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When no consideration is given in calculating tax liability for amounts paid in other forms of taxation, it is tantamount to compounding tax liability. Tax relief to a homeowner could be afforded by permitting payments of municipal taxes as deductions in calculating the income tax base.

In conclusion, I would like to point out that, in Ontario, real estate taxation is based on the principle that those who benefit should pay. Since real estate value is less subject to fluctuation than any other types of tax base, it is felt that land and buildings are the proper sources of funds to support the cost of logical municipal functions.

CHAIRMAN REUTHER: Thank you, Mr. Carter.

Phil Cornick, like Professor Martin, is an old hand at these tax conferences and one of our leading authorities on property taxation in the United States. He has recently completed a long and distinguished career with the Institute of Public Administration and its predecessor, the New York Bureau of Municipal Research—one of the oldest of our municipal research agencies. It is a pleasure to present Mr. Cornick.

EVALUATION OF ALTERNATIVE BASES FOR THE PROPERTY TAX

PHILIP H. CORNICK
Retired Senior Staff Member, Institute of Public Administration

It is reassuring that interest in the property tax is reviving among students of public finance. The multiplication by 20 of tax burdens per capita within one generation has compelled a closer scrutiny of many concepts long accepted as axioms and is arousing curiosity about theories of taxation which some of our teachers had long since rejected. In the field of the property tax, Professor James H. Gilbert's *The Tax Systems of Australasia* [1] and Professor Harold M. Groves' series of articles comparing the property tax in the United States with those in Canada, Australia, and New Zealand [2] are excellent examples of explorations in fields where we have much to learn.

Whether we agree with all of their conclusions, we can profit from the open-minded approach which led the authors to undertake these studies at first hand, and from the facts which they have made more readily accessible to us than they had previously been. The opening paragraph in the first of the articles by Dr. Groves serves so admirably

[1] University of Oregon, Studies in Economics No. 2, 1943.

[2] Groves, "The Property Tax in Canada and the United States," Part I, *Land Economics*, February 1948; Part II, May 1948; "Impressions of Property Taxation in Australia and New Zealand," *Land Economics*, February 1949; (in collaboration with Louise Prober) "Equity Grounds for Property Taxation Reexamined," *Land Economics*, May 1951.

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to describe the alternative bases of the property tax which I have been asked to evaluate that I am taking the liberty of quoting it in full. It consists of three terse questions, as follows: " Should the property tax base cover all categories of property? Or only all real estate? Or only all land? "

Some Aspects of the Fiscal Stringency in the Early Twenties

Because much of my present preoccupation with the problems of local government stems from my fear that we may again be approaching an emergency in local finance comparable to that of the thirties, it is only fair that I begin my discussion by explaining the reasons for my fear. When I began my work in the field of local taxation with the New York Bureau of Municipal Research, shortly after the end of the First World War, cities, towns, villages, school districts, and counties everywhere were having difficulty making ends meet. Local legislative bodies were at their wits' ends to meet the demands of municipal employees for increased pay—demands which were justified by increased costs of living.

The taxable values of properties listed on the assessment rolls were slow in responding to the inflationary pressures which were affecting commodity prices and the cost of living. Construction costs, it is true, had doubled in half a decade; but the conservative insurance companies, savings banks, and building and loan associations, which were then as now the chief sources of mortgage money, were not yet convinced that this bulge in costs was more than a temporary phenomenon. They were therefore reluctant to make long-term loans on the basis of what might prove to be a short-run level of costs, and new building with mortgage money came almost to a standstill. So did purchases of land with a view to building, as well as purchase of existing buildings when buyers had to borrow any considerable portion of the price. The assessors, therefore, were finding it difficult to justify increases in their taxable aggregates. If the current tax rates had reached the constitutional or statutory limits, the local governing bodies had no choice but to appeal to the state legislatures, hat in hand, for means to extricate themselves from their predicaments.

