

hand-picked orator continue. No use. Finally he turned to me and asked me what my point of order was. I am about twice as big, physically, as Jim Robinson was, and therefore the chairman saw me first. I was about to say something, I don't know and never knew what, when Robinson shouted: "Mr. Chairman, my point of order is that no man who is against a motion be allowed to speak for it." Robinson told me later that up to the time Christiansen recognized me he had no idea what his point of order would be; that's how resourceful he was. Christiansen, still anxious to save the convention, did not trouble himself about the accuracy of the parliamentary question, yelled back: "Whom do you want to speak?" Now, there were fifty good Single Taxers at that convention, almost everyone qualified to speak on the motion. There was Loew and Miller and Macaulay and Robinson—a host of orators. But everyone of us, as if by prearrangement, turned to the tall figure near the center aisle and called for:

"Oscar Geiger."

I don't think he spoke for more than twenty minutes. But of the thousands of Single Tax speeches I have ever heard I never heard anything like that one. Maybe Henry George, maybe Father McGlynn delivered better orations; I never heard them. But there stood that tall, slender, Christ-like figure on the platform, pouring out his very soul in a plea for economic freedom and human justice until a halo seemed to form itself above him. The audience that but a few minutes before was one of the maddest and noisiest, now was as quiet as a church meeting. They hung on every word. Not a whisper. After three days of pandemonium and wrangling they had found an oracle who spoke to their hearts and quieted their souls. The message he brought them was the one they wanted to hear—the one common denominator that brought them together.

What did he say? What you or I or any good Single Taxer might say. His speech was entirely impromptu. Some time later I asked him if he remembered his speech. He did not. But how he said it! It was like some thrilling scene, some piece of inspiring music, the details or notes of which you do not remember, but which leave an indelible impression on your mind. The setting was perfect, the crowd large and really anxious to do something for humanity, the occasion momentous, and Oscar Geiger poured forth his heart in an impassioned plea such as only he could do.

The electrified crowd paused for a second, as if stunned, when he completed his address. Then from all parts of the hall: "I move the question"—"question"—"question." No opponent to the motion could have gotten a hearing. So Christiansen moved the question and it was carried unanimously. I think it was the one and only plank in their proposed platform that was ever adopted.

It was now past the time for adjournment to Carmen's Hall, as agreed upon by the earlier resolution, and the

Forty-Eighters went over there to be swallowed by the laborite whale, and were never heard of after. We left them to their fate and went on with our own convention. Had their leaders been less anxious to join the organized labor group, had they not forced through the joint-convention resolution of the morning, we would have turned the Forty-Eighters into a real Single Tax movement.

That is the story of Oscar Geiger's speech before the Committee of Forty-Eight—the greatest Single Tax speech I have ever heard.—FRANK CHODOROV.

## What Is the Matter With Hell's Kitchen

FAILURE BY CITY TO COLLECT ADEQUATE TAXES PRODUCES SLUMS. EXCISE TAX ON INADEQUATELY IMPROVED PROPERTY RECOMMENDED FOR SLUM CLEARANCE AND UNEMPLOYMENT RELIEF

THE American Association for Scientific Taxation, among others, was invited to present to the Mayor and Board of Aldermen of the City of New York proposals for a tax plan that would take care of unemployment relief in substitution for the proposal by Mayor LaGuardia to impose a tax on business.

Following is the substance of the communications addressed to the City authorities on the subject:

The study made by the Association on this subject indicates that the failure of the City to collect the value of City services from favored sites, particularly in Manhattan is a major cause of the conditions making relief necessary.

We recommend that the City, through its Tax Department, immediately proceed to collect from inadequately improved sites, particularly those known as the slum areas, the full amount of the annual value of the sites, which is the product of public services rendered by the City.

Tenement House Commissioner Post has stated that the City renders \$3 of service for every \$1 collected in taxes from these slum areas.

Two issues are paramount in this administration:

1. The City requires additional revenue.
2. The slums must be cleared.

The City has the means to accomplish both of these objectives in its Tax Department.

It is not sufficient to say that "real estate is overburdened."

Most improved properties, and particularly homes, are *overtaxed*. Vacant land and sites encumbered with worn-out, useless buildings are *undertaxed*.

## QUEENS HOMES AND OTHER RESIDENCE SECTIONS ARE DISCRIMINATED AGAINST

In Queens County, the assessment for home building and improvements is, on the average, about five times

the assessment for land value. There are stated to be 175,000 separately owned homes in Queens. On the average, homes in Queens are worth about \$5,000, built on lots worth about \$1,000 each.

