NYCity Pop. Growth; NYC + 1921-31

Post, Charles Johnson, rpt 1984. "How NY solved its housing crisis." NY: RSF. (Orig. 1951, "What Private Enterprise Can Do". NY: Am Ass for Sci Taxn, Inc.)

p5, 1920-30, pop of NY rose by .25m (Census says, grew by 1,310,000)
(cf. other big cities;
cf. NY before and after.)

p14, NY Legisl passed law in April, 1920. For construction completed since 1 Apr 1920, or begun before 1 Apr 1925. Exemption is good thru Dec. 31, 1931.

pp.10-11, per cap spending for new building in NYC, cfd to sum of 4 cities: Chicago, Philadelphia, Boston, and Minneapolis.

Year(s)	4 cities $, rounded	NYC
1915	37	38
16	51	39
17	14	20
18	12	11
19	35	20
20	27	43
21	34	91
22	68	130
23	70	125
24	66	148
25	86	160
26	69	171
27	68	141
28	63	146
29	50	125

Unfortunately, there is another table, p.11, with another set of figures for the same NYC p.c. spending on new bldgs, which is slightly different - although in the same ballpark. These same figures are also in a third table, on p.13 (except that 1915 and 16 are a little different).

None of these data are sourced.

The text mixes sober exposition with ~~loaded advocacy.~~ ~~The impression is that Post is a propagandist with a message, and not a reliable source of data.~~ ~~I must, therefore, go to the sources I cited in NCE:~~ exhortation, ~~so we~~ but no one else has published on this remarkable experience. Post, so I will accept his data tentatively, while checking other sources. The most obvious & universally available data is on pop.

Polak, Edward C., 1915. "Reduction of Tax on Buildings in the City of New York." AAAPSS 58:183-88

~~(If~~ the 1915 date is correct, obviously this source will not help.) ~~I cited this from Emil Jorgensen, so look there.)~~ 159-62

Purdy, Lawson, 1929. The Assessment of Real Estate. 4th ed. New York: National Municipal League

Marsh, Ben, '53, Lobbyist for the People. Wash; PAP

Population, top 25 U.S. cities, 1900-84, ranked by 1900 popn.

City	Population		Rank			Yearly % growth rate
	1900	1984	1900	1994	Change	1900-84
N.Y.C.	3437	7165	1	1	0	.88
Chicago	1699	2992	2	3	- 1	.68
Philadelphia	1294	1647	3	5	- 2	.29
St. Louis	575	429	4	30	-26	-.35
Boston	560	571	5	20	-15	.02
Baltimore	509	764	6	12	- 6	.48
Cleveland	382	547	7	23	-16	.43
Buffalo	352	339	8	46	-38	-.04
San Francisco	343	713	9	13	- 4	.87
Cincinnati	326	370	10	38	-28	.15
Pittsburgh	322	403	11	33	-22	.27
N. Orleans	287	559	12	22	-10	.80
Detroit	286	1089	13	6	+ 7	1.60
Milwaukee	285	621	14	18	- 4	.36
Newark	246	314	15	49	-34	.29
Jersey City	206	223	16	67	-51	.09
Louisville	205	289	17	52	-35	.41
Minneapolis	203	358	18	42	-24	.68
Indianapolis	169	710	19	14	+ 5	1.72
Ks. City	164	443	20	29	- 9	1.19
St. Paul	163	266	21	58	-37	.58
Rochester	163	243	22	61	-39	.48
Denver	134	505	23	24	- 1	1.59
Toledo	132	344	24	45	-21	1.15
Columbus	126	566	25	21	+ 4	1.80

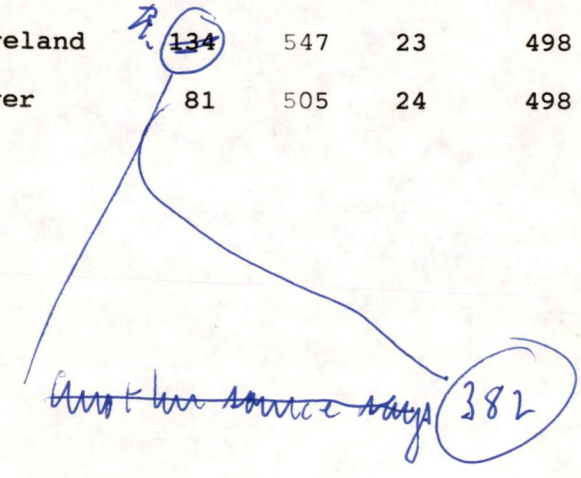
Population, top 24 U.S. cities, 1900-84, ranked by 1984 popn.
Growth, 1900-84

City	Population			City Rank		Metro Rank	Annual % growth rate	
	1900	1950	1984	1900	1984	1985	'00-50	'50-84
N.Y. City	3437	7892	7165	1	1	1	1.68	-.28
L.A.	102	1970	3097	--	2	2	6.10	1.34
Chicago	1699	3621	2993	2	3	3	1.52	-.56
Houston	45	596	1706	--	4	8	5.30	3.14
Phila.	1294	2072	1647	3	5	5	.95	-.67
Detroit	286	1850	1089	13	6	6	3.80	-1.55
Dallas	43	434	974	--	7	9	4.73	2.41
San Diego	18	334	960	--	8	19	6.02	3.15
Phoenix	6	107	853	--	9	21	5.93	6.30
S. Anton.	53	408	843	--	10	31	4.17	2.16
Honolulu	39	248	805	--	11	49	3.77	3.52
Baltimore	509	950	764	6	12	17	1.26	-.64
San Fran	343	775	713	9	13	4	1.64	-.24
Indianpls	169	427	710	19	14	32	1.87	1.51
San Jose	22	95	686	--	15	[SF]	2.97	5.99
Memphis	102	396	648	--	16	41	2.75	1.46
Wash.	279	802	623	--	17	10	2.13	-.74
Milwaukee	285	637	621	14	18	24	1.62	-.07
Jacksonvl	28	205	578	--	19	48	4.06	3.10
Boston	561	801	571	5	20	7	.71	-.99
Columbus	126	376	566	25	21	29	2.21	1.21
N. Orleans	134	570	559	12	22	27	1.38	-.06
Cleveland	~~134~~	915	547	7	23	12	1.76 ~~3.92~~	-1.50
Denver	81	416	505	23	24	22	3.33	.57

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Population, top 24 U.S. cities, 1900-84, ranked by 1984 popn.
Growth, 1984-96

City	Pop. 1900	Pop. 1984	Rank 1984	Pop. 1996	% growth rate '50-84	% growth rate '84-96
N.Y. City	3437	7165	1	7380	-.28	0.25
L.A.	102	3097	2	3553	1.34	1.15
Chicago	1699	2993	3	2721	-.56	-0.79
Houston	45	1706	4	1744	3.14	0.18
Phila.	1294	1647	5	1478	-.67	-0.90
Detroit	286	1089	6	1000	-1.55	-0.71
Dallas	43	974	7	1053	2.41	0.65
San Diego	18	960	8	1171	3.15	1.67
Phoenix	6	853	9	1159	6.30	2.59
S. Anton.	53	843	10	1068	2.16	1.99
Honolulu	39	805	11	~~423~~	3.52	~~-5.22~~
(Ignore numbers lined out: changed definition of boundaries.)						
Baltimore	509	764	12	675	-.64	-1.03
San Fran	343	713	13	735	-.24	0.25
Indianpls	169	710	14	747	1.51	0.42
San Jose	22	686	15	839	5.99	1.69
Memphis	102	648	16	597	1.46	-0.68
Wash.	279	623	17	543	-.74	-1.14
Milwaukee	285	621	18	591	-.07	-0.41
Jacksonvl	28	578	19	680	3.10	1.36
Boston	561	571	20	558	-.99	-0.19
Columbus	126	566	21	657	1.21	1.16
N. Orleans	134	559	22	477	-.06	-1.31
Cleveland	~~134~~	547	23	498	-1.50	-0.78
Denver	81	505	24	498	.57	-0.12



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"table." MLR 15: 1323-5 D '22
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A B May, ~~to~~ Nat. Ass of Hsg Off, Hsg Yrbk, 1938: 210
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Tax M 16: 211

Try Land & Freedom, Jos. Dana Miller

Marie - Thanks for the papers - As you can see they have been helpful. Bruce 1/19

1st DRAFT

Urban Sprawl

Cities exist to bring people together. Interaction between individuals fosters intellectual growth and creativity, leading to greater wealth creation and a better quality of life. Efficiencies inherent in a close knit community - common facilities (utilities, transportation, hospitals), in distribution of goods and services, and in shared cultural institutions (schools, libraries, museums, theaters), lower the real cost of center city living compared to that of its sprawling suburbs.

Increasing urbanization is a continuing fact of life. The US population is now 77% urban, up from 74% twenty years ago. In the developing world the trend is more rapid, though from a lower base. As total population grows, cities will expand even faster, driven by the increased knowledge content of wealth creation, and the lesser share of population employed in land-intensive pursuits such as farming. In 2020, almost 100 million more Americans will live in urban areas than did in 1980. The question is whether their growing cities will be sprawling or compact.

✓ Disproportionate growth of suburbs occurs when center city conditions - both economic and quality of life - cause city-dependent individuals to accept the inconveniences of distance for what they perceive to be the comparative advantages of suburban living. If the area to which they move is poorly planned, and the external costs of sprawling growth submerged in the general tax base, siting of new developments will be haphazard and inefficient, based more on available cheap land than on efficient placement near necessary infrastructure.

Adverse environmental impacts accompany other disadvantages of sprawl . Among them (on a per capita basis) are:

- Lower air quality as a result of greater number of auto miles to be traveled.
- Higher runoff as a result of more paved area and roof surface.
- More land consumed, and thus withdrawn from agriculture and open space.
- More silting of steams and loss of wetlands and natural habitat.
- Less effective waste disposal (septic systems vs. central sewage treatment).
- Greater withdrawal of groundwater by private wells.

Absent correction of the ills of the center city, the environmental conditions for those still living in it worsens, as attention and resources are diverted to address the consequences of sprawl. Thus sprawl victimizes both the suburban and the urban environment.

The answer to sprawl lies in two related areas, both requiring governmental involvement (at some level).

First, since a greater urban population is in prospect, provisions need to be made for expansion of cities, both center and suburbs. Here both cost of infrastructure and services, and quality of life, can be enhanced by smart planning for growth. High priority should be given to transportation systems that minimize vehicle miles, and efficient location of utilities and services such as

schools and retail shopping centers. Sensible plans will emphasize center city rebuilding and infill development, instead of encouraging random siting of residential developments further from the center.

Sprawl is economically inefficient, but its builders and residents do not pay for these inefficiencies - more miles of highway, more miles of water mains and sewers, and the higher utility service costs that sprawl entails. Building impact fees are one answer to funding capital costs for schools and highways needed to serve new residents, but some states forbid their use, a subsidy for sprawl.

"Postage stamp" pricing of utilities, where everyone pays the same per gallon of water or per kilowatt hour, also subsidizes sprawl, because service to remote customers in distant sprawl developments costs far more than serving customers remaining in the central city. Differential pricing based on cost of service is an option worth considering. It would favor central city residents, and remove the present subsidy to sprawl. To ask suburbanites to pay the full cost of their choice of residence is politically difficult, perhaps, but surely consistent with conservative economic principles.

While most service pricing and tax policies are best addressed locally, regionally, or statewide, the federal government can play a role by offering technical and financial support for local planning, by measuring environmental impacts, by reconsidering any federal laws that subsidize sprawl, and by the use or withholding of federal funds for transportation projects based on their merit in limiting vehicle miles to be traveled.

A second area for government involvement lies in the improvement of the central city. Increasing its efficiency and attractiveness, and pricing its services based on costs, offers the greatest opportunity to reduce pressures that lead to sprawl, and thus the best chance to reduce vehicle miles and runoff, and to collect and treat wastes efficiently. Differential pricing of utilities would lower costs here. Tax and other policies that stimulate redevelopment (or discourage it) should be reviewed and amended where necessary.

These options are more reasonably the province of the RMSP paper on urban policy, but reducing the incentives for people to abandon the center city, and thus encouraging its growth, is perhaps the best way to reduce the environmental impacts of sprawl. As is the case with most pollution, prevention before is a better answer than cleanup after.

Republican Main Street Partnership

Too late!. Current best strategy: view central city as a new frontier.

4th Internat Conf.
1929 AIGLVT & FT. Edinburgh
Conf. Paper
London: the I.U.

The Progress of Henry George Ideas in the U.S.A.

A Fifty-year Survey

By John J. Murphy

Fifty years have now elapsed since first the humble San Francisco printer flung in the world's face his challenge to the social injustice which had been built into the very foundations of the Temple of Civilization, embedded so deep that there seems some justification for the cry that to eradicate it will bring our institutions down about our ears. As the birthplace of the man who first clearly diagnosed the social cancer and offered an obvious remedy, all eyes turn to America, and we are invited to explain what we have done with the talent which has been committed to us, who have had in our ranks so many great men and faithful adherents who stood around Henry George in the brave days of old.

It is clearly no function of this paper to deal with anticipations of the single-tax doctrine nor with forerunners of the man, George. It must content itself with a brief account of what happened after Henry George came to New York with his fateful book in type. We can now see that there were certain fortuitous circumstances which helped to give the book a vogue, not to be hoped for at another juncture. The horrors of the Irish Land War then raging caused the land question to be studied as though the land question in that country presented phenomena different from elsewhere. In 1883 American labour organizations first began to assert themselves. In 1886 came the great New York mayoralty campaign which first flung economic issues into a purely local struggle. Henry George realized that the contest held out no prospect of success, but hoped for, from it, a better advertisement of his views than could be achieved in any other way. He received seventy thousand votes according to the record: but in those days the poll was often at wide variance with the facts; the purpose sought for was accomplished; the daily periodical press widely disseminated the outlandish doctrine which Henry George was trying to disseminate. If his opponents strove to misrepresent and malign, not a great percentage of his actual supporters could clearly grasp his very simple doctrine; but it was nevertheless true that a large proportion of the active single-tax leaders in America date their adherence to the movement from 1886.

It brought into the movement a man whose name has ever since been held in great affection by all single taxers—Edward M'Glynn, a parish priest of a populous parish, who resisted all threats of ecclesiastical punishment to compel him to desist from supporting Henry George. Out of his case arose the circumstance that the Roman Catholic authorities at Rome formally considered the doctrines of Henry George and declared that they contained nothing "contrary to faith and morals." Dr M'Glynn was formally restored to his full priestly functions without retraction of any views which he had expressed, merely expressing his regret if in the heat of argument he had said anything obnoxious to Christian charity. During the progress of this case the famous "Anti-Poverty Society" was organized, and afforded a platform for the presentation of fundamental economics such as had not previously existed. All through this stirring period one of the conspicuous figures of the movement was the present President of this Conference, Charles O'Connor Hennessy, who is by far the most eminent survivor of that thrilling epoch.

Of the work done from 1890 to 1897, when Henry George entered upon his second mayoralty campaign, there is only space to make a passing reference. Sporadic attempts had been made in some municipalities to abolish personal property taxation and to convert to single-tax doctrines some states, of which Delaware, because of its minuteness and its almost exclusively urban population, was a conspicuous example. In Colorado an aggressive campaign under Senator Bucklin was waged; while in Massachusetts Charles B. Fillebrown, a manufacturer of Boston, persisted in a campaign of sweet reasonableness with the object of "taking into camp" leaders of various lines of thought in the community. The conspicuous figure of the next period was a man who was as well known here as in America, and who did yeoman service for the cause—the late Joseph Fels, who thought that he saw in the State of Oregon a broad opportunity for the submission to the people of a constitutional amendment. A vigorous campaign was waged, but the results were not specially encouraging. Great public interest was manifested, more votes being recorded on the single-tax amendment than on any other question submitted at the several elections. The net result, however, was the rejection of the several amendments by a vote approximating two to one.

A number of Western States, especially Washington, made like experiments. The city of Everett adopted the exemption of personal property and improvements from taxation by a vote of approximately two to one. In 1913 the State Tax Commission declared the amendment in conflict with the constitution, and directed the assessor to ignore it and to proceed with the assessment as usual. He obeyed; the single taxers made no contest, and apparently the matter has been allowed to lie in abeyance since then.

Missouri was the scene of a bitter struggle in 1912, leading at some points to displays of physical violence against single-tax speakers. Colorado has been for a long time a battle-ground, and continues to be under the captaincy of Barney Haughey; we had the report recently of a new fight which sought to link together old-age pensions and taxation of land values by making the latter the source of payment of the former. A good deal of valuable propaganda has been done, but with the result that no considerable dent has been made in the dense skull of public opinion. To go in detail into what has been sought to be accomplished in New York and Pennsylvania would lead me far beyond the space allotted to this paper, but brief references can be allowed.

New York is perhaps the city of all others in the world which, when rightly viewed, has shown forth the efficacy of the single-tax doctrine, because of the wonderful consequences which have followed from the modicum of single-tax ideas which it has adopted. There does not appear to be any direct connection between the adoption of these ideas and the two campaigns which had been waged by Henry George in 1886 and in 1897, except that the man to whom we owe the adoption of the policy had been an active supporter of Henry George in both campaigns. I refer to Lawson Purdy.

In 1901 a combination of Republicans and Independents won the election which determined the municipal administration of New York for the two ensuing years. Coming into office after a notoriously corrupt and profligate administration, which had exhausted the city's borrowing capacity, the new Reform Administration found itself incapable of redeeming the pledges for municipal improvements which it had made to the people. It was pointed out that the city's credit was ample to carry out the reforms projected, but action was hampered by the fact that real estate was not assessed at its full value as required by law, and that, if it were so assessed, enough money could be borrowed to realize the programme. The suggestion was accepted by the administrative officials, and the policy of advancing assessment toward full value was begun. Tom Johnson was then striving to put the city of Cleveland on a sound taxation basis, and the President of the New York Department of Taxes and Assessments was induced by Mr. Purdy to make a visit to Cleveland. What he saw there so impressed him that he urged the adoption of the same method for New York, and actually put into effect as much of it as could prudently be done. A few years later, by another turn of the wheel, Mr. Purdy became President of the Department of Taxes and Assessments, and for eleven years filled the office—an unprecedented term in American municipal politics for a man not protected by civil service classification. Realizing that revolutions are rarely productive of lasting good, he cautiously effected improvements from year to year, so that at the end of his term in 1918 he had perfected the most efficient municipal taxing machine in the country. The employees still look back to it as their "golden age" in an administrative sense, because they had at their head a man who understood the business down to the smallest detail—a man whose sense of justice was so highly developed that when, as sometimes happened, a citizen through a misunderstanding of the law was offering to pay more taxes than he was legally required to pay, he did not hesitate to tell him so.

As the result of these circumstances we got as near to full-value assessment as it is ever safe to go; we got the land-value maps which enable every citizen to compare his assessment with his neighbour's, and which is the greatest preventive of discrimination and favouritism ever devised. These were the methods by which it came about that we were taking, before the war, 35 per cent of the annual land value of the city for public purposes. And upon this result followed another inevitable consequence—that land speculation in the sense of holding land idle for a profit ceased, and, except in sporadic instances is non-existent to-day. Its effect was seen when in 1920, in order to resuscitate the torpid housing industry which the war had reduced to inanition, the legislature permitted the exemption of improvements, erected for residences, for a ten-year period, building contractors leaped into the field and began to file plans at the rate of six million dollars a week, and have kept it up until

recently. Here is the real reason why New York has for so long had no serious unemployment problem even when other cities in the United States had. And this is the reason why we have been able to a large extent to take care of our housing problem, without subsidies from either State or Federal Governments. Of course no claim is made that the millennium has been attained, but any substantial instalment of a right policy must work for the public good, and it has done so here.

Pennsylvania, though justly rated as one of our most conservative states, has taken the longest stride in the direction of permitting the experiment of exempting improvements to be tried in a cautious fashion. The step was taken in Pittsburgh and Scranton in 1913, and by the present year things have reached a pass in which land values are taxed presumably on full value, while improvements are taxed at 50 per cent. There is no serious movement to go back to the old system. It is very difficult to produce exact statistics as to the precise effect of the changes, because undoubtedly in America the war brought about stagnation in land values. In New York it appeared from the reports of the Department of Taxes and Assessments that the value of land did not increase between 1913 and 1923 as much as 1 per cent per annum. On the other hand, the value of improvements rose enormously in depreciated dollars. It will be seen at once that this would hopelessly complicate matters, because, while the valuations of buildings were being diminished, their value in dollars was going up, and hence there is some ground for argument as to what was actually accomplished; but there is none at all as to the ultimate benefit and its beneficial effect on the building industry, and where the building industry thrives the community prospers.

To sum up, therefore, it must be admitted that the single taxers of the United States have given their fellow-citizens a number of opportunities and cogent arguments to cause them to modify their constitutions and statutes in the direction of a juster social order. The fact that nowhere in the United States has Henry George's dream been realized is not their fault. They are entitled to say with the character in Addison's play—

> "'Tis not in mortals to command success;
> But we'll do more, Sempronius: we'll deserve it."

Public opinion has been profoundly, if unconsciously, modified. More and more is the principle recognized that the landowner should justly be called upon to pay for public improvements which enhance the value of his land. At least half the states have separate assessments of all lands. In states where this is not obligatory by law, city ordinances or action taken by assessors require it. Many states publish tabulations showing separately land and building values.

A man of great experience in this line of work, Mr A. C. Pleydell, a member of the Shalkenbach Foundation, computes that more than twenty billions of land values are separately assessed.

In general it may be stated that, during the World War and since its conclusion, there has been little effort to affect taxation—national, state, or local—by legislation. Unlike the adherents of the other schools of economic thought, single taxers have been unshaken in their loyalty to their fundamental principles. The various enclaves, such as Fairhope Arden and Fahauto,

have continued their efforts to give practical illustrations of the working of single tax in so far as existence in a hostile environment would permit. The Manhattan Single Tax Club of New York continues to function mainly through the personal activities of James R. Brown. The Henry George Lecture Bureau is still sending its lecturers throughout the country, the principal speakers being John Z. White and George H. Duncan, who is a member of Legislature of New Hampshire. The Henry George Foundation of Pittsburgh has been holding successful annual conferences since its organization three years ago, and has secured control of the birthplace of Henry George in Philadelphia. The Robert Shalkenbach Foundation, organized to carry out the terms of the will of the late Robert Shalkenbach, has been devoting such funds as are presently at its disposal to the partial support of recognized single-tax propaganda agencies, but is in the main concerned with keeping the works of Henry George in print. A new edition of *Progress and Poverty* is just off the press, and copies will probably be on sale at this conference.

A party known as the Commonwealth Party has been organized in some states to present for public suffrage candidates pledged to the support of single-tax principles. The men engaged in the work include some of the most devoted men in the movement, but they fail to obtain the general support of single taxers, nor have they been able to attract any considerable measure of public attention.

So far I have dealt with what may be called the credit side of the work for the progress of the movement. It would be disingenuous to ignore the existence of hostile forces. These may be divided into two main groups, the business and the intellectual.

As might have been anticipated, the prevalent craze for organization and centralization in the United States has brought into the field Chambers of Commerce and Real Estate Boards which have begun to direct public attention to what they call the overburdening of real estate, and have opposed the laying of additional taxes on land values. So far they have not had any very clear purpose except the protection of property in general from what they dimly diagnose as socialism.