Some of the states, meanwhile, had enacted laws providing for income taxes; others had resorted to that simple and lucrative tax on sales of motor fuels which was destined to sweep the Nation within a decade. Both of these taxes at the time were yielding well in excess of estimates. When the pressure from school teachers, policemen, and firemen reached the state legislatures, those bodies could respond. They were in position to reduce or eliminate their own demands for property taxes, thus leaving more for the local units. They could increase the local shares in state-administered taxes levied in lieu of property taxes which had formerly been imposed on some type of personal estate. They could make grants-in-aid to local units, conditioned, in some instances, on increases in pay for specified groups of public employees.

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Before the end of the twenties, the boom had swept real estate also into its orbit. There is no need to recount in detail how the sky became the limit for building heights at the urban centers, the horizon the limit for expansion at the rural-urban fringes, and infinity the limit on real estate prices with only token down-payments required. Assessors no longer had difficulty in finding transactions which would justify increases in the tax base. They now had to answer critics who charged that they were ignoring sales which would require even higher levels of taxable values. Tax rates were reduced substantially below the limit, where limits existed, and continued to yield unprecedented sums. Meanwhile, of course, payments by the state of shared taxes and of grants-in-aid continued unabated. The old idea that real estate in particular needed relief from tax burdens, which had been stated over and over again in good times as well as bad for decades, had become standard mental equipment.

A Different Type of Fiscal Problem in the Thirties

All went well until deflation followed inflation. Then the forces which had been causing revenues from taxes on incomes and on consumption to run ahead of estimates went into reverse; and the federal and state governments found their budget estimates leading to alarming deficits instead of to unencumbered surpluses. The income and inheritance taxes which some states were sharing with their local governments on a percentage basis increased slightly in 1930 over 1929, because the incomes subject to tax in 1930 were those of the boom year 1929, and because many of the estates on which taxes were paid in 1930 were those of decedents in 1929 or prior years, and the appraisals had been based on peak values. By 1932, the shares in these state taxes received by cities of 100,000 or over had dropped from $67 million in 1930 to $29 million.

Very few studies of this aspect of public finance have come to my attention. One can wrest a few conclusions of the kind just cited from data provided in the successive reports entitled *Financial Statistics of Cities,* issued by the Bureau of the Census during the critical years of the late twenties and early thirties. Those publications grouped municipal revenues in the Nation's larger cities into nine classes—the property tax and eight supplementary classes. Revenue receipts from taxes on property (measured in some cities on an accrual basis, in others on a cash basis) also were larger in 1930 than in 1929, and continued to increase in 1931 sufficiently to offset the declines in aggregate revenues from other sources. In 1932, revenues from only two sources showed increases. These were business licenses (because their use was spreading from the southern states into other parts of the country) and the class of which grants-in-aid constituted the major part.

The Census Bureau did not provide sufficient data to indicate where the states had gotten the money they were sending to the cities as grants, which appeared on the cities' ledgers as revenues. Portions

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had properly appeared as revenues also on the books of account of the states; for example, the revenue receipts from the taxes on gasoline which had originally been levied and earmarked for the building and maintenance of state highways but which were now being diverted in the form of grants to municipalities for the support of local schools. A large but undetermined part of the remainder consisted of money which the states themselves were borrowing in order to assist local authorities in the support of the destitute. A large part of this latter burden, you will remember, was later assumed by the Federal Government directly —also out of funds derived not from revenues but from borrowings.

In short, while revenues from property taxes declined by 4 percent during the years up to 1932 in which inflation was giving way to deflation, the receipts from all other sources that had been relied on to provide relief for property declined by 14 percent, and would have declined further if some of the states had not borrowed the funds necessary to provide state aid. Another fact worth noting is that while these changes were going on in revenues supplementary to the property tax, comparable changes were taking place inside the property tax itself. The inclusion of personal property on the same local roll with real estate is advocated by many as a broadening of the tax base necessary to relieve real estate. But when the decline began in the values of property on the roll, real estate declined by 4 percent in the first two years; personal property, by 20 percent. Here again, the well meant efforts to broaden the tax base provided relief for real estate only when it didn't need relief and proved futile when relief would have been most welcome.