This represents the average adequate improvement for homes. Experienced builders say that an adequate improvement for a home should be at the ratio of five to one; that is, five dollars for the building to one dollar of land value. This rule is born of experience.

#### MANHATTAN FAVORED AGAINST OTHER BOROUGHES

We find the following situation in 1934:

##### ASSESSMENTS

BOROUGH	LAND	IMPROVEMENTS	TOTAL
Manhattan -	\$4,664,011,697	\$4,050,148,369	\$8,714,160,066
Bronx -	672,381,511	1,253,892,328	1,926,273,839
Brooklyn -	1,601,443,840	2,415,216,479	4,016,660,319
Queens -	923,868,923	1,624,503,765	2,188,372,688
Richmond -	139,290,025	164,479,620	303,769,645
Total	\$8,000,995,996	\$9,148,240,561	\$17,149,236,557

Manhattan pays on about \$600,000,000 less for improvements than for land value, whereas Bronx pays on about \$500,000,000 more for improvements than for land; Brooklyn pays on about \$800,000,000 more for buildings than for land; Queens on about \$340,000,000 more and Richmond on about \$25,000,000 more. This differential *in favor of Manhattan and against the other four boroughs* makes a total of about \$2,365,000,000. The tax on this is about \$60,000,000 a year. This means that every year upwards of \$60,000,000 is diverted from these four boroughs in favor of land values in Manhattan. In this fact lies the chief cause of the piling up of high land values in Manhattan, which go to the private owners of the land instead of into the City treasury.

Bronx, Queens, Brooklyn and Richmond are the chief residence sections for small home owners. In these four boroughs the holding of land is comparatively widely distributed among small property owners, whereas on Manhattan Island all of the land is owned by about two per cent of the population.

The effect of excessive taxation on improvement values is to "peak up" land values in favored locations, particularly in Manhattan, and is the chief cause of the abnormal values placed on so-called slum areas in Manhattan which represent land value only, the buildings in most cases being outmoded and worthless.

Mr. Grover A. Whalen, Chairman of the Sales Tax Committee, is right in saying that a tax on gross receipts of business violates sound taxing principles.

He is also right in saying that this tax will tend to drive business out of the City of New York.

The proposed tax on non-residents is wrong because to that extent it will keep people away from New York City, depriving merchants of that much of their business.

The proposed tax on transit fares is a mistake for the same reason. It would retard trade.

All of these proposals fail to take into account the land values of the city created by the spending of tax money.

Sound taxing principle requires a tax to be levied according to benefits received from the expenditure of tax money.

Increasing business resulting from increasing population, from better advantages of transportation and from other public facilities increases the site value of the land in the area affected.

Industry can pay a high rate for a site where business advantages are centered.

Manhattan sites are the chief recipients of the benefits of the City's expenditure of money. Manhattan sites, on the other hand, in proportion to benefits received, pay the least of any of the boroughs.

The City Tax Department records for 1933 show that assessed land values for the entire City amount approximately to eight and a half billions, whereas the total for land and buildings is approximately seventeen billions. In round figures, improvement assessments equal land value assessments.

Each site, therefore, if it is bearing its share of the tax burden and paying its proportion for benefits received from tax money, should be improved to an assessed value at least equal to the assessed land value.

Every site in Manhattan (and elsewhere) that is assessed for less on its buildings than it is on its land is absorbing and wasting public money at the expense of sites which are improved for value greater than the land value.

The great bulk of sites in Manhattan, in respect to numbers, area, and valuations, are grossly under-assessed.

A few sites are tremendously over-assessed and unjustly overburdened with taxation.

#### TWELVE BLOCKS IN HELL'S KITCHEN

This Association recently made a survey of twelve blocks of land lying between Ninth Avenue and Eleventh Avenue, running from West 47th Street to West 53rd Street. This is part of the neighborhood commonly called Hell's Kitchen.

These twelve blocks contain 688 taxable parcels, having a total assessed land value for 1934 of \$15,099,610. Of these 688 parcels, *only 16* are improved to an amount equal to or more than the land value, leaving 672 parcels inadequately improved or not improved at all.

The total land value of these entire twelve blocks (excluding the sixteen parcels that are inadequately improved) is \$14,219,110. The total improvements on these parcels amount to \$5,455,000, leaving a difference of \$8,764,110 of value, which is not taxed and is not paying its share for benefits received.



