

The above is not all the taxes that the citizens of Los Angeles pay; this is a city of special assessments and licenses. Last year there was more paid in special assessments and licenses than was collected by the assessor and tax collector.

The city has 2,150 miles of streets, about 375 miles are of pavements of different kinds, and a little over 700 miles are oil and gravel, which makes a good street.

The city has very few sewers for the area, and no way for the water to get away when the rainy season comes, so when we get an hours rain we have a flood. Which means lots of special assessments in the future, and heavy taxes to get the improvements that are absolutely necessary for the modern city. Allowing four people to every fifty feet of paved streets, the whole population of the city could be living on streets that are paved, but as it is about one-half live on the unpaved streets, which means lots of dust during the dry season, which is about six months of the year, and the balance of the year in the mud. Such is the result of land gambling; it drives people out where they think they can get land at a reasonable price. But there never is land at a reasonable price under such conditions, and all find it out after they have put in the best part of their lives working under adverse conditions only to find, if they ever do, that when the property is in a more convenient location, due to the growth of the city, they have paid all it is worth without counting the inconveniences they have put up with.

Los Angeles has municipal ownership of the water works, with not much benefit to the users of the water, as the city charges twice what the water is worth and the profit is used to extend the system out past the vacant land to help the land-hog that never paid his share of the taxes.

## TENANT FARMING

The average value of farm land throughout the United States in 1910, aside from buildings, was \$32.49 an acre, according to the census. In 1916 according to the Department of Agriculture, this value had grown to \$45.50, an increase of 40 per cent. Since the total value of farm lands, aside from the buildings, was returned in 1910 as \$28,475,000,000 the total increment since then must be more than eleven billions. The total agricultural wealth produced in 1910 according to the Department of Agriculture, was \$8,498,413,000. Thus the production of that year would not even pay increase in land values for six years since then, to say nothing of the inflated prices that prevailed during the census year. Under these conditions we might naturally expect to find a great increase in farm tenantry.

In twenty years from 1890 to 1910 the number of tenant-operated farms in the United States increased by 32 per cent.

Tenants in Texas increased during twenty years from 37.6 per cent. of all the farmers to 52.6 per cent of all the farmers in 1910.

## NEW YORK'S SPECIAL FRANCHISE TAX .

The "special franchise" tax law of New York was enacted in 1899. Its effect was to make taxable as real estate the value of the privilege of constructing and operating rails, wires, pipes, etc. in, under or above public highways or places. Prior to that time only the tangible property itself had been taxable. Some other states had in various ways taxed the value of such privileges, but the New York law was perhaps the first to define this privilege of using public highways as real estate. Because of the large values involved and the strong opposition, this law attracted much attention. It was fought through the courts but finally upheld as constitutional both in the State and United States courts.

For administrative reasons the assessment of special franchises was placed in the hands of the State Tax Commissioners and the value of the tangible property was to be included as part of the special franchise value. Because of court decisions, the State Board has made a separate assessment of the tangible property and of the intangible, or privilege, value, but heretofore the separate amounts have not been made public.

In the report of the State Tax Commission for 1916, these values are shown separately as follows:

	TANGIBLE PROPERTY IN STREETS	INTANGIBLE VALUE OF PRIVILEGE	FULL VALUE SPECIAL FRANCHISES
City of New York	\$210,218,964	\$249,649,386	\$459,868,350
57 other cities	66,159,971	63,742,404	129,902,375
Outside of cities	41,930,738	17,604,474	59,535,212
Total	\$318,309,673	\$330,996,264	\$649,305,937

It will be noted that the value of the right to occupy the highways is slightly in excess of the value of tangible property for the State as a whole, and proportionately is a little higher still in the City of New York.

The above figures are not those on which taxes are paid. The State Tax Commission equalizes the special franchise assessments to the same percentage of full value as other real estate is assessed in the different localities. This reduces the total assessment of special franchises to \$560,000,000.

The special franchise valuations are certified to the local authorities and taxed by them in the same way as other real estate. There are no exact figures showing the tax paid, but the aggregate is estimated for 1916 by the State Tax Commission as \$11,214,000. Nearly \$6,000,000 of this amount is payment for the highway privilege or a tax on land value.—A. C. P.