

The city itself is the greatest creator of wealth in its own domain. There is a veritable gold mine ever-increasing under the city. The city itself creates values annually, more than ample for all improvements and expenditures in that continually unsleeping increase which the normal growth of the city adds (1) to all the land values over which it stands, and (2) to all the public franchises within its limits.

No individual creates these values by labor, foresight, capital, or skill. They are socially created by the presence and activities of the whole community. And the values which the whole community thus socially creates should naturally become the source of the city's treasure.

But our present method of real estate taxation and of dealing with franchise values is unjust and disastrous. It punishes the man who improves real estate and rewards the owner of land kept vacant. It leaves the value which the city creates to fall into private hands which never earned it, while it collects taxes out of the people's earnings and values which the city did not create.

Therefore along with our program for the municipalization of public utilities, thus saving to the city and to the citizens the enormous values of public franchises, we demand an increase in the assessment of all land values of the city, and a uniformity of assessment according to location and site value, whether improved or unimproved. We favor a decrease in the assessment of improvements.

We further propose to agitate for a charter amendment to come before the people at the next election providing for the levying of an additional tax on all unimproved land.

In New Zealand 68 cities have adopted this principle of taxation of the unearned increment of land values with unflinching success. It is this principle which is now unhorsing the landed aristocracy of Great Britain.

Taxation of the unearned increment of land values and the socialization of public utilities is the secret of a full city treasury, collected from the city's own socially created values and providing abundant revenue for every needed municipal enterprise without robbing the poor and the working classes and enriching the rich and the privileged.

[See current volume, p. 321.]

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Singletax Issue Raised Before New York Legislature.

Intense excitement among land monopoly interests in New York city was reported on the 18th by the extremely conservative New York Times. It is over a measure recommended by Mayor Gaynor's Commission on Congestion of Population, to the effect that by five successive annual reductions of the tax rate on improvements, taxes on improvements should be reduced to 50 per cent of those on sites, value for value. [See current volume, page 300.]

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Two legislative bills based on that recommendation were introduced at Albany by Senator Timothy D. Sullivan. Little attention was paid to

them by the land-monopoly interests at first. But the New York Evening Post sounded an alarm. Without condemning the measures, it made an appeal for consideration of the fact that in principle they are Singletax measures, which may be a good thing or a bad thing, but that their real character as an entering wedge for the abolition of private property in land should not be overlooked. Thereupon the Allied Real Estate Interests took the matter up, under the leadership of their president, Allan Robinson. Meanwhile, however, favorable pressure had been at work and there seemed reason for the adversaries of the measure to fear favorable legislative action. In its reports on the 18th the New York Times told of a meeting on the 17th at the City Club of a dozen local organizations and fifteen New York members of the legislature, at which the consensus of opinion favored the measure as likely to encourage the construction of better tenements and the demolition of those that are unsanitary, and to reduce rents, break up land monopoly, and help the "little man to own his own home." Robert S. Binkerd, secretary of the City Club, presided at the meeting and opened the discussion by pointing out that such legislation is based upon the premise that the people have the right to create a tendency that will modify social conditions. He indorsed the bills on the ground that they will bring about the use of high price "strategic" lands for the purposes for which they are intended and the use of outlying districts for residential purposes. Raymond V. Ingersoll, chairman of a committee devoted solely to the support of recommendations by the Mayor's Commission, explained that the bills under discussion seemed to have a fair chance of passing and are therefore worth immediate encouragement. Edward T. Devine supported the bills because they are in line with the protective and conservative systems of taxation which have as their aim the modification of social conditions. Paul U. Kellogg, editor of The Survey, gave the testimony of one who had observed at close range certain readjustments that had been effected in the tax rates in Pittsburg. It was not so very long ago, he explained, that the business houses and tenements there were called improved property and heavily taxed as such, while the presence of a few shrubs and some grounds about a house won it a rural character that allowed it to escape with a much smaller rate. The owner of large tracts of land paid hardly any tax at all. All this was changed, as Mr. Kellogg put it, by recent legislation in behalf of the "small people of Pittsburg." The last speaker was John J. Flynn of the Brooklyn Central Labor Union, who was the labor representative on the Mayor's Commission. He said: "The time has come when organized labor is thinking beyond the two questions of shorter hours and higher wages, and in such a movement as this you will find our hearty support."

