CHAPTER IX.

Possible Methods of Taxing Land Values in American Cities

The admonition to "hasten slowly" is a short way of saying that evolution is better than revolution in securing social justice which is always, in the long run, economic justice.

Separate assessment of land and buildings the first step in adequately taxing land values.

The separate assessment of land and improvement values is, of course, the first step to secure a fair assessment even of land values. A bulletin of the Census Bureau states that in the following states of the Union in 1902 separate assessment of land and improvements is provided for: Arizona, Arkansas, California, Idaho, Indian Territory, Indiana; in certain cities only in Kentucky; in Maryland, Massachusetts, Montana, Minnesosta, Nebraska, Nevada, may be assessed in New Jersey; in New Mexico, since 1903 in New York; in North Carolina, North Dakota, Ohio, Pennsylvania, South Dakota, Utah, Virginia, Washington, West Virginia and Wyoming; that is in twenty-six states and territories. Illinois has since made such provision. In very few cities of these states, however, is such separate assessment made.

Taxing land values a question of method and degree.

Several methods and degrees of taxing land values are possible:

1st. *Lower assessment of buildings than of land, and deduction in assessment for depreciation of buildings through age.*

2nd. *A lower rate of taxation on all buildings and personalty than on land.*

3rd. *Exempting all buildings entirely from taxation.*

4th. *Exempting from taxation certain buildings which conform to a high standard of excellence, either for a term of years or permanently.*

5th. *Assessing all public improvements upon property benefited.*

6th. *Excess condemnation of land.*

7th. *Taxation of increment of land value.*

8th. *Municipal ownership of land.*

1ST. LOWER ASSESSMENT OF BUILDINGS THAN OF LAND AND DEDUCTIONS IN ASSESSMENT FOR DEPRECIATION OF BUILDINGS THROUGH AGE.

The Vancouver method of taxing land values.

Proposed Referendum in Missouri on exempting buildings from taxation.

This is the method employed in Vancouver where in 1896, 50% of the value of improvements was exempted from taxation; ten years later in 1906, the exemption was increased to 75 per cent, and in 1910 the exemption was made complete. A referendum has been prepared to be submitted to the voters of Missouri, providing that after 1913, no personal property of any kind which does not belong to public service corporations be subject to taxation. After 1913, all owners of improvements are to be entitled to an exemption of $3,000 on the value of their improvement and by 1922 a sliding scale will cut off all taxes on improvements. It is provided further that no lands except those of public service corporations shall ever go untaxed. The property of public service corporations, real and personal, is to be assessed at its true value and the price it would bring at a voluntary sale and a levy on one-half that value is to be made, but whenever these corporations accept regulation of their charges, and the values of the franchises be so reduced that the companies shall make only a reasonable return on the actual value of their physical holdings, further exemptions may be made. The Chicago *Tribune* reporting on this proposal says editorially: "It will be seen that the amendment contains some variations on the George theory, variations made necessary by modern conditions of business, and the relations of corporations to the state." The poll tax is to be abolished and no licenses to be collected from any business not requiring police regulation, as a further method of taxing land values in Missouri. A referendum vote is to be taken in Seattle next March on exempting 25 per cent of the value "of all buildings, structures and improvements or other fixtures of whatever kind upon land" from taxation in 1912 and 1913, 50 per cent in 1914 and 1915, 75 per cent in 1916, and 100 per cent thereafter.

The Chicago Tribune on "Some Variations on the George theory."

Proposed referendum in Seattle, on exemption of buildings from taxation.

The exemption of $3,000 of the assessed value of all improvements from taxation is a favorite proposal to secure a higher taxation on land values, and bills to this effect have been introduced in many state legislatures.

Exemption of buildings from taxation reduces a city's borrowing capacity.

Exemption, moreover, reduces the taxable base of the city, since it may be fairly claimed that although a lower rate of taxation on buildings than on land would not reduce the assessed valuation of the buildings, exemption from taxation would do so, and thereby reduce the borrowing capacity of the city which is limited usually to a certain per cent of the assessed valuation of real estate. While the desire to run into debt to avoid taxation of land values obsesses owners of land in American cities as at present, it will be difficult to secure any general endorsement from business men of a proposal to limit such extravagant high finance, although they appreciate the justice and advantages of taxing land values higher.

