

ture of the plants, Potato Bugs might be dispensed with, but we are confronted by a condition, not a theory.

"We, therefore, who have given our lives to the study of this question, cannot but deplore the pernicious activity of such reformers as advocate the extensive use of Paris Green and other noxious exterminants. For proof of these statements and conclusions, we refer the reader to almost any old chapter in Adam Smith."

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## REAL ESTATE ASSESSMENT.

Abstract of an Address Delivered by Lawson Purdy,  
President of the Department of Taxes and Assess-  
ments of New York City, at the International  
Conference on State and Local Taxation,  
Held at Toronto, October 6 to 9.

A city block is a parcel of land entirely surrounded by streets, and the nature of the street frontage determines the value. The unit value is the value per front foot for normal depth of an interior lot. The value of corner lots and lots of irregular depth must be ascertained in accordance with scales based on the best evidence experience furnishes. When unit values are established, the value of each lot is quickly determined if regular in size by one multiplication, and if irregular in accordance with the scales established. When the land values are all ascertained and noted, the assessor will record the value of improvements, using for the purpose factors of value preferably for each square foot of floor surface which will be determined after consultation with architects and builders. The factors will show the cost of reproduction, and a reduction must be made for depreciation and unsuitability for the site.

To determine the value of land with the greatest accuracy it is necessary to secure as nearly as possible the opinion of value of the largest number of persons who help to make the market, either by being themselves buyers and sellers, or the advisers of buyers and sellers. The greatest problem therefore before the assessing department is as to the best way in a given time and place to secure the benefit of community opinion of value. The first essential is to popularize the terms used in expressing the value of land; hence the necessity for the unit value previously described. In any city of not more than half a million of people, probably the best way to secure the widest expression of community opinion as to land value is the method pursued by Mr. William A. Somers in St. Paul. All persons interested were invited to inspect maps and criticize the unit values exhibited on those maps. After discussion, criticism and correction, the unit values represented the consensus of opinions of those who had well-informed ideas as to the value of land in the city. In a very large city this method is probably imprac-

ticable, but the same result may be achieved by the publication of maps of convenient size showing the unit values and the distribution of these maps to those best informed in the several sections of the city, with the request that the units be corrected and the map returned.

The more generally assessments are regarded as accurate, the more would these assessments tend in themselves to establish the values they were designed to record. If confidence is established in the work of the assessors, and interest in their work is extended to a larger and larger number of people, the work of the assessors will constantly improve by more nearly reflecting the consensus of community opinion, and the assessments themselves will tend to establish and determine the opinion of the community.

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## WHERE INDIRECT TAXATION FALLS.

For The Public.

Where is the point at which increased prices diminish demand sufficiently to affect business—measured in dollars and cents? A vivid sidelight was thrown on this subject in a conversation with a Portland grocer some years ago.

"How do tariffs and indirect taxes affect your business?" I asked.

"Very little," he answered.

"Does not increased price diminish consumption, thereby lessening your sales?"

"Yes and no," he said. "A business man measures his trade in dollars and cents and not in weights and measures. Take this rice, for instance," and he scooped up and poured out a mass of that material to illustrate. "I sell this at ten cents a pound. I hand a purchaser ten pounds and he hands me one dollar. I have handled ten pounds in weight and bulk—paper, string and service. If he has a small family he is gone a long while, for ten pounds will last for some time and, as a rice-purchaser, he is away and I am out of business. The dollar that he gave me has returned to me my original investment—including all the taxes that entered into the cost of producing it here—plus my profit on that investment, part of which investment was an investment in taxes. Thus, he has paid me my investment in rice, plus a profit, and my investment in taxes, plus a profit.