The intellectual group is more dangerous, because it better understands our purposes and is working to poison the wells of knowledge by injecting into the text-books of the schools and colleges of the United States false doctrines, upholding the claims of monopolies, not only in land, but in the various public services and power franchises now constituting the most burning question before the people of the United States. Propaganda was but dimly understood before the war, but since the cataclysm it has assumed undreamt-of proportions. I do not know that any computation has been made of the money cost of the propaganda industry, but it is of huge proportions; like secret service money used by governments, it is used surreptitiously and insiduously, and hence its proportions are difficult to gauge. It is the most serious menace that popular government faces to-day. As long as government was based upon honest public opinion, even though mistaken, there was hope that democratic institutions would correctly solve popular problems. But if the very basis of popular government, which well-informed public opinion is, be attacked, where shall we look for salvation?

In all the foregoing no word has been said of the other cause which came

next after the taxation of levied taxes in Henry George's affection—Free Trade. There is no free trade movement in the United States. For forty years there has been no active popular support for it. The persistence of debasing poverty in Great Britain, in spite of nominal Free Trade, left its advocates with a convincing argument that the issue was fundamental. The Democratic Party has paid it no more than the homage of the lips. Now it has ceased even that. The position of surrender taken in its last Platform was merely a recognition of the state of the public mind. So completely is it a dead issue that the organizations created for the purpose of upholding protection are no longer able to earn a living, and may be said to be existing on a sentimental charity. It is not for me here to deal with the causes of this deplorable state of affairs. From present indications the demand for even a modified freedom of trade is coming from a wing of the Republicans, who have enormous interests in the repayment of the war debts, and who are intelligent enough to see that this cannot be accomplished if we are to maintain our present merchandise exclusion policy. But there will not be a vestige of a moral issue in such advocacy. Morals have no place in the dominant economic philosophies, or at least in their practical applications.

I wish I could present a more optimistic picture. A nation inflated with *universal* prosperity, which, according to our present Secretary of Labour, James J. Davies, means 14 per cent rich and 86 per cent living on wages below the computed cost of living, has no time to think about economic political reforms based on justice and fair dealing.

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January-February, 1942

Land and Freedom

An International Journal of the Henry George Movement

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Saga of a Land of Contrasts

Joseph M. Sinnott

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Chicago's Amazing Growth

By GEORGE C. OLCOTT*

"I CANNOT play upon any stringed instrument; but I can tell you how, of a little village, to make a great and glorious city." These words of Themistocles could have been applied with prophetic vision to the growth and development of the city of Chicago. An increase of population from 100 to 3,376,438 in one century is an achievement not duplicated by any city in the world's history. Chicago is now fourth in size among the world's largest cities.

How was this accomplished? Was it planned that way? Or did some land-grabber acquire possession of a large number of acres at the mouth of the Chicago River and wait for the growth of population at that point to enhance its value? If either of these things had occurred, there would be no Chicago today. No city grows great unless many take part in its activities. No business center in any city has developed unless many persons have prospered. There is no substitute for people in making land values. Brass bands, toy balloons and free lunches don't do it. High pressure salesmen can only give a temporary and fictitious value to a new subdivision.

In order to grow, a city must have its land put to use, preferably in small parcels. The land must be exchanged, bequeathed, devised, given away, sold, or somehow placed into the hands of those who will *use* it. No city has become large and no local center in any city has grown and prospered where the original owners held valuable corners out of use waiting for a rise in price. Nor can a community grow by a continued business of selling vacant lots. It can prosper only by the production of wealth, the exchange of goods and services, and in no other way. "Strong hands" holding vacant lots have often proved "strangle hands."

Of course, a city must have some reason for its existence, such as a natural harbor, confluence of two navigable rivers, accessibility to mineral deposits, or cultivable soil. Chicago was located at a point where the Indians had discovered the nearest route between the head-waters of the Great Lakes and the head-waters of the Mississippi River. At this point was a narrow portage for them to carry their canoes to the Desplaines River, which empties into the Illinois River and thence into the Mississippi River. A small boy just beginning to study geography asked his father why it was that the Lord always put a large river or harbor near a big city. The answer of course was, He didn't. The reverse was the case.

Several other points near the head of Lake Michigan might have been the favored location. South Chicago, about thirteen miles south, could have been the chosen site, or Michigan City, Ind., at the tip of the lake. But another factor contributed to making the mouth of the Chicago River the fortunate place. In 1818, when Illinois was admitted into the Union, its boundary line was extended along Lake Michigan, northward to take in the shortest portage distance between the lake and the Mississippi River for a proposed canal. Prior to that, this strip of land was in the Territory of Wisconsin. The Illinois legislature in 1825 granted a charter to a private company known as the Illinois & Michigan Canal Co., having a capital of $1,000,000, to dig the canal. It was repealed the following year, for fear it would jeopardize the federal aid that was sought for the project. The legislature of Illinois then petitioned Congress to make a grant of land to aid in building the canal. The grant was made in 1827, notwithstanding the opposition of New Orleans. Alternate sections for five miles on each side of the projected canal route, connecting the lake with the Desplaines River, were selected by commissioners appointed by the legislature. Three-eighths of a square mile of these canal lands, straddling the Chicago River, was set aside for a town site. The canal was to be begun within five years and completed in twenty years. If not completed then, the proceeds of such sales as had been made were to revert to the federal government. The lands were held at $1.25 per acre. The boom was on.

The site selected for the town was called a "dismal swamp" by a contemporary observer, and it was indeed a barren waste. Speculators were not impressed. No large tracts were sold—only individual parcels for actual use. This was an important factor in Chicago's growth. There was another factor: Chicago was not waterlocked like Manhattan Island, and the soil was too poor within five miles of the town site to be inviting to farmers. Thanks to these two factors—the absence of speculation (except for small holdings) and the remoteness of large tracts of land for farming purposes—no large landed estates were accumulated within the town site, in those early days to reap unearned wealth from the subsequent growth of population.

However, speculation developed later, after the city had a



*Mr. Olcott, a Georgeist for forty years, publishes the annual "Olcott's Land Values Blue Book of Chicago."

good start. It took thirty or forty years for the farm lands to be reached by the growing city. The original farmers did not live to benefit, but their heirs did. Many wealthy families can trace their fortunes to the farm sites they inherited. However, no large fortunes to be compared to those of New York City were secured in this way, because there were boundless opportunities for farming to the west. Many new settlers were able to acquire farming lands, and the competition among them when the demand for subdivision purposes arose had a restraining effect on land prices.

The Illinois & Michigan Canal was the real progenitor of the "Metropolis of the Middle West." It was not started until 1836 and not completed until 1848. Its potentialities had long been foreseen by the early explorers and subsequently by Congress. In 1673, the French explorer Joliet discussed the possibility of a canal. In 1814, President Madison recommended it to Congress. Wild speculation in lands, however, did not develop until two years after the project was started. The delay was due mostly to the 1837 depression then prevailing, the result of unfulfilled expectations. But when the real speculation started, there was no limit. The shrewder ones, as usual, bought on anticipation and sold on realization. The "suckers" came in at what the speculators regarded the highest point—but land values kept going up! Population continued to pour in and carried land values far above the speculator's wildest dream. Land values kept going up after each depression to points higher than before.

Notwithstanding this, it *was* a gamble—and nine-tenths of those who speculated in land never realized any increase. But those who did make an unearned profit were more numerous than those in any other form of gambling, such as lotteries, stock speculation, etc.—and they realized bigger prizes than all the rest put together. In Chicago today (1942) there are 300,000 holders of title deeds to land owning 1,300,000 parcels of land. It would indeed be difficult to convince this vast army of the efficacy of taking the annual ground rent for the needs of government—of the greater benefit that would arise from the imposition of a tax on land values alone!

In 1830, the government bought 2,000,000 acres of land located near Chicago from the Pottawatamie Indians, for six cents an acre. At one time the whole tract was covered with water from a flood and a visitor remarked that he would not give six cents for the entire site. Sales of lands by the Canal Commissioners began in 1830. The prices obtained were slightly above the minimum fixed by the Commissioners. By 1837, the fame of Chicago real estate was such that Chicago lots were sold at public auction in New York. When the news reached the West, the local speculators were amazed at the high prices New York paid, and the speculative mania started anew.

In 1837 Chicago had a population of 4,179 concentrated on 25 blocks, or about 100 acres, although there were boundless expanses of prairie lands beyond. In that year, according to Homer Hoyt in his book, "One Hundred Year Values in Chicago," there was an abnormal develc stores. There were 29 dry-good stores, 5 hardware grocery stores, 11 taverns and 19 lawyers' offices. (ber of saloons was not stated—perhaps too many t

The aggregation of individuals who flocked tc came mainly from the eastern states. They were and professional men who came to this city to pro they thought was lacking here, directly for their o mainly, but indirectly to the benefit of all. It was not invasion, but an unconscious cooperation. It w economy, not a socialistic regulated economy—ar all its faults, it demonstrated the superiority of tl way over the stifling regimented bureaucratic way, i a city.

New York's Five-Cent

A BATTLE over the five-cent fare in New Yo once more being waged. There is a movemer raise the fare to ten cents (two fares for fifteen that there will be an increased revenue from the s approximately $45,000,000 a year.

Under the present five-cent fare system, there is deficit of about $35,000,000, which is made up out eral budget. Since 85 per cent. of municipal revenu from the tax on real estate, the real estate owners speculators are insisting upon an increased fare.

When New York's comprehensive subway sy planned, franchises were given to the operating When Mayor Gaynor signed the franchises, he s giving the operators a principality for a five-cent fa

Income from the subways was so great in those that the operators were paying dividends of mor per cent. annually. Since then, extensions have to the outer sections of the four boroughs, Manhatt lyn, Queens and the Bronx. These extensions had by land speculators who utilized the five-cent fare talk in selling their vacant land, and when the lar veloped the builders advertising homes for sale always stressed that their property was within th fare zone.

In the campaign now being conducted for incr fare, the public is being told that property own pass on taxes to the tenants, and that if the fare i the tenants will benefit by a reduction in taxes. No ver, has raised the point whether in the event of th income the sum total of rent would be reduced b amount.

There will be a State election this fall when will be called on to select an entire State ticket fro ernor down. All political and economic views wil nated. The five-cent fare will be the issue. —THE

Eight Times Mayor of Vancouver
"Single Tax" Taylor: Louis Denison Taylor 1857-1946

by Mary Rawson

Mary Rawson is a Fellow of the Canadian Institute of Planners and a member of the Vancouver Historical Society.

"Many Vancouver residents still remember the fiery mayor. Even if they have forgotten his major improvements, none can erase the image of his great rolled cigars, and his roguish sense of humour. Thus, for many years, both through his personality and positive civic programs, L.D. Taylor infused the city of Vancouver with vitality and character." David McFaul.[1]

For Vancouver's centennial year, 1986, the Vancouver Historical Society held a series of evening talks about "Mayors of Vancouver." On Wednesday, 22 April 1986 Mary Rawson spoke about Louis D. Taylor. Penny Hagarty summarized the lecture as "an entertaining and convincing portrayal of this dynamic mayor." In this article Mary Rawson revisits this interesting personality.

FIRST elected as Mayor of the City of Vancouver in 1910, L.D. Taylor was tagged with the sobriquet "Single Tax" because of his commitment to the ideas of the American Henry George.

George was identified chiefly with a proposal to raise needed public revenue from urban and resource rents alone and to remove all other taxes. His principal book, *Progress and Poverty* (1879), had electrified the reform-minded public worldwide. It had also raised fear, anger, and scorn among the not-so-reform-minded, feelings well caught in the front-page cartoon of *Punch*, 26 January 1884; here one sees the sly big bad wolf, a copy of *Progress and Poverty* peeping from his overcoat pocket, while he importunes the innocent worker-voter Red Riding Hood.[2] Such views were very alive in Taylor's early days, and persisted for decades to infect political and academic opinion.



Punch 26 January 1884

Right: *Henry Georges's ideas of reform were not well received by all. This 1884 cartoon shows a big bad wolf, a copy o George's* Progress and Poverty *sticking from his pocket, importuning the innocent worker-voter Red Riding Hood.*

Opposite page: *1925. Mayor L.D. Taylor and the "Exhibition Queen."*

Taylor had become acquainted with the ideas of Henry George while in Ann Arbor, Michigan, his birthplace, and even ran for election (on a Republican ticket) as a very young man.[3] After living through two swings of the boom-and-bust cycle working at various jobs— librarian, bank clerk, accountant, railway auditor—he set out for Alaska and the gold fields. He paused en route in Vancouver in 1896, struck out for the Klondike, "struck out" very quickly, and settled down to spend the rest of his life in British Columbia.

Vancouver in 1896, as a take-off point for the Klondike, was a roistering, raw young city. Patricia Roy's description of the toleration of booze and "vice" around the 1890s provides ample proof both of the activity and the ambience into which L.D. arrived.[4] Ethel Wilson's memories (she arrived about the same time, but as a young girl joining an elite family) reveal that, though the city had its seamy side, Vancouver was a safe place for respectable citizens.[5] When she sat in church on a Sunday however, among her dignified relatives, and had heard the Minister's wrathful sermons, she had been quite bemused:

> Whereas the ministers of the Gospel to whom she had listened Sunday by Sunday since infancy spoke gently of the love of God, the Rev. Elmer Pratt thundered about brothels. She supposed that brothels were places where broth was made and decided that the broth must be very bad or the Rev. Elmer Pratt would not be so angry. He also spoke frequently about 'foaming out your shame upon your city streets', in a way that made her feel personally responsible, and she could only conclude that he had [made] reference to the nasty habit of spitting that she had noticed and disliked among the men in the streets of this little western town.[6]



Vancouver City Archives. Port N473.1

Taylor himself was a church-going man, having been brought up a Congregationalist. He attended the Congregational church at Richards and Georgia, and later taught Sunday School there. Because Congregationalists generally were to the fore in attempts to apply Christian principles to matters of social and political importance, it is not surprising Taylor should link up later with H.H. Stevens who also had arrived in Vancouver at the turn of the Century. Stevens was a man twenty years younger than Taylor but of extraordinarily similar background and experience.[7] Coming to British Columbia at a mature age, with an experience and philosophy that was coherent, gave L.D. Taylor a steadfastness of purpose that showed in the rest of his life which, from that time on, was a public life.

As a boy, Taylor got a taste for both newspapering and politics when chumming around with the son of the editor of the Ann Arbor *Courier*. And it was with a newspaper that he first made a decent income in Vancouver, as circulation manager for the *Province*, in 1898. He was employed by the *Province* on contract and built up the circulation mightily. After seven years, when his contract was not renewed, he joined with another former *Province* employee to buy a rival paper, the *World*, which he also built up and renewed both in machinery and circulation.

He appeared on Vancouver's political scene the first time as a member of the "Decorations Committee" for celebrations in 1901. This committee was one of several set up to welcome their Royal Highnesses, the Duke and Duchess of Cornwall and York. Royalty had not come to Vancouver before. To judge by the papers of the day, the visit of the royal personages was the biggest event ever Vancouver had experienced. There was an Illumination Committee, a Harbour Illumination Committee, a Decorations Committee, a Finance Committee, a Parade Committee—fifteen committees in all, some of them with nine or ten members each.

The Decorations Committee's efforts were a great success. It may seem ridiculous today, but, according to accounts, the decorations were impressive. The raw city was a forest of poles leaning every which way—telephone poles this way, telegraph poles that way, electric, another.[8] It was not a very pretty sight. L.D. and his committee got all sorts of garlands and greenery, as well as coloured paper and ribbons. They wound garlands up the poles and decorated them. They decorated the CPR station. They created arches over the streets in Japan town and elsewhere. They persuaded the Chinese to put an arch over their street. It made a great display. As Eric Nicol has written:

> Everyone agreed that the bunting draped on the CPR Railway Station, a turreted castle redolent of fairy tales, was thoroughly regal without being gaudy. The American boy had made good as a loyal subject.[9]

Although no longer a "boy," it was L.D.'s first triumph—chair of the Decorations Committee on this famous occasion. He never looked back. He ran for Licence Commissioner in 1902 and was elected one of two Commissioners. When he ran again for Licence Commissioner the following year, with a plan for strict control of the liquor business, his plan was attacked in the editorials of the *Province*, his own employer, as being too extreme.[10] The next year, 1904, he ran unsuccessfully for alderman, one of the numerous times he was defeated electorally. But he was again appointed by Council to serve on the Library Board, as well as on the Building Committee of the Carnegie Library.

Taylor's first successful try for Council occurred after his "full lunch pail" campaign in 1910. Among the proposals he put forward were the annexation of South Vancouver, exempting improvements from taxation, mechanizing the fire department, and establishing a juvenile court. He also urged Council to adopt the eight-hour day for municipal employees. Delegates from Vancouver and South Vancouver went to Victoria to support the first proposal, but the Provincial gov-

1. The best available biography of L.D. is the sketch "Louis D. Taylor" by D. McFaul in *Vancouver History*, Vol. 18, No. 4, August 1979, pp. 12-16, including portrait. Published by the Vancouver Historical Society.
2. *Punch* cartoon reproduced as *Land and Liberty* cover, September-October, 1987.
3. City of Vancouver Archives (CVA), Matthews News clippings, M9253-2, Taylor. Ronald Kenvyn, "L.D. Tells His Own Life Story", *Vancouver Daily Province*. The series of sixteen articles was published daily beginning Monday, 27 February 1939 and ending Thursday 16 March 1939. Kenvyn was an experienced newspaperman, sometime Marine editor, later Managing Editor, of the *Province*. Many details of L.D.'s early life can be found in the series, but as the reminiscences did not by any means appear in chronological order, they have been referenced only by the instalment in which they appeared. The reference to Taylor's running for election in Ann Arbor appears in Kenvyn, 4.
4. Patricia B. Roy, *Vancouver, An Illustrated History*, (James Lorimer & Company, National Museum of Man. Toronto, 1980), 43.
5. Mary McAlpine, *The Other Side of Silence, A Life of Ethel Wilson*, (Harbour Publishing, 1988) 29.
6. Ethel Wilson, *The Innocent Traveller*, (New Canada Library, 1990), 121. This book is a slightly fictionalized family history. See also McAlpine for reference to the sermons of wrath and denunciation, 25.

Continued on next page.

ernment under Bowser refused.[11] Taylor kept pushing year after year, in office and out, until his aim was finally achieved in what is known as the "amalgamation" in 1929.

Improvements were wholly exempted from taxation, as Taylor promised, in 1910. The fire department was the first to be mechanized in North America. Council voted to approve the eight-hour day for civic workers, and for civic contractors; a plebiscite approved the decision. A juvenile court was established, assisted by L.D. assigning part of his mayor's salary to help out. In sum, 1910 was a year of remarkable accomplishment.[12]

Taylor won the mayoralty the next year but was defeated in the two following contests. He won again in 1915. Probably due to both business and family pressures, Taylor did not enter civic politics between 1916 and 1922. He had been financially over-extended as a consequence of a costly revamping of the *World* and financing a new building for it. The venture had been started just before the outbreak of the First World War and a real estate collapse in Vancouver. L.D. had to give up the newspaper, and his wife and capable business helpmate, the former Alice Berry, had died in 1919.

L.D.'s next stretch in office began in 1925. This time his success at the polls continued over four consecutive years. It was a period of prosperity which, together with Taylor's continuity in office, no doubt contributed to a variety of solid achievements. The Greater Vancouver Water Board was put through and in good shape. The CN hotel—which had long been promised—got underway. He got the airport started.



Taylor's part in the airport beginnings is typical of L.D.'s mode of action. He was invited to Seattle in 1927 to a banquet where Colonel Lindbergh was a guest. He asked Lindbergh to fly to Vancouver. Lindbergh replied that he could only fly over the city as there was no landing field, and told him to get busy building one or Vancouver would be left behind. On Taylor's return to Vancouver he at once spoke to Council about it. They agreed something should be done. They sent Dean, one of the aldermen, to certain locales in the United States to see airports. The council also took a lease on a site out on Lulu Island and started cleaning it up for an airport.[13]

L.D. Taylor was also the person who propelled city planning into Vancouver. He appointed the first City Planning Commission and strongly supported it, an effort that was important for fifty years after, and perhaps even today. Harland Bartholomew, the company L.D. brought in to do the technical planning, prepared certain proposals that were placed in a bound book for reference. Though Bartholomew's principles and proposals were never officially adopted by the city, they were "in the drawer", and were followed over the years by the City Planning Commission and by the civic bureaucracy.[14] Road connections, parks, and many other elements of the city's physical structure were developed in accordance with suggestions made at that time; the Bartholomew Plan has had a greater influence than most Vancouverites realize on the shape and amenity of their city.[15]

Apart from its technical quality, and its mere existence, the Bartholomew Plan's success owes something to L.D.'s ability to co-operate with others and to persuade them to co-operate. He had been instrumental not only in getting the councils of Point Grey, South Vancouver, and Vancouver to talk together about amalgamation, but to work together on community planning before the actual amalgamation date.

As it turned out, Taylor was defeated in the campaign that would have made him the first mayor of the about-to-be amalgamated city. Candidate W.H. Malkin, a leading downtown businessman but a resident of the Point Grey area.

7. Richard Wilbur, *H.H. Stevens, 1878-1973*. (Canadian Biographical Studies, University of Toronto Press, 1977, 5-11. See also Robert A.J. McDonald, *Making Vancouver: Class Status, and Social Boundaries, 1863-1913*. (UBC Press, 1996). In chapter seven, about the "artisan" class, McDonald wraps his commentary around L.D. and H.H.: both are described as "populists", 174-180.
8. CVA, Kenvyn, 10.
9. Eric Nicol, *Vancouver* (Doubleday Canada Ltd., Toronto, 1970), 114.
10. CVA, Kenvyn, 4.
11. CVA, Kenvyn, 5.
12. CVA, Kenvyn, 6. H.H. Stevens was also part of this productive 1910 council.
13. CVA, Kenvyn, 8.
14. Hilda Symonds, "The Vancouver City Planning Commission. Some Historical Notes", 1975, mimeo. 12 pp.
15. Graeme Wynn, "The Rise of Vancouver" in *Vancouver and Its Region*, eds. Graeme Wynn and Timothy Oke, (Vancouver, UBC Press, 1992), 128.

Centre: *Photo of L.D. Taylor in* Man to Man *in June 1910. He turned 53 in that year, and the photo shows him younger.*

Below: *A billboard from the "Full Dinner Pail" election in 1910.*



Vancouver Public Library Special Collections VPL 7274

defeated him.

In the Vancouver-only election for the first two-year term, 1927–1928, L.D. had taken 11,000 of the 16,000 votes. In the expanded municipality vote for the 1929–1930 term, although L.D. took 17,000 votes, Malkin took 19,000. It is possible that rumours and innuendo widely spread during a police inquiry in 1928, affected Taylor's vote as much as bringing in the elite area of Point Grey did. However that may be, L.D.'s greatest triumph at the polls was to defeat W.H. Malkin 22,797 to 17,568 in the very next election. Taylor also won the 1933–1934 term following. That was his final term as Mayor. He had already passed his 77th birthday on his last day in office.

