

### The Elsberg Bill, and the New Method of Apportionment.

The Elsberg Bill was allowed to die in committee at the last session of the New York Legislature. It involved, besides its local option feature, a principle that we think is vital, and which it would be well for single taxers everywhere to intelligently apprehend.

We refer to the apportionment of State taxes based upon local revenues which is designed to replace the present system of assessment and equalization. It will be noted that Oregon is first in line with a law recognizing the practicality of the new method.

The plan which is pursued to-day has its manifold evils; these are conceded. To instance a few: New York City pays to the State \$8.20 in every hundred dollars raised, but Chenango County pays in the proportion of \$12.82, and the town of Norwich, in Chenango, \$8.35. The town of Freedom, in Cattaraugus, pays in the proportion of \$17.96, more than three times as much as New York City. Here is a clear injustice so apparent to the rural mind that it serves to account for much of the ill-advised legislation favored by rural senators and assemblymen when it seems to strike at the moneyed interests of the Empire City.

Other cities and towns suffer in another way where some of the supervisors of a county combine to increase the assessment of property in the well-to-do centres. Here in the system proposed is a self-acting method which does away with most or all of these evils and vastly simplifies the working principle of local option.

The objections that arise are more apparent than real. Will it not tend to further burden a community that is in the hands of a spendthrift government, and reduce below the present system the contribution from the city or town the affairs of which are being economically administered? We reply that such is the reward of virtue; that cities will not greatly suffer from an additional deterrent (in the increase of responsibility) to reckless extravagance from corrupt officials, that the principle of home rule is thereby greatly strengthened, and that as the proportion of State taxes to local taxes is small, this system will not act as an obstacle in the way of any really desirable public improvements.

The conflict is not really between the present system and the one proposed, for the present system is being discarded, and States are resorting more and more to specific taxes, as the evils of the method now in vogue become more apparent. But it is "out of the frying pan into the fire." The question is really between the comparative merits of the proposed new method of apportionment and the system of specific taxes for State purposes.

These latter are an unmixed abomination, because the objects for specific taxation are usually selected from those kinds of property or evidences of ownership to be found in the large cities and double taxation, increase of interest, and the burdening of legitimate business interests are the result.

To single taxers the new method of apportionment must appeal more and more as it is considered and studied. Most of us are familiar with the very great difficulties which have been encountered in the present methods of apportioning State taxes on the basis of assessed valuations of property made by local officials. The complaint is universal that the local assessor undervalues property in order that his town may escape paying its due proportion. Consider how enormously this tendency would be increased if the Federal Government derived its revenue by apportioning the Federal taxes to the States in proportion to the value of property as assessed by local officials in each State.

We all look forward with confidence to the day when all revenue for Federal, State, county, and local purposes shall be derived from land values. It behooves us to be ready to advance a practical method of apportioning the Fed-

eral revenue among the States, State revenue among the counties, and county revenue among the towns.

If all taxes were laid on ground values, there seems to be no reason to believe that local assessors would not endeavor to retain for their local purposes an unfair share of their local ground values. The temptation to do so would be much greater than it is now, for the proportion which each town would be obliged to contribute for expenses outside of its own boundaries would be nearer fifty per cent. than the ten per cent., which is the common proportion to-day.

Were all taxes derived from ground values, the time would soon come when every locality in the United States would take for public purposes as nearly as was found practicable all the annual ground value. Now we cannot tell precisely what proportion of annual ground value it will be practicable to take; some say 100 per cent., some say 80 per cent.; but whatever the amount may be, it is certain there will be a strong tendency for every local community to derive all that it may be practicable to get, which will be about the same proportion everywhere.

If every local community takes by taxation practically the same proportion of ground values, then the apportionment for county, State, and Federal purposes, based on annual revenue, will be identical with an apportionment based on the absolutely accurate assessment of annual ground value. It is a mere matter of arithmetic to make an apportionment based on local revenue, whereas it is an impossibility to accurately apportion on the basis of assessed value.

As a mere matter of apportionment the proposed system is an ideal one for our ultimate ends. It will also act as a check on Federal and State extravagance, for every community will retain for its local purposes all that it can of its own ground values.

Any apportionment based on the assessed value of all property imposes an undue burden on rural communities. The apportionment based on revenue will approximate even under existing methods of taxation an apportionment based on the absolutely accurate assessment of ground values. The percentage of local taxes, for example, in New York, which is paid over to the State is invariably much greater, as we have shown, in small towns than in large cities. Laying special stress on this fact, we can then enlist the support of all rural communities in advocating the reform for the advancement of which we are enlisted, and at the same time bring about a fair apportionment of State taxes as between the rural community and the large city. The fact that the new method might have a slight tendency to reduce local expenditures temporarily is a matter of small importance, yet to the average man at the present time it is an argument in its favor.

Now, do single taxers see the cat? If they will study the outlines in the somewhat blurred picture the feline will soon loom up large and imposing.

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### Romance in Real Estate.

Peter Minnits came over from Holland in 1626 and bought the island of Manhattan for \$24. The price of the property has stiffened a good deal since then. For instance, in the real estate columns of the *World* yesterday it was recorded that twenty-five acres of vacant land which Mr. Minnits never knew much about had been sold for \$1,000,000.

On the same day with the million-dollar transaction at Fort George a tract of land in the Bronx which sold for \$155 in 1853 was bought for \$110,000. The processes of growth and multiplication of values which in years gone by turned small farmers and some of Mr. Harrigan's lucky Shantytown dwellers into millionaires are still active in the expanding city.