"Now, if you placed a tax on rice so high that I could sell only one pound for a dollar, what would be the condition? I would hand him one pound of rice—correspondingly less paper, string and service, and thereby, perhaps, more profit to myself—and he would give me one dollar. My expenditure would be about the same. My income and profit about the same—perhaps a little

better, for he might come oftener and buy several pounds, thereby making my business in dollars and cents greater, though my weights, measures and service would be less. I could sell a dollar's worth of diamonds with less exertion and the same profit if they were only a necessity. All taxes enter into the cost of production and are paid by the consumer. This is what makes the average business man apathetic. The great majority of all the people spend all they earn—this is what makes business. Any saving or hoarding of this total sum limits business to the extent of the saving or hoarding. It is only when the cost of living gets so high that it eats up all that the people earn and goes beyond, that they cease to buy and business is affected. Then 'business' cries out and feels hurt."

"Say," he said, suddenly dropping the rice ladle into the barrel, "I am in business to make a living, and haven't any time to waste in politics or in teaching fools their A, B, C's; but that one great law—that all taxes on the products of labor enter into the cost of production and are paid by the consumer—that one great law—if the people should ever suddenly wake up to what that means to them, there would be a revolution in twenty-four hours, as President Andrews, of Brown University, once said. Because the business man can and does shift all the taxes, he doesn't care, so long as the other fellow that pays them doesn't kick; and because he's a fool and doesn't know, he doesn't kick until he is forced down to the 'life line,' and then he sets up a howl and kicks at everything but the thing that is hurting him. Then, ten chances to one, he will go and vote some more taxes on himself in the name of 'Protection,' and call every one who tries to lead him out a fool, and denounce him as unpatriotic. That's why I don't fool with politics and get a bad reputation. I guess I can stand it as long as the rest of them. There's one thing sure—they pay the freight, and I don't. Who do you think can stand it the longest?"

I have been wondering ever since.

EDMUND NORTON.

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## TAX SYSTEMS OF THE PROVINCE OF ALBERTA.

Abstract of an Address Delivered by John Perrie, Tax Commissioner of the Province of Alberta, Canada, at the International Conference on State and Local Taxation, Held at Toronto, October 6 to 9.

The taxable property in this Province may be divided into three classes. First, rural property; second, village property; third, town or city property.

Land is the only property assessed under the first class and the rate of taxation is levied at

so much per acre without regard to the value of the land, from a minimum rate of one and one-quarter cents per acre to a maximum rate of five cents per acre.

Village property is liable to two assessments, one to furnish revenue for street improvements and other work of the village, and one for school purposes; the former being levied by the council of the village and the latter by the school board of the village. Both these assessments are based upon the value of the real and personal property within the village, but in the case of the improvement taxes there is a provision made whereby the council of any village may obtain permission from the Government to base their assessment on the value of the land exclusive of the improvements thereon by presenting a petition signed by two-thirds of the ratepayers of the village. This latter system of assessment is in use in many of the villages throughout the Province. It is found to work out in a very satisfactory manner, and the number of villages using this system is continually increasing.

In the towns and cities of the Province there is only the one assessment. This assessment, which is made by the officials of the town or city, covers the taxes required for the support of the schools within the municipality and also for all work carried on by the municipality. The system of assessment in vogue in most of our towns and cities is assessment according to the actual value of the land exclusive of the improvements thereon, and there is no assessment of personal property. This system of assessment commends itself to the people of the Province as a fair method of taxation, and all cities which have lately received charters of incorporation are using it in preference to the system whereby assessment is levied on both real and personal property. This taxation of land is supplemented by a business tax and to a small degree by income tax.

Probably the most distinguishing feature of the assessment systems used in this Province is the fact that the assessment of personal property or improvement is almost unknown, practically all taxes being levied on land and the assessment based on the value of such land without regard to the improvements thereon. As has been pointed out above, the use of this system of assessment is rapidly increasing and when it is taken into account that unimproved property is greatly enhanced in value, not only by the improvements carried on by the municipality or government, but also by the development caused by the investments of owners of improved property, it would seem only right that the assessment should be so adjusted as to provide for the payment of a fair proportion of the taxes by the holders of such unimproved property.

Going further, it may be pointed out that the ratepayer who invests money in improving his