In the 1930s, Taylor's accomplishments were not as obvious as in the 1920s. It was a time of severe unemployment, and it was beyond the ability of the city to make more than slight amelioration of grave conditions. Taylor had always presented himself as a champion of the working man:

"My aim in administering this office is to represent all the people. I treat the corporation as an individual. I fully appreciate its usefulness, but do all in my power to curb it if it shows grabbing tendencies. We want capital in British Columbia, but we don't want any money menace. We want opportunities for all—the poor man as well as the man in affluent circumstances. I am in thorough sympathy with the man who earns his living with his hands. He is the backbone of the country—the fundamental force and the first source of wealth.[16]"

He had lived up to this creed as a businessman, when he condemned the union-busting tactics of the telephone company in 1905 and called for its public ownership. In 1910, in public office, he had pushed the eight-hour day for all civic workers. In the 1930s he granted Tag Days to help coastal loggers and the married unemployed. He called meetings to try to find ways of dealing with hardships, and he used his good offices to prevent strikes, as in the case of the B.C. Electric Railway in 1934.[17] In all this, he was true to his Congregationalist upbringing and to his Georgist background, typical of the social reformers of his generation.

It is one of the little ironies of history that the philosophy of Henry George should be frozen in the narrowing caption "Single Tax". Social justice was George's core concern, but that "single" jingle has seemed to steer modern historians onto a false trail. Available references to L.D. Taylor are a case in point. They are scanty and uncoordinated.



Vancouver Public Library Special Collections VPL 12604

Left: L.D. Taylor at age 75. Photo taken about 1932.

In spite of Taylor's long and positive record, he is treated slightly, and sometimes meanly, in Vancouver's histories. For example, radio scripts produced about Mayor Taylor for the CBC in 1977 are confined to recounting amusing anecdotes.[18] They make him out to be bright and determined, but something of a lightweight: "He was an 'everyday man's mayor' without a vision for the future"—this about the man who, aside from the accomplishments already noted, played a key role in establishing the Vancouver City Archives, surely a matter of importance to the future.

Without doubt Major Matthews was the spearhead, heart, and soul of the Archives campaign, but if there had been no champion on the Council, there would have been no City Archives. As Major Matthews himself wrote in one of his notes to L.D., "If the only thing you do, or that you help me do, is to get the Archives, you will have earned your place in history."[19] Years later, Matthews wrote to Barney Williams, the former city solicitor, "Just where would I have been had it not been that Mayor Taylor and yourself cham-

16. J. Herbert Welch, "The Prospector Who Became Vancouver's Mayor", *Opportunities*, December 1910, Vol.2, p12.
17. CVA, Kenvyn, 14. See also Alan Morley, *Vancouver from Milltown to Metropolis*, (Mitchell Press, Vancouver, 1961), 201. Morley describes Taylor as "the dominating figure of the 1925 - 35 decade."
18. Tom Cone, "Mayor Taylor", two scripts for CBC/Heritage Festival Production, produced by Don Mowat, February, 1977.
19. CVA, Matthews Correspondence, Ms 154 Vol. 14 B, File 196. Letter to LDT 18.10.34.



Vancouver Public Library Special Collections VPL 12611

Above: *Section of a 1925 cartoon by Fitz in the* Vancouver Province

pioned my cause and installed me on the tenth floor of the Temporary City Hall?"[20] In his reply, Williams wrote, "If it hadn't been for Alderman Twiss, and L.D. Taylor, you wouldn't have any Archives." In any political situation, as those who have been involved in commissions or committees realize, it matters much to have support of a persistent, ingenious, indomitable individual. L.D. was certainly that.

It is curious that most Vancouver histories downplay Taylor's part in fostering the growth of a democratic progressive community. Others ignore his contributions altogether. Some merely trivialize. The CBC scripts, for example, emphasize episodes such as Taylor's ride in Vancouver's first ambulance with a Mrs. Bonnalee.[21] There we learn that Taylor and Mrs. Bonnalee had driven into a man on the street and knocked him out. The script was unclear as to the severity of the man's injuries—but this was a vignette of disaster. On another occasion, as reported in the script, L.D. went out to Lulu Island to welcome a plane coming in from Victoria. The propeller blade knocked him down. He was in the hospital for weeks. They thought he was going to die ... and so on. The scripts dwelt on incidents that made the mayor seem to be accident-prone. Then, as the script put it, "He went on to other awkward glories."[22] It was an odd thing to say about a man who had been elected mayor eight times over a period spanning 25 years.

In most histories there is also a hint of shadow of scandal over L.D. He was certainly disliked by Vancouver's upper crust. It wasn't clear whether there was some impropriety, or just political jealousy, or something more. One CBC script mentioned that the Board of Trade "had left Taylor out of a welcoming ceremony again," a welcome for Teddy Roosevelt.[23] The script showed Taylor's spunk as well as the Board's haughty attitude. L.D. found out that he was not going to be invited, even though he was Mayor at the time, 1915. When he found out, he went out to Coquitlam in a car, got on the train there, and was with Mr. and Mrs. Roosevelt when they arrived in town. He introduced the Roosevelts to the Welcoming Committee, whisked them into another waiting car, and took them for a drive through town. The Welcoming Committee were all mad as fleas about that.[24]

But what was it about L.D. that he was so disliked by Board of Trade members? Was it some kind of social impropriety? Was it stealing? Was it that he turned the tables on the Board too often? Was it just his democratic ways? The cloud still hangs over him.

Eric Nicol gently suggests it was Taylor's "readiness to shake hands with anybody" that jeopardized his reputation. "He had become associated, in the public mind, with unsavoury characters attracted to Vancouver by its homespun greed."[25] Nicol in this instance refers to rumours rife at the time of the 1928 police inquiry. G.G. McGeer's biographer, David Williams, was less forgiving of Taylor, and less accurate, when he laid police corruption, proliferation of gambling joints, and other "vice" common in the 1920s all at Taylor's door: "All arose", Williams writes with finality, "from Taylor's so-called open town policy."[26] Given that the career of McGeer's own appointee as Police Chief, Walter Mulligan, ended in disgrace, Williams might have more gracefully reflected on what a difficult problem mayors face in matters of policing.

"Single Tax" Taylor was liberal in his personal attitudes as well as in his political leanings, but that well-known fact hardly accounts for the intense feeling against him in certain circles. Whatever the truth of Taylor's deeds and misdeeds in the administration of Vancouver's affairs, and whatever the sources of the intense feeling, L.D. Taylor and other mayors deserve more objectivity from historians of their city.

To begin with, Taylor could be freed of the bogeyman satirized in the *Punch* cartoon. The 100 percent exemption of buildings from property tax, L.D.'s 1910 policy and his most obvious connection to the Single Tax, was gradually abandoned by Council, but not by L.D. In 1918, the exemption was diluted to 50 percent where it remained for fifty years, before a further dilution in 1968. These later Councils may have been unwise. Hans Blumenfeld, Canada's senior philosopher of cities, wrote in the year of Habitat that shifting the property tax from buildings to land (L.D.'s old policy) "would do more for the quality of life in human settlements...than all the busy housing and development programmes now being operated by huge and proliferating Federal and Provincial bureaucracies."[27]

A revisiting of L.D.'s legacy is in order.

20. CVA, Matthews Correspondence, File 216, Letter to Barney Williams 27.8.41. and his reply.
21. Cone, "Mayor Taylor', Part One, 1-4.
22. Cone, "Mayor Taylor", Part Two. 1-4.
23. Cone, ibid. Also CVA, Kenvyn, 8.
24. Alan Morley, "How the Mayor of Vancouver Kidnapped a Roosevelt", *Vancouver* Sun, 16 September 1964, 4. Morley says Taylor was "a kind, gentle, quiet friendly little hunk of political and journalistic dynamite" who had a habit of "exploding in the faces of respectable citizens when they gave him a condescending pat on the head."
25. Nicol, *Vancouver*, 165.
26. David R. Williams, *Mayor Gerry*, (Douglas & Mcintyre Ltd., Vancouver, 1986), 80-81.
27. Hans Blumenfeld, *Canadian Planning Issues*, A report of the Canadian Institute of Planners, Ottawa, 1976, 18.

Dear Mavis, Greetings!

Haven't heard anything of you for so long but presume you're still working hard.

We were all riveted by the "Florida recount".

Vancouver B.C.

19 December 2000

This piece on L.D. Taylor has been "in the works" of the B.C. Historical NEWS for nearly two years. The Winter 2000 - 1 issue came in the mail just yesterday. I am very glad to see it in print at last; for one thing it gives me confidence that the News will accept another chapter on Taylor's story that I've written (about the 1928 police inquiry), and probably still another that I intend to prepare(about his experience with the World newspaper).

Best Regards,

Mary.

Mary R.

Sure hope all of yours + yours are well. Love Jr

1406 Woodland Drive, Vancouver B.C., V5L 3S6

Cite as Pleydell/Wood, or P/W

Pleydell, Albert, and Elizabeth Wood, 1960. How Tax Exemption Broke the Housing Deadlock in New York City. New York: Citizens' Housing and Planning Council of New York, Inc. (CHPC).

CHPC Tax Policies Committee also mentioned: Art Becker, Howard Evans, Earle Moore, P. Prentice, George Sause, and Edwin H. Spengler.

Preface: Walter Rybeck

Pleydell and Wood are Director and Assoc. Director of "Study Staff." P is President, and W is Director of Urban Studies, with Management Services Associates. P's connection with RSF is not mentioned.

ExDir of CHPC is Roger Starr; Eliz. Wood is a "Consultant" on their staff. James Scheuer is President; Buttenheim is Hon. President.

Are many on Bd of Directors. Some familiar names are Charles Abrams, Victor Gruen, Sam Lefrak, David Tishman, Frank A. Vanderlip, Jr., Robt Weaver, Louis Winnick.

CHPC sponsored the study, under grant from RSF. CHPC is the publisher. Opinions expressed are "drawn from records of the period studied, and do not necessarily reflect those of the Committee or of the sponsor." (Talk about disclaimers!)

Title Page: focuses on 4-year period, 1921-24 (inclusive), when new bldgs were tax exempt.

Origins, at State level

1-8, law passed 1920, special session of Legislature.
1-9, NYC passed in 1921, Feb 15. Modified to limit exemption to $1,000 per room, and $5,000 per family unit.
2-27, Assembly bills of 9/21/20 sponsored by Charles Donahue, and 9/23/20 by Martin G. McCue (so Smith was first? No, see more on McCue, below).
2-39, adds Sect 4-b to Chap 62, laws of 1909. Lets "local legislative bodies" grant exemption. (Note: in NYC, counties and city would be easily coordinated - and apparently school districts, too. This key point is stressed by none!)
2-48, Gov. Smith's message to emergency sess of Legisl, 9/20/20, item 3, calls for exempting new dwelling construction from taxation.
2-50, wholesale eviction notices, Sept and Oct, 1920. (Smith's "emergency" reflected or anticipated this.)

April, 1920, prelim report to Legisl of Jt. Legisl Committee on Housing, anticipating crisis. Charles C. Lockwood, (Senator, R., Kings 7th), chair. Also Carson, Dunnigan, McWhinney, Caulfield, Jr., and Hamill. Item 3 is tax exemption power for "local authorities."

All page refs starting with 1- are from unsigned narrative.
All page refs starting with 2- are from Chronology of Official Actions.
All page refs starting with 3- are from the NYT.
All page refs starting with A- are laws, official reports, and ordinances.

3-13, 3-24-20, Assemblyman Martin G. McCue (D., NY 12th) proposes the tax exemption, submits a bill. "Big activity in Assembly and Senate hearings.
3-16, Mr. Wm. Harmon, Taxpayers and Tenants Protective League, supports, 6-14-20.
3-17, Mayor's Housing Conf. Committee, Subcomm on r.e., supports.
3-18, 7-29-20, Republican platform recommends "considering" proposal.
3-20, 8-26-20, Lockwood Comm supports exemption
3-22, 9-25-20, both Houses pass the Housing Committee's exemption bill.
3-23, Smith signs the law, 9-28-20.
Note, it applies to construction COMPLETED after 1 April 1920 - so, work begun before then could still qualify, so long as it had not been completed before then.

A-30, message from Smith, 9/20/20, proposes exemption. Purpose is to maintain "commercial and ec. supremacy of the State."
A-32, text of Act and extensions. They allow all local units of govts. to exempt: cities, counties, schools, etc. - all but local improvement districts (which levy on land alone).

<u>Other cities in NY</u>

3-32, only 5 other cities in NY used the law: Beacon, Little Falls, Mechanicsville, Plattsburg, Saratoga. Another 58 did not.
3-36, Yonkers rejects using the law.
A-20, Stein Rpt of 1924 omits Mechanicsville, and says Saratoga Springs.

<u>New Jersey</u>
3-33, 3-2-22, NJ Court sets NJ version of law aside as unconstl.

Extensions of State Law

1-11, the law was passed as "emergency" legislation. When adjudicated in Hermitage v. Goldfogle, was upheld as emergency legislation. I.e., they had to keep showing an "emergency" (an undefined term). (Henry Goldfogle, Pres., Bd of Taxes & Assmts, 1921-29+. Former Rep., D., NY, 1901-15, 1919-21.)

Tax exemption became part of permanent housing policy later, but only for ltd-dividend orgs - passing on benefit in lower rents.

2-22, Albany extends exemption, 3-24. Dunnigan Bill. (Sen. John J. Dunnigan, D., Bronx 23rd.) Assemblyman Ruttenberg urges NYC Aldermen to limit it to low-rent d.u.s.

2-30, 3-22, Albany extends beginning date to 1923, 1 Apr. Mr. McGarry.
Also, p.2-41, gives the act itself.

2-43, in 4/23, Albany extends deadline to 1924, 1 Apr.
"Construction deemed commenced when excavation begun in good faith." - in cases where no official permit is given.

2-32, Feb 1924, Assy and Senate extend time of commencement to 1 Apr 1926. Passed. Approved by Gov. as chap. 87.
There are no further extensions.

2-44, 4-24, time of commencement extended to 4-25. This was the last one cited here, but see above.

2-54, Chap 87, laws of 1924, extended deadline to 1 Apr 1925.

3-44, 3-29-23, Smith urges extension. (Smith was Gov., 1919-20, and 1923-28.)

3-46, 4-18-23, Smith signs extension to 1924.

3-54, 3-24, Dunnigan and Gov. Smith urge extension. Passes, 4-1-24.

A-34, 1 Apr 1924, Gov. signs extension. Constrn must commence before 1 Apr 1925, and be finished within 2 years, i.e. by March 30, 1927. Laws of NY, Chap. 87, Sect. 1, para. 4-b.

This seems to be the last one. So, overall, exempted constrution from 1920 to much of 1927 - nearly 8 years, inclusive.

NYC Ordinances, original

1-9, Mayor John Hylan of NY (1918-25) balked at Smith's full proposal; wanted limits, which were enacted finally, 2-15-21, with limits of $1000/room, and $5000/"family unit".

Designed to favor cheap housing on cheap land.

2-12, 2-15-21, ordinance adopted. No discussion of needing concurrence of cnty and school.

3-25, LaGuardia flipflops painfully.

Advocates are City Club of NY, Alderman Wm. T. Collins, Royal Copeland, City Clerk Raymond Ingersoll, John J. Murphy of the Charity Organization Society (Purdy's org.).

3-28, 3-22-21, Mr. Henry H. Curran, "who fathered the ordinance," praises results, a boom (I assume this was in permits, not actual work, as yet). Curran was President, Borough of Manhattan, 1920-21; and counsel for City Club, 1927.

A-20-25, 1924 Reports of NY State Commission on Housing and Regional Planning, Clarence Stein, Chair. (Stein was with AIA, and Chief Architect with City Housing Corp., 1924.)

A-21, summarizes NYC Ordinance of 1921, as seen from 1924. Generally very favorable.

NYC Extensions

1-10, 1923, city further limited application, to $15,000 per building (multi-family). Just wanted to encourage single and double d.u.s.

2-13, 5-23, city extends deadline for commencing to 1 Apr 24.

3-34, 3-22, city extends deadline (to 1923, I surmise)

3-47, 7-23-23, Mayor Hylan finally signs ordinance for exemption. Tammany had held it up - not clear why.

3-48, 9-22-23, "The Bd of Est and Apportionment" voted to extend exemption to 1924. This approval was needed after the Aldermen voted it in June, and Mayor signed it, "to make it effective". (I'm guessing that a lot of builders gambled before the fact.)

3-55, 6-24, Aldermen still haven't extended exemption, altho Smith sgd it in April.

3-57, 2-25, Aldermen will not extend again (not clear if they did in 1924).

3-78, 6-27, Mayor sgns tax exemption ordinance. I gather this is one for large apts, probly the ltd div corps.

Results (or ensuing events)

1-9, "Cum Tax Exemptions, by Years", 1922-27. "Completed structures"

Their table gives just the cum, in $. I add the rest, below.

Year	Cum ($m)	Current	% increase
1922	83	83	
1923	225	142	171
1924	482	257	114
1925	804	402	83
1926	896	92	11
1927	917	21	2

p.2-41, ltr from City Club of NY, 21 March 1922, to Gov. Smith, urging extension.

In 12 mos. of "last year" (1920, apparently), "housing contracts actually awarded" were $81.6m. In 10 mos. of "this year" (1921, apparently), $196m. (Not crystal clear what years are referred to, except from para. below.)

Floor space contracted for: 1920, 15m s.f.; 1921, first 10 mos., 42m s.f. Those dates are clear.

p.2-53, Lockwood Committee on 12-31-22 notes "an astonishing resumption of building." Credits tax exemption.
2-54, 3-14-24, "Commission of Hsg andReg Plng, in Leg. Doc 78, "Tax exemption is principal factor in breaking deadlock on housing constr. ... "

2-56, Leg. Doc 40, Rpt of the Commission on Hsg & Reg Plng, Clarence Stein, Chair. Includes stat on new constr in NYC, Oct. 1920 thru Sept. 1925. Vacancy ratio has risen from about 00 to 2.23% (this under rent control).

3-28, 3-21-21, plans filed in the 1st 2 wks of the exemption, gain of 62% over last year.

3-31, 11-18-21, NYC "leads the country" in building apts and tenements.

3-32, 1-2-22, since Feb., 1921, home bldg rose 413%.

3-37, 7-16-22, Sam Donnelly, Sec of Bldg Trades Employers' Assn: "There have been building booms before, but no man ever saw so much building in 1- and 2-family houses in the history of NYC ... "

3-41, 2-4-23, "Exemption caused the greatest boom in the history of NYC building." Shortage not yet cured - has built up since 1914.

3-43, 3-22-23, ff. Tierney decision that exemption is not constl., building slumped.

3-45, 4-27-23, Appellate Divn. of the State Supreme Ct reverses Tierney. Bldg. revives.

3-49, 50, 10-18-23, Dr. Samuel McCune Lindsay, Columbia Univ., gave stat at hearing, for the R.E. Board, in last 3 yrs & 9 nos., d.u. for 500,000 people had come on line, while pop rose only 300,000. Says shortage is over.

3-51, 12-9-23, Brooklyn leads every city in the country in constr.

A-20 to 23. Report, Commission of Hsg and Regional Plng, 14 March, 1924. Clarence Stein, Chair.

Conclusions. #1, "Tax Exemption was the principal factor" causing the great rise of building.

#2, Esp. encouraged building houses of moderate cost.

Early 1920, was a weak revival of bldg., but it collapsed, so rate of bldg was as low as during the war. High cost of materials a factor, plus belief that they would come back down (little understanding of inflation).

Table I, Plans filed for residence bldgs., all boroughs

A. "Dwellings" (i.e., not tenements)
"Families" means no. of family d.u.s built
"Cost" means construction cost, total expended
Last column is Cost in current year as multiple of Cost in 1920
The source also has data on each of the other 4 Boroughs.

Yr & Place	Families	Cost ($m)	Cost/fam ($k)	Cost/1920 (Ratio)
1920				
Manh	76	1.5	19.7	
NYC	11,350	53.8	4.7	1.0
1921				
Manh	305	3.0	9.8	
NYC	34,121	166	4.9	3.09
1922				
Manh	58	2.5	43.1	
NYC	55,996	229	4.1	4.26
1923				
Manh	211	2.1	10.0	
NYC	52,920	274	5.2	5.09

B. Tenements

Yr & Place	Families (k)	Cost ($m)	Cost/fam ($k)	Cost/1920 (Ratio)
1920				
Manh	1.13	13.6	12.0	
NYC	3.0	22	7.4	1.0
1921				
Manh	4.5	33.4	7.4	
NYC	25	115	4.6	5.23
1922				
Manh	8.2	56.7	6.9	
NYC	43.8	192	4.4	8.73
1923				
Manh	11.6	76.1	6.6	
NYC	53.3	248	4.7	11.3

A-21, there was a peak in applications each March, in case law was not renewed. Thus we may assume that applications preceded actual building by some time. One constant, however, was the expiration after 1931, so incentive progressively weakened.

A-22, monthly, NY floor space contracted for, from F.W. Dodge Co. Low in Dec. 1920 was ca. 500,000 s.f.; rises to 13m s.f. in Dec. 1923, when chart ends. Thus the Dec 23 monthly rate was 26 times the Dec. 20 low.

Tax exemption changed trend in type of bldg from multi-family, back to 1&2-family d.u.s. "... to an astounding extent." (Table I does not exactly support that, but this report may be going back earlier.)

A-22, builders use tax-exemption as their most potent selling argument.

A-23, many 1&2-fam frame houses going into areas lacking city services (although inside the city).

<u>Rise of land tax base</u>

Compare effect of bldg exemption in NYC with Laffer-Curve

claims of 1981-89 period. "Dynamic Rev. Forecasting" mindset said, lower inctax rates would yield higher revenues. Proponents of Smith exemption made same claim. Kept saying the buildings that are exempted would not even be there w/o the exemption, so city not losing any revenue. However, NYC Smithites had another string to their bow: land revs rose. (In addition, they held forth promise that bldg tax base would rise, too, after 1932.)

3-31, 10-9-21, Manhattan assd values:

Land	3.3b, or 58% of total
Buildings	2.5b
Total	5.8b

3-38, 9-24-22, "public auction" of lots is big and booming. Demand so strong, owners offer lots at auction "for whatever they will bring." NY is the leader in "the land buying and home building movement today largely because of the tax exemption."

10-8-22, Times Square and Grand Central areas, assd. land values are sharply up (thank you, L. Purdy!).

3-39, 12-24-22, Assd value of land in NYC is $5b.

12-26-22, sentiment is to extend the exemption for the sake of people who have bought lots, but cannot build w/o the exemption.

3-40, 1-28-23, re old houses, their taxes have not risen, beyond "normal yearly tax increase." Values, however, have risen greatly (so effective t.r. is lower).

City revenue has risen since exemption, and public improvements have increased.

3-41, 2-4-23, owners of old bldgs cannot complain, bcs they built when costs were lower, and their values have jumped.

2-11-23, buyers of vacant lots urge extending exemption.

Labor and material costs remain high, but building booms anyway. Also, City is not coping with transit.

3-43, 3-22-23, Hon. Maurice Connolly, Pres of Queens: exemption raised value of r.e. Raised value of land near new bldgs by much more than the loss of taxes.

3-45, 4-2-23, Hon. Patrick Reville, Supt of Buildings, Bronx: exemption made a market for vacant land. Estates cut up into lots. Also, city was holding land for back taxes - now can sell

and collect.

3-48, 10-2-23, Assd value of r.e. in NYC rose by $1.1b over 1922. That is much more than the est. value of bldgs exempted.

3-51, 11-5-23 and 11-7-23, complaints over higher assmts.

3-58, 2-20-25, t.r. in NYC has fallen by "5 points." Due to rise in assd values.

3-74, 1-24-27, Mr. Walter Stabler (Comptroller, Met Life), shows that taxes on the land under exempt devmts (theirs, I presume) more than doubled, and taxes on r.e. nearby rose by 6 times.

