

to private individuals, it would be possible to run the government without the multiplicity of taxes on enterprise and business that unquestionably do make the prices of goods higher, and push many business men to the wall because they cannot stand the double burden of rentals and taxes.

The value of these locations was not made by the landowners. In fact, the owners of some of the sites in this neighborhood notoriously refused to erect adequate improvements, and held back until the growth of the city and the expenditure of millions of dollars on transit facilities, enabled them to collect enormous and unearned profits. If these "subway" created values were taken in taxation and applied to the building of more subways, people would be able to travel in comfort instead of being crowded worse than cattle 365 days in the year and 366 in leap-year.

## New York's Tax Exemption Ordinance

THE Tax Exemption ordinance of the City of New York has been amended so as to extend to April 1st, 1923, the time for beginning construction of dwellings so as to bring them under the exemption provisions. The date when exemption ceases, however, was not altered, and therefore dwellings commenced during the next twelve months will have only a nine year exemption. The original ordinance, passed in February last year, granted a ten year exemption from taxation to new dwellings (commenced before April 1st, 1922) limited to a maximum of \$1,000 per room and \$5,000 per dwelling or apartment.

This exemption is granted pursuant to a State law which permits local governing bodies to exempt new dwellings (without limitation as to amount) until 1932. When enacted in 1920 this law provided that construction must be commenced before April 1st, 1922, and it was amended this year to allow construction to be commenced until April 1st, 1923. Such extension of time was recommended by the legislative committee which has been investigating the housing problem because of the results already obtained by this encouragement to building, and the continued necessity for additional housing accommodations. It is significant that this extension of time was granted by the legislature and the local authorities without any serious dissent.

There was opposition, of course, from "real estate interests," of one sort or another. One builder was particularly savage in his denunciations of this exemption, seeing nothing but the "cloven foot" of the Single Taxer and loudly bewailing the dangerous trend toward "confiscation" involved in this small reduction of tax burdens. Other real estate men, however, were more clear-sighted and defended the extension of the exemption privilege on its merits; among them Mr. Stewart Browne, who seldom misses an opportunity to proclaim the Single Tax a snare and a delusion.

Of course there is little in common between the Single Taxer's proposal to take all of the rent of land (or even

only so much of it as is needed for all government expenses), and a measure which seeks to relieve an almost intolerable situation by exempting new dwellings from taxation for a few years, except that the latter is based upon the principles which lead the Single Taxer to see how great a burden to production is the present system of taxation. Still, it is encouraging to see this much of practical recognition of these principles, and to have in this great city such a striking illustration of the stimulus to industry and to the production of wealth that comes from decreasing the tax burden on the products of labor.

## A Far Reaching Decision

THE United States Supreme Court has for the second time upheld the New York emergency rent laws, in a decision of far-reaching importance (March 20). This time the Court stood 6 to 3 instead of 5 to 4, the change resulting from Chief Justice Taft voting in favor of the law, while in the earlier case the late Chief Justice White dissented.

In this recent case the new point was raised, that the rent laws violated the right of contract, as they provided that a tenant could obtain relief from excessive rent even though he had signed a lease and agreed to pay it, the law presuming duress because of the shortage of housing. The Supreme Court says of this "Contracts are made subject to this exercise of the power of the State when otherwise justified as we have held this to be."

While the rent laws provide specifically that the owner is entitled to a "fair and reasonable rent" (without defining what that may be), and are aimed only at "unjust and unreasonable rent," nevertheless it is quite a step in advance to have the courts sustain the legislative power to prevent "extortion in oppressive forms," even when the unfortunate victim has been led to sign away his rights, supposedly, in order to avoid the greater evil of finding himself without any shelter at all.

The "police power" has always been held ample to authorize interference with personal liberty and destruction of business; grudgingly it has been extended to cover the "regulation" of uses to which real property may be put, as in the case of building heights and zoning laws; and this decision marks a further limitation upon the rights of land-owning.

## A \$10. Lease Worth a Fortune

WICHITA, KAN., Jan. 21—The Parris lease in the Ebling field, which was sold in 1918 for \$10, produced nearly \$900,000 worth of oil in the last 21 months. Which may explain the mass of litigation in which the lease is now involved. Three claimants of the oil rights have taken their cases to court.—News Item.

WHEN labor unions see how taxation affects wages, something will happen.  
H. M. H