2ND. A LOWER RATE OF TAXATION ON ALL BUILDINGS AND PERSONALTY THAN ON LAND.

Land values in American cities are undertaxed, not taxed.

It will have been evident by this time that the present rate of taxation of land in most American cities can hardly be called taxation of land values since practically none of the economic rent of land is secured by taxation. Probably the most feasible way for American cities to encourage the construction of buildings and to secure a larger proportion of the cost of city government by taxing land values is to tax land at a higher rate than buildings, although this is not incompatible with reducing the assessment on buildings due to depreciation through age. Just how much lower a rate of taxation on buildings than on land should be sought depends chiefly upon the degree to which the community realizes the justice of such encouragement to industry and check on the confiscation of ground rents by the owners of land. In most American cities there is at present a strong sentiment on the part of tenants, including business men and manufacturers, in favor of this procedure which only needs organization and direction.

Rate of taxation on land values will be determined by sentiment against taxing industry, and a community's ability to secure social justice from "its" representatives.

Advocates of "taxation without representation" oppose taxation of land values.

Naturally any increase, however slight, in the rate of taxation on land will be opposed by owners of vacant property, and by those who still claim the right to acquire the fruit of other people's labor and industry without paying them for it. It is well known that at present the land and loaning interests control the government of most American cities and are at least almost equally powerful in most state legislatures. It is manifestly better to make any change in the rate of taxation gradual, and perhaps as moderate a change as could reasonably be suggested is that of the New York City Commission on Congestion of Population, that the rate of taxation on all buildings and personal property in the city be made in 1912 ninety per cent of the rate of taxation on all land whether improved or not, and a similar reduction be made in each of the four following years so that in 1917 the rate of taxation on buildings and personal property would be one-half the rate of taxation on all land. This would involve only about the same increase each year in the tax-rate on land that has actually occurred in New York City, for each of the three years from 1907 to 1910, although this increased

Halving the tax-rate on buildings and personalty in five years a reasonable proposal, and doesn't involve necessarily undue burdens.

Rising tax-rate one test of a successful municipal administration.

tax-rate has been levied upon land and buildings alike, and the assessed value of land has also been markedly increased during the past three years, thus making the total taxes to be paid upon land much higher. Tax-rates in most progressive American cities are increasing now, but industry is bearing an undue proportion of the cost of the enlargement of municipal functions essential to municipal progress and development.

Rate of taxation of land values is adjustable and changeable.

It is apparent, however, that it is possible for any city either to stop when the rate of taxation on all buildings and personal property is only one-half the rate of taxation on all land, or to continue the reduction, depending upon the public's control of legislation. It is probable that few communities would decline to continue reducing the tax-rate on buildings after a few years of experience with such lower rate. On the other hand, every community in the country has to guard against the dominance of the great monied interests which can secure the reversal of the policies best for the interests of the community, but opposed to their own special interests. The justice of the "halving of the tax-rate on buildings" has been readily appreciated by a large proportion of New York's voters, although the proposal has been before them for only about four months, but it has been discussed with some fair degree of thoroughness in the metropolitan press and in the scores of meetings throughout the city. The bill providing for the gradual reduction of the tax-rate on buildings as explained above has been endorsed by such conservative organizations in the city as the Citizens Union, the City Club, and the Federation of Churches and Christian Organizations, as well as by many of the most prominent merchants, manufacturers, business and professional men of the city, by all of the largest labor unions of the city, by taxpayers associations and boards of trade, as well as by social workers, including the secretaries of the three largest relief organizations in the city, and by savings and loan associations.

Wall Street naturally against taxing land values.

Conservative organizations in New York City favor halving the tax-rate on buildings.