A-23, 3-14-24 rpt of Stein Committee. "There has been a tremendous increase in land assmts since 1920 in all the boroughs. ... The resumption of building has greatly increased the taxable value of the land, which is not included in the exemption. ... Tax exemption is creating aggregate taxable values to an extent heretofore unknown in the history of any municipality."

However, they have no method or data to show that in numbers.

Income tax

Throughout, there is much talk of how inctax on mortgage interest was keeping cap out of lending on residential r.e. - esp. in conjunction with capl pouring into tax-exempts. P.1-4, and thereafter. Most popular suggestion (in the media, by bankers and r.e. spokesmen) was to have Congress exempt mortgage int. from inctax. NYTimes always reserved in its support of bldg exemption, but consistently wanted inctax relief - for lenders. Walter Stabler of Met Life, and R.E. Bd. of NY, and Nat. R.E. Boards, pleads for this. Congress, however, wanted the money - see Sen. Boies Penrose' remarks. He told NY to go it alone.

Remember, inctax as a peacetime thing was new at this time. Borrowers therefore had to get used to higher i.r.s, gross of tax; it probably took a while for them to adjust.

This shows power of proptax exemption. Various data passim indicate effective t.r. in NYC was ca. 2.5% (in spite of nominal cap of 2%, referred to sometimes).

Couple this with shutting off immigration in 1924, and NY's performance stands out.

Finance

3-7, 6-17-19, Legisl. acts to let savings banks buy mortgages up to 60% of value of collateral - before construction begins, i.e. before the collateral is all there! Before this, it was 40% before, and another 20% after completion.

(Note this was 1919, so it didn't work.)

3-25, Bill to force Savings Banks and Trust Cos. to put 50% or more of their loans into r.e. mortgages.

A-20, 1922, Leg. lets ins. cos. invest in d.u.s - Met Life does so. Stein Comm. endorses, 1924 rpt.

Limited Dividend Corpns

3-63, 1-7-26, Smith wants cheap money for housing, coupled with condemnation to assemble land for mass buildings. Device: limited dividend corpns., with eminent domain. Also, state would borrow tax exempt, then lend to the corpns. (Thus endeth Smith's H.G. period, and his anticipation of LBJ policies.)

1-13, 1926 State Hsg Law enabled ltd div corpns, subject to rent controls, with eminent domain. No use of public borrowing - that was dropped, apparently? p.1-15, it soon returned. These corpns had eminent domain, exemption from proptaxes, and inctaxes, by declaring their bonds to be instrumentalities of the State!

3-75, their land would still be taxed (with plottage increment?).

6-23-27, Mayor Walker (1926-32) finally signs law, after long bumbling. NY r.e. board opposes, threatens to sue, on behalf of small owners who are frozen out. Story ends here, p. 3-78.

1-18, the above, conceived as NY's "permanent housing policy," did not work. No reasons given.

People

3-40, 1-25-23, R. Schalkenbach letter in NYT favoring tax exemption, altho he originally opposed it. Why? To get rid of rent controls (he owns rent-controlled d.u.s).

3-62, 12-11-25, Mayor Walker wants commission to plan how to "spread out" pop of NYC.

3-63, 1-7-26, Smith wants cheap money for housing, coupled with condemnation to assemble land for mass buildings. Device: limited dividend corpns., with eminent domain. Also, state would

borrow tax exempt, then lend to the corpns. (Thus endeth Smith's H.G. period, and his anticipation of LBJ policies.)

3-65, 1-22-26, Purdy is Sec. of Charity Org Society. Condemns frame houses in Queens.

Alleged Fire hazard
A-28, 2-18-26, Commission of Hsg & Regional Plng (was Stein comm) says wooden city of Queens is imminent fire hazard, worst in the western world. (This was setting readers up for the Met Life monopoly. So far as I know, Queens never burned.)

Gray areas
3-48, 8-23, hotels qualify for tenement exemption, if partly used for permanent tenants.

Taxes as fraction of rents
3-58, Smith xmits rpt of a Commission, 3-17-25
Monthly rent: Interest, 54%
Amortn 16
taxes 10
Mntce 15
(Figures are doubtful, but that is a good way to express them.)

Law
3-45, 4-7-23, Appellate Div of NYS S.C. upholds law, bcs of "emergency."

Carping
3-30, 1921, NYT complains that exemption won't help lower rents.
3-35, R.E. Owners' Protective Assn says it is class legisln., not constl.
3-35, Hermitage Co. takes law to court. (Wins, then loses.)
3-43, 3-22-23, ff. Tierney decision that exemption is not constl., building slumped.

3-45, 4-27-23, Appellate Divn. of the State Supreme Ct reverses Tierney. Bldg. revives.

3-44, NYT Ed. 3-31-23, subway is key to cheap housing, not tax exemption.

3-56, 10-2-24, NYT Ed., higher r.e. values are due to rapid transit. City is "taxed to the limit." Rents not lower. Bitch, bitch, bitch!

3-60, 9-28-25, Norman Thomas, candidate for Mayor, wants city

credit, and direct city building.

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The Progress of Henry George Ideas in the U.S.A.

A Fifty-year Survey

By John J. Murphy

Fifty years have now elapsed since first the humble San Francisco printer flung in the world's face his challenge to the social injustice which had been built into the very foundations of the Temple of Civilization, embedded so deep that there seems some justification for the cry that to eradicate it will bring our institutions down about our ears. As the birthplace of the man who first clearly diagnosed the social cancer and offered an obvious remedy, all eyes turn to America, and we are invited to explain what we have done with the talent which has been committed to us, who have had in our ranks so many great men and faithful adherents who stood around Henry George in the brave days of old.

It is clearly no function of this paper to deal with anticipations of the single-tax doctrine nor with forerunners of the man, George. It must content itself with a brief account of what happened after Henry George came to New York with his fateful book in type. We can now see that there were certain fortuitous circumstances which helped to give the book a vogue, not to be hoped for at another juncture. The horrors of the Irish Land War then raging caused the land question to be studied as though the land question in that country presented phenomena different from elsewhere. In 1883 American labour organizations first began to assert themselves. In 1886 came the great New York mayoralty campaign which first flung economic issues into a purely local struggle. Henry George realized that the contest held out no prospect of success, but hoped for, from it, a better advertisement of his views than could be achieved in any other way. He received seventy thousand votes according to the record: but in those days the poll was often at wide variance with the facts; the purpose sought for was accomplished; the daily periodical press widely disseminated the outlandish doctrine which Henry George was trying to disseminate. If his opponents strove to misrepresent and malign, not a great percentage of his actual supporters could clearly grasp his very simple doctrine; but it was nevertheless true that a large proportion of the active single-tax leaders in America date their adherence to the movement from 1886.

It brought into the movement a man whose name has ever since been held in great affection by all single taxers—Edward M'Glynn, a parish priest of a populous parish, who resisted all threats of ecclesiastical punishment to compel him to desist from supporting Henry George. Out of his case arose the circumstance that the Roman Catholic authorities at Rome formally considered the doctrines of Henry George and declared that they contained nothing " contrary to faith and morals." Dr M'Glynn was formally restored to his full priestly functions without retraction of any views which he had expressed, merely expressing his regret if in the heat of argument he had said anything obnoxious to Christian charity. During the progress of this case the famous "Anti-Poverty Society was organized, and afforded a platform for the presentation of fundamental economics such as had not previously existed. All through this stirring period one of the conspicuous figures of the movement was the present President of this Conference, Charles O'Connor Hennessy, who is by far the most eminent survivor of that thrilling epoch.

Of the work done from 1890 to 1897, when Henry George entered upon his second mayoralty campaign, there is only space to make a passing reference. Sporadic attempts had been made in some municipalities to abolish personal property taxation and to convert to single-tax doctrines some states, of which Delaware, because of its minuteness and its almost exclusively urban population, was a conspicuous example. In Colorado an aggressive campaign under Senator Bucklin was waged; while in Massachusetts Charles B. Fillebrown, a manufacturer of Boston, persisted in a campaign of sweet reasonableness with the object of "taking into camp " leaders of various lines of thought in the community. The conspicuous figure of the next period was a man who was as well known here as in America, and who did yeoman service for the cause—the late Joseph Fels, who thought that he saw in the State of Oregon a broad opportunity for the submission to the people of a constitutional amendment. A vigorous campaign was waged, but the results were not specially encouraging. Great public interest was manifested, more votes being recorded on the single-tax amendment than on any other question submitted at the several elections. The net result, however, was the rejection of the several amendments by a vote approximating two to one.

A number of Western States, especially Washington, made Ike experiments. The city of Everett adopted the exemption of personal property and improvements from taxation by a vote of approximately two to one. In 1913 the State Tax Commission declared the amendment in conflict with the constitution, and directed the assessor to ignore it and to proceed with the assessment as usual. He obeyed; the single taxers made no contest, and apparently the matter has been allowed to lie in abeyance since then.

Missouri was the scene of. a bitter struggle in 1912, leading at some points to displays of physical violence against single-tax speakers. Colorado has been for a long time a battle-ground, and continues to be under the captaincy of Barney Haughey; we had the report recently of a new fight which sought to link together old-age pensions and taxation of land values by making the latter the source of payment of the former. A good deal of valuable propaganda has been done, but with the result that no considerable dent has been made in the dense skull of public opinion. Te go in detail into what has been sought to be accomplished in New York and Pennsylvania would lead me far beyond the space allotted to this paper, but brief references can be allowed.

New York is perhaps the city of all others in the world which, when rightly viewed, has shown forth the efficacy of the single-tax doctrine, because of the wonderful consequences which have followed from the modicum of single-tax ideas which it has adopted. There does not appear to be any direct connection between the adoption of these ideas and the two campaigns which had been waged by Henry George in 1886 and in 1897, except that the man to whom we owe the adoption of the policy had been an active supporter of Henry George in both campaigns. I refer to Lawson Purdy.

In 1901 a combination of Republicans and Independents won the election which determined the municipal administration of New York for the two ensuing years. Coming into office after a notoriously corrupt and profligate administration, which had exhausted the city's borrowing capacity, the new Reform Administration found itself incapable of redeeming the pledges for. municipal improvements which it had made to the people. It was pointed out that the city's credit was ample to carry out the reforms projected, but action was hampered by the fact that real estate was not assessed at its full value as required by law, and that, if it were so assessed, enough money could be borrowed to realize the programme. The suggestion was accepted by the administrative officials, and the policy of advancing assessment toward full value was begun. Tom Johnson was then striving to put the city of Cleveland on a sound taxation basis, and the President of the New York Department of Taxes and Assessments was induced by Mr. Purdy to make a visit to Cleveland. What he saw there so impressed him that he urged the adoption of the same method for New York, and actually put into effect as much of it as could prudently be done. A few years later, by another turn of the wheel, Mr. Purdy became President of the Department of Taxes and Assessments, and for eleven years filled the office—an unprecedented term in American municipal politics for a man not protected by civil service classification. Realizing that revolutions are rarely productive of lasting good, ho cautiously effected improvements from year to year, so that at the end of his term in 1918 he had perfected the most efficient municipal taxing machine in the country. The employees still look back to it as their "golden age" in an administrative sense, because they had at their head a man who understood the business down to the smallest detail—a man whose sense of justice was so highly developed that when, as sometimes happened, a citizen through a misunderstanding of the law was offering to pay more taxes than he was legally required to pay, he did not hesitate to tell him so.

As the result of these circumstances we got as near to full-value assessment as it is ever safe to go; we got the land-value maps which enable every citizen to compare his assessment with his neighbour's, and which is the greatest preventive of discrimination and favouritism ever devised. These were the methods by which it came about that we were taking, before the war, 35 per cent. of the annual land value of the city for public purposes. And upon this result followed another inevitable consequence-that land speculation in the sense of holding land idle for a profit ceased, and, except in sporadic instances is non-existent to-day. Its effect was seen when in 1920, in order to resuscitate the torpid housing industry which the war had reduced to inanition, the legislature permitted the exemption of improvements, erected for residences, for a ten-year period, building contractors leaped into the field and began to file plans at the rate of six million dollars a week, and have kept it up until

recently. Here is the real reason why New York has for so long had no serious unemployment problem even when other cities in the United States had. And this is the reason why we have been able to a large extent to take care of our housing problem, without subsidies from either State or Federal Governments. Of course no claim is made that the millennium has been attained, but any substantial instalment of a right policy must work for the public good, and it has done so here.

Pennsylvania, though justly rated as one of our most conservative states, has taken the longest stride in the direction of permitting the experiment of exempting improvements to be tried in a cautious fashion. The step was taken in Pittsburgh and Scranton in 1913, and by the present year things have reached a pass in which land values are taxed presumably on full value, while improvements are taxed at 50 per cent. There is no serious movement to go back to the old system. It is very difficult to produce exact statistics as to the precise effect of the changes, because undoubtedly in America the war brought about stagnation in land values. In New York it appeared from the reports of the Department of Taxes and Assessments that the value of land did not increase between 1913 and 1923 as much as 1 per cent per annum. On the other hand, the value of improvements rose enormously in depreciated dollars. It will be seen at once that this would hopelessly complicate matters, because, while the valuations of buildings were being diminished, their value in dollars was going up, and hence there is some ground for argument as to what was actually accomplished; but there is none at all as to the ultimate benefit and its beneficial effect on the building industry, and where the building industry thrives the community prospers.

To sum up, therefore, it must be admitted that the single taxers of the United States have given their fellow-citizens a number of opportunities and cogent arguments to cause them to modify their constitutions and statutes in the direction of a juster social order. The fact that nowhere in the United States has Henry George's dream been realized is not their fault, They are entitled to say with the character in Addison's play—

> " 'Tis not in mortals to command success;
> But we'll do more, Sempronius: we'll deserve it."

Public opinion has been profoundly, if unconsciously, modified. More and more is the principle recognized that the landowner should justly be called upon to pay for public improvements which enhance the value of his land. At least half the states have separate assessments of all lands. In states where this is not obligatory by law, city ordinances or action taken by assessors require it. Many states publish tabulations showing separately land and building values.

A man of great experience in this line of work, Mr A. C. Pleydell, a member of the Shalkenbach Foundation, computes that more than twenty billions of land values are separately assessed.

In general it may be stated that, during the World War and since its conclusion, there has been little effort to affect taxation—national, state, or local—by legislation. Unlike the adherents of the other schools of economic thought, single taxers have been unshaken in their loyalty to their fundamental principles. The various enclaves, such as Fairhope Arden and Fahauto,

have continued their efforts to give practical illustrations of the working of single tax in so far as existence in a hostile environment would permit. The Manhattan Single Tax Club of New York continues to function mainly through the personal activities of James R. Brown. The Henry George Lecture Bureau is still sending its lecturers throughout the country, the principal speakers being John Z. White and George H. Duncan, who is a member of Legislature of New Hampshire. The Henry George Foundation of Pittsburgh has been holding successful annual conferences since its organization three years ago, and has secured control of the birthplace of Henry George in Philadelphia. The Robert Shalkenbach Foundation, organized to carry out the terms of the will of the late Robert Shalkenbach, has been devoting such funds as are presently at its disposal to the partial support of recognized single-tax propaganda agencies, but is in the main concerned with keeping the works of Henry George in print. A new edition of *Progress and Poverty* is just off the press, and copies will probably be on sale at this conference.

A party known as the Commonwealth Party has been organized in some states to present for public suffrage candidates pledged to the support of single tax principles. The men engaged in the work include some of the most devoted men in the movement, but they fail to obtain the general support of single taxers, nor have they been able to attract any considerable measure of public attention.

So far I have dealt with what may be called the credit side of the work for the progress of the movement. It would be disingenuous to ignore the existence of hostile forces. These may be divided into two main groups, the business and the intellectual.

As might have been anticipated, the prevalent craze for organization and centralization in the United States has brought into the field Chambers of Commerce and Real Estate Boards which have begun to direct public attention to what they call the overburdening of real estate, and have opposed the laying of additional taxes on land values.' So far they have not had any very clear purpose except the protection of property in general from what they dimly diagnose as socialism.

The intellectual group is more dangerous, because it better understands our purposes and is working to poison the wells of knowledge by injecting into the text-books of the schools and colleges of the United States false doctrines, upholding the claims of monopolies, not only in land, but in the various public services and power franchises now constituting the most burning question before the people of the United States. Propaganda was but dimly understood before the war, but since the cataclysm it has assumed undreamt-of proportions. I do not know that any computation has been made of the money cost of the propaganda industry, but it is of huge proportions; like secret service money used by governments, it is used surreptitiously and insiduously, and hence its proportions are difficult to gauge. It is the most serious menace that popular government faces to-day. As long as government was based upon honest public opinion, even though mistaken, there was hope that democratic institutions would correctly solve popular problems. But if the very basis of popular government, which well-informed public opinion is, be attacked, where shall we look for salvation?

In all the foregoing no word has been said of the other cause which came

next after the taxation of levied taxes in Henry George's affection—Free Trade. There is no free trade movement in the United States. For forty years there has been no active popular support for it. The persistence of debasing poverty in Great Britain, in spite of nominal Free Trade, left its advocates with a convincing argument that the issue was fundamental. The Democratic Party has paid it no more than the homage of the lips. Now it has ceased even that. The position of surrender taken in its last Platform was merely a recognition of the state of the public mind. So completely is it a dead issue that the organizations created for the purpose of upholding protection are no longer able to earn a living, and may be said to be existing on a sentimental charity. It is not for me here to deal with the causes of this deplorable state of affairs. From present indications the demand for even a modified freedom of trade is coming from a wing of the Republicans, who have enormous interests in the repayment of the war debts, and who are intelligent enough to see that this can-not be accomplished if we are to maintain our present merchandise exclusion policy. But there will not be a vestige of a moral issue in such advocacy. Morals have no place in the dominant economic philosophies, or at least in their practical applications.

I wish I could present a more optimistic picture. A nation inflated with *universal* prosperity, which, according to our present Secretary of Labour, James J. Davies, means 14 per cent rich and 86 per cent living on wages below the computed cost of living, has no time to think about economic political reforms based on justice and fair dealing.



A PHOTOGRAPH BY ALFRED COX, CHICAGO, OF A MEDALLION, BY B. STUART HINTON

TO THE MEMORY OF

WILLIAM T. CROASDALE

BORN IN 1843—DIED IN 1891

FOUNDER AND EDITOR OF THE WILMINGTON "EVERY EVENING"

EDITOR OF THE BALTIMORE "DAY"

EDITOR OF HENRY GEORGE'S "STANDARD"

"A singletaxer is a person who *does* something for the Singletax."—Croasdale.

TAXATION OF LAND VALUES

AN EXPLANATION WITH
ILLUSTRATIVE CHARTS, NOTES AND ANSWERS TO
TYPICAL QUESTIONS OF THE LAND-LABOR-
AND-FISCAL REFORM ADVOCATED
BY HENRY GEORGE

By LOUIS F. POST

Assistant Secretary of Labor



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EXPLANATORY AND ILLUSTRATIVE NOTES

The Headings and Reference Figures Correspond to Those of the Text

PART ONE, CHAPTER I

1. The word "tax" is used comprehensively in the United States for local as well as State or national levies for public revenue, except that custom-house exactions are usually called "tariffs" or "duties." In Great Britain, however, the word "tax" is usually understood to designate Imperial levies, local taxes being called "rates." In this volume the words "tax" and "taxation" are used indiscriminately for fiscal exactions, whether national or local, direct or indirect, tariff, duty, excise, or license.

2. In the city of New York, according to the report of the Tax Department for 1914, the value of improvements that year was $2,855,932,518, whereas the value of the land alone was $4,602,852,107. As the tax rate in New York was about 1.8 per cent., it may be computed that improvement taxes amounted to about $50,000,000, while the taxes on land values amounted to about $82,000,000. By reference to the fourth edition of this book, at page 69, note 2, it may be seen that the increase in improvement values since 1910 was in round numbers only $366,000,000, whereas the increase in land values was $602,000,000. The former increase spells more building, the latter less room for building. None of the foregoing figures include either the value of special franchises, $404,420,311 in 1914, or the value of the land and improvements of corporations, which was $186,654,976 in that year.

3. "The general property tax" is common in the

United States and Canada; but there is a tendency in both countries toward modification, it being generally conceded that this form of tax is a bungling fiscal method and hopelessly unfair in operation. To the general property tax in the United States there are often added inheritance taxes, franchise taxes, occupation taxes, and other forms, some of which might be included in the theory of the general property tax.

4. The real estate tax, as part of the general property tax, is universal in the United States; until recently it was likewise universal in Canada, where it is still general. In both countries, however, it is everywhere supplemented with other taxes in greater or less variety and degree, some of which belong in the category of the general property tax and some do not. Although personal property is not exempt in the United States, personal property taxes are extensively "dodged." For an excellent presentation of this subject see the *American Magazine* (New York) for December, 1910, and January, 1911, et seq., in a series of articles by Albert Jay Nock, under the title of "The Things That Are Cæsar's."

5. The nearest actual approach to this system is in some of the municipalities of New Zealand, Australia and Canada. In Canada the city of Vancouver is conspicuous, although other Canadian cities, notably Edmonton, Victoria and New Westminster, are making successful experiments of the same kind. British Columbia has long had laws permitting municipalities to use their own discretion in taxing different classes of property. Under those laws it has been common for municipalities in that Canadian Province to value land for taxation at 100 per cent. of its market value and improvements at less, thereby establishing a tendency toward "the single tax limited."

6. The Single Tax, unlimited by governmental needs, has not been adopted anywhere. But in some countries—notably Germany and Great Britain—taxation of the "unearned increment," as it is called, has been adopted in moderate and varying forms. It seems to be attaining

popularity elsewhere. An "unearned increment" is an increase of the capitalized value of the rental possibilities of a given piece of land (over its previous capital value at a given time or under given circumstances), in consequence of social growth or other cause apart from the owner's improvements, which enhances demand for it and therefore augments its market price. The British (Lloyd George) budget of 1909 imposed a tax of 20 per cent. on "unearned increments." For example: A holding officially valued in 1909 at £100,000, if it were sold in 1924 for £120,000 (or, in certain circumstances, were then revalued at that amount), would have an "unearned increment" of £20,000, and upon this the tax would be 20 per cent. The owner would therefore keep £16,000 of the increased social value, and the government would get £4,000. Some Singletaxers object to taxation of the "unearned increment," as being a process of division between society and successful investors in land, and as having no tendency toward the destruction of landlordism, but rather a tendency to encourage land speculation with the state for a partner in the profits. This criticism does not seem to me valid; its effect would most likely be to discourage efforts at promoting the single tax in places where movements for the taxation of "unearned increments" offer the only present leverage, or the best, for practical single tax work. True enough, unearned increment taxes do not take the entire rental value, nor enough of the capital value to deprive the owner of an unearned profit. Neither would any kind of land-value tax, short of the "single tax unlimited." But it does take a *part* of the land value of properties on which it falls, which is certainly better than taking none; and, what is probably more important with this and all other kinds of land value taxation than the mere fact of the tax, is the nature of the agitation. Everywhere opposed as confiscation of private interests in land, it is everywhere defended as the taking for the community of what belongs to the community. Such agitations are especially promotive of the full single tax idea. That "unearned incre-

ment" taxes do not discourage speculation in land, and therefore fall short of the principal object of the single tax unlimited, is doubtless true; but it is as certainly true that, defective though they may be in forcing vacant land upon the market, they do relieve industry from tax burdens, which is another prime object of the single tax. Their chief value, however, is their tendency to develop an appreciation in public opinion of the fundamental fact that land values are community values and belong to the community. For a lucid explanation of the complex law for the taxation of "unearned increment" in Germany, see an article by Robert C. Brooks, of the University of Cincinnati, in the *Quarterly Journal of Economics* for August, 1911. Professor Brooks characterizes the German law as "one of the largest and most significant practical applications of the single tax idea that has ever been attempted;" and to the objection that the "unearned increment" tax of that law "has 'no teeth in it,'" he says that "a fairer statement would be that it has simply cut its milk teeth and may be expected to develop mature molars and incisors later."

