

Values" for March devotes a supplement to reporting it verbatim. For the Labour party, Ramsay Macdonald led; for profit-sharing, Mr. Peto; for the reactionaries, Hayes Fisher; for small land holdings, Mr. Stanier; for the taxation of land values, Mr. Wedgwood; and among the participants in the three days' debate were Mr. Parker, Mr. Lansbury, Keir Hardie, Viscount Helmsey, Walter Long, Bonar Law, Hicks Beach and Lloyd George. Mr. Wedgwood's floor leadership in behalf of a proposal that the assessment of the full site value of the land now being prepared under the Lloyd George budget be hastened in order that loss of license fees to local authorities under that budget may be compensated by local levies on local land values, was ably done; and Mr. Wedgwood was ably seconded by the Labour member from Halifax, Mr. Parker. This part of the debate, in which Wedgwood and Parker stood for land value taxation for local purposes, and reactionaries supported by dullards opposed them, affords a fine example of the strength of the Singletax under fire.



### Hogan's "Hep."

Henry Hogan is a Chicago hackman—not a cab driver, but a hackman, a distinction upon which he is reported to insist. He is just now in the public eye in Illinois because, as a candidate for the Democratic nomination for Congressman-at-large, he either has been nominated or else has been but barely defeated. Because he is a hackman, some of the newspapers have thought it good sport to laugh at his pretensions to Congressional service, as if a hackman candidate for Congress were a joke. But many a man has gone to Congress more poorly equipped for public service than Henry Hogan, even as his qualifications appear through the distorted phrases of fun-making reporters. Observe, for instance, these quotations from a Tribune interview of the 14th:

I've been "hacking" for twenty-five years, and I've met all classes of people—rich and poor. I have driven all the big politicians, including William Jennings Bryan; and I think I am well qualified to represent Illinois as a Congressman. A man who has driven the people to weddings, receptions, balls, christenings, baseball games, and political meetings is bound to get close to the people and know their wants. I'm one of the common people, and I understand the kind of legislation they want better than a whole lot of high brows. I'm against imperialism. Shoot that in the paper good and strong. I believe that import duties should be taken off the necessities of life and put on the luxuries. I believe every human being who is subject to the law should have something to say in the making of the law. I believe in the initiative, referendum and recall. The

governing power should be entirely in the hands of the people, and if the people don't run things right it's their own fault. I'm in favor of electing United States Senators by direct vote of the people. And while I'm speaking on that subject I want to say that I'm against "jackpotting." I'm a William Jennings Bryan man from A to Z. I'm a Single Taxer. I don't believe in taxing a man for being industrious. Do you get "hep" to my line of talk? Let me give you an illustration: Here's the old West Side ball park, for instance, where Cap Anson used to play. The ground is owned by a man in New York. When he bought it fifty years ago it cost him \$5,000. It has been vacant all these years until just recently. Now, a man who had saved up \$10,000, we'll say, went over around the park some place and bought a lot for \$3,000. Then he built a house that cost him \$7,000. Some bloke from the city hall comes along and says, "I'm going to fine you \$200 for putting up that building." He's got to pay the fine or it will be sold for taxes. The gink who owns the vacant ball park don't have to pay any fine because he didn't put up a building. That's what I'm driving at.

When it is remembered that Congressmen for generations have been making unearned values for owners of the site of the District of Columbia, and with no thought of applying those values to the expense of creating and maintaining them, the poking of fun at a man of Hogan's views for presuming to run for Congress has a touch of the anti-climax about it. He has "got hep" to something that might improve the qualifications of any Congressmen who would "get hep" to the same thing. In very truth Henry Hogan is, as hundreds of Chicagoans know, a man well worthy a place in any honorable law-making body.



### "UNEARNED DECREMENTS."

Now that the Singletax has come fairly into the arena of practical discussion, Singletaxers are confronted with a curious and interesting vagary of the human mind when under the influence of habit. In one form or another they are asked this question: If increases in land values are taken by the public, why shouldn't the public compensate for decreases in land values?"