The fiscal policy of a city with reference to meeting its current obligations has a very important bearing on the taxation of land values. This is discussed more at length under fiscal advantages of taxing land values, but should be referred to here. The postponed payments of most cities amount to from one-third to nearly one-half of their current budgets, and naturally the total tax levy would be increased by the amount of such postponed payments as are included in the sums to be raised each year by taxation and from other sources. The inclusion of even half of the postponed payments of any city would materially increase the tax-rate for a series of

Heavier taxation of land values the just method of reducing city debts.

years until the termination of heavy interest and liquidation charges for past postponed payments shall offset such increase. In New York City, for instance, the "debt service" is equal now to about one-half of the total annual postponed payments. The inclusion of at least a part of such postponed payments should be part of the effort to tax land values so as to avoid the egregious mistake of Vancouver in keeping such a low tax-rate on land values as not to secure any appreciable part of the economic ground rent. The payment by fifty or even forty yearly installments, of the cost of paving streets, or catching up with a city's needs for schools, parks and other public purposes is contrary to any proper conception of taxation of land values. In a community where the land values represent a large proportion of the total assessed value of the city a larger portion of the deferred payments should be included in the annual budget to be met by current taxation, and at least one-half of the cost now met by such payments should be included when the rate of taxation on buildings and personal property has been reduced to one-half or less of the rate of taxation on all land. The following statement by the president of one of the largest mortgage companies in New York City, regarding the halving of the tax-rate on buildings indicates the advisability of a gradual reduction of taxation on buildings from the point of view of conservative business interests, which admit the injustice of the present system of taxing land and buildings at the same rate:

Postponed payments the ostrich method of concealing municipal expenditures.

> "Going into effect gradually through a period of five years there should be no danger of unsettling mortgages or wiping out equities, except a possible sentimental effect, while the added fact that the real estate market is quiet and there is no active speculation or building movement would tend to minimize any possible inconvenience to owners of property."

A mortgage company president's view of effect of halving the tax-rate on buildings.

3RD. EXEMPTING ALL BUILDINGS FROM TAXATION.

To attempt to do this immediately in any developed American city would doubtless precipitate a very serious panic since no injustice long established and hence the basis for transactions and business can be changed immediately. That ultimately all taxes upon buildings and personalty will be abolished in American cities is as certain as that it is unwise to attempt such abolition otherwise than gradually. In a new city, however, the case is different. Cities like Gary, Indiana, and other rapidly developing industrial communities might safely start in without taxing buildings at all. This would not, however, be the single tax. On the other hand, the

The injustice of taxing buildings at the same rate as land can't be ended at once.

writer has suggested to President Taft and Congressman George that the single tax should be tried out in the districts known as Controller Bay.

4TH. EXEMPTING FROM TAXATION CERTAIN BUILDINGS WHICH CONFORM TO A CERTAIN HIGH STANDARD OF EXCELLENCE,—EITHER FOR A TERM OF YEARS OR PERMANENTLY.

Exemptions are contrary to the American spirit of equality.

Aside from the result of exempting buildings from taxation upon the borrowing ability of a city, exemption even of "model dwellings" so-called, is contrary to the American spirit. To be sure there are at present so few model tenements or other buildings in large American cities that their exemption would not seriously affect any city's borrowing capacity, the proposal being entirely different from the exemption of $3,000 on all buildings and the total exemption of all buildings assessed for $3,000 or less. Americans are rather keen on equality before the law, theoretically at least always, and vigorously when any one is going to get a better chance than themselves. The exemption of model dwellings moreover puts a heavier burden upon other buildings, and tends to increase rents in them without providing any appreciable incentive to substitute model for unsanitary tenements, unless the exemption is permanent. The question of how long model buildings stay model even when they start out so designated is another point to be considered, since with age even buildings with adequate sanitary provisons tend to deteriorate.

Exempting some buildings puts a heavier tax on others.

Assessment of public improvements on property benefited puts a heavy burden on buildings.

5TH. ASSESSING ALL PUBLIC IMPROVEMENTS UPON PROPERTY BENEFITED.