PART ONE, CHAPTER II

7. *Progress and Poverty,* book viii, ch. ii.

8. In *Progress and Poverty,* book viii, ch. iv, Henry George speaks of "the effect of substituting for the manifold taxes now imposed, *a single tax* on the value of land;" but the term did not become a distinctive name until in 1888. The first general movement along the lines of *Progress and Poverty* began with the New York City election of 1886, when Henry George polled 68,110 votes as Labor candidate for mayor, and was defeated by the Democratic candidate, Abram S. Hewitt, by a plurality of only 22,442, the Republican, Theodore Roosevelt, polling but 60,435. Following that election the United Labor Party was organized on State lines, and at the Syracuse Convention in August, 1887, it came to

represent the central idea of *Progress and Poverty.* Coincident with the organization of the United Labor Party the Anti-Poverty Society was formed; and the two bodies, one representing the political and the other the religious phase of the idea, worked together until President Cleveland's tariff message of 1887 appeared. In this message Mr. George saw the timid beginnings of that open struggle between Protection and Free Trade to which he had for years looked forward as the political movement that must culminate in the abolition of all taxes save those upon land values, and he responded at once to the sentiment of the message. But many Protectionists who had followed him, now broke away from his leadership, and the United Labor Party and the Anti-Poverty Society were soon dissolved. Those who understood Mr. George's real position regarding the land question readily acquiesced in his views as to political policy, and a considerable movement resulted, which, however, for some time lacked an identifying name. This was the situation when Thomas G. Shearman, Esq., wrote for *The Standard* an article on taxation in which he illustrated and advocated the land value tax as a fiscal measure. The article had been submitted without a caption, and Mr. George, then editor of *The Standard,* entitled it "The Single Tax." This title was at once adopted by the "George men," as they were often called, and has since served as the name of the movement it describes. Though "the single tax" is the English form of "l'impot unique," the name of the French physiocratic doctrine of the eighteenth century, the names have no historical connection. See *Life of Henry George,* by Henry George, Jr., chapter ix, p. 496 and 496 n.

9. "Land-value taxation" is the almost exclusive term in Great Britain. There are special reasons, one of which is that in that country, unlike the United States, there was no Imperial real estate taxation of importance until the adoption of the Lloyd George Budget of 1909. Prior to this the only real estate taxes were (1) survivals of the land-value tax of the time of William and Mary,

based upon valuations of 200 years ago and very much reduced by commutations, and (2) "rates" (local taxes) based not upon capital values regardless of use but upon actual rentals. Occasion was thereby furnished for that British agitation for the taxation of land values of which the Lloyd George Budget was the first triumph.

10. When it is remembered that some land in cities is worth millions of dollars an acre, that a small building lot in the business center of even a small village is worth more than a whole field of the best farming land in the neighborhood, that a few acres of coal or iron land are worth more than great groups of farms, that the right of way of a railroad company through a thickly settled district or between important points may be worth more than its rolling stock and trackage, and that the value of workingmen's cottages in the suburbs is trifling in comparison with the value of city residence sites, the absurdity of the plea that the Single Tax would discriminate against farmers and small home owners and in favor of the rich is apparent. The bad faith of this plea is evident when we consider that under existing systems of taxation the farmer and the small home owner are compelled to pay in taxes upon improvements, food, clothing, and other objects of consumption, much more than the full annual value of their bare land.

11. The difference between site value and improvement value is much more definite than it is often supposed to be. Even in what would seem at first to be most confusing cases, it is easily distinguished. If in any example we imagine the complete destruction of all the improvements, we may discover in the remaining value of the property—in the price it would after such destruction fetch in the real estate market—the value of the site as distinguished from the value of the improvements. This residuum of value would be the basis of computation for levying the Single Tax. The distinction is frequently made in business life. Whenever in the course of ordinary business affairs it becomes necessary to estimate the value of a building lot or to fix royalties for

mining privileges, no difficulty is experienced, and substantial justice is done. And though the exigencies of business seldom require the site value of an improved farm to be distinguished from the value of the improvements, yet it could doubtless be done as easily and justly as with city or mining property. Unimproved land attached to any farm in question, or unimproved land in the neighborhood, if similar in fertility and location, would furnish a sufficiently accurate measure. If neither existed, the value for enclosure of the contiguous highway would always be available. It should not be forgotten, either, that land for which the demand is so weak that its site value can not be easily distinguished from the value of its improvements must be land of but little value. The objection that the value of land can not be distinguished from the value of improvements is among the most frivolous of the objections that have been raised to the Single Tax by people with whom the wish that it may be impracticable is father to the thought that it really is so. Equally frivolous is the objection that land values can not be scientifically appraised. This objection was demolished by W. A. Somers, for years a Minnesota assessor, who invented the Somers system of scientific land valuation. The Somers system won the confidence of Tom L. Johnson, Mayor of Cleveland, and its use in the first quadrennial valuations of Cleveland in 1910; under the personal supervision of Mr. Somers, was a demonstration of its exceptional value. It is described in *The Public,* of Chicago, at pages 604, 608 and 827 of volume xiii. Mr. Somers superintended the use of his system by a corporation of Cleveland, Ohio, which is engaged in the business of valuing land. This fact raised against him the objection that he had "commercialized" his system, and that the employment of his corporation by tax authorities to assist them in their official duties was a "farming out" of taxes. The objection appears to be far-fetched. It should be made known for whatever it may be worth; but so far as Singletaxers are concerned, the point is not whether the system has

been "commercialized," but whether variations in land value can be ascertained by means of it with economy and approximate accuracy. On this point Tom L. Johnson, whose judgment in such a matter rightly commanded respect, testified strongly in the affirmative.

PART TWO, CHAPTER I

12. "Taxes are either direct or indirect. A direct tax is one which is demanded from the very persons who it is intended or desired should pay it. Indirect taxes are those which are demanded from one person in the expectation and intention that he shall indemnify himself at the expense of another."—*John Stuart Mill's Prin. of Pol. Ec., book v. ch. iii, sec. 1.* ¶"Direct taxes are those which are levied on the very persons who it is intended or desired should pay them, and which they can not put off upon others by raising the prices of the taxed articles. . . . Indirect taxes, on the other hand, are those which are levied on persons who expect to get back the amount of the tax by raising the price of the taxed articles." —*Laughlin's Elements, par. 249.* ¶Taxes are direct "when the payment is made by the person who is intended to bear the sacrifice." Indirect taxes are recovered from final purchasers.—*Jevons' Primer, sec. 96.* ¶"Indirect taxes are so called because they are not paid into the treasury by the person who really bears the burden. The payer adds the amount of the tax to the price of the commodity taxed, and thus the taxation is concealed under the increased price of some article of luxury or convenience."—*Thompson's Pol. Ec., sec. 175.* ¶Read chapter iii, of book viii, *Progress and Poverty.*

13. Jevons defines the incidence of a tax as "the manner in which it falls upon different classes of the population."—*Jevons' Primer, sec. 96.* ¶Sometimes called "repercussion," and refers "to the real as opposed to the nominal payment of taxes."—*Ely's Taxation, p. 64.*

14. Though his language was blunt, the sentiment does not essentially differ from that of "statesmen" of

our day who meet all moral and economic objections to indirect taxation with the one reply that the people would not consent to pay enough for the support of government if public revenues were collected from them directly. This means nothing but that the people are actually hoodwinked by indirect taxation into sustaining a government that they would not support if they knew it was maintained at their expense; and instead of being a reason for continuing indirect taxation, would, if true, be one of the strongest of reasons for abolishing it. It is consistent neither with the plainest principles of democracy nor the simplest conceptions of morality.

15. A tax upon shoes, paid in the first instance by shoe manufacturers, enters into manufacturers' prices, and, together with the usual rate of profit upon that amount of investment, is recovered from wholesalers. The tax and the manufacturers' profit upon it then constitute part of the wholesale price and are collected from retailers. The retailers in turn collect the tax with all the intermediate profits upon it, together with their own usual rate of profit upon the whole, from final purchasers—the consumers of shoes. Thus what appears on the surface to be a tax upon shoe manufacturers, proves upon examination to be an indirect tax upon shoe consumers, who pay in an accumulation of profits upon the tax considerably more than the government receives. The effect would be the same if a tax upon their leather output were imposed upon tanners. Tanners would add to the price of leather the amount of the tax, plus their usual rate of profit upon a like investment, and collect the whole, together with the cost of hides, of transportation, of tanning and of selling, from shoe manufacturers, who would collect with their profit from retailers, who would collect with their profit from shoe consumers. The principle applies also when taxes are levied upon the stocks or sales of merchants, or the moneys or credits of bankers; merchants add the tax with the usual profit to the prices of their goods, and bankers add it to their interest and discounts. It must not be supposed, however, that

cf. NYC pop. with other cities.

HOW NEW YORK SOLVED ITS HOUSING CRISIS

by Charles Johnson Post

Among the prominent Governors of New York State it is fair to rate Alfred E. Smith. Governor Smith came up from the crowded East Side; he grew up with no fear of precedents when hard problems arose. He met a critical housing condition and ruggedly supported private enterprise. He was no genteel Marxian socialist. His famous saying: "Now let us look at the record!" has become a political slogan. He wanted facts!

So, let us look at the official record of the facts.

We had a housing shortage even before World War I had fired its last shot. So a law was passed for New York State in 1921* that — in order to get it passed — applied only for ten years to cities of the first class. This meant New York City. The Republican up-State legislators said to Democratic Governor Smith, if anything unforeseen or experimental is to happen we prefer to let it happen to a Democratic Greater New York City!

And this is what happened to New York City in the ten-year period that followed:

The bare-land value rose from 4.5 billions of dollars in 1919 to over 8 billions of dollars in 1929.

In 1920 the value of the bare land on which Greater New York rests was 4 billion, 6 hundred millions of dollars ($4,606,220,000.00) and, in 1929, (following the application of this legislation) the value of the same bare land was over eight billions of dollars ($8,056,644,000.)

The following tabulation, by Boroughs, will show at a

*See page 14.

glance the significant rise in bare-land values that consistently followed from the year of the new law:

Increase in Bare Land Values of New York City During the Period from 1910 to 1930, by Boroughs, in Dollars; **add three 000's for the actual sum in Dollars**

Year	Manhattan	Bronx	Brooklyn	Queens	Richmond
1910	$2,905,201	$265,774	$ 596,150	$200,180	$ 33,822
1911	3,114,812	330,679	794,148	276,089	40,195
1912	3,127,852	332,945	786,159	277,644	38,756
1913	3,155,389	332,354	782,660	280,223	40,263
1914	3,161,949	336,116	783,859	280,678	40,249
1915	3,184,441	344,712	788,159	283,983	41,121
1916	3,133,955	350,506	795,747	289,994	41,600
1917	3,067,358	352,174	807,004	292,756	42,398
1918	3,047,602	351,455	808,696	296,461	42,261
1919	3,033,394	351,338	816,123	297,039	52,765
1920	**3,061,515**	**356,334**	**834,470**	**303,094**	**50,804**
1921	**3,295,207**	**364,614**	**892,559**	**309,174**	**58,499**
1922	**3,315,723**	**366,880**	**814,608**	**318,944**	**59,843**
1923	**3,352,334**	**389,353**	**934,823**	**342,212**	**66,267**
1924	**3,459,593**	**399,780**	**985,872**	**393,736**	**72,674**
1925	**3,571,158**	**411,430**	**1,061,676**	**439,579**	**77,873**
1926	**3,749,159**	**432,043**	**1,234,517**	**564,187**	**88,723**
1927	**4,166,872**	**519,007**	**1,470,434**	**688,911**	**137,115**
1928	**4,438,318**	**601,616**	**1,569,040**	**776,772**	**143,810**
1929	**4,765,047**	**658,412**	**1,632,198**	**850,428**	**150,557**
1930	**5,238,909**	**689,670**	**1,723,780**	**926,560**	**152,868**

Total Increase in Bare-Land Values, by Boroughs, in New York City, by Decades, from 1910 to 1930

	Years 1910 to 1919	Years 1920 to 1930
Borough of Manhattan	$128,183,000.	$2,177,394,000.
Borough of Bronx.....	85,604,000.	333,336,000.
Borough of Brooklyn....	218,723,000.	889,310,000.
Borough of Queens.....	86,859,000.	623,466,000.
Borough of Richmond..	18,943,000.	102,064,000.
Total	$538,312,000.	$4,125,570,000.

A total increase in the bare-land value of over four billions of dollars in a brief ten years is certainly significant in relation to the fact that it followed a new law directly

related to land and building stimulation. Furthermore, even at the absurdly low land assessment valuation that is New York City's custom* this meant an increase in tax income of over 107 millions of dollars per annum.

Since the bare-land values of New York City increased by more than four-billions of dollars in that ten-year period there must have been a cause — for no law can make values; only supply and demand can do that. New York City has no timber rights, no mineral rights, and no fertility value. It has only one value, location in New York City where some seven million other people live and have their business being. It is because other people, millions of them, have built their homes there — or rent them — that New York City exists.

Thus it is well to look over the building that went on in New York City encouraged by this law of 1920:

Value of New Building in New York City from 1910 to 1929 by Borough:

Year	Manhattan	Bronx	Brooklyn
1910	$ 96,703,029.	$ 48,034,405.	$ *
1911	98,537,275.	22,837,060.	*
1912	116,325,135.	34,644,400.	*
1913	73,970,685.	20,072,489.	*
1914	45,477,165.	16,347,382.	*
1915	64,652,869.	28,119,100.	*
1916	114,690,145.	16,725,582.	*
1917	29,068,525.	8,545,475.	27,613,290.
1918	8,507,000.	3,991,425.	6,431,622.
1919	72,283,061.	21,006,865.	9,142,394.
1920	**96,199,860.**	**18,585,600.**	**56,326,632.**
1921	**121,032,441.**	**72,150,739.**	**114,298,575.**
1922	**140,941,677.**	**107,081,184.**	**194,301,755.**
1923	**178,981,460.**	**122,731,203.**	**264,836,260.**
1924	**258,761,585.**	**127,979,621.**	**218,167,790.**
1925	**370,776,504.**	**151,647,402.**	**238,420,165.**
1926	**310,625,870.**	**209,974,655.**	**267,561,025.**
1927	**259,100,515.**	**163,171,001.**	**208,102,435.**
1928	**323,913,420.**	**187,905,549.**	**182,762,850.**
1929	**543,882,265.**	**89,356,707.**	**130,095,210.**

*The tax rate here figured is upon a tax rate of $2.60 per $1,000. of valuation.

Value of New Building in New York City from 1910 to 1929 by Borough: (continued)

Year	Queens	Richmond	Total for New York City
1910	$ 15,144,377.	$ *	$155,881,810.
1911	22,212,255.	*	143,586,590.
1912	19,651,222.	*	170,620,757.
1913	17,521,235.	*	111,564,409.
1914	18,098,290.	*	79,918,837.
1915	20,316,392.	2,356,430.	115,345,000.
1916	20,099,683.	3,113,999.	154,621,000.
1917	11,635,253.	3,462,969.	80,323,000.
1918	2,644,221.	2,644,221.	39,431,000.
1919	46,022,687.	3,113,999.	151,566,000.
1920	**38,092,548.**	**4,838,841.**	**214,040,000.**
1921	**80,769,085.**	**11,085,104.**	**399,334,000.**
1922	**138,828,764.**	**12,187,526.**	**593,338,000.**
1923	**106,137,420.**	**12,177,938.**	**714,862,000.**
1924	**160,518,388.**	**16,132,879.**	**781,557,000.**
1925	*	**12,263,485.**	**773,106,000.**
1926	**186,594,101.**	**13,090,976.**	**987,444,000.**
1927	**179,624,011.**	**10,580,011.**	**712,512,000.**
1928	**146,509,524.**	**15,638,515.**	**856,727,000.**
1929	**87,478,012.**	**9,526,093.**	**860,337,000.**

The value of new buildings during the ten year period from 1920 to 1929 is as shown below:

Years — 1920 to 1929

Manhattan	Bronx	Brooklyn
$2,600,125,634.	$1,250,578,661.	$1,873,881,819.

Queens	Richmond
$751,649,853.	$117,521,368.

Grand Total of New Buildings for New York City: $6,893,757,335.

That meant nearly seven billions of dollars for new buildings in New York City in a period of ten years. At least 60 percent of this was spent for wages in the city where these new buildings were erected. You can make your own figure as to how much was spent for the interior office, store and domestic fittings bought to equip these new buildings; merchants and business men made and sold these. It was a nice order for business; and New York City prospered greatly. It had, in fact, one of the biggest booms in its history; and one of the soundest.

We have noted the significant increase in bare-land values. We have also shown the official statistics for the equally significant increase in new building during the ten-year period following the passage of the Smith law*.

It would be idle to study statistics on taxation such as these, and statistics yet to come, without giving their relation to our economic or everyday business life.

Therefore one should glance at the purely business and manufacturing effect of the statistics of the building industry in Greater New York for those significant ten years from 1920 on.

Competent analysts estimate the labor cost of any building as running from 60 percent to 70 percent of the total cost.

Thus let us assume a labor cost of building erection, on the site where the building is erected, at a reasonable 60 per cent. This cost goes, in wages, to the labor that actually puts the building together. Thus the wages paid to building-labor in Greater New York was a wages-fund, or pay envelope of nearly seven billions of dollars. New York wage-workers drew an average of nearly 289 millions of dollars each year from this building industry alone, during the ten years following the enactment of this tax law.*

Incidentally, the population of New York City increased by over one quarter of a million. It was a solid decade of sound and unsurpassed prosperity so far as business and manufacture was concerned. The business history of New York has never known its equal, before or since. Now let us look at the effect upon wages and jobs.

And elsewhere throughout this nation such need for the materials for these buildings, from the lumber, the mine and quarry, have required labor. Wages have been paid that have added to the purchasing power in each of those communities. New York City could not have prosperity by itself. Such demands for building made upon business, and labor — and their wages and profits — created prosperity for others. Prosperity is not a one-man affair. True, it created a concentrated prosperity within new York City, and New York City

*See page 14.

was the chief beneficiary of its own common-sense. That this is true is easily shown by a simple calculation as to the wages paid within the building industry of New York City.

A most moderate estimate of wages paid in erecting a building on its site is 60 percent of the complete cost, as previously stated. Therefore the calculation is a most elementary operation in determining the amount of wages paid to local labor.

Further, a portion of such wages-fund goes into savings, and it is upon such savings, stored capital or liquid capital that business, through banking, depends for its enterprise and the development of further wealth-production and the profits of prosperity. The dwelling, the home, is the basis of American citizenship. Similarly it is also the basis of the economic life of our nation.

Wages Paid

Tabulation of Wages Paid in Erecting New Buildings from 1910 to 1929, Based upon 60 percent of Cost of Erection From Values of New Buildings*

Year	Manhattan	Bronx	Brooklyn
1910	$ 58,021,000.	$ 28,820,000.	$ *
1911	59,122,000.	13,702,000.	*
1912	69,795,000.	20,756,000.	*
1913	44,382,000.	12,043,000.	*
1914	27,282,000.	9,808,000.	*
1915	38,791,000.	16,871,000.	*
1916	68,814,000.	10,035,000.	*
1917	17,441,000.	5,127,000.	16,567,000.
1918	5,104,000.	2,394,000.	3,858,000.
1919	43,369,000.	12,604,000.	5,485,000.
1920	**57,719,000.**	**11,151,000.**	**33,795,000.**
1921	**72,619,000.**	**43,290,000.**	**68,579,000.**
1922	**89,565,000.**	**64,248,000.**	**116,581,000.**
1923	**107,388,000.**	**73,638,000.**	**158,901,000.**
1924	**155,256,000.**	**76,787,000.**	**131,900,000.**
1925	**222,465,000.**	**90,988,000.**	**143,052,000.**
1926	**186,375,000.**	**125,984,000.**	**160,536,000.**
1927	**155,460,000.**	**97,902,000.**	**124,861,000.**
1928	**194,348,000.**	**112,743,000.**	**109,657,000.**
1929	**326,329,000.**	**53,614,000.**	**78,057,000.**

* It is also of interest to note that, from 1920 to 1929 inclusive, there were 374,818 buildings erected in New York City at an average cost of $18,125. — which high average is due to the great number of multiple dwellings erected. The average individual home in that period was definitely less than $6,000.

Tabulation of Wages Paid in Erecting New Buildings: (continued)

Year	Queens	Richmond	Total
1910	$ 9,086,000.	$ *	$ 93,529,000.
1911	13,327,000.	*	86,151,000.
1912	11,790,000.	*	105,372,000.
1913	10,512,000.	*	66,938,000.
1914	10,858,000.	*	47,951,000.
1915	12,189,000.	1,413,000.	69,207,000.
1916	12,059,000.	1,868,000.	92,772,000.
1917	6,981,000.	2,077,000.	48,193,000.
1918	1,586,000.	1,586,000.	23,658,000.
1919	27,613,000.	1,868,000.	90,939,000.
1920	**22,855,000.**	**2,903,000.**	**128,424,000.**
1921	**48,460,000.**	**6,651,000.**	**239,600,000.**
1922	**83,297,000.**	**7,312,000.**	**356,002,000.**
1923	**63,682,000.**	**7,306,000.**	**428,917,000.**
1924	**96,311,000.**	**9,679,000.**	**468,934,000.**
1925	*	**7,358,000.**	**463,863,000.**
1926	**111,956,000.**	**7,854,000.**	**592,466,000.**
1927	**107,774,000.**	**6,348,000.**	**427,507,000.**
1928	**87,905,000.**	**9,383,000.**	**514,036,000.**
1929	**52,486,000.**	**5,715,000.**	**516,202,000.**

It is also of interest to show the totals spent in wages to labor in each of the Boroughs during those preceding ten years and the ten years following the enactment of the wise tax legislation that took penalties of heavy taxation off of business and gave free enterprise a chance.

Amount of Wages Paid to Labor for Building Erection from 1910-1919, and 1920-1929.

	Years 1910-1919	Years 1920-1929
Borough of Manhattan	$382,121,000	$1,467,524,000
Borough of Bronx	153,060,000	750,345,000
Borough of Brooklyn	25,000,000	1,125,919,000
Borough of Queens	116,001,000	674,726,000
Borough of Richmond	8,812,000	70,509,000
Total	$684,994,000	$4,089,023,000

Thus, in the ten year period following the enactment of this scientifically designed tax law, there was paid to the building-trade wage-workers of New York City over four billions of dollars in wages, or wages over four hundred

millions of dollars a year! And the nation, as a whole, received wages in creating the building materials of some two-billion dollars more.

Preceding the enactment of this law there had been a building-wage amount for ten years of but a little over one-billion dollars ($1.2 billions). Such a contrast needs no emphasis. Or should not either to the business-mind or to the perceptions of labor leaders. Yet it may be further emphasized that all this was by adequate and scientific legislation that gave full freedom to private enterprise. It was in neither Socialism or Subsidy.

