

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 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.

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## NEWS NARRATIVE

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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.

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Week ending Tuesday, February 21, 1911.

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### 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