In so far as the property upon which the cost of public improvements is assessed is unimproved, land values are taxed by assessment for streets, sewers, sidewalks, parks, etc. These costs are often, however, assessed upon buildings. It is not customary, however, to assess schools, and other public buildings nor rapid transit upon the property benefited thereby, and it is perfectly clear that all of these public improvements benefit property. The attempt to determine, precisely, in cities how much a street increases the value of land in the neighborhood and how much sewers, parks, etc., do so, has been conspicuously unsuccessful. At times the cost of ascertaining the area benefited by a public improvement such as a driveway, and assessing the cost of the improvement thereon with mathematical precision, has been more than the cost of the improvement. The proposal to assess transit lines upon property benefited has been hailed as a solution of the transit problem, since in few instances is the effect of public improvement more immediately and strikingly

Cost of assessing "benefits" on property benefited is very great.

illustrated than in the case of transit lines the values of land on such routes being doubled and trebled sometimes in a few years. The increased traffic to the termini of such routes, however, increases land values there, and each additional extension to a line which has its terminus in the center of a great city benefits, not alone the territory through which the lines run, but as well the blocks within walking distance of the terminal. Thus the Hudson Tubes from New Jersey to New York which have a terminal in lower Manhattan increased materially the value of land in the vicinity. The cost of determining how much the increase of land value during the past decade in Manhattan below Brooklyn Bridge is, however, due to the Hudson Tubes, how much to the opening of the bridges, how much to the completion of the subway under the East River and how much to high pressure water service, etc., would be very great. Similar difficulties exist in other cities. Of course, these items can be determined, just as in oriental countries where labor is cheap and women plentiful, women pick all the seeds out of currants to make a delicious smooth paste at the cost of about an hour's labor to a teaspoonful of paste while in countries where time is money, they strain currants.

Determination of area benefited is extremely difficult.

Causes which create land values are very complex.

Land values can be taxed by assessing each separate improvement, and even assessing the cost of schools upon the families in the districts served according to the number of children in the family, but it is a somewhat cumbersome method.

6TH. EXCESS CONDEMNATION OF LAND.

This subject has already been sufficiently discussed under fiscal advantages of taxing land values so that only a passing reference is needed to the fact that the acquisition by the city of more land than is needed for a specific purpose and its rental or resale by the city to recoup itself for the cost of the land to be used by it, has only limited application and is an extremely unfortunate substitute for general heavy taxation of land values, although of value in securing land cheaply.

Excess condemnation of land provides only a partial method of taxing land values.

7TH. TAXATION OF INCREMENTS OF LAND VALUES.

This proposal which is not by any means novel, having been suggested by John Stuart Mill, is feasible, though difficult admittedly of application in most American cities. The working of this tax in foreign countries has already been explained. A small uniform land increment tax or even a moderate progressive tax would not permanently secure a large revenue for a city, but it would have certain additional advantages, such as keeping land cheap as noted in the answers to objections to this method of taxing.

Taxation of increases in land values endorsed by John Stuart Mill.

Taxation Committee of New York City Congestion Commission advocated small land increment tax, and that proceeds be devoted to building transit lines.

The New York City Commission on Congestion of Population were strongly urged, they state in their report, to recommend an unearned increment tax, and the Committee on Taxation of which Prof. Frank J. Goodnow was Chairman did recommend an "annual increment tax at a low rate, say 5 per cent, the proceeds of which shall be devoted to the building of the transit lines of which the city is in so great need."

Professor Davenport defends land increment tax, but says the single tax doctrine is merely a method for appropriating socially produced values.

Professor H. J. Davenport of Chicago University recently stated:

> "The social appropriation of the unearned increment of land values must be worked out not by a tax upon the capitalized worth of the rental income but by direct process against the rental income. Not so much in general purpose and in general principle as in theory and in method is the single tax program defective.
>
> "But even so, the principle is practicable only as applied to location rents. To burden the fertility must work the progressive exhaustion of this fertility. Only the irremovable bases of value can be safely burdened—and this only upon the condition that the position rent be kept strictly separate from the fertility rent. Otherwise the owner will, by the 'skimming' process, deteriorate to the utmost possible extent, with the purpose of transferring his value investment into an untaxed form.
>
> "Rightly understood, the single tax doctrine is not a tax doctrine at all; it merely urges the employment of the tax machinery and administration for the appropriation of socially produced values."