Will History Repeat Itself?

There are many now, just as there were a quarter of a century ago, who believe that we are on a permanent high level of prosperity. With the deep trough of the thirties staring them in the face on their graphs, they know full well that staying on the high level is not an automatic process. The straight-line projection of past trends, so popular in the twenties as the basis for forecasts, has been discarded. Our leaders are no longer content merely to tell us ahead of time whether economic trends are up or down. Now, they select their goals in advance and try to work toward them by the exercise of controls.

To offset the high costs of municipal services, revenues in the form of grants from the state and federal governments are now at high levels. Supplementary city taxes, based both on sales and on incomes, have made their appearance in several states and show signs of spreading. Even though assessed valuations of real estate have been stabilized in a number of cities by the device of taking 1940 sales as the indices of 1952 true values, tax rates have been raised to compensate for the low level of assessed valuations except where constitutional or statutory tax limits prevent. This fact—that rates have reached high levels—and the further fact that in most states the local rolls have again been ex-

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panded by the assessment of much taxable personalty combine to explain why the aggregate property tax yields in some jurisdictions stand at an all-time high, both in total and per capita.

And now let us suppose that the existing and proposed controls prove less effective than their advocates anticipate and that deflation again follows the inflation. Are there any new variables in the present picture which would make it improbable that revenue receipts from all taxes would again fall off; that those from income and sales taxes, whether imposed by federal, state, or local governments, would again decline more rapidly than receipts from property taxes; and that the personal property content of the local tax roll would again shrink more precipitately than taxable real estate?

Except in the state of New York, which has set up reserves during the good years to enable it to continue payment of grants-in-aid to its local governments should its revenues begin to fall off, little provision seems to have been made to insure that municipal grants-in-aid can be maintained at present levels even during a short-lived depression. Except for taking advantage of declines in unit costs of operation and maintenance which can be expected to accompany a depression, local governments can do little to reduce the level of expenditures for their services so essential to the public health, welfare, and safety. The real estate segment of the property tax will, so far as one can see now, again have to bear an increasing share of those costs.

Two questions arise at this point. First, how does the condition of real estate now compare with that of 1929? Second, what can be done to make more tolerable the tax on real estate, which on the basis of the argument in the preceding paragraph cannot easily be reduced?

Real Estate in 1929 and in 1952

In order to answer the first question, one needs only run back in memory over the outstanding events in the real estate world since 1929. In both urban and rural areas, the construction of residential housing was at a rate insufficient to meet the demands of a growing population during most of the years between the collapse of the boom and the end of the Second World War. Since then we have done something to catch up, but under difficulties due to mounting costs and restrictions on the choice of materials. In other words, most of the housing we occupy, especially in the older and larger cities, is more than a quarter of a century old. Some of it is a century old. That is equivalent to saying that some of it is outmoded according to present-day standards of safety, comfort, and convenience. It didn't get much in the way of repairs and maintenance during the thirties, because many owners simply didn't have the money. It got little more during the forties because of the war-induced shortages of manpower and materials. In other words, our housing plant can do with a lot of replacement, repair, and additions.

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Some of you will remember that, during June, the newspapers of New York carried the accounts of a tenement house fire in which several lives were lost. For some time thereafter there was a clamor for punitive action both against the owner of the property and against the city inspectors who had permitted the occupancy of the building. Very little of the angry comment contributed much to an understanding of the nature of the problem or to any feasible plan for its solution. If it was mentioned at all, there was certainly no emphasis on the fact that the owner, the builder, and the architect had all been on notice when the building was under construction that every added dollar expended to provide greater safety, convenience, or comfort for the tenants would require increased rents to cover not only the added costs but also the increased annual taxes on the property.