PRIVATE ENTERPRISE DID IT

Since, as a purely business matter of analysis and record, purchasing power is brought down to terms of the per capita purchasing power of any community (advertising analyses are made and the per capita income of any group or any community is studied to find where the purchasing power is highest) it may be well to look at the purchasing power that followed this outstanding law of New York.

In using a **per capita** figure, care must be used; **per capita** figures are known to be deceitful, thus: I have $1.00; you have $1,000.00; thus our **per capita** wealth is $500.50! The arithmetic is correct but the **per capita** has become nonsense.

But, the **per capita** for building expense is a correct use of the term and both a convenient and easy visualization by which to measure the buying power of a community.

Previously, in this little book, I have referred to the dangers of the **per capita** calculation; yet per capita in many cases gives a graphic picture of the spread of huge figures in statistics and brings it down to an appreciable level. When dollars run into the billions — as they must do in almost any Government scrutiny — they are so vast that they become as meaningless as light-years to the untrained mind.

The following table is interesting — certainly it should be to those businesses that deal in building supplies, to say nothing of those who manufacture the elements and implements that are used to equip a home or an office — for nothing calls on more varieties of manufacture than the erection and fitting of a home, an office building or a factory.

This is the table :

Per Capita Expenditure for New Buildings in New York City from 1915 to 1929.

Year	New York City	Year	New York City
1915	$37.02	1923	**$69.57**
1916	51.30	1924	**65.96**
1917	13.87	1925	**85.78**
1918	11.85	1926	**68.64**
1919	35.13	1927	**67.99**
1920	**26.90**	1928	**63.07**
1921	**34.22**	1929	**50.22**
1922	**68.36**		

Here, again, the increase due to the enactment of this scientific legislation is clearly shown. The sluggishness of business and private enterprise before, and its prompt upward response after the law cannot be ignored or brushed off.

Since Greater New York is composed of five Boroughs — each formerly a county — it would be well to compare each of these five Boroughs in detail, and their relation to the Borough of Manhattan which is the center of the entire structure of Greater New York. Manhattan is primarily the business and manufacturing center of Greater New York.

Brooklyn, Queens and the Bronx are not infrequently referred to as the "bedroom" of Manhattan, because of the enormous flow of citizens to and from Manhattan each morning and evening of the working day. Thus the reflexes, in detail, of the effect of the enormous building operations following this law may be analysed by the presentation of these statistics drawn from the official records. And the comparison with the years preceding 1920 give even greater emphasis as to what may be accomplished for the prosperity

of a community by and through the application of scientific taxation.

This is the tabulation:

Per Capita Amount Spent for New Buildings in New York City from 1915 to 1920, by each of the Five Boroughs Comprising that City

Year	Manhattan	Bronx	Brooklyn	Queens	Richmond
1915	$ 28.03	$ 47.27	(not given)	$ 53.02	$ 23.02
1916	49.84	26.80	(not given)	49.95	29.48
1917	12.66	13.05	$ 14.38	27.61	31.87
1918	3.71	5.82	9.11	14.60	23.64
1919	31.19	29.31	4.57	10.01	27.08
1920	**42.16**	**24.86**	**27.63**	**79.59**	**40.97**
1921	**53.11**	**92.68**	**55.01**	**162.29**	**91.42**
1922	**62.03**	**132.27**	**91.30**	**268.65**	**97.96**
1923	**78.97**	**146.01**	**122.79**	**179.41**	**95.47**
1924	**129.17**	**150.76**	**100.44**	**238.48**	**119.85**
1925	**190.62**	**173.97**	**108.17**	**240.79**	**88.61**
1926	**165.45**	**232.80**	**119.42**	**244.32**	**91.77**
1927	**142.77**	**176.19**	**91.49**	**220.00**	**72.14**
1928	**184.93**	**191.01**	**79.16**	**171.46**	**103.80**
1929	**321.93**	**90.66**	**55.52**	**97.22**	**61.58**

Let us go further in this per capita comparison. For there were other cities that existed in those same years and that were subject to the same national economic fluctuations. Let us take four cities whose combined population closely approximated that of New York City during those years. Chicago, Philadelphia, Boston and Minneapolis meet those conditions. And here is their per capita for new buildings:

Per Capita Expenditure for New Building in Four Cities, Chicago, Philadelphia, Boston and Minneapolis, of an Aggregate Population Approximating that of New York City, Compared with New York City:

Year	Four Cities	New York City
1915	$37.02	$ 37.83
1916	51.30	39.01
1917	13.87	19.91
1918	11.85	11.37

Per Capita Expenditure for New Building in Four Cities: (continued)

1919	35.13	20.43
1920	26.90	43.04
1921	**34.22**	**90.90**
1922	**68.36**	**130.44**
1923	**69.57**	**124.52**
1924	**65.96**	**147.74**
1925	**85.78**	**160.43**
1926	**68.64**	**170.75**
1927	**67.99**	**140.91**
1928	**63.07**	**146.07**
1929	**50.22**	**125.38**

Only one of these cities had a law to encourage building, New York City — all other factors are equal; all experienced the same economic flows and stresses during the same identical years.

Again let us go further into the detail in order to make a more scientific comparison. Let us take the per capita for each of the cities, separately:

Per Capita spent for New Buildings in Chicago, Philadelphia, Boston and Minneapolis, compared to New York City, from 1915 to 1929:

Year	per capita Chicago	per capita Phila-delphia	per capita Boston	per capita Minne-apolis	per capita New York City
1915	$ 39.48	$20.60	$40.48	$47.54	$ 37.83
1916	44.02	28.59	67.52	65.09	51.30
1917	19.13	18.85	31.81	25.70	14.87
1918	13.27	8.61	10.90	14.64	7.18
1919	38.94	36.04	31.57	45.97	27.18
1920	29.67	19.55	23.64	34.64	**38.08**
1921	45.00	15.26	25.75	50.89	**69.41**
1922	76.95	53.35	66.19	66.95	**101.60**
1923	111.17	56.53	45.03	69.56	**120.59**
1924	99.44	62.59	54.87	46.95	**134.04**
1925	127.19	77.62	76.55	61.76	**131.54**
1926	119.70	62.28	52.53	40.60	**165.00**
1927	113.97	50.63	63.85	43.53	**137.32**
1928	99.83	48.46	60.01	44.00	**141.25**
1929	64.51	46.15	54.08	36.17	**143.64**
Average from 1920 to 1929	88.74	50.23	53.24	49.38	113.39

All of the above cities are manufacturing cities. Boston is an important port; so is Philadelphia. Chicago is an inland shipping point and center, so is Minneapolis. Thus the difference in the per capita purchasing power for building erection becomes the more startling and significant. For only one city had a law to encourage building — all other factors are equal; all experienced the same economic stresses during the same identical years.

There is another comparison to be made, that with other leading cities throughout the United States. This will give a national horizon for estimating the effects that intelligent taxation of a scientific character will have upon business, labor, and manufacturing enterprise. Let us take the cities of the following table — a representative group covering manufacturing, business distribution, port, shipping and distributing enterprise and observe the results that this famous law had in Greater New York.

It is well to emphasize the fact that this **per capita** expenditure for each city is the amount actually paid out in wages and purchases for the creation of new wealth — new lumber created, new cement, bricks, paint, hardware, and all the interior equipment. It meant wages paid for all these and for their transport, and for their erection into a building. It meant a radiating prosperity for business.

It is reasonable to note that, for the years given in the tabulation, the national economic factors, of peace, war and its aftermath, were the same. The economic rain fell upon the just and the unjust. Kindly note that New York City was in the lower brackets for new building expenditure for many years. Thus the tremendous impetus of the tax law from its enactment in 1920 cannot be ignored. New York City outstripped Chicago and Detroit (in Detroit the auto industry accounts for its growth) and in every year, but one, New York City with its progressive and scientific tax legislation easily led the nation in per capita building expenditure; and by high and definitely significant amounts. Scientific taxation encourages wealth production, it stimulates business and private enterprise. And it can start prosperity and can also maintain it. These official statistics indicate that plainly:

Per Capita Expenditure for New Buildings from 1915 to 1929

	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929
Baltimore	$15.90	$17.50	$10.02	$ 8.65	$24.13	$32.10	$38.96	$17.87	$42.44	$48.55	$49.69	$43.60	$27.67	$31.89	$30.05
Boston	40.48	67.52	31.81	10.90	31.57	23.64	25.75	66.19	45.03	54.87	76.55	52.53	63.85	60.01	54.08
Buffalo	25.19	28.80	21.63	14.19	25.93	21.66	34.74	45.58	51.20	25.78	43.04	45.92	57.33	41.88	41.03
Chicago	39.48	44.02	19.13	13.27	38.94	29.67	45.00	76.95	111.17	99.44	127.19	119.70	113.97	99.83	64.51
Cincinnati	34.06	27.36	23.01	10.68	22.61	21.49	32.99	56.48	25.35	48.64	67.25	60.86	62.56	74.16	68.42
Cleveland	47.38	46.48	41.39	21.49	60.74	74.65	48.18	55.31	69.66	60.35	63.72	58.00	37.16	46.54	27.70
Detroit	44.01	64.75	45.88	19.90	85.73	62.39	46.30	83.52	116.15	127.74	137.10	131.65	99.03	85.18	61.66
Indianapolis	25.84	31.27	24.07	15.03	41.20	39.76	49.22	73.50	70.07	57.81	60.83	43.91	52.98	50.65	34.51
Jersey City	18.84	17.41	9.05	14.42	15.33	14.45	38.28	62.72	62.66	58.66	75.42	62.20	38.92	39.86	41.41
Kansas City	36.89	38.93	32.22	18.08	29.78	34.40	36.16	59.68	66.49	56.56	101.98	53.78	34.31	13.21	35.64
Louisville	17.53	16.60	7.54	8.62	17.65	26.54	31.29	70.69	73.19	59.16	93.58	61.24	67.61	46.94	33.56
Milwaukee	27.31	30.19	25.70	12.30	44.13	24.95	49.20	59.96	84.89	66.62	51.38	57.25	63.41	58.37	59.32
Minneapolis	47.54	65.09	25.70	14.64	45.97	34.64	50.89	66.95	69.56	46.95	61.76	40.06	43.53	44.00	36.17
Newark	25.06	26.21	23.62	13.20	48.90	48.01	37.84	61.07	70.19	83.34	77.52	80.21	100.80	62.06	50.51
New Orleans	8.06	8.42	7.50	4.66	13.64	23.14	18.86	32.10	31.41	36.44	36.37	40.70	32.60	22.96	23.26
NEW YORK CITY*	**28.45**	**29.15**	**14.87**	**7.18**	**27.18**	**38.08**	**69.41**	**101.60**	**120.59**	**134.04**	**131.54**	**165.00**	**137.32**	**141.25**	**143.64**
Philadelphia	20.60	28.59	18.85	8.61	36.04	19.55	15.26	53.35	56.53	62.59	77.62	62.28	50.63	48.46	46.15
Pittsburgh	25.26	23.85	19.73	13.70	25.20	23.31	29.76	40.11	47.91	45.42	74.04	58.54	43.96	52.28	42.31
Rochester	35.78	35.57	24.98	7.06	32.95	27.65	47.41	49.16	63.61	80.06	78.34	56.37	62.67	47.79	34.14
St. Louis	15.58	20.81	16.97	8.35	26.72	17.20	16.12	26.89	45.07	42.89	59.03	40.29	41.81	45.06	26.06
San Francisco	30.08	37.60	32.33	16.08	30.22	41.93	36.75	64.80	77.99	72.98	82.83	89.93	72.48	57.79	49.13
Seattle	23.09	28.80	22.72	35.84	50.02	34.56	33.50	55.92	63.18	—	—	97.83	68.58	79.70	58.06

* Note the low building expenditure of New York City prior to the passage of the building law in 1920 — and the immediate effect thereafter.

HERE IS THE LEGAL STATUTE THROUGH WHICH PRIVATE ENTERPRISE CAME

This is the law passed by the Legislature of New York State in April, 1920. It needs no comment. The official statistics set forth, and analysed in the preceding pages, speak for themselves. Those ten years were no boom-and-bust era for New York City. When the bust came in September, 1929, it was the bust of a mad, runaway, speculation in stocks that hypnotized and borrowed all the dollars and credit there was in the nation. Call-money for stock-speculation ran over 20 percent! Credit shrank for builders pay rolls as well as for all business. For what business can compete for credit against such rates and terms!

The actual wealth producing energies of the nation had to compete for loans, by which wages are paid before a building is completed, with such fantastic speculative call-money loans.

We borrowed ourselves into bankruptcy; bet ourselves into the depression.

We bet on stocks instead of building buildings.

A building, its materials, its erection, its fittings and then its furnishings and equipment bring into play more wealth-producing energies throughout our entire nation than any other single industry. And these shrank as capital sped into Wall Street.

It is pleasant to bet. But business cannot bet itself into prosperity. For business, the only road to wealth and prosperity is through the production and distribution of our economic wealth.

So set forth here is the law that definitely brought an unparalleled prosperity to the vast City of New York. It was a sound economic prosperity, sound because it produced jobs and the jobs produced payrolls, and the payrolls meant

purchasing power. Purchasing power is the measure and the means of our national welfare and prosperity.

If business does not want prosperity it should keep shy of any form of scientific taxation. It should go on as it has through the centuries, looking neither to the right nor to the left though with perhaps, an occasional glance backward. If they do not want prosperity for all they will find that they cannot keep it for themselves — no man liveth or dieth unto himself alone. The choice for business is between science and ignorance — the same as it is for all of us.

And this, herewith, is the law that made this book essential:

4-b. "EXEMPTION OF NEW BUILDINGS FROM LOCAL TAXATION:

"The legislative body of a county, or the legislative body of a city with the approval of the board of estimate and apportionment, if there be one in such city, or the governing board of a town, village or school district may determine that until January First, 1932, new buildings therein, planned for dwelling purposes exclusively, except hotels, **shall be exempt from taxation for local purposes** other than for assessments for local improvements during construction and so long as used or intended to be used exclusively for dwelling purposes, or if a building of four stories or more in height, used exclusively for dwelling purposes above the ground floor, provided construction was complete since **April first, 1920**, or, if not so completed, that construction be commenced before April first, 1925 and completion for occupancy be effected within two years after such commencement, or if in course of construction on September twenty-seventh, 1920, within two years thereafter, or if a building three stories in height, used exclusively for dwelling purposes above the ground floor, provided construction was commenced since April first, 1923 and before April first, 1924.

"The provisions of this section shall not be construed to preclude such legislative bodies from granting exemptions which do not exceed the exemption authorized by this section. Any such limited exemption heretofore granted by any such legislative body, intending or purporting to act under the authority conferred by this section is hereby legalized, validated and confirmed.

"For the purposes of this section, construction shall be deemed commenced, when the plans have been filed with the proper authority and excavation actually and in good faith begun. The owner or architect may file with the authority with whom the plans are filed, a statement in writing setting forth the date of filing plans and the date when excavation was actually commenced; and said authority shall forthwith cause said facts to be investigated. If said statement on such investigation is found to be true, said authority shall thereupon issue to such owner or architect a certificate setting forth the date when the plans were filed with him, and the date when excavation was actually commenced, which certificate shall be conclusive evidence of the date when construction was commenced, for the purpose of obtaining the benefits of this section."

New. Added by L. 1920, ch. 949. Amended by L. 1921, ch. 444; L. 1922, ch. 281; L. 1923, ch. 243, ch. 337; L. 1924, ch. 87, in effect April 1, 1924.

Excerpts from a pamphlet entitled "What Private Enterprise Can Do"
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1996 - a few data here - no plans for them in final table.

TABLE II: 1950-2000
Pops., NYC and comparison cities, 1890-2000
Shows rates of growth by decades

Cities ranked by 1900 populations, 1890-2000
Table II: 1950-2000
Population in 000
Growth rates are decennial, in %

City	1950	1960	1970	1980	1990	1996	2000		
NYC					7333	7380	7420		
rate					3.6				
Chicago					2784	2721	2802		
rate					-7.4				
Philadelph					1586	1478	1436		
rate					-6.0				
St Louis					397		339		
rate					-12.4				
Boston					574	558	555		
rate					2.0				
Baltimore					736	675	646		
rate					-6.5				
Pittsburgh					370		341		
rate					-12.5				
Cleveland					505	498	496		
rate					-11.9				
Buffalo					328		300.7		
rate					-8.1				
S Francisco					724	735	746		
rate					6.5				
Detroit					1028	1000	970		
rate					-14.6				
Milwaukee					628	591	578		
rate					-1.3				
Minneapolis					368		392		
					-.8				

City	1950	1960	1970	1980	1990	1994	2000		
rate									
Kansas City					435		442		
rate					-2.9				
Rochester					231		217		
rate					-4.5				
Syracuse					<174		152		
rate									
Albany					<171		94.3		
rate									
Manhattan									
rate									
Brooklyn									
rate									
Bronx									
rate									
Queens									
rate									
NY-[1]							764		
rate									
Atlantic-[2]							291		
rate									
~~Gt Lake-[3]~~							648		
~~rate~~									

[1]Buffalo, Rochester, Syracuse, Albany

[2]Boston, Philadelphia, Baltimore, NH, Providence

[3]~~Milwaukee, Chicago, Detroit, Cleveland, Buffalo, Rochester~~

City	1950	1960	1970	1980	1990	1994/6	1998 2000		
~~Ohio[4]~~									
~~rate~~									
Cincinnati					364		336		
rate					-5.5				
Columbus					633		676		
rate					12.2				
Toledo					333		312		
rate					-6.4				
Dayton					182		167		
rate					-10.3				
Yonkers					188		190		
rate					-3.6				
L. A					3485	3553	3558		
rate					17.5				
Newark					275		268		
					-15.5				
Jersey C.					229		232		
					1.8				
Akron					223		216		
					-5.9				
Providence					—		15 ✓		
Paterson					—		148		
N. Haven					—		123 ✓		
Hartford					—		131		

[4]~~Cincinnati, Columbus, Toledo, Dayton~~

City	1950	1960	1970	1980	1990	1994	2000		

What Private Enterprise Can Do -

By

Charles Johnson Post

THE ANSWER TO SOCIALISM

A BROCHURE FOR :

BUSINESS THINKERS
FARMER THINKERS
LABOR THINKERS

$1.00

THE AMERICAN ASSOCIATION FOR SCIENTIFIC TAXATION

Its President

This Association was founded in 1927 by Charles T. Root, a profound thinker in the world of business and business economics. He died in 1938.

Charles T. Root was the founder and director of the United Publishing Corporation. He was founder and editor of the "Iron Age," the "Dry Goods Economist," the "Hardware Age," the "Boot & Shoe Recorder" and a leading analyst in the field of business and merchandising. A profound thinker with a keen and practical mind, he was disturbed over the indifference of the business world to the fundamentals of scientific taxation and the destructive effects of taxes when unscientifically applied—and particularly in the field of business energy and enterprise.

The American Association For Scientific Taxation was founded by him for the purpose of making investigations into fields of taxation, to make studies and researches with respect to taxation and economic conditions, and to make and publish reports from time to time.

The president, Charles Johnson Post, was intimately associated with Charles T. Root and instrumental in establishing this Association from its very inception. His background as a newspaperman, foreign correspondent of the New York World, the United Press, Harper's Magazine, and a writer who has contributed articles to the leading magazines in both the popular and business field. He has travelled extensively both in Europe and South and Central America and represented business interests in both Mexico and Venezuela. He was selected by the periodical publishers of the United States, comprising the entire trade, religious, farm, and popular magazines, some years ago to organize and represent them in Washington, D. C. and it was this that brought him in contact with Charles T. Root. He is the author of "Some Postal Economics" — a review of postal principles and development from the days of the first Postmaster General, Benjamin Franklin. Also of "Across the Andes" and numerous other studies.

He exposed the speculative debauch that was beginning in the rubber trade that left its manipulators deflated and disconsolate; he exposed the shady wrecking of the Rock Island Railroad — a $450,000,000. railroad thrown into bankruptcy on a manipulated matter of $25,000. — for which bankruptcy the judge later plaintively explained from the bench that he had been deceived. He was director of the Manhattan Stockholders Protective Committee and forced from secrecy the list of Interborough stockholders that insiders had been keeping secret to prevent any stockholders from co-operating with each other. In the "Daily Mirror" he attacked the scandalous inequalities of New York City's tax appraisals and assessments under the famous days of Mayor Jimmie Walker who, exposed by Samuel Seabury, resigned under fire, rather than face exposure further.

For over fifteen years Mr. Post was a Commissioner within the United States Department of Labor, where he was first arbitrator and their representative speaker for the Department. He was appointed by the President as counsel to the United States delegation to the Pan-American Labor Conference in Mexico City. There he drafted and introduced the resolution adopted by that Conference indorsing the principle that the purchasing power through high-wages was a basic element in a nation's prosperity. This delegation was headed by Senator Denis Chavez of New Mexico.

Mr. Post collected the tax and valuation statistics for the five boroughs that make Greater New York that run back for the past sixty-years. He is a friend and admirer of Lawson Purdy, former President of the Tax Board of New York City who is one of the great tax analysts and experts in the United States.

This is the president and director of the American Association For Scientific Taxation.

The American Association For Scientific Taxation will make an economic survey of taxes, and tax situation, for communities or corporations. This analysis, in this brochure, is a study of New York City taxation based upon the official records over many years.

What Private Enterprise Can Do ~

By

Charles Johnson Post

THE ANSWER TO SOCIALISM

A BROCHURE FOR :

BUSINESS THINKERS
FARMER THINKERS
LABOR THINKERS

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FOREWORD

In the following statistical analysis of the effects of the New York State Housing Law of 1920 the figures given have never before been collected, or published, in any comparative and tabulated form.

The figures given are from sources of the official records of Greater New York and each of its five separate Boroughs, from the Municipal Library of New York, from the United States Department of Labor (Statistical Division) and from the United States Statistical Abstract.

It was on the statistics as shown in this analysis that the Hon. William J. McDermott, Superintendent of the Bureau of Buildings, in 1924, said:

"Apparently this law has stimulated the erection of buildings for residence purposes."

This was his official judgment.

No further comment could be needed and, even more weighty than his expert opinion, are the facts as revealed, for the first time, in this series of tabulations and official statistics.

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INTRODUCTION

The United States is in an era of spending.

It cannot escape it.

Nor, outside of intelligent economy, should it escape it.

Our evils arise **not** from the spending of taxes but in the discriminatory and stupid levying of them.

Private enterprise and private initiative are hampered by chaotic and oppressive taxation. This taxation is against the business processes of production and distribution of the very wealth upon which our national prosperity depends.

We are drifting into a vague Socialism unopposed and misunderstood by the very business energies and enterprise it would destroy.

Ignorance is the mother of jumbled invention. Business is in the valley between Communism and Fascism; and both are Socialism. Free enterprise can choose neither, and survive. And simple lethargy can, unfortunately, make the choice.

The only revenue that Government receives is from taxes. Taxes are paid from the processes of business and the results of economic labor. Taxes are the lifeblood of our national security and our national welfare.

Thus we will need more taxes: we will need more taxes to meet proper and growing expenses of decent government because we need more education, not less — and education is our American tradition — and it costs taxes. We need taxes for our national and State development in economic and social directions. These must be paid for from taxes. We need taxes for our national security and development in economic fields as well as military — and these too must be paid for in taxes.

PART I

We must have efficiency in Government administration in all proper Government functions and not merely accept a famine-minded Scrooge as the model for either statesmanship or its administration.

And all this must be paid for in taxes.

We are facing an era of spending that calls for both scrutiny and acceptance and for which we must plan efficient and scientific taxation. Taxation must not be a mere blundering form of confiscation.