The following table shows the amount and per cent of increase of assessed land values for a year in a few American cities:

INCREASE IN ASSESSED LAND VALUES FROM 1909 TO 1910.

	Amount.	Per cent.
New York	$115,402,444	2.9
*Chicago	43,678,609	4.3
Boston	23,189,800	3.5
Springfield (Mass.)	3,407,080 (1910 to 1911)	6.1
Washington, D. C.	298,084	0.19
Los Angeles	33,999,840 (1910 to 1911)	17.04
Buffalo	1,210,505	0.9

Various degrees of taxing increases in land values.

The average annual yield, however, of a land increment tax is at best uncertain, depending upon whether the tax is a flat rate, and whether the rate is high or low, whether it is a progressive tax depending upon the per cent of increase of land values, and if so upon the initial rate, the rapidity of progression and whether a large per cent is levied upon all increase above a certain minimum, as well as whether the tax is levied equally upon increases in land values of improved and unimproved properties. Other disturbing

*Average annual increase for the four years, 1907 to 1911.

and not determinable factors may enter into the computation of the yield from a land increment tax. If levied at time of transfer, the rate in foreign countries usually varies according to the length of time since the last transfer, a higher rate often being levied abroad upon land held in the same ownership for a long term of years.

The simplest land increment tax is a flat rate upon annual increase in assessed values.

The simplest land increment tax is doubtless a uniform tax levied annually upon all increases in the assessed value of land. This is, of course, possible only in cities where assessments are annual; as they should be in all cities, to ensure proper increased assessments of land, and adequate decrease due to depreciation of buildings.

Proper deductions should be made.

Deductions should be made in arriving at the increases in value for all expenditures by the owner of land whether improved or not, for transit, sewers, street paving, sidewalks, and any other similar public improvement, as well as for any assessments against property for such improvement. It is supremely important to secure such careful separate assessment of land and improvements as has been secured in New York City by Hon. Lawson Purdy, President of the Commissioners of Taxes and Assessments. The levying of a land increment tax is also much easier where real estate is assessed at its full value. American cities could with fairness secure at least 5 per cent to 10 per cent of the annual increase in assessed land values above expenditures enumerated above. The yield from such a tax would doubtless tend to diminish in a few years if assessments are full value and especially if land values are taxed \$3.00 to \$5.00 per \$100.00 of full value. For a few years, however, such a tax could yield a few hundred thousand dollars in some cities having a population of 500,000 or over, and several million dollars in New York and Chicago, under the conditions that land values are taxed heavily and the Vancouver type of land speculation and "land boom" thereby avoided. The difficulties of imposing a land increment tax are admittedly great but not insuperable.

Although the effects of the land increment tax in Frankfort-on-the-Main are complicated by many provisions as to rates, exemptions progression, etc., it is interesting to note that the yield from this tax which was in 1905, 833,629 marks and in 1906, 1,104,997 marks, fell in 1907 to 498,183, in 1908 to 198,042, and in 1909 to 305,593 marks.

Municipal ownership of land for public purposes important.

8TH. MUNICIPAL OWNERSHIP OF LAND.

As suggested in the reference to the methods of taxing land values abroad this is technically municipalization of land and not taxation of land values. Probably no American city now owns as much land as it should have for public purposes, schools and other public buildings, parks and playgrounds, docks and piers, etc., but should secure adequate land for such purposes long in advance of actual need so as to avoid paying the speculative increase of value. On the other hand to acquire enough land to enable a city to prevent speculation in land is contrary to American principles and a very questionable policy. Exercise of the police power through stricter building regulations and through direct and immediate taxation of land values is much more feasible in America, and probably will be, until, at least, we have installed better systems of accounting and administering the business of cities. Even when cities are efficiently run, both as to scope and administration of activities, however, and when special interests, such as transit, gas and real estate companies have ceased to exert their present dominant influence over city administrations, municipalization of land will be objectionable, because striking at the basic principles of private initiative and effort. The remedy for land monopoly is not government ownership, but sufficiently heavy taxation of land values.

