

was also the editor of the "Cobalt Citizen," but that paper ceased publication a few months ago. Mr. Roebuck is a young man, with all a young man's energy and enthusiasm, and is an ardent and devoted disciple of Henry George. For some years he was the editor of the "Canadian Single Taxer," now "The Square Deal," published in Toronto. His platform will contain such planks as exemption of improvements from taxation, revision of the mining laws (a tax of a dollar per year per acre being advocated, whether the land is worked or idle), direct primaries, and the Initiative, Referendum and Recall.

Whether Mr. Roebuck is elected or not the educative value of his campaign will be great, as he is an accomplished public speaker and in addition has a full corps of energetic and enthusiastic workers to assist him, it being hoped to stump this entire district before election time, now about 18 months distant.

M. N.

* * *

LAND AND TAXATION.

Hackensack, N. J.

The recent amendment of the Constitution of the State of Oregon, in such a way as to give to counties local option in taxation and tax exemption, must encourage tax reformers in many States and lead them to inquire what may be done elsewhere. Perhaps many may be interested in a proposition I am trying to popularize in New Jersey.

Woodrow Wilson, in his speech accepting the nomination for Governor, mentioned as needing reform our complicated arrangements for obtaining public revenue. He probably did not have in mind especially the matter of local or municipal revenue, but what he did say gave an opening, and I sent him a copy of a letter of mine in a local paper (Hackensack) in which it was contended that the very large amount to be raised to erect and equip a high school should be considered as an expense to be met, not by general taxation but by taxes on land values alone. (In Hackensack at present seven-elevenths of all general taxes are paid by owners of buildings and personalty, and only four-elevenths by landowners.) Dr. Wilson, in replying, encouraged me to make a brief explanation and argument, intimating that he was prepared to try to form an opinion on the subject. The brief sent is as follows:

To Hon. Woodrow Wilson, Governor-Elect, Princeton, N. J.:

The following suggestion is made for the improvement in one respect of legislation providing methods of local taxation in the State of New Jersey:

It is a well recognized principle of American jurisprudence that it is equitable to legislate for special assessment upon owners of lands benefited by such public works as drainage, sewers, street paving, and even the establishment of public parks. The usual plan is, under general or special laws, to borrow money with which to provide such public improvements, and with the aid of commissioners, assess the cost upon owners of parcels benefited. The lands considered to be affected may be either abutting, contiguous or lying within a certain distance, near-by parcels affected being assessed more than those at a greater distance.

In New Jersey the practice differs even in adjoining political divisions in the same county. In some

towns streets are macadamized with the proceeds of general taxation, the expense falling upon owners of personal property, real estate improvements and lands alike. In others, macadamizing is paid for by special assessments upon abutting lands alone.

The rule followed in the case of special assessments is to consider lands as alone benefited and subject to special assessment, apparently because of a definite recognition of the fact that public improvements of a more or less permanent character increase the values of land only, and cannot be considered as affecting by way of betterment the values of either buildings or personal property. There appears to be at present no other resource than these two plans—either to raise money for improvements by general tax, or by special assessment on certain parcels of land.

In all towns of 5,000 population or over in New Jersey, it is now the rule to require assessors to list separately the value of lands, the value of buildings, and that of personal property. This gives in such taxing districts an annual separate total of land values. It is proposed that a law shall be drafted and submitted to the Legislature, permitting any municipality or taxing district of 5,000 population or over to obtain annually by a special rate of taxation on the total land value any money needed from year to year to apply on bonds or interest on bonds issued to pay for public improvements, or any money that is to be appropriated in one sum for the purpose of making a public improvement, local in character. The details of the proposition are to be worked out. The end desired is some simple way in which the people of a taxing district can by vote decide whether or not to discontinue the practice of collecting annually from owners of personal property and real estate improvements sums of money to be spent in making public improvements.

There is great dissatisfaction in many communities with the present method of taxation, both as to amounts of tax bills and as to the effects of the present system, and it is plain some relief should be obtained by those who improve property and are industrious or thrifty enough to acquire personal property. They should not be required to pay for public improvements to any greater extent than shown by the value of the land they own, if, as plainly appears to be the case, that value is the only one to be affected by increase as a result of public improvements made.

If the people of a district decide to avail themselves of the proposed legislation, it would be a simple matter for the local authority to fix the tax rate. If, for instance, \$10,000 is to be needed for special local public improvements in one year, and the tax duplicate shows \$10,000,000 of land values, a rate of ten cents on the \$100 would bring in the required amount, and this item would appear as a separate item on all tax bills.