Worse still, improvements designed to eliminate the accumulated violations of retroactive amendments to the tenement house law were, until recently, also taxable on the annual property tax rolls. When the savings banks which had been compelled during the depression to assume ownership of tenement houses in default of their mortgage obligations undertook thoroughgoing renovations and improvements of their properties, they found they could not lift rents high enough above the general level of rents in the neighborhood in which their properties were located to pay the increased taxes due on their new improvements. To a visitor from Mars, that type of public policy would, I am sure, seem little short of insane—to impose a penalty under the police power on those landlords who do not adequately safeguard their tenants, and to do the same under the taxing power on those who do.

At about the same time, the papers also carried the news that some of the new supplementary taxes which the city had just levied under special grants of power from the state legislature had had the effect of causing two firms engaged in the security business to remove to another state. Analogous cases following efforts of New York City to enforce the tax on personal property, since repealed, had led a wise old lawyer of an earlier generation to remark: "Never tax anything that can run away."

Do We Need an Incentive Tax?

If, then, we may again, within the foreseeable future, face a period of deflation in which collections of all revenues will decline, and if our buildings and other improvements are, on the average, older and in somewhat worse repair than they had been in 1929, should those facts properly be taken into account in planning adjustments in our system of local taxes? There was a time within my memory when recognized leaders in the field of public finance felt strongly that the reason for levying a tax was to raise revenue and that we should never levy a tax for any other purpose. But the tremendous impact of taxes levied at the rates we now employ in the income tax has had political, social, and

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economic effects whether we like them or not. As recent programs of this organization show, it has now become permissible to discuss incentive taxation. So far as I have observed, the incentives most frequently discussed are in the field of income taxation, in which both the adjustment of rates and the measurement of results present difficulties.

The property tax offers no comparable difficulties. While there are many exceptions, the rate in most cases is uniform for all items listed on the roll. The problem then becomes one of deciding what kinds of property to eliminate, if any, in order to provide incentives for socially and economically desirable activities. Professor Groves, examining the alternatives already quoted earlier in this paper, seems to feel that "one is on sure ground in saying that the elimination of intangibles, all but unanimous in Canada, sets a good example for the American states."[3] With respect to the elimination of tangible personal property from the rolls, he feels that the results of Canadian experience are not so clear. Of that more later. And finally, with respect to "exempting or derating improvements," he goes on to say that the practice "strikes a responsive chord in those who, like the author, hold that land is an especially suitable subject for taxation and that little if any rational ground can be found for taxing improvements. . . . On the other hand, here again we face the rapacious demands of the fisc."

Reasons for Eliminating the Tax on Personalty

I shall not take any part of the limited time remaining to me to discuss Professor Groves' conclusion with respect to the elimination of intangibles from the local property tax rolls, beyond saying that I agree with it. Concerning the tax on tangible personalty, which is still in effect in most American states, my own observations have led me to conclude that it takes ability and ingenuity of a high order to enforce it; that without those qualities in the tax officials, it becomes a notably productive tax only under special circumstances. If, for example, a large manufacturer has a substantial backlog of unfilled orders at high prices, he may willingly assume a heavy tax, levied by the local unit that provides him police and fire protection, water supply, and maintenance of streets and sewers, all of which reduce his own costs of operation and maintenance. That tax becomes a deduction from that part of his income taxable at the rate for the highest bracket to which his income reaches. In other words, a large part of his local tax is offset by a reduction in his state and federal income taxes.

That fact probably explains the relatively large number of American cities—usually centers of heavy industry—which now have local tax rolls on which taxable personalty constitutes from 30 to 50 percent or more of the ratable aggregates.[4] But, when such a company operates in the red, as every long-established company has done at intervals

[3] *Land Economics*, February 1948, p. 29.

[4] Citizens Research Council of Michigan, "Tax Rates of American Cities," *National Municipal Review*, January 1952.

