

average life of mortgages, the total real estate indebtedness in the County is \$1,005,480,756.

Since 1890 there have been filed about 1,100 ninety-nine year and other long term leases on Chicago land, which yield in the aggregate about \$7,860,998 in ground rent. Most of these leases require the lessee to pay all taxes and special assessments and to construct a building worth not less than a designated sum within a certain period of time. Sometimes the lease stipulates that at the end of the term the improvements shall be paid for by the landlord at an appraised valuation, but more often that they shall be his without compensation.

The Illinois law requires that real estate be assessed quadrennially and that the land and the improvements thereon be listed separately. In 1915, when the last assessment was made, the assessors' books show that the full cash value of Chicago's land was \$1,195,956,396 and of real estate improvements \$1,112,769,760. This was an increase in land values of \$93,600,444 and in improvements of \$45,969,318. The assessors' "full" valuations are about 15% too low. Adding 15% gives \$2,655,035,078 as the true valuation of Chicago's real estate, \$1,375,349,854 being land value and \$1,279,685,224 improvement value.

The public revenue derived from general taxes on Chicago real estate is \$52,687,771, of which \$24,139,343 is raised from improvements and \$28,548,428 from land values. Chicago's share of the earnings of its street car systems was \$2,558,383 last year and special assessments yielded about \$8,000,000, making the total levy against land values \$39,106,811, including the city's share of the earnings of the street railway companies, which is properly classified as revenue from land value.

Licenses and wheel taxes amount to \$13,000,000 while the water department yields a gross income of \$7,000,000.

The records show that the Board of Assessors of Cook County (in which Chicago is situated) appraised approximately 195,681 acres of unimproved land and 185,290 acres of improved lands, 467,243 unimproved lots and 392,126 improved lots.

It will thus be seen that the county containing the second city of the United States has 51.4 per cent. of its agricultural land unimproved and 48.6 per cent. with some kind of improvements. Of its urban lots, 54.4 per cent. are idle and 46.6 per cent. are improved.—E. B.

BALTIMORE

Baltimore is one of the old cities of a new country. In 1730 a commission was authorized to lay out a town on the banks of the Patapso River. The town consisted of sixty acres divided into sixty lots which were sold for forty shillings an acre, tobacco being accepted as legal tender instead of current money at the option of the buyer.

Today there are within the city limits of Baltimore thirty-one and two-thirds

square miles with a suburban section of large area. According to the U. S. census of 1910 its population within the city limits is 558,485, while its population including those persons who reside just beyond the city limits is 691,000.

This same Baltimore, which originally cost a "pinch of snuff" as we may say, has an assessable basis for 1916 of \$835,686,178, an increase since the great fire of February 7, 1904, of \$344,000,000. This great fire traversed more than 140 acres and destroyed forty-six blocks in the heart of the city, and it was a common saying that owners who were burnt out woke up next morning richer than before the fire. The city widened the streets and took over eight acres for public improvements, with the result that some lots sold for double the price that lot and building formerly brought. Baltimore since the fire has enjoyed a reconstruction period in the most literal sense.

A complete sewerage system was built; modern docks, municipally owned, replaced those destroyed; streets have been widened; parks extended; miles of streets opened, and new school houses built. The effect of all this is to make Baltimore a more desirable place to live in, and the benefits flowing to the owners of the land of Baltimore and vicinity they are permitted to pocket. Our taxing authorities are obsessed with the idea of collecting taxes as easily as possible, and this at the expense of those who improve. The desire to get revenue, no matter how, supersedes any other principle. Little attention is given to the correct canons of taxation, which are that taxes should be levied on Land Values, as they and they only reflect the benefits conferred by governmental service; hence, inequality is the rule.

However, in 1912 a commission was appointed to consider the taxation system of the State and of Baltimore City, because it has been a matter of common knowledge that the tax burdens have not been equally distributed. They prepared an exhaustive report, one result of which was the adoption of a constitutional amendment prepared by our Single Tax friend, Jackson H. Ralston, which permits the classification of property for taxations, by which land can be made subject to one rate of taxation and improvements subject to another rate. Under the amendment Baltimore, which is a separate political division having the legal status of a county, is made a taxing unit and can be empowered by the Legislature to exempt improvements from taxation. A bill fixing a rule for assessment of land and classification of property is now being offered in the Legislature by Senator Ogden, a Single Taxer, to make the amendment effective, and we can then strive for a measure of Single Tax in Baltimore.

For the first time, in 1915 the Land Values of the City of Baltimore were compiled separately, the land value assessment being as follows:

	LAND VALUE	IMPROVEMENTS
In 1914.....	\$158,000,000.....	\$242,181,826
In 1915.....	\$165,000,000.....	\$254,252,091
In 1916.....	\$173,000,000.....	\$260,621,158

The figures approximate 80% of value. Actual value for 1916 would be \$207,000,000. This is in round numbers. They are compiled by Wards

and if the limit of this article permitted, some interesting deductions could be made, showing, from a Single Tax standpoint how the small property holder is burdened for the benefit of the large business property holder.

