

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-