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throughout its history, then a rigidly enforced tax on personal property can spell the difference between survival and insolvency for some of the very industrial concerns which find such a tax relatively painless during booms. I consider it an extremely dangerous tax whenever an aggressive, intelligent, and conscientious official happens to hold office during a recession.

Taxes on Real Estate in Proportion to Land Value

And now for a glance at " the rapacious demands of the fisc " which deter Professor Groves from giving his outright approval to the elimination of improvements from the property tax base. Obviously in a state like New York, in which a tax limit applicable to cities of 125,000 or over has been embedded in the state constitution for seven decades, the rapacious demands of the fisc cannot be supplied unless buildings remain part of the tax base on which the rate is to be computed. In the absence of such a limit, on the other hand, would it necessarily follow that the sums required to balance the budget could not be levied and collected? There would be after all no narrowing of the tax base. Every parcel of real estate now taxable would remain subject to the real estate tax. The aggregate tax payable by real estate owners as a group would be exactly the same whether the tax rate had been computed by dividing the total of land values alone, or the total of land and building values together, into the sum left after revenues other than property taxes had been subtracted from total appropriations. The tax rate on land values would, of course, be higher than that on lands and buildings together; and the resultant apportionment of tax burdens among the individual real estate owners would be quite different.

Now what would be the general nature of those differences? There is time for only a few examples. Let us assume, by way of example, two lots equally suited for development by shape, size, location, and accessibility, one improved with a successful modern store and office building, the other with a one-story " taxpayer." They would both, under the plan proposed, pay the same amount in taxes. Why? Because, although they differ widely in actual income, they are identical in potential income, or in the opportunity to produce an income. That opportunity is a product of the joint activities of the urban area as a whole, and the failure of the owner to develop his property adequately forces the activities for which it is best suited to be carried on elsewhere on less accessible and less convenient locations. It is therefore in the economic interest of the community as a whole that every site be used, as nearly as may be, for the purpose to which it is best adapted.

In residential areas, where the number of dollars invested in buildings is much higher in proportion to land values than in the high-priced downtown business sections, enough has been said to indicate the probable effects of taxation on a land-value base rather than on a land-and-building-value base. One of the factors which has undoubtedly contributed greatly to the persistence of blight in the older neighborhoods in all of our large cities is the fact that while neighborhood influences

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do much to establish the maximum rents one can hope to obtain within it, the present tax law has embedded in it a factor which inevitably makes it necessary for the owner of a new building, or of an extensively renovated old building, to obtain a rental well above that level if he is to remain solvent. Therefore, no one can afford to demolish and rebuild in such an area, or even to undertake extensive renovation.

In a conference with Mr. H. Bronson Cowan, following his return shortly after the war from Australia and New Zealand, I saw some of his unpublished tables and photographs which revealed clearly the slow but steady progress made there in improving housing conditions in the suburban city of Brunswick, just outside of Melbourne. The years which followed that city's adoption of rating on the unimproved capital value of land had fallen largely in the depression and the Second World War. In spite of those deterrents, a large percentage of all residences in the city had been completely made over; others had been torn down and replaced by new buildings; and new buildings had been erected on land that had long lain vacant under the system of rating on annual value. If it had that effect there, it seems to me to provide exactly the kind of incentive taxation needed for the rebuilding of our blighted areas.

Fully as important as that effect would be another which would become most important during a depression. Certainly the men in Brunswick who built houses on private account during the thirties, and those other men who supplied them with building materials and supplies, had no need to apply for home relief. That in turn reduced the need for public expenditures out of taxes or borrowed money, and at the same time increased the capacity of a segment of the population to pay its taxes or its rents out of which others could pay taxes.

Finally, there is the problem of industrial plant. There has been a noticeable tendency to decentralization for a long time past, not only for strategic reasons, but also on economic grounds. Much of the plant in our larger and older cities is not well adapted to present-day techniques. It is obsolescent if not obsolete. Like the residential plant, it needs extensive remodelling or complete rebuilding. The greatest difficulty which assessors encounter in distinguishing between real estate and personal property is in connection with factory buildings; and much of what has been said about the painless nature of taxes on the tangible personalty of industrial plants during a boom applies also to the taxes on buildings.