A sample statement of working of plan to pay principal and interest of bonds by special rate on land only is as follows:

Suppose total valuations to be—

Land	\$ 4,500,000
Buildings, etc.	6,000,000
Personalty	500,000
	<hr/>
	\$11,000,000

On this total a rate of \$2.00 per \$100 would produce \$20,000. If of this \$40,000 is for interest and principal of bonds, \$180,000 for current expenses would be raised on the total valuation of \$11,000,000, or \$1.6363 per \$100, by the proposed plan, and \$40,000 for interest and principal of bonds must be raised on land valuation of \$4,500,000, or .8888 per \$100.

We can thus figure—

PRESENT PLAN.

A sample improved property, land \$500, buildings \$3,000, personally \$200, total \$3,700, and present total tax, \$74.00.

A sample parcel of land, unimproved, land \$500, tax \$16.00.

PROPOSED PLAN.

The sample improved tax on \$3,700 at \$1.6363, tax...\$60.54
Special tax on land for bonds, .8888 on \$500, tax..... 4.44

Total\$64.98

The sample unimproved, \$500 at \$1.6363, and \$500 again at .8888, total rate \$2.5251, and total tax...\$12.63

Thus the tax on the improved property would be reduced \$9.02, or about 12½ per cent, and the tax on the unimproved property would be increased \$2.63, a little over 25 per cent.

All students of taxation who are keeping informed as to changes being suggested or made in various parts of the world, such as Australia, Germany, Canada and England, know that good results have come from measures designed to relieve industry and the products of industry from part of the burden of taxation, making up the shrinkage by increasing the amount of taxes paid by owners of lands, according to the value of their holdings. The tendency of changes in methods of taxation is away from the plan of treating all classes of property alike, and towards giving taxing districts some option as to how moneys shall be raised. Only recently the Mayor of Boston publicly called attention to the need of a change there; and in Colorado, Oregon and Rhode Island much attention has been given to propositions for local option in taxation.

A bill was introduced in our own legislature January 18, 1909, by Assemblyman Blauvelt, allowing officials of municipalities to provide by resolution that any class of property should be wholly exempted from taxation, and this bill received the endorsements of many public spirited citizens. Such a measure, no doubt, is too radical; but the suggestion here made provides for a certain elasticity in local taxing plans, involves no serious change in taxing practice, and would simply allow the people who have resolved to take advantage of legislative permission, to be sure that the current and future cost of public improvements should be met by the owners of the one class of property the value of which is kept up or caused in large part by such improvements.

To provide for street paving by assessment on abutting owners of lands, is an automatic system, if it may be so called, in that the increased value of the landowner's property enables him to pay assessments with cheerfulness. To provide for the cost of general public improvements, impossible to assess against any district within a taxing division, by a special rate on land values only, would also be an automatic system, in that the increased value of landowners' property should lead them to submit gracefully to the necessary increase in tax bills. It also opens up the possibility of providing more improvements than are possible under the present system, since there is necessarily a greater chance for

popular approval of large expenditures in proportion as the people see that those who are in a position especially to benefit will bear the cost. It has been the experience of many districts that meritorious propositions have been time and again defeated by the votes of citizens who find taxes on their homes and personal belongings too burdensome, and who realize that the financial profits from the proposed improvements will not attach to their homes, but often go largely to the owners of tracts of hitherto undeveloped lands.

Such a partial local option as suggested, moreover, must tend to bring about a valuable popular discussion and experiment in relation to methods of obtaining local public revenue, and there can be little doubt but that, if you could find it possible to express a favorable interest, the Legislature might be expected to give careful consideration to the suggestion herein embodied.

Those who live in States where assessors separately list the values of lands and of other taxable property, may especially find use for this proposition.

Even in States where the Constitution does not seem to permit local option in general taxation, a legal way might nevertheless be found to assess land values alone for the cost of public improvements, since the principle of assessing property benefited by improvements, and that only, is well established.

It may even be possible, in cities where land values are separately listed, for the governing body, by simple resolution, without special State legislative authority, to make the annual charge for interest and maturing bonds, the proceeds of which have been or are to be used to make public improvements, a special item in tax bills, figured on the land values only, and not on or against the buildings or personal property owned by taxpayers.

The difference between old plans and this new plan may not be very important or decisive in probable results. The main thing is to propose something definite, in order to promote public discussion, and preferably something that is moderate in departure from current practice, and not too far advanced for the average man to become interested in.

GEORGE WHITE.

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, January 31, 1911.

Initiative and Referendum in Illinois.

"For the restoration of representative government in Illinois," the Committee of Seven of the Peoria Conference (vol. xiii, p. 1035), of which