There are 115,243 private dwellings in the city of Baltimore, 50% of them being two stories in height. In 1900, 20.5% of all private dwellings were owned unincumbered; the balance were encumbered or hired. Fully 90% of new dwelling property is built subject to a ground rent; that is the improvement stands on leased ground.

Business property is usually held in fee and comprises about 30% of the whole and is mortgaged about 50% to 60%.

The system of Ground Rents is peculiar to Baltimore. It is a relic of colonial times transplanted by the early English colonists. There are a number of irredeemable ground rents, but all later rents have a clause fixed by law in same that permits the lessee after five years, on thirty days notice, to purchase the land on a six per cent. basis. They are really mortgages, and the best sort of a mortgage for the lessee, as the principal never falls due as long as the ground rent is paid unless the lessee determines to redeem same. The lessee pays all taxes and public charges of every kind as well as the ground rent. There is no way of finding out the amount of mortgages, but experts who have been asked give it as their opinion, counting ground rents as in the nature of mortgages, together with regular mortgages, that considering value it would amount to between 50% and 60% and considering lots to about 75%.

Baltimore, like all large cities, has its evils of large land holding interests surrounding its outskirts. The Canton Co. on the east owns 1600 acres. The Perrine estate owns 4600 acres. Then we have the Abell estate, the Gettings estate, the Brown estate, the Roland Park Co., all ready to reap the values that attach as the city expands, and equally ready to insist on special low rates of taxation before they will allow this expansion. The counties control our Legislature.

In 1888, the last time the city expanded, the big land-holding interests succeeded in fixing three rates of taxation, city, suburban and rural, the suburban two-thirds and the rural one-third of the city rate. Where the householder in the city has to pay a rate of \$2.00, the land holding interest in the rural district will pay only 67 cents on an admitted low and unfair assessment.

Baltimore has a continuing method of assessment and, relatively to the counties' assessments, is very high, one-fifth of the city being assessed each year. The system is now being started for the State. Judge Leser, the leading tax administrator and a member of the State Tax Commission, says, "That plan is best which limits it to real estate, as it is impossible to determine with any degree of accuracy the value of personal property. With real estate it is different. Not only can definite standards of valuation be applied but it can in all cases be seen and measured." This is an admission that "land lies out of doors," lending itself to fairer assessment. After all equality is the great desideratum. The support of government should always be borne by recipients in proportion to benefits received. Site value alone shows these benefits,

and a tax on same makes one pay according as he receives and does produce equality. Again, every tax reduces rent, and land suffers in the last analysis. What is paid to live in society are taxes and rent. The important thing is to adjust taxes properly. This the Single Tax will do.—J. S.

LOS ANGELES

The law of California reads that all property must be assessed at its full cash value, land, improvements, and personal property. But the assessors do about as they please, and have been assessing improvements (buildings) at fully 50% of their value, and at the same time assessing the land at anywhere from 10% to 25% of its value.

This city and county have a double assessment, each having an assessor and tax collector. All city school funds are collected by the county and turned over to the schoolboard, which makes the county tax rate about the same as the city rate, and sometimes a little higher.

There has been a great deal of dissatisfaction in regard to the two assessments, not only for the trouble that it makes the taxpayers, but the difference in the amount of the assessment of the same piece of property by the two assessors.

Last year the city and county officials agreed to have the entire city valued by experts, both land and buildings, and the city and county assessors were pledged to use the valuation, and assess the city at 50% of the valuation. This has been done and the consequence is the assessment of the land has been increased over last year about 35% for the entire city.

At the same time the buildings have been lowered about 20% which makes the land pay nearer its proportion of the taxes than it ever has before.

The low tax on the land has encouraged the holding of vacant land for a high price, with the result that the city has spread over a much larger territory than is necessary.

The population is estimated to be about 600,000. The area of the city is 288.21 sq. miles; 184,467 acres. There are about 125,000 buildings on 100,000 lots, and 125,000 vacant lots.

The city tax rate for the coming year will be \$1.45 for each \$100 assessment, and the county rate \$1.47, making a total of \$2.92.

The land of the city is assessed this year for	\$381,051,170
Improvements (buildings) assessed for	121,533,040
Personal property assessed for	107,101,115
	Total
	<u>\$609,223,705</u>
Exemptions	\$29,006,950
Exemptions, Corporations	98,454,670
	<u>127,461,620</u>
Assessed value of property to pay city taxes	\$482,223,705

Public Service Corporations are exempt from paying city taxes, except in payment of bonds and interest on bonds, issued previous to Nov. 8, 1910, but pay State taxes, and property paying city taxes pays no State taxes.