We accept taxes because, as a civilized people, we recognize the vital need for them.

But we know so little about taxes.* One tax is as good as another say many business men! — and many a profound dimwit thinks so too! Yet this is not so. All engineers know that the method of making machines move is in the science of engineering.

Yet, in the field of taxation, we are still quite primitive and scorn the science of taxation. We tax only what we can see or feel. That is utterly unimaginative, and quite as blundering as if, in the field of science, we denied the existence of force because we could not see it or feel it directly, or denied the atom because it is visible only to the eye of the mind. The scientific approach, to a natural law in physics, is developed through observed phenomenon. And from that, in time, a principle becomes apparent; and we wonder why mankind was so dumb as not to have seen it before! Taxation has never been studied — and I mean **studied;** not merely accepted. True, various mild facts have merely been recorded and forgotten — and the result is about the same as if one studied a Sears-Roebuck catalogue in the search for the principles of a sound currency — since currency is the medium by which Sears-Roebuck carries on its business!

We have hated theory, and overlooked the fact that theory is nothing but the recorded law of the behavior of facts.

---

* Taxation is payment to the Government for services by the Government, according to ability to pay, measured in terms of such Government service.

We should know, in specific phenomena and facts, what taxation does and has done and what are, and have been, its specific effects within the world of business — business as commonly understood as well as its basic economic principle. For it is upon business that our economic nation has been made and in which our prosperity has its being. Business pays wages; wages by which the produced-wealth is demanded and distributed throughout the nation. Those wages rapidly drift back through channels of buying that still further the demands for the production of yet more wealth through yet further business energies and processes. It is an endless circle, provided free enterprise is not shackled.

Or, to put it more simply perhaps, a man who works does not live from day to day by his energy — his energy simply makes him tired — but by the wages paid for his energy and ability. With these wages he demands and buys what he wants. What **he** wants some **other** worker has had to make and yet another to transport. Thus the whole economic fabric is, and should be, profitably agitated and kept agitated into increasing productive energies. This continuous agitation produces and is prosperity. Only such continuous agitation can maintain it. Energy turns into wages; wages demand more energy which, in turn, produces more wages and so on **ad infinitum.** Thus, the more energy we can stimulate the more people will receive the wages paid, and the greater our national buying power.

It is the spending of this volume of wages that makes for our national prosperity.

Demands upon energy, that do not result in such a spreading circle of wages, need the most careful scrutiny; this is because they may be actual clogs upon prosperity itself. Taxes laid against the wealth produced is basically a tax against wage or the energies that receive wages.* Taxation against the production of wealth — business energies — is an interruption of business prosperity; a threat against business welfare and our national prosperity.

It is out of **wages** that taxation must come in all cases. Or, if you prefer it, out of wages and salaries and profits —

* For the meticulous mind: Artists, musicians, actors, etc., produce a demand for wages and other energies — the whole movie and theatrical business attests this. The whole field of transportation is also the proof that all forms of productive or transport labor are part of our productive economic fabric.

for profits are, in general, merely the wages of invested capital. Wealth produced, or transformed, by business energy is the difference between pure gambling, whether on horses, cards, policy, or in any other form of non-economic, or any non-productive, or non-wealth-transforming energy-form of human activity.

Thus, if and when we levy taxes carelessly and unscientifically we may, quite likely, be levying taxes **against** the very business energy that we need most for our national prosperity. Such blundering and unscientific taxation, of course, is purely and simply levying taxes **against** production — which means inevitably a lessened production and less wages and less profits throughout the nation. Yet these latter are the very elements upon which our national life and prosperity depend.

To those who profit by blundering taxation there is no argument in the field of scientific taxation that can appeal.

And we have forty-eight different systems of committing dull and unscientific or blundering taxation in differing ways; one for each State.

The farmer — for all States are heavy farmer States — is the worst sufferer; but the farmer is and has been a sucker for taxation against himself. He carries the heaviest tax burden and does not know it — or, apparently, want to know it.*

For, until the farmer learns more about scientific taxation, he will continue to be the most discriminated-against tax victim throughout the nation.

Forty-eight differing, sovereign, rights of taxation within our national economic system — and all with a certain uniformity of blundering and harmful catch-as-catch-can methods. If you can see it or feel it, **tax** it; if you can't, forget it! I am not unaware that unscientific taxation can be very profitable for a few in a privileged class. If you are one of them do not read this book further.

The effect of such pervading unscientific taxation is never considered; the sole object is to get a tax; and this regardless of its unscientific basis or adverse effect upon

* I knew a farmer who earnestly demanded a tax on bees — because they fed on his blossoms and made honey for another farmer. He was a member of the New York State legislature.

manufacture or business energies. We have seen population and wealth flow to Florida; what of it! We have seen the wealth of textile business shrivelling or drifting from New England; what of it! Slums grow and cities become distorted and sprawl for miles of unneeded commuting; what of it! Kismet! Fate! So what! Says you — and **you** are a Business Mind!

Or, perhaps, are you?

Among those who do not care, is this average and crusted business mind with its crusted business training. To such, in general, taxes have to be paid — so one way, say they, is as good as another! Yet the effects of taxation are felt deeply in our distorted, economic business life with its blundering depressions. Still further is it felt in the vital terms of business-wages and business-profits and business enterprise and development long after the tax itself has been collected — and long before that. Unscientific taxation kills or throttles business enterprise even before it is levied or collected! And again, let me remind you, unscientific taxation has its profits — for the insiders.

What is scientific taxation?

Scientific taxation means taxation that is so established and so levied as to encourage business development, encourage the production of wealth, stimulate business enterprise, and to develop the volume of wages required for the continuing production and use of wealth and of wealth beyond that.

Scientific taxation means the encouragement of enterprise and business sagacity. That scientific taxation may penalize its few privileged beneficiaries may be true — so what! Which does business prefer, free enterprise or sacred cows?

Scientific taxation means the discouragement of those factors that tend to limit the energies of production and that hamstring prosperity wherever it tries to do battle with sloth or stupidity.

Scientific taxation means the relief from the unfair and adverse taxation levied against the business world of the wealth production upon which, alone, our national prosperity rests.

Scientific taxation is already practised, in various communities and in varying degrees, alongside and muddled with methods of taxation that are nothing more than arbitrary forms of confiscation that still survive. They are merely a primitive tradition that survives merely as an economic banditry largely preying upon the congenitally gullible.

Scientific taxation means simply the application of such scientific principles as will abolish prevailing methods of unscientific taxation. Scientific taxation will relieve the burdens that press most heavily — and most unfairly — upon the processes and products of business energy and wealth production. For our national prosperity depends absolutely upon the degree of our wealth production and transport of the wealth produced; although we now tax it the heaviest.

And yet, upon this vital element business energy in our business structure, upon which our strength and prosperity depend, we lay our heaviest taxation! "The power to tax," said our first United States Chief Justice John Marshall, "is the power to destroy!" It is true. Business knows it; even if it does not think in terms of scientific taxation.

Absurd as it is our taxation, in general, is based on its power to destroy, or strangle, the very lifeblood of our prosperity. We have forty-eight different ways of tax blunderings — one for each of the States of our Union — and only our national structure, that prohibits direct taxation, protects business from additional burdensome discriminations.

It is true that there will always be the tax manipulations of dullwitted politicians and anti-social speculators and the hatchet-men banded against any form of progress.

New York City, for example, has some of the most outstanding and enlightened laws on taxation in the nation. Yet adroit politicos, serving shrewd manipulators, have openly thwarted the means for making effective those laws.* This will be true in every community until human nature is wholly ideal. Shrewd, unscrupulous self-interest will always be found cheek-by-jowl with noisy politicos to whom

* One gentleman in New York City was permitted to accumulate over $500,000.00 of unpaid taxes over a period of 20 years and still own his properties unimpeached and unimpaired!

Nature has denied the fellowship of conscience or social responsibility, or sometimes of intelligence. Anti-social dimwittedness and unscrupulousness easily accepts either a Republican or a Democratic label to serve their ends — and not infrequently take that of an "Independent" or "Liberal" one with equal alacrity. To either of them the term "scientific", whether applied to taxation or any other groove, brings hoots of derision. Scientific is the opposite of ignorant — hence their scorn and their antagonism.

Nevertheless there is such a thing as **scientific taxation;** and this, too, in the field of economic relations.

One method by which we may unfold and develop scientific taxation is by the trial and error method, and in this, we have abundant examples in the past. As the late Governor Al Smith said: "Let us examine the record!"

Let us do so.

There is an outstanding example that is worthy of the keenest attention by business minds. To this tax law and its period — which I shall set forth in full — I bring no argument since it speaks for itself. Let each reader develop his own logic from the facts on the official record of statistics. Let him consider coldly the following official facts. Let each business man give it the acid test of his own intelligence and from it draw his own reasoned conclusions. Let him consider the obvious causes and their effects upon and within our nation's world of business.

And then, in the face of the actual and indisputable increase in prosperity due to the application of this particular form of scientific taxation, test his own logic. Scientific taxation was applied briefly, it is true, but observe the stupendous effects and the stimulation to business which followed, and followed immediately.

The statistics run into hundreds of millions of dollars of business, of wealth produced and economic wages paid. It meant a business prosperity never before experienced in that area! It carries its own lesson for every business community.

There is but one test for any logic or any analysis and this should be applied to any tax problem: "By their fruits shall ye know them; do men gather grapes of thorns, or figs of thistles?" (Matthew 7:16) This is scientific thinking.

Scientific thought is simply the highest form of common sense.

What is scientific taxation? Let me repeat: Scientific taxation is payment to the Government for services rendered by the Government according to ability to pay measured in terms of such Government services.

This is scientific taxation. It only needs to be applied and enforced.*

PART II

Among the prominent Governors of New York State it is fair to rate Alfred E. Smith. Governor Smith came up from the crowded East Side; he grew up with no fear of precedents when hard problems arose. He met a critical housing condition and ruggedly supported private enterprise. He was no genteel Marxian socialist. His famous saying: "Now let us look at the record!" has become a political slogan. He wanted facts!

So, let us look at the official record of the facts.

We had a housing shortage even before World War I had fired its last shot. So a law was passed for New York State in 1921* that — in order to get it passed — applied only for ten years to cities of the first class. This meant New York City. The Republican up-State legislators said to Democratic Governor Smith, if anything unforeseen or experimental is to happen we prefer to let it happen to a Democratic Greater New York City!

And this is what happened to New York City in the ten-year period that followed:

The bare-land value rose from 4.5 billions of dollars in 1919 to over 8 billions of dollars in 1929.

In 1920 the value of the bare land on which Greater New York rests was 4 billion, 6 hundred millions of dollars ($4,606,220,000.00) and, in 1929, (following the application of this legislation) the value of the same bare land was over eight billions of dollars ($8,056,644,000.)

The following tabulation, by Boroughs, will show at a

* See page 27.

glance the significant rise in bare-land values that consistently followed from the year of the new law:

Increase in Bare Land Values of New York City During the Period from 1910 to 1930, by Boroughs, in Dollars; **add three 000's for the actual sum in Dollars**

Year	Manhattan	Bronx	Brooklyn	Queens	Richmond
1910	$2,905,201	$265,774	$ 596,150	$200,180	$ 33,822
1911	3,114,812	330,679	794,148	276,089	40,195
1912	3,127,852	332,945	786,159	277,644	38,756
1913	3,155,389	332,354	782,660	280,223	40,263
1914	3,161,949	336,116	783,859	280,678	40,249
1915	3,184,441	344,712	788,159	283,983	41,121
1916	3,133,955	350,506	795,747	289,994	41,600
1917	3,067,358	352,174	807,004	292,756	42,398
1918	3,047,602	351,455	808,696	296,461	42,261
1919	3,033,394	351,338	816,123	297,039	52,765
1920	**3,061,515**	**356,334**	**834,470**	**303,094**	**50,804**
1921	**3,295,207**	**364,614**	**892,559**	**309,174**	**58,499**
1922	**3,315,723**	**366,880**	**814,608**	**318,944**	**59,843**
1923	**3,352,334**	**389,353**	**934,823**	**342,212**	**66,267**
1924	**3,459,593**	**399,780**	**985,872**	**393,736**	**72,674**
1925	**3,571,158**	**411,430**	**1,061,676**	**439,579**	**77,873**
1926	**3,749,159**	**432,043**	**1,234,517**	**564,187**	**88,723**
1927	**4,166,872**	**519,007**	**1,470,434**	**688,911**	**137,115**
1928	**4,438,318**	**601,616**	**1,569,040**	**776,772**	**143,810**
1929	**4,765,047**	**658,412**	**1,632,198**	**850,428**	**150,557**
1930	**5,238,909**	**689,670**	**1,723,780**	**926,560**	**152,868**

Total Increase in Bare-Land Values, by Boroughs, in New York City, by Decades, from 1910 to 1930

	Years 1910 to 1919	Years 1920 to 1930
Borough of Manhattan	$128,183,000.	$2,177,394,000.
Borough of Bronx.....	85,604,000.	333,336,000.
Borough of Brooklyn....	218,723,000.	889,310,000.
Borough of Queens.....	86,859,000.	623,466,000.
Borough of Richmond..	18,943,000.	102,064,000.
Total	$538,312,000.	$4,125,570,000.

A total increase in the bare-land value of over four billions of dollars in a brief ten years is certainly significant in relation to the fact that it followed a new law directly

related to land and building stimulation. Furthermore, even at the absurdly low land assessment valuation that is New York City's custom* this meant an increase in tax income of over 107 millions of dollars per annum.

Since the bare-land values of New York City increased by more than four-billions of dollars in that ten-year period there must have been a cause — for no law can make values; only supply and demand can do that. New York City has no timber rights, no mineral rights, and no fertility value. It has only one value, location in New York City where some seven million other people live and have their business being. It is because other people, millions of them, have built their homes there — or rent them — that New York City exists.

Thus it is well to look over the building that went on in New York City encouraged by this law of 1920:

Value of New Building in New York City from 1910 to 1929 by Borough:

Year	Manhattan	Bronx	Brooklyn
1910	$ 96,703,029.	$ 48,034,405.	$ *
1911	98,537,275.	22,837,060.	*
1912	116,325,135.	34,644,400.	*
1913	73,970,685.	20,072,489.	*
1914	45,477,165.	16,347,382.	*
1915	64,652,869.	28,119,100.	*
1916	114,690,145.	16,725,582.	*
1917	29,068,525.	8,545,475.	27,613,290.
1918	8,507,000.	3,991,425.	6,431,622.
1919	72,283,061.	21,006,865.	9,142,394.
1920	**96,199,860.**	**18,585,600.**	**56,326,632.**
1921	**121,032,441.**	**72,150,739.**	**114,298,575.**
1922	**140,941,677.**	**107,081,184.**	**194,301,755.**
1923	**178,981,460.**	**122,731,203.**	**264,836,260.**
1924	**258,761,585.**	**127,979,621.**	**218,167,790.**
1925	**370,776,504.**	**151,647,402.**	**238,420,165.**
1926	**310,625,870.**	**209,974,655.**	**267,561,025.**
1927	**259,100,515.**	**163,171,001.**	**208,102,435.**
1928	**323,913,420.**	**187,905,549.**	**182,762,850.**
1929	**543,882,265.**	**89,356,707.**	**130,095,210.**

* The tax rate here figured is upon a tax rate of $2.60 per $1,000. of valuation.

Value of New Building in New York City from 1910 to 1929 by Borough: (continued)

Year	Queens	Richmond	Total for New York City
1910	$ 15,144,377.	$ *	$155,881,810.
1911	22,212,255.	*	143,586,590.
1912	19,651,222.	*	170,620,757.
1913	17,521,235.	*	111,564,409.
1914	18,098,290.	*	79,918,837.
1915	20,316,392.	2,356,430.	115,345,000.
1916	20,099,683.	3,113,999.	154,621,000.
1917	11,635,253.	3,462,969.	80,323,000.
1918	2,644,221.	2,644,221.	39,431,000.
1919	46,022,687.	3,113,999.	151,566,000.
1920	**38,092,548.**	**4,838,841.**	**214,040,000.**
1921	**80,769,085.**	**11,085,104.**	**399,334,000.**
1922	**138,828,764.**	**12,187,526.**	**593,338,000.**
1923	**106,137,420.**	**12,177,938.**	**714,862,000.**
1924	**160,518,388.**	**16,132,879.**	**781,557,000.**
1925	*	**12,263,485.**	**773,106,000.**
1926	**186,594,101.**	**13,090,976.**	**987,444,000.**
1927	**179,624,011.**	**10,580,011.**	**712,512,000.**
1928	**146,509,524.**	**15,638,515.**	**856,727,000.**
1929	**87,478,012.**	**9,526,093.**	**860,337,000.**

The value of new buildings during the ten year period from 1920 to 1929 is as shown below:

Years — 1920 to 1929

Manhattan $2,600,125,634.

Bronx $1,250,578,661.

Brooklyn $1,873,881,819.

Queens $751,649,853.

Richmond $117,521,368.

Grand Total of New Buildings for New York City: $6,893,757,335.

That meant nearly seven billions of dollars for new buildings in New York City in a period of ten years. At least 60 percent of this was spent for wages in the city where these new buildings were erected. You can make your own figure as to how much was spent for the interior office, store and domestic fittings bought to equip these new buildings; merchants and business men made and sold these. It was a nice order for business; and New York City prospered greatly. It had, in fact, one of the biggest booms in its history; and one of the soundest.

We have noted the significant increase in bare-land values. We have also shown the official statistics for the equally significant increase in new building during the ten-year period following the passage of the Smith law*.

It would be idle to study statistics on taxation such as these, and statistics yet to come, without giving their relation to our economic or everyday business life.

Therefore one should glance at the purely business and manufacturing effect of the statistics of the building industry in Greater New York for those significant ten years from 1920 on.

Competent analysts estimate the labor cost of any building as running from 60 percent to 70 percent of the total cost.

Thus let us assume a labor cost of building erection, on the site where the building is erected, at a reasonable 60 per cent. This cost goes, in wages, to the labor that actually puts the building together. Thus the wages paid to building-labor in Greater New York was a wages-fund, or pay envelope of nearly seven billions of dollars. New York wage-workers drew an average of nearly 289 millions of dollars each year from this building industry alone, during the ten years following the enactment of this tax law.*

Incidentally, the population of New York City increased by over one quarter of a million. It was a solid decade of sound and unsurpassed prosperity so far as business and manufacture was concerned. The business history of New York has never known its equal, before or since. Now let us look at the effect upon wages and jobs.

And elsewhere throughout this nation such need for the materials for these buildings, from the lumber, the mine and quarry, have required labor. Wages have been paid that have added to the purchasing power in each of those communities. New York City could not have prosperity by itself. Such demands for building made upon business, and labor — and their wages and profits — created prosperity for others. Prosperity is not a one-man affair. True, it created a concentrated prosperity within new York City, and New York City

* See page 27.

was the chief beneficiary of its own common-sense. That this is true is easily shown by a simple calculation as to the wages paid within the building industry of New York City.

A most moderate estimate of wages paid in erecting a building on its site is 60 percent of the complete cost, as previously stated. Therefore the calculation is a most elementary operation in determining the amount of wages paid to local labor.

Further, a portion of such wages-fund goes into savings, and it is upon such savings, stored capital or liquid capital that business, through banking, depends for its enterprise and the development of further wealth-production and the profits of prosperity. The dwelling, the home, is the basis of American citizenship. Similarly it is also the basis of the economic life of our nation.

Wages Paid

Tabulation of Wages Paid in Erecting New Buildings from 1910 to 1929, Based upon 60 percent of Cost of Erection From Values of New Buildings*

Year	Manhattan	Bronx	Brooklyn
1910	$ 58,021,000.	$ 28,820,000.	$ *
1911	59,122,000.	13,702,000.	*
1912	69,795,000.	20,756,000.	*
1913	44,382,000.	12,043,000.	*
1914	27,282,000.	9,808,000.	*
1915	38,791,000.	16,871,000.	*
1916	68,814,000.	10,035,000.	*
1917	17,441,000.	5,127,000.	16,567,000.
1918	5,104,000.	2,394,000.	3,858,000.
1919	43,369,000.	12,604,000.	5,485,000.
1920	**57,719,000.**	**11,151,000.**	**33,795,000.**
1921	**72,619,000.**	**43,290,000.**	**68,579,000.**
1922	**89,565,000.**	**64,248,000.**	**116,581,000.**
1923	**107,388,000.**	**73,638,000.**	**158,901,000.**
1924	**155,256,000.**	**76,787,000.**	**131,900,000.**
1925	**222,465,000.**	**90,988,000.**	**143,052,000.**
1926	**186,375,000.**	**125,984,000.**	**160,536,000.**
1927	**155,460,000.**	**97,902,000.**	**124,861,000.**
1928	**194,348,000.**	**112,743,000.**	**109,657,000.**
1929	**326,329,000.**	**53,614,000.**	**78,057,000.**

* It is also of interest to note that, from 1920 to 1929 inclusive, there were 374,818 buildings erected in New York City at an average cost of $18,125. — which high average is due to the great number of multiple dwellings erected. The average individual home in that period was definitely less than $6.000.

Tabulation of Wages Paid in Erecting New Buildings: (continued)

Year	Queens	Richmond	Total
1910	$ 9,086,000.	$ *	$ 93,529,000.
1911	13,327,000.	*	86,151,000.
1912	11,790,000.	*	105,372,000.
1913	10,512,000.	*	66,938,000.
1914	10,858,000.	*	47,951,000.
1915	12,189,000.	1,413,000.	69,207,000.
1916	12,059,000.	1,868,000.	92,772,000.
1917	6,981,000.	2,077,000.	48,193,000.
1918	1,586,000.	1,586,000.	23,658,000.
1919	27,613,000.	1,868,000.	90,939,000.
1920	**22,855,000.**	**2,903,000.**	**128,424,000.**
1921	**48,460,000.**	**6,651,000.**	**239,600,000.**
1922	**83,297,000.**	**7,312,000.**	**356,002,000.**
1923	**63,682,000.**	**7,306,000.**	**428,917,000.**
1924	**96,311,000.**	**9,679,000.**	**468,934,000.**
1925	*	**7,358,000.**	**463,863,000.**
1926	**111,956,000.**	**7,854,000.**	**592,466,000.**
1927	**107,774,000.**	**6,348,000.**	**427,507,000.**
1928	**87,905,000.**	**9,383,000.**	**514,036,000.**
1929	**52,486,000.**	**5,715,000.**	**516,202,000.**

It is also of interest to show the totals spent in wages to labor in each of the Boroughs during those preceding ten years and the ten years following the enactment of the wise tax legislation that took penalties of heavy taxation off of business and gave free enterprise a chance.

Amount of Wages Paid to Labor for Building Erection from 1910-1919, and 1920-1929.

	Years 1910-1919	Years 1920-1929
Borough of Manhattan	$382,121,000	$1,467,524,000
Borough of Bronx	153,060,000	750,345,000
Borough of Brooklyn	25,000,000	1,125,919,000
Borough of Queens	116,001,000	674,726,000
Borough of Richmond	8,812,000	70,509,000
Total	$684,994,000	$4,089,023,000

Thus, in the ten year period following the enactment of this scientifically designed tax law, there was paid to the building-trade wage-workers of New York City over four billions of dollars in wages, or wages over four hundred

millions of dollars a year! And the nation, as a whole, received wages in creating the building materials of some two-billion dollars more.