Perhaps as good an example of this mental perversion as could be found anywhere, appeared last winter in an editorial of the New York Evening Post, which commented upon facts that very well illustrate the whole matter.

Owing to the transfer of the capital of India from Calcutta to Delhi, there was a collapse in Calcutta land values; and upon this occurrence the Evening Post observed that while a spectacular

fall in the value of land, such as that indicated, is a most unusual event—

it is too often overlooked, in discussions of the land question, that besides the "unearned increment" phenomenon, with which we are all so familiar, there is quietly going on all the time, in most cities, on a very considerable scale, the opposite phenomenon of decrement in land values, just as independent of the efforts or the control of the owner as is the "unearned increment." Especially is this seen to be true when we remember that the owner of improved city property loses not only when the land value actually declines, and not only the amount of that decline when it does take place, but suffers whatever loss comes from a change which makes the house unsuited to the location. A handsome residence built on a site that has gone down socially is often little or no better than a dead loss. This is a phase of the Singletax question which bristles with difficulties of the most serious kind, and yet which is usually all but completely ignored.

Now, what in reality are those bristling difficulties? Nothing in the world but a vicious habit of thought among privileged persons and classes—the habit of thinking that because they have inherited or purchased from some legally privileged person his legal privilege of living at a public crib, they and their successors are entitled to continue that enjoyment as long as grass grows and water runs.

The Evening Post wouldn't make this mistake about Tammany Hall spoilsmen or war pensioners, but it makes it glibly about land monopolists. Yet there is no difference—not if morality is to be taken into account as a "bristle" in the problem.



If questioners who bring forward the "unearned decrement" as an offset to the "unearned increment" mean to be fair and not merely pertinaacious, let them divest their minds of selfish thought-habits and look the facts squarely in the face. They will find if they do this that the difficulties of a serious kind, point not against the Singletax but against its adversaries.

Take for illustration this very instance of the removal of the capital of India from Calcutta to Delhi. Calcutta land fell in value in consequence, and no doubt Delhi land rose in value. There was, then, as a result of that change of the seat of government, an "unearned increment" at Delhi and an "unearned decrement" at Calcutta. Therefore—so runs the logic of this "bristling" difficulty,—if the public takes from land owners the "increment" at Delhi, it must compensate land owners for the "decrement" at Calcutta.

Ingrained habits of thought could hardly evolve a lower type of public morality or a poorer quality of reasoning.

Why is there a land value "decrement" at Calcutta? Because the government decides to remove the capital from Calcutta. But what reason is this, in morals or logic, for compensating the owners of Calcutta land? To urge it as a reason is to say that a country has no moral right to change the location of its capital without compensating a set of land monopolists at the old capital for loss of somewhat of their power to charge other persons higher premiums in rent or price for living or doing business there!

But no one says that. What is said is, not that those who suffer loss of land values at Calcutta ought to be compensated, but that if they must lose then those who gain land values at Delhi should be allowed to keep the gains.

But where is the logical or moral connection?

To Calcutta land monopolists who lose land values when the capital goes from them, it makes no difference whether Delhi land monopolists are allowed to keep the increased land values which the coming of the capital to Delhi brings or are compelled to pay them over to the public.

If you compensate the Calcutta monopolists by taxing those of Delhi, you only take from a lucky set of land monopolists for the benefit of an unlucky set of land monopolists.

If you levy a general tax to compensate the Calcutta land monopolists for loss of land values due to taking the capital away, but let the Delhi land monopolists keep increases of land values due to bringing the capital in, you give public funds to private persons. And wouldn't that be dishonest?

There is no way in which the government can be held morally or logically bound to compensate for the "decrement" at Calcutta, nor to abstain from taking the "increment" at Delhi. The one, like the other, is a financial variation due to public or social in contradistinction to private or individual causes.



It is not the landowner but society as a whole, and in the due execution of its own functions, that makes those increased land values in Delhi and causes the slump in Calcutta.

That society must lose by the latter, even as it gains by the former, is true enough. But for this the Singletax makes full allowance. If land values were taken for common use, the social or public income would fall in Calcutta along with the "decrement," and rise in Delhi along with the "increment."