Even if it be assumed—as some industrial planners do—that all heavy industry and much other industry now located in large urban centers should be removed to sites in less congested areas, there remains the matter of timing. The sudden abandonment of existing industrial plant in large cities, leaving the factory workers without jobs, and without hope of jobs, could have serious effects on our institutions. No one would plan such a sudden shift deliberately, but another depression could easily induce local assessors to continue on their books, or even

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to increase, the factory building values to which management has not objected during the boom. In such cases, marginal concerns would be forced to the wall; solvent companies would be impelled to liquidate their properties in central cities and concentrate their operations in their plants already located elsewhere. Such, at least, is the explanation which assessors in New England gave me to explain the appearance of some of their erstwhile centers of industrial activity. The cities had acquired by tax lien foreclosure empty factory buildings from which the machinery had been removed. Nearby, were unsalable vacant lands on which even the factory buildings had been razed.

Yes, it has happened here as any one can see for himself who will visit some of the former beehives of industrial activity throughout central and southern New England. And it can happen here again in other old cities, and for exactly the same reasons, unless we get things shipshape for riding out a depression if, unhappily, one should come.

Is the Proposal Practicable?

Almost 30 years ago, I heard the late Irving Fisher say that there had been enough experimentation with the land-value tax throughout the world to make it possible to analyze its results statistically. He added that he intended to undertake the project as soon as he could finish the studies he already had on hand. So far as I know, the pressure of other work kept him from embarking on such a study. The yearbooks of the several commonwealths in which the land-value tax has been in use now provide much raw material for such an analysis.

In Australia, for example, the yearbooks of the Commonwealth and of the states indicate that of the 970 urban and rural units of local government, 604 use the land-value tax as a source of local revenue. The 433 units in the two states of New South Wales and Queensland rely on it for all the property taxes levied. In the former, the *ad hoc* districts created in metropolitan districts for the purpose of providing water supply, sewerage, and storm drains continue to base their rates on real estate including improvements, but the comparable organizations in Queensland levy on lands alone. In Western Australia, of the 128 rural municipalities, all derive at least a part of their revenue by rating unimproved capital value of land, and 26 levy on no other base. Of the 21 urban municipalities in the state, one levies part, another all, of its property taxes on unimproved land value. In Victoria, 21 municipalities, and in South Australia 20, use the land-value tax, Tasmania being the only one of the states in which the statutes make no provision for its use.

Municipal governments in Australia, it is true, have no responsibility for either administration or finance in the fields of education or police; the several states handle those functions directly. Fire departments are set up as *ad hoc* districts, financed by contributions from the fire insurance companies, the states, and the local governments in proportions

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varying somewhat from state to state. The expenditures by the six states for these purposes are just about equal to those of the 970 units of local government within them for their own purposes. In other words, if the states of Australia had left the administration of these functions in local hands, and then had made grants-in-aid to the local governments equal to the costs, the grants would have constituted just a little less than 50 percent of all local revenues for governmental purposes. Our own states are not yet doing quite so well. The *Compendium of State Government Finances, 1951,* issued by the Census Bureau in Washington, reveals that our states paid out 37.5 percent of their general revenues in the form of grants-in-aid to counties, minor civil divisions, and school districts. The sums paid out by the Australian states for education and police constituted about the same percentage of the state revenues from taxes, including the shared taxes from the Commonwealth. Because of our overlapping and non-coterminous units of local government, which are three or four layers deep in some areas, it is difficult to get an aggregate figure for all 48 states for state grants to all layers. In the State of New York, however, the combined federal and state grants to local units amount to 26.8 percent of local revenues from all sources, including revenues from publicly owned public utilities. If the group of revenues which, among other things, includes utility earnings is omitted, the ratio of grants to the remainder is in excess of 30 percent. In other words, our states are on the way to assuming a major part of local burdens also.