Municipal ownership of land to prevent land speculation a questionable policy.

The remedy for land monopoly is taxation of land values.

INSTANCES OF CONCENTRATION OF LAND VALUES IN AMERICAN CITIES.

Unfortunately the device of holding property in the names of dummies makes it extremely difficult to learn the large owners of vacant or improved land in American cities, and the extent and value of their holdings. The desire of some few people to conceal the fact that they own property because of its condition or the use to which it is put is sufficient explanation of such concealment of ownership. The social evils resulting, however, from land monopoly to secure unearned gain in American cities are well nigh as serious as those resulting from the most immoral uses of improved property. While large acreage holdings in the outlying sections of a city are not so valuable as a single plot in a built-up section, the first represents prospective unearned value, the second actual unearned value, in private possession. It is frequently asserted that there is no land monopoly in American cities, but the following figures prove the existence of monopoly either of land values or land acreage or both in several American cities. This data has been secured from various reliable sources, chiefly city records.

Dummy ownership in American cities.

Social evils of land monopoly for unearned increment as serious as use of buildings for immoral purposes.

NEW YORK CITY.

Concentration of land values in Manhattan.

Eight families, estates and corporations recently owned about one-nineteenth of the assessed land value of Manhattan, *i. e.,* one-nineteenth of $2,707,862,301. The total population of Manhattan is now nearly 2,500,000.

Twenty-three families, estates and corporations owned about one-ninth of the total area of the Bronx, *i. e.,* of 26,017 acres.

Concentration of acreage holdings in the agricultural borough of Richmond.

In 1910, fifty-seven families, estates and corporations owned about one-sixth of the land in Richmond, about 6,000 out of 36,600 acres.

One real estate corporation with stockholders all over the country advertises that it owns or controls 20,000 lots in Brooklyn on future subways and on five-cent fares, ten times the amount in the control of any other corporation or individual in that borough, and that the assessed value is $15,000,000.

Several companies and individuals own 50 to 500 acres each in Queens, and one company recently owned nearly 1,000 acres here.

CHICAGO.

In 1907, the full assessed value of the sites of the following nine well known buildings in Chicago, The Marshall Field Retail Dep't Store, The Fair, Palmer House, Siegel, Cooper & Co. Dep't Store, Auditorium Hotel, Congress Hotel, Republican Office Building, Champlain Office Building, Stratford Hotel, was $29,182,370, out of a total full assessed land value for the city of $~~3,039,056,694,~~ 1,013,018,890 or nearly one ~~one-hundredth~~. thirty-fourth

Messrs. Raymond Robbins, a member of the Chicago Board of Education, Philip Angelen and John C. Harding, former members of the board, made the following statement in 1909:

> "In 1818 the United States Government gave the square mile between State, Madison, Halsted and Twelfth Streets to the state of Illinois, to be held in trust for the support of the public schools and the education of the children of Chicago.
>
> "Except for one block, between Madison, Dearborn, State and Monroe Streets, nearly all of this square mile was sold about seventy years ago for less than $40,000.
>
> "Within fifteen years after it was sold this square mile was worth six million dollars.
>
> "To-day its value is hundreds of millions of dollars (without improvements).
>
> "The rent from this square mile of land would be sufficient to support for all time the entire school system of the state of Illinois without an additional dollar of taxation."

How land monopoly increases taxes.

BOSTON.

Mr. C. B. Fillebrown gives the following statistics for Boston:

Concentration of land values in Boston.

"The assessed value of land in Boston in 1907 was $652,995,300, while the land at the southwest corner of Winter and Washington Streets was assessed at $537,600, or one-twelve-hundredth of the total value of land in Boston.

"The total valuation of the land on both sides of Winter Street, including the lands on the Tremont and Washington Street corners, was $5.142,600 in 1898, and this has increased to $8,272,000 in 1907.