As for the land monopolists in either place, it is none of their affair. So long as they are secured in the full and free use and enjoyment of their

holdings, without taxation beyond the monopoly value of their respective sites, they have all they are entitled to in morals, all that government can or ever could give them morally, and all that they can get without plundering somebody else.

And as of Calcutta and Delhi in those respects, so of every place on the planet.



Regarding the loss of house value, which the Evening Post suggests, that is a begging of the question, and a rather gauzy bit of beggary into the bargain.

The instances in which an old house would be unsuited to a new location are of minor importance relatively. For the most part they are absolutely so. But without arguing this point, wouldn't it be vastly more economical, as well as more fair all around, to compensate for such building losses *out of* "unearned increment" publicly appropriated, than to turn "unearned increment" over in a mass to private ownership?

As it is no longer necessary to burn down the sty in order to eat roast pig, neither is it any longer necessary to surrender land values to monopolists in order to insure individuals against loss of house values from the removal of a country's capital, the construction of public improvements, the growth or changing currents of population or enterprise, or any of the other social phenomena which are enormously and persistently expanding land values as a whole.

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## EDITORIAL CORRESPONDENCE

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### THE SULLIVAN-BROOKS BILL IN THE NEW YORK LEGISLATURE.

Brooklyn, New York.

The Sullivan-Brooks bill, recently suppressed for the session, was introduced in the New York legislature at the request of the New York Congestion Committee.\* It provides for reducing the tax rate on all buildings in Greater New York 10 per cent each year for five years, thereby reducing the tax on all buildings to one-half the tax on the land.

The New York Congestion Committee made a campaign to secure the passage of this bill, and I was one of a committee of business men interested in its behalf. The bill received good attention; and, with an amendment calling for its submission to the electorate, got the editorial support of a number of New York papers: The Brooklyn Eagle, The Globe, The Mail, The New York American, The Evening Journal, and the Brooklyn Standard Union. The support thus received and the interest aroused were

\*See The Public of September 1, 1911, page 893; also this Public, page 363.

sufficient to give expectations of a good fighting chance for passing the measure next year.



From the point of view of a business man interested in the industries of Greater New York, the bill is necessary to check the progressive increase of the value of land, also to check the speculative manipulation of these values.

For this reason the productive business interests and the real estate interests (be the latter speculative or investment interests) are necessarily in conflict. If the values due to improvements made by the City and State governments and by the railroads, are absorbed by increase of land values, productive business men and wage earners necessarily get none of the benefits of the improvements which they construct.



At the present time, when the high cost of living is an item of such great importance, it is interesting to see to what extent the increasing value of land increases the cost of living—or, putting it in another way, increases the cost of doing business. Here is a table which indicates it:

The assessed value of land of Greater New York (without improvements) this year, is..	\$4,550,000,000
The interest on that sum at 5% is.....	\$ 225,000,000
The tax budget, or the cost of conducting the government of the city last year was.....	\$ 175,000,000
The sum of interest and tax.....	\$ 400,000,000

That sum of \$400,000,000 may be said to be the fixed charges assessed against the privilege of doing business, or living, in New York City; and assuming that this fixed charge is paid by each family of five of our population, the expense per family would be \$420 annually.

This practical question therefore presents itself: Is this fixed charge increasing, and does such an increase tend to increase the cost of living and to increase the cost of doing business?

If we examine the increasing value of land for the last 100 years, we shall find that the percentage of increase in land values is about three times as large as the percentage of increase in population. If the history of the development of this increase continues, both the cost of governing the City and the value of the land will double within the next fifteen years. Within the same period the population of the City will increase about one-half.



Since this increasing tendency has been questioned, allow me to supplement my statement with the principal facts. In the century from 1810 to 1910, the cost of the government of the City of New York was 2,743 million dollars. This includes State taxes, the cost of the government of the Bronx since its annexation, and the cost of the government of Greater New York since 1898, and is not reduced by city revenues from water rates, dock rents, etc. The increase in the value of the land on Manhattan Island alone during the same period—namely, from 1810 to 1910—was 2,905 million dollars. This does not include the value of improvements. Applying