not only what is necessary for that use but also adjacent property. The object is to offset the cost of the public improvement by the increase in land values which the improvement causes. Under the existing practice adjacent owners get, in enhanced values from public improvement, a benefit that ought to be devoted to paying for the improvement; yet the city is obliged to pay for it out of general funds—in other words, to bear the burden of the cost without getting the profits of the investment. If, for instance, a city opens or widens a street, it must pay for the land it turns over to street uses, and for making and keeping up the street. Yet the land along that street is enhanced in value by this improvement—often enormously. The proposed measure for reforming New York City in this respect, introduced in the legislature by Assemblyman John V. Sheridan, would authorize the city to condemn, with the land necessary for the proposed street, enough more to make a line of building lots on each side of it. To this proposition there is not a single sound objection. There is not even a plausible objection. It can be opposed only by interests that profit by public improvements at the expense of interests that pay for them.

\* \*

#### Public Utilities in Birmingham.

Since Birmingham, England, got the habit of municipal ownership and operation (vol. xi, p. 893; vol. xii, p. 5), it has added to its water and gas works an electric-supply system and a traction system. The municipal electric-supply system dates back only a few years. The total