"This represented an increase of 58 per cent in value in the nine years that this privileged area represented approximately one-eight-hundredth of the total assesed land value of the Hub."

The net funded debt, city and county, of Boston, January 31st, 1909, was $72,036,984.50.

WASHINGTON.

SOME LARGE HOLDINGS OF LAND IN THE DISTRICT OF COLUMBIA.
July, 1910.

	Acreage.
A	224.88
B	145.00
C	341.63
D	476.33
E	342.69
F	152.00
G	148.00
Total	1,830.53

Washington belongs not to the nation, but to a few families there.

About 7 per cent of all the land exclusive of parks, governmental reservations, streets and exempt land, is owned by seven families, companies and estates. Over 10 per cent of the 44,800 acres in the National Capital is owned by seventeen companies, families and estates.

The assessed land value of the site of the New Willard Hotel was in 1908, $472,144 out of a total assessed land valuation for Washington City of $114,673,401, *i. e.,* the site of this one building was worth about one two-hundred and forty-third of the site of the National Capital.

BUFFALO.

The total value of land in Buffalo, (assessed at about 100 per cent of its real value) was in 1910, $168,130,110; of improvements,

$160,592,425 (excluding exempt property), total, $328,722,535 exclusive of franchises.

Site of one block in Buffalo, worth one two-hundred of city's land values.

The assessed land value of the site of the great Ellicot Square Office Building, covering a block, was $845,200, that is, about one-two-hundredth of the total assessed land value.

CONCLUSION.

The most immediate, practical, economic, and just, method of taxing land values in American cities—in which land and improvements are separately assessed—is a heavier rate of taxation on land values through a lower rate of taxation on all buildings and personalty.

How to secure freedom from exisiting land slavery.

Halving the tax-rate on buildings and personalty within the next few years is the next step towards securing freedom from existing land slavery. The total exemption of buildings and personalty from taxation will properly and naturally follow gradually. The land increment tax, despite its great administrative difficulties, is a practical and universal method of recovering for the community its fair share of the community created and earned land values. The other methods enumerated are limited in their application, or cumbersome at best, and do not conform to the American standard and ideal of equality and justice, although temporarily feasible. Heavier direct taxation of land values and a land increment tax will furnish adequate revenues for every American city and be the most effective step that cities, as governmental entities, can take, to exterminate poverty and to regain their cities for the people.

Heavier direct taxation of land values and a land increment tax will yield adequate revenue.

Table Showing the Adequacy of Taxing Land Values Alone for Municipal (and in Some Cases County) Budgets in a Few Cities of the United States, Exclusive of Expenditures Met by Postponed Payments, for the Years 1910 or 1911, Tax Rate per $100.00 Valuation.

CITY	ASSESSED LAND VALUE	RATE OF ASSESSMENT ABOUT	TAX-RATE TO MEET BUDGET	FULL LAND VALUE	TAX-RATE TO MEET BUDGET
*New York	$4,001,129,651	90%	$3.94	$4,445,699,612	$3.52
Buffalo	169,340,651	Full Value	4.55	....	....
**Chicago	395,911,111	33 1/3%	14.66	1,187,733,334	4.88
Boston	652,995,300	83 1/3%	4.64	783,594,360	4.11
Springfield, Mass	48,704,680	Full Value	3.76	....	....
*Worcester, Mass	47,022,750	Full Value	4.88	....	....
†Kansas City, Mo	60,355,420	50%	5.12	120,710,840	2.56
Washington, D. C.	151,711,966	66 2/3%	8.34	227,567,949	5.55
Omaha, Neb.	12,218,695	20%	12.83	61,093,475	2.56
Los Angeles	199,441,225	50%	2.14	399,882,450	1.07
Milwaukee	99,502,195	60%	7.64	155,836,985	4.87
†Grand Rapids	29,293,165	Full Value	4.57	....	....

* Includes county budget.
** Assessment about one-third, is rather low.
† Value of land taken as 50% of total value of land and buildings.
Washington and Boston figures for budget taken from "Brooklyn Eagle Almanac."