Applying the rule that each site should pay on improvements equal to the land value, these 672 inadequately improved sites in these twelve blocks are underpaying the City for the year 1934 the sum of \$238,-383.79 at the 1934 tax rate.

### THE OTHER SIDE OF THE PICTURE

In Block No. 1060, between Ninth and Tenth Avenues and 50th and 51st Streets, the New York Telephone Company owns twelve lots in the middle of the block assessed for \$230,000, on which it has built a magnificent building assessed for \$3,220,000, total \$3,450,000. This is an over-assessment in comparison with the general average of the City of \$2,990,000.

The New York Telephone Company paid its tax bill of \$93,840 on these twelve lots, which is \$81,328 per year more than its share compared with the general average. The rest of the block is disgracefully under-improved and correspondingly under-assessed, except a parcel of four lots at No. 438-442 West 51st Street owned by Parker & Stewart, which has a building assessed for \$70,000 on land assessed for \$50,000—a \$20,000 over-assessment. Excluding these two parcels the remaining 50 parcels in this block are assessed on a total land value of \$1,119,550, with total improvements assessed for \$422,000. Their aggregate tax bill is \$41,930.16. They underpay the City \$18,972 on the present application of the budget for benefits received from the 1934 budget.

Industry, represented in this block particularly by the New York Telephone Company, on twelve lots only, pays more than twice as much as the remaining fifty lots—an over-payment of \$81,328, or seven and one-half times its share.

It is idle to say, because the New York Telephone Company is a monopoly and can afford to pay it, that this does not hurt industry. These excessive and unjust taxes are included by the Telephone Company in its bill of costs upon which its rates to consumers are made. These excess tax payments are passed on to the consumer. No department store, hotel, office building or apartment house can keep up an excess payment of taxes unless it can either take it out of cost by reducing wages and prices paid for goods or pass the burden on to the consumer by increasing the price of goods purchased or offices and apartments rented. Purchasing power is accordingly reduced under either alternative. To the extent that industry is unjustly taxed, it is destroyed or driven away from the City.

The adequate improver of land creates employment by erecting a building and by operating and maintaining it.

The holder of land out of adequate use destroys the opportunity to build, thereby directly causing unemployment of labor, for the benefit of which the industrious are overtaxed.

Ability to pay taxes, in the long run, must be measured by just payment for benefits received from taxation. Otherwise the tax base is weakened or destroyed.

### SUBSTITUTE PROPOSAL

#### SPECIAL EXCISE TAX UPON INADEQUATELY IMPROVED LAND

It is urged, therefore, that to meet the problem of relief for unemployment, a special excise law be levied on each site of land in New York City which is not improved to a value equal to the site value. The rate of the special excise tax should be the current rate of taxation, to be added to the regular tax only in the proportion that the land value of the site exceeds the assessed improvement value.

As a result of this tax, inadequately improved sites will be improved to meet the tax, thus increasing the revenue of the City and at the same time creating jobs for builders, masons, plumbers, carpenters, and others, and eliminating the problem of unemployment which now burdens the City.

We present the following as a suggestion for the text of such a law:

The owner of each separately assessed plot of land within the City of New York which is not adequately improved shall pay, in addition to the current local tax, a special excise tax equal to the amount of such local tax assessed on the value of the land.

For the purposes of this special excise tax, a plot shall be deemed to be not adequately improved where the assessment for buildings and improvements is less than the assessment for land alone.

Any plot which is partially improved shall be liable for this special excise tax only to the extent of the difference between the current assessment for land and the current assessment for buildings and improvements.

AMERICAN ASSOCIATION FOR SCIENTIFIC TAXATION.

WALTER FAIRCHILD,

Chairman Legislative Committee.

## Manhattan Club Activities

PRESIDENT CHARLES H. INGERSOLL'S public meetings since our last report were as follows:

Ladies' Auxiliary of the Kenny Memorial Hospital. Separate Battalion (Colored) Armory, Newark, N. J., June 22.—Thomas Wallace Swann introduced Mr. Ingersoll to the audience who were more than cordial and will work for him; 300 present.

Binghamton, N. Y. Chamber of Commerce, June 25.—Luncheon; Mr. Woodcott, President and Reporter Evans introduced him; meeting exceptional; crowd of young business men; 75 present; fine quiz of one hour; talk 35 minutes.

Cortland Exchange Club, N. Y., June 25.—Dinner;