

The Capital, Reform Leader?

In the coming regular session of Congress Representative Herbert S. Bigelow, of Cincinnati, will press his bill transferring all taxes now levied on buildings in the District of Columbia to land values over a period of three years. He has been promised full hearings on the measure by the House Committee on the District. The nation's capital will have the opportunity to adopt a reasonable tax measure. It will be easier to get in Washington than in many cities, because members of the voting bodies are not so subject to reprisals from the landlord group and its shrewd lawyers.

Figures already have been presented to the national legislature showing that the three blocks facing the U. S. Treasury, bounded by Pennsylvania Avenue, 15th St., New York Avenue and 14th St., would pay a significant percentage of the total yield of a tax on land values. In 1936 the assessed value of these three blocks was \$22,193,000, of which the buildings were only a little over one-third, \$8,054,000. The land was \$14,139,000.

Representative Bigelow's three-year period for the shift is much shorter than the one in the plan we proposed for Wellesley, Mass., a year or so ago. Our plan, presented when a committee was appointed by the town to consider revaluation of all Wellesley real estate, was to shift five per cent a year from buildings to land values so in twenty years the town would be taking for taxes what

properly belongs to it, and quit mulcting home owners. During the period of transition the home owner would pay annually a decreasing tax on his buildings—and an increasing tax on his land only if there were not enough vacant acreage to make up the five per cent shift. The five hundred absentee owners of Wellesley land and the local owners of vacant property would begin to build upon it and take advantage of tax free buildings, or sell it at its assessed value for somebody else to build upon. The building operations would stimulate prosperity by the employment of labor and purchase of building materials, and the town tradesmen would profit by the increased population. Everybody in Wellesley would gain except those who are holding land out of use to secure a value the growth of the town and its community services alone are creating.

It isn't bad people who are counting on getting this value they do nothing to create. Long custom has made such speculation an ordinary and respectable routine. But when increasing intelligence reveals just how it operates to burden home owners and stifle the normal growth and prosperity of the town, is there any reason why collective action should not be taken to modify or put an end to it?

—Franklin Wentworth.

See: "Progress and Poverty," pp. 436-439; "Social Problems," p. 208; "Teachers Manual (P. & P.)," L. IX, Q. 1-7.