

WHAT IS THIS THING CALLED "LAND VALUES"?

The difficulties confronting those who would ascertain the total of land values (i. e., market values) of the United States, or any country, arise from the very practice of treating land as absolute private property. So long as this practice continues the value of any piece of property may be fixed by the owner, just as the value of any merchandise inventory may be determined by the owner. It is only when the public assessor evaluates land for tax purposes—which is in itself a denial of absolute private ownership of land—that the right to determine values is taken from the owner.

But an owner of land, as every accountant knows, may assess his holdings for bookkeeping purposes at some figure far below its value on the market. Sometimes this figure may represent the cost to the owner. Thus, a railroad which acquired plateau land by grant many years ago may now hold a coal mine at a

"value" of one dollar. Since the usual taxation base for utility companies is their capital value or their income, the value of their land holdings (including franchises) can be conveniently fixed; in fact, if there is no public assessment there need be no fixing. In this way the value of very important land, including mining and mineral resources and rights of way, is not ascertainable.

Nor does our system of land value assessment in cities give us a true picture of what our land is really worth. Since assessments are made for taxation purposes only, and since taxation is based on budgetary needs, the intent is not to ascertain true values. If the budget is met by the levy on the assessment, the assessment has served its purpose. Why bother about true values? Thus we find in different localities different ratios of assessed values to market values. Some communities value the land high but levy a low rate; others

have a high tax and low assessments. Not all the states separate land values from building values; any attempt to value these lands must be largely guesswork. The same applies to agricultural lands even in those states where land is theoretically assessed separately, for no attempt is made to apply the principle to farms.

The reason for this confusion is, as indicated, the practice of treating land as absolute private property. And so long as this practice prevails it will never be possible to ascertain the true value of all the land in any country—nor even the true value of the most easily assessed holdings, in the centers of population. Where the owner may be the valuer, inaccuracy is inevitable.

If land were considered public property for private possession and use, no valuation would be necessary. In fact, there would be no selling values, and the only value we would be interested in would be the rental value determined in the market.