In New Zealand, according to Professor Gilbert's study already referred to, 58 percent of the people in the Dominion live in communities that follow the system of land-value taxation, having elected to do so under local option and being free to abandon the plan if they desire.[5]

In Canada, the four western provinces use the plan of imposing an upper limit on the percentage of full value of improvements which may be taxed on the local rolls, the statutory limit varying from 60 to 75 percent of full value.[6] Buildings and other improvements used for farming are wholly exempt. In many rural municipalities, therefore, little is taxable except the land; and some of the urban municipalities, usually small, have exercised the right to exempt all improvements. So large a percentage of all municipalities in British Columbia have taken advantage of their right to include on their rolls less than the statutory maximum of 75 percent of improvement values that the weighted average percentage of full value of improvements entered on all local rolls in the entire Province was only 48 in 1947.[7]

The use of the method in three English-speaking Commonwealths, in some cases for more than a half century, indicates that the method is

[5] Gilbert, *op. cit.*, p. 161.

[6] Horace L. Brittain, *Local Government in Canada* (Toronto: Ryerson Press, 1951), p. 215 ff.; Harvey J. Perry, *Taxation in Canada* (Toronto: University of Toronto Press, 1951), p. 274 ff. and pp. 374-376.

[7] *Canadian Year Book, 1950*, Table 35, p. 1037.

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practicable. Within the past decade, furthermore, some excellently done research on the economic effects of the tax on land values has been undertaken, notably in Australia, by the Land Values Research Group.[8] The findings indicate the existence of measurable benefits for the common welfare flowing from land-value rating.

In Pennsylvania, Pittsburgh and Scranton have long used a limited form of land-value taxation for city purposes only, while school district and county levies are made on real estate, including the full value of improvements. More recently, the legislature has extended the option to use the so-called Pittsburgh plan, or a modification of it, to all third-class cities in the State. That leaves only Philadelphia among the cities of the State without the right to resort to land-value taxation if it so desires. There seems to be no constitutional obstacle in the way of the city's obtaining the right.

New York is free to grant the right to any of its local governments, but the grant of power would be nullified in all of the larger cities by the existence of a constitutional tax rate limit. A few other states may also be in position to permit the use of land-value taxation without constitutional amendment, but in the great majority of the states, the uniformity clause would prevent. If, therefore, there is any merit in the argument advanced here, there is need for haste. It takes time, planning, and organization to amend a constitutional provision, especially when it has to do with taxation.

CHAIRMAN REUTHER: Thank you, Mr. Cornick.

Mr. C. Emory Glander, Chairman of the Committee on Personal Property Taxation, is our next speaker on the program. Mr. Glander is a practicing lawyer, a member of a leading firm in Columbus, Ohio. He was educated at Ohio State and admitted to the bar in 1930. After practicing his profession for several years, he became Executive Secretary to the Governor of Ohio. He must have done well in this job—or perhaps his governor was retired from office—for he was made Tax Commissioner of Ohio in 1945, a position which he held for six years. His competence in this area was recognized by the National Association of Tax Administrators, which he served as President in 1949-50, and the National Tax Association, where he is now serving as a member of the Executive Committee and as Chairman of the Committee on Personal Property Taxation. Emory, will you tell us about the work of your committee now?

[8] Most illuminating of the studies which have come to my attention is a booklet by A. R. Hutchinson, entitled *Public Charges Upon Land Values.* It has the subtitle *A Study of the Effects of Local Government Rating Systems upon the Social and Economic Development of the Australian States.* It is too condensed to satisfy persons who want to know where he got his data and how he handled them. The writer was fortunate in having had access to a much fuller mimeographed study by the same author, which provided the basis for much of the condensed material in the booklet. He was impressed by the workmanlike quality. Address A. R. Hutchinson, 32 Allison Avenue, Glen Iris S. E. 6, Melbourne.

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