The thing that I like about these bills is the source of the opposition to them. I have been up in Albany, and there I have found the only opponents to be the East Side landlords. It is simply a question of a life or a dollar, and when such alternatives are presented, organized labor is pretty sure to stand squarely for a life. We do stand squarely behind these measures, and the distinctive quality of our support is that we do not hesitate." Since this meeting no important developments have come to our attention.

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New York Traction Problem.

The rejection on the 27th by the New York Interborough Rapid Transit Company, of the city's subway ultimatum, probably brings the traction problem of New York to a head. [See vol. xiii, p. 1154.]

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Whoever knows the tactics of franchise monopolists with reference to tangling up grants and term-expirations so as to leave the corporations a tactical advantage at every crisis, will not be surprised to learn of the franchise confusion in New York. The Interborough Rapid Transit Company, a subway corporation, controls all the elevated lines in Manhattan, and is itself controlled by the Interborough Metropolitan Company, which also controls the Metropolitan Street Railway Company and through this all the surface lines of Manhattan and the Bronx. As these controlled and super-controlled systems vary in the duration of their franchises from a few years to perpetuity, there would seem to be possibilities of enough confusion in the interests thus far indicated to drive any community desperate. But there are still other confusions of interests to consider. The Brooklyn Rapid Transit Company controls all the elevated and surface lines in Brooklyn, with their variety of privileges and term duration. And then there is the Triborough Subway—a traction plan rather than a traction system, although one section is under construction. This plan contemplates a traction union of three boroughs—Manhattan, the Bronx and Brooklyn—by a municipally owned competitor of all the other systems. To adjust this complex situation is the head-spinning problem into which Mayor Gaynor was plunged by his election as Mayor of New York on municipalization pledges.

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Early in June the city's "ultimatum," now rejected by the Interborough Metropolitan Company (the Manhattan-Bronx trust described above), was proposed by the transit committee of the Board of Estimate. According to this plan the subway construction contract would be awarded to the Interborough Metropolitan Company

(Manhattan-Bronx) or the Brooklyn Rapid Transit Company (Brooklyn), which are competitors, or to both, at a total cost of \$267,000,000, \$141,000,000 of the amount to be borne by the city, and the work to be completed in four years, the Brooklyn company to enter Manhattan by the Broadway route, and the other routes to be so allotted as to seem to assure some degree of competition in service. If neither company accepts this proposal, the plan contemplates immediate construction of the Triborough system by the city and for contractual operation.

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Terms of operation in case of acceptance of the proposal by either or both competitors—the Interborough and the Brooklyn—were summarized by the New York World, as follows, at the time of the proposal:

That the fare for a continuous ride over any part of the system operated by one operator, including transfers, shall be 5 cents; that all contracts for operation shall be for forty-nine years from the date of beginning operation, except that the term for the bridge loop shall be for twenty years with a twenty-year renewal; that the city retains the right to take over the lines at the end of ten years or any time thereafter on payment of the company's cost, plus 15 per cent and the reasonable value of the equipment; and the city may pay the recapture price itself or arrange for a second operator to pay it.

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Although the Interborough Metropolitan Company (Manhattan-Bronx) is reported in New York dispatches of the 27th as rejecting the proposal, the same dispatches report that the Brooklyn Rapid Transit Company (Brooklyn combination) accepts. It requests, however, that certain modifications be made in the proposed operating terms. This appears to mean—disregarding the requested modification in operating terms, which may not be very important—that the Brooklyn Rapid Transit Company will extend the Brooklyn system through the three boroughs—Brooklyn, Bronx and Manhattan—as required by the city, and operate in competition with the Interborough company in so far as Manhattan and Bronx territory is concerned.

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The Illinois Deep Water Way.

When Governor Deneen's deep water way measure came before the Illinois Senate on the 27th, it was transformed into a conservation measure embodying the deep water way idea in every essential particular, but with a greatly diminished appropriation. A referendum clause was rejected by 29 to 8. On the 28th the bill was adopted by 33 to 7. But upon coming into the House and being referred to committee, a motion on the 29th to take it out of committee was lost by 67 yeas to 46 nays