Preceding the enactment of this law there had been a building-wage amount for ten years of but a little over one-billion dollars ($1.2 billions). Such a contrast needs no emphasis. Or should not either to the business-mind or to the perceptions of labor leaders. Yet it may be further emphasized that all this was by adequate and scientific legislation that gave full freedom to private enterprise. It was in neither Socialism or Subsidy.

PART III

Since, as a purely business matter of analysis and record, purchasing power is brought down to terms of the per capita purchasing power of any community (advertising analyses are made and the per capita income of any group or any community is studied to find where the purchasing power is highest) it may be well to look at the purchasing power that followed this outstanding law of New York.

In using a **per capita** figure, care must be used; **per capita** figures are known to be deceitful, thus: I have $1.00; you have $1,000.00; thus our **per capita** wealth is $500.50! The arithmetic is correct but the **per capita** has become nonsense.

But, the **per capita** for building expense is a correct use of the term and both a convenient and easy visualization by which to measure the buying power of a community.

Previously, in this little book, I have referred to the dangers of the **per capita** calculation; yet per capita in many cases gives a graphic picture of the spread of huge figures in statistics and brings it down to an appreciable level. When dollars run into the billions — as they must do in almost any Government scrutiny — they are so vast that they become as meaningless as light-years to the untrained mind.

The following table is interesting — certainly it should be to those businesses that deal in building supplies, to say nothing of those who manufacture the elements and implements that are used to equip a home or an office — for nothing calls on more varieties of manufacture than the erection and fitting of a home, an office building or a factory.

This is the table :

Per Capita Expenditure for New Buildings in New York City from 1915 to 1929.

Year	New York City	Year	New York City
1915	$37.02	1923	**$69.57**
1916	51.30	1924	**65.96**
1917	13.87	1925	**85.78**
1918	11.85	1926	**68.64**
1919	35.13	1927	**67.99**
1920	**26.90**	1928	**63.07**
1921	**34.22**	1929	**50.22**
1922	**68.36**		

Here, again, the increase due to the enactment of this scientific legislation is clearly shown. The sluggishness of business and private enterprise before, and its prompt upward response after the law cannot be ignored or brushed off.

Since Greater New York is composed of five Boroughs — each formerly a county — it would be well to compare each of these five Boroughs in detail, and their relation to the Borough of Manhattan which is the center of the entire structure of Greater New York. Manhattan is primarily the business and manufacturing center of Greater New York.

Brooklyn, Queens and the Bronx are not infrequently referred to as the "bedroom" of Manhattan, because of the enormous flow of citizens to and from Manhattan each morning and evening of the working day. Thus the reflexes, in detail, of the effect of the enormous building operations following this law may be analysed by the presentation of these statistics drawn from the official records. And the comparison with the years preceding 1920 give even greater emphasis as to what may be accomplished for the prosperity

of a community by and through the application of scientific taxation.

This is the tabulation:

Per Capita Amount Spent for New Buildings in New York City from 1915 to 1920, by each of the Five Boroughs Comprising that City

Year	Manhattan	Bronx	Brooklyn	Queens	Richmond
1915	$ 28.03	$ 47.27	(not given)	$ 53.02	$ 23.02
1916	49.84	26.80	(not given)	49.95	29.48
1917	12.66	13.05	$ 14.38	27.61	31.87
1918	3.71	5.82	9.11	14.60	23.64
1919	31.19	29.31	4.57	10.01	27.08
1920	**42.16**	**24.86**	**27.63**	**79.59**	**40.97**
1921	**53.11**	**92.68**	**55.01**	**162.29**	**91.42**
1922	**62.03**	**132.27**	**91.30**	**268.65**	**97.96**
1923	**78.97**	**146.01**	**122.79**	**179.41**	**95.47**
1924	**129.17**	**150.76**	**100.44**	**238.48**	**119.85**
1925	**190.62**	**173.97**	**108.17**	**240.79**	**88.61**
1926	**165.45**	**232.80**	**119.42**	**244.32**	**91.77**
1927	**142.77**	**176.19**	**91.49**	**220.00**	**72.14**
1928	**184.93**	**191.01**	**79.16**	**171.46**	**103.80**
1929	**321.93**	**90.66**	**55.52**	**97.22**	**61.58**

Let us go further in this per capita comparison. For there were other cities that existed in those same years and that were subject to the same national economic fluctuations. Let us take four cities whose combined population closely approximated that of New York City during those years. Chicago, Philadelphia, Boston and Minneapolis meet those conditions. And here is their per capita for new buildings:

Per Capita Expenditure for New Building in Four Cities, Chicago, Philadelphia, Boston and Minneapolis, of an Aggregate Population Approximating that of New York City, Compared with New York City:

Year	Four Cities	New York City
1915	$37.02	$ 37.83
1916	51.30	39.01
1917	13.87	19.91
1918	11.85	11.37

Per Capita Expenditure for New Building in Four Cities: (continued)

1919	35.13	20.43
1920	26.90	43.04
1921	**34.22**	**90.90**
1922	**68.36**	**130.44**
1923	**69.57**	**124.52**
1924	**65.96**	**147.74**
1925	**85.78**	**160.43**
1926	**68.64**	**170.75**
1927	**67.99**	**140.91**
1928	**63.07**	**146.07**
1929	**50.22**	**125.38**

Only one of these cities had a law to encourage building, New York City — all other factors are equal; all experienced the same economic flows and stresses during the same identical years.

Again let us go further into the detail in order to make a more scientific comparison. Let us take the per capita for each of the cities, separately:

Per Capita spent for New Buildings in Chicago, Philadelphia, Boston and Minneapolis, compared to New York City, from 1915 to 1929:

Year	per capita Chicago	per capita Philadelphia	per capita Boston	per capita Minneapolis	per capita New York City
1915	$ 39.48	$20.60	$40.48	$47.54	$ 37.83
1916	44.02	28.59	67.52	65.09	51.30
1917	19.13	18.85	31.81	25.70	14.87
1918	13.27	8.61	10.90	14.64	7.18
1919	38.94	36.04	31.57	45.97	27.18
1920	29.67	19.55	23.64	34.64	**38.08**
1921	45.00	15.26	25.75	50.89	**69.41**
1922	76.95	53.35	66.19	66.95	**101.60**
1923	111.17	56.53	45.03	69.56	**120.59**
1924	99.44	62.59	54.87	46.95	**134.04**
1925	127.19	77.62	76.55	61.76	**131.54**
1926	119.70	62.28	52.53	40.60	**165.00**
1927	113.97	50.63	63.85	43.53	**137.32**
1928	99.83	48.46	60.01	44.00	**141.25**
1929	64.51	46.15	54.08	36.17	**143.64**
Average from 1920 to 1929	88.74	50.23	53.24	49.38	113.39

All of the above cities are manufacturing cities. Boston is an important port; so is Philadelphia. Chicago is an inland shipping point and center, so is Minneapolis. Thus the difference in the per capita purchasing power for building erection becomes the more startling and significant. For only one city had a law to encourage building — all other factors are equal; all experienced the same economic stresses during the same identical years.

There is another comparison to be made, that with other leading cities throughout the United States. This will give a national horizon for estimating the effects that intelligent taxation of a scientific character will have upon business, labor, and manufacturing enterprise. Let us take the cities of the following table — a representative group covering manufacturing, business distribution, port, shipping and distributing enterprise and observe the results that this famous law had in Greater New York.

It is well to emphasize the fact that this **per capita** expenditure for each city is the amount actually paid out in wages and purchases for the creation of new wealth — new lumber created, new cement, bricks, paint, hardware, and all the interior equipment. It meant wages paid for all these and for their transport, and for their erection into a building. It meant a radiating prosperity for business.

It is reasonable to note that, for the years given in the tabulation, the national economic factors, of peace, war and its aftermath, were the same. The economic rain fell upon the just and the unjust. Kindly note that New York City was in the lower brackets for new building expenditure for many years. Thus the tremendous impetus of the tax law from its enactment in 1920 cannot be ignored. New York City outstripped Chicago and Detroit (in Detroit the auto industry accounts for its growth) and in every year, but one, New York City with its progressive and scientific tax legislation easily led the nation in per capita building expenditure; and by high and definitely significant amounts. Scientific taxation encourages wealth production, it stimulates business and private enterprise. And it can start prosperity and can also maintain it. These official statistics indicate that plainly:

Per Capita Expenditure for New Buildings from 1915 to 1929

	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929
Baltimore	$15.90	$17.50	$10.02	$ 8.65	$24.13	$32.10	$38.96	$17.87	$42.44	$48.55	$49.69	$43.60	$27.67	$31.89	$30.05
Boston	40.48	67.52	31.81	10.90	31.57	23.64	25.75	66.19	45.03	54.87	76.55	52.53	63.85	60.01	54.08
Buffalo	25.19	28.80	21.63	14.19	25.93	21.66	34.74	45.58	51.20	25.78	43.04	45.92	57.33	41.88	41.03
Chicago	39.48	44.02	19.13	13.27	38.94	29.67	45.00	76.95	111.17	99.44	127.19	119.70	113.97	99.83	64.51
Cincinnati	34.06	27.36	23.01	10.68	22.61	21.49	32.99	56.48	25.35	48.64	67.25	60.86	62.56	74.16	68.42
Cleveland	47.38	46.48	41.39	21.49	60.74	74.65	48.18	55.31	69.66	60.35	63.72	58.00	37.16	46.54	27.70
Detroit	44.01	64.75	45.88	19.90	85.73	62.39	46.30	83.52	116.15	127.74	137.10	131.65	99.03	85.18	61.66
Indianapolis	25.84	31.27	24.07	15.03	41.20	39.76	49.22	73.50	70.07	57.81	60.83	43.91	52.98	50.65	34.51
Jersey City	18.84	17.41	9.05	14.42	15.33	14.45	38.28	62.72	62.66	58.66	75.42	62.20	38.92	39.86	41.41
Kansas City	36.89	38.93	32.22	18.08	29.78	34.40	36.16	59.68	66.49	56.56	101.98	53.78	34.31	13.21	35.64
Louisville	17.53	16.60	7.54	8.62	17.65	26.54	31.29	70.69	73.19	59.16	93.58	61.24	67.61	46.94	33.56
Milwaukee	27.31	30.19	25.70	12.30	44.13	24.95	49.20	59.96	84.89	66.62	51.38	57.25	63.41	58.37	59.32
Minneapolis	47.54	65.09	25.70	14.64	45.97	34.64	50.89	66.95	69.56	46.95	61.76	40.06	43.53	44.00	36.17
Newark	25.06	26.21	23.62	13.20	48.90	48.01	37.84	61.07	70.19	83.34	77.52	80.21	100.80	62.06	50.51
New Orleans	8.06	8.42	7.50	4.66	13.64	23.14	18.86	32.10	31.41	36.44	36.37	40.70	32.60	22.96	23.26
NEW YORK CITY*	**28.45**	**29.15**	**14.87**	**7.18**	**27.18**	**38.08**	**69.41**	**101.60**	**120.59**	**134.04**	**131.54**	**165.00**	**137.32**	**141.25**	**143.64**
Philadelphia	20.60	28.59	18.85	8.61	36.04	19.55	15.26	53.35	56.53	62.59	77.62	62.28	50.63	48.46	46.15
Pittsburgh	25.26	23.85	19.73	13.70	25.20	23.31	29.76	40.11	47.91	45.42	74.04	58.54	43.96	52.28	42.31
Rochester	35.78	35.57	24.98	7.06	32.95	27.65	47.41	49.16	63.61	80.06	78.34	56.37	62.67	47.79	34.14
St. Louis	15.58	20.81	16.97	8.35	26.72	17.20	16.12	26.89	45.07	42.89	59.03	40.29	41.81	45.06	26.06
San Francisco	30.08	37.60	32.33	16.08	30.22	41.93	36.75	64.80	77.99	72.98	82.83	89.93	72.48	57.79	49.13
Seattle	23.09	28.80	22.72	35.84	50.02	34.56	33.50	55.92	63.18	—	—	97.83	68.58	79.70	58.06

* Note the low building expenditure of New York City prior to the passage of the building law in 1920 — and the immediate effect thereafter.

BUSINESS — AND TAXES

Business is being taxed so heavily as to menace private enterprise, initiative, and the development of wealth production.

Every business man knows that.

The heavy taxation against business drains off the jobs before they are born.

It drains off capital that is needed for the business expansion and further wealth production. It lessens this very production which is the source of wages. For wages are the means by which the purchasing power of the nation, and its business and prosperity, are created and maintained. Plenty of wages and jobs means prosperity for business because they mean plenty of wealth production.

Yet our taxation is levied against business and wealth production. "The power to tax is the power to destroy".

When the law* was enacted in 1920 it gave a striking stimulus to the building industry in Greater New York as the official statistics prove. Thus, following the enactment of such law Greater New York in the following ten years erected buildings to the value of over 6 billions of dollars ($6,893,757,335.00). Yet the preceding decade only produced 1.2 billions of dollars of building erection — or less than 20 percent of the new building following the enactment of the law of 1920. ($1,192,858,403.)

Thus we have a situation that is no problem.

The answer is automatic. When the tax was taken off of business enterprise; private business enterprise stepped in and functioned freely; it needed neither subsidy nor favors for sacred political cows. Private enterprise merely needs relief from strangling and blundering taxation.

Taxation must not be levied against the business of wealth production and distribution. That is, unless it favors hari-kari and is against its own wealth-production and prosperity.

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* See page 27.

Scientific taxation is payment to the Government for services provided by the Government, and according to ability to pay, measured in terms of those services.*

When tax laws are modeled or based upon those sound scientific and equitable principles we shall progress to a more stabilized economic health and steadier business prosperity.

THE WAGE WORKER — AND JOBS

Every wage worker is dependent upon his wages. His wages are dependent upon the production of wealth — or the opportunity to produce wealth. In other words, his wages are dependent upon having a job, for it is his job that produces wealth.

And having a job is dependent upon the buying power of others to buy the wealth so produced; and, without jobs, the others cannot buy. Any tax upon the wealth produced by wage-workers increases the cost and thus lessens the buying power and thereby lessens the need for jobs. Thus such methods of taxation against business clearly and vitally concerns the wage worker.

It was St. Paul who said, "No man liveth or dieth unto himself alone." This is entirely true of economics. Wage workers cannot prosper without jobs and wages, and any taxation against wealth production lessens their wages or their jobs; or, likely enough as official statistics prove, both.

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* This is to foreclose those bachelors — or business visionaries — who think that they should be exempted from taxation for schools since they have no children. They have a private right to have no children, but they should not be exempted from their share of the school system by which better citizenship is made available for their associations. Such thinkers would put an anti-social premium upon sterility — which is not altogether unlike our present tax methods. There must be no deadheads in our nation.

Suppose New York State had not enacted the law* in 1920? There would not have been as many homes and buildings erected in the ensuing ten years. There would have been less digging, less mason work, less bricklaying, less plastering, less carpentering, less painting, less plumbing, less rug and textile weaving for the homes, less curtains for the windows, less furniture needed for the rooms, less jim-cracks and knicknacks for the homes — and all of these would have meant less jobs to produce such homes and the goods within them. Then, also, there would have been less railroading and freight cars to haul them, less truck-driving to deliver them, less lawns, less seeds and plants, less tools, and less odd jobs to keep the old home-place pleasant — less work all around because of taxes against the creating, the buying and the selling and the transporting of wealth produced by and through the jobs for which wages are paid. Therefore less buying power.

From 1921 to 1930, inclusive, there was over 6 billions of dollars for new buildings ($6,893,757,335.) in Greater New York City, while within the previous 10 years the building was but 1.2 billions of dollars ($1,192,858,403.). Such official statistics are important proof and of high significance to wage workers and employers.

A moderate estimate of the cost of erecting a new building, on any site, is about 60 percent of the total value of the edifice. Thus from 1920 there were wages paid in Greater New York to building trade of over 4 billions of dollars. Yet this does not take in the cost of equipping the buildings with furniture or the interior essentials when the tenants or owners moved in.

Taxation is a vital matter to both organized and unorganized labor. It cannot, for labor's own interest and the security of the wage-worker, afford to permit taxation to be levied against the wealth produced by labor. The present blundering taxation practice is nothing, in plain logic and statistical analysis, but taxation levied against the use of labor for the jobs that earn wages. To continue to permit even adroit speculative devices to escape with high profits and

* See page 27.

nominal tax contributions puts a premium upon tax-dodging and a prejudice against wage-earner jobs that pay wages, against building a sound buying power, and against the production of wealth.

When taxation is levied against business, it is levied against the employment of labor, against the market for jobs, and against the welfare and prosperity of our whole economic fabric.

We cannot tax ourselves into economic prosperity by taxation against the wealth production that creates prosperity. Taxes levied against wealth production are levied directly against the jobs that produce the wealth.

Taxation must not be levied even indirectly against jobs that produce the wealth and establish our national buying power.

The scientific principle of taxation is payment to the Government for services rendered by the Government, and according to ability to pay measured in terms of those services.

THE FARMER — AND TAXES

The farmer is a sucker for taxes.

The farmer is the most heavily taxed group in the country. And he is contented about it! Very contented indeed.

Every tax dollar the farmer pays is wholly a tax on his labor and skill and prudence, on his thrift. He thinks he owns valuable land! Yet his farm land is valuable only because he puts in fertilizer each year, because he ploughs and drains and fences and repairs. What is an abandoned farm worth? He is busy with his labor, and the busier he is with his labor the more his taxes. He is taxed on his labor.

The original fertility of his acres has long since gone; the fertility is due to his labor each year, to purchase of fertilizers and his labor of ploughing them in, and of farm upkeep. Test it — see what a brush-and-golden-rod farm is worth? It is no bonanza and every farmer knows it; it isn't worth its taxes, and every farmer knows it.

BUT — the farmer thinks he is putting it all over the city slicker in matters of taxation. Yet the city has single plots in New York City the value of which would buy all the farms of any rural county in the State. Yet the city slicker does **not** have to fertilize, or plough, or drain or fence. He just sits and pays far lower taxes on his plot because he is not paying on any labor value in the plot! But the farmer **is** paying taxes, and high ones, almost wholly on the labor and work he puts into the farm.

The farmer thinks, in matters of taxation, that because he owns land by the acre that to tax his land would make him pay more taxes than the city slicker! But the farmer should bear in mind that he, the farmer, is paying taxes on his **labor** while the city slicker only pays taxes on a **location** value, and not any labor-value as does the farmer.

For the city slicker plot has the value called **unearned increment,** while the value of a farm is, each year, a **labor increment.**

The farmer pays taxes on his labor increment. The city plot pays no taxes on his plot's labor increment; it pays comparatively a trivial tax on its unearned increment; it is not ploughed, fenced, drained or fertilized; but it has a value far in excess of anything that fertilizer or crops or pasture could yield.

True, both farmer and city slicker pay taxes on the buildings on the land. But this is, as the preceding facts and statistics in this booklet prove, this is a tax **against** industry and labor. For the more industry and labor expended the higher the tax. And taxation levied against industry, whether of the labor of the farmer or of the city business man or

manufacturer, is destructive in its effect upon wealth production and the buying power that jobs make. The city man, with his higher basic land values can far more easily stand this kind of taxation against industry and wealth production than can the farmer. For the farmer has no unearned increment; the city man has.

Thus the tax laid on the farmer is against his cows, on his orchards, on the fertility he buys and ploughs in, and against his fences and his silos and barns and home, on all of the labor he puts into his farm and its fertility. And his taxes are only slightly on the land unless it is already mapped for town lots.

How many farmers have farms, and farm them, that are city lots!

No wonder the city slicker likes the tax systems the way they are now with the farmer always contentedly **"it"** in this tax-game of blind man's buff.

The farmer has chilled his milk, sprayed his orchards, has drained his fields, kept tight barns and gets every progressive device there is, but in tax matters he clings to the "soak the rich" theory which actually bears its heaviest percentage against him, himself! The "soak-the-rich" theory, which does not soak the rich because they can afford it; but it does tax him on his own labor values. He has no unearned increment. This unearned increment, which the city land owner has and in vast value and volume, is lightly taxed while the farmers' labor increment is the sole basis of farm taxation.

Taxation should not be merely a form of confiscation — as the farmer now accepts it.

Scientific taxation is payment to the Government for services rendered by the Government and according to ability to pay measured in terms of those services.

HERE IS THE LEGAL STATUTE THROUGH WHICH PRIVATE ENTERPRISE CAME

This is the law passed by the Legislature of New York State in April, 1920. It needs no comment. The official statistics set forth, and analysed in the preceding pages, speak for themselves. Those ten years were no boom-and-bust era for New York City. When the bust came in September, 1929, it was the bust of a mad, runaway, speculation in stocks that hypnotized and borrowed all the dollars and credit there was in the nation. Call-money for stock-speculation ran over 20 percent! Credit shrank for builders pay rolls as well as for all business. For what business can compete for credit against such rates and terms!

The actual wealth producing energies of the nation had to compete for loans, by which wages are paid before a building is completed, with such fantastic speculative call-money loans.

We borrowed ourselves into bankruptcy; bet ourselves into the depression.

We bet on stocks instead of building buildings.

A building, its materials, its erection, its fittings and then its furnishings and equipment bring into play more wealth-producing energies throughout our entire nation than any other single industry. And these shrank as capital sped into Wall Street.

It is pleasant to bet. But business cannot bet itself into prosperity. For business, the only road to wealth and prosperity is through the production and distribution of our economic wealth.

So set forth here is the law that definitely brought an unparalleled prosperity to the vast City of New York. It was a sound economic prosperity, sound because it produced jobs and the jobs produced payrolls, and the payrolls meant

purchasing power. Purchasing power is the measure and the means of our national welfare and prosperity.

If business does not want prosperity it should keep shy of any form of scientific taxation. It should go on as it has through the centuries, looking neither to the right nor to the left though with perhaps, an occasional glance backward. If they do not want prosperity for all they will find that they cannot keep it for themselves — no man liveth or dieth unto himself alone. The choice for business is between science and ignorance — the same as it is for all of us.

And this, herewith, is the law that made this book essential:

4-b. "EXEMPTION OF NEW BUILDINGS FROM LOCAL TAXATION:

"The legislative body of a county, or the legislative body of a city with the approval of the board of estimate and apportionment, if there be one in such city, or the governing board of a town, village or school district may determine that until January First, 1932, new buildings therein, planned for dwelling purposes exclusively, except hotels, **shall be exempt from taxation for local purposes** other than for assessments for local improvements during construction and so long as used or intended to be used exclusively for dwelling purposes, or if a building of four stories or more in height, used exclusively for dwelling purposes above the ground floor, provided construction was complete since **April first, 1920,** or, if not so completed, that construction be commenced before April first, 1925 and completion for occupancy be effected within two years after such commencement, or if in course of construction on September twenty-seventh, 1920, within two years thereafter, or if a building three stories in height, used exclusively for dwelling purposes above the ground floor, provided construction was commenced since April first, 1923 and before April first, 1924.

SuperClubs

Breezes

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~~reassimilation~~

✓ resurgence

~~recovery~~

✓ rejuvenation

✓✓ regeneration

comeback

✓ reinvigorate

~~ref~~

rebound

✓ revival

~~reflorescence~~

~~rebloomerize~~

Florescence

New youth regeneration



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"The provisions of this section shall not be construed to preclude such legislative bodies from granting exemptions which do not exceed the exemption authorized by this section. Any such limited exemption heretofore granted by any such legislative body, intending or purporting to act under the authority conferred by this section is hereby legalized, validated and confirmed.

"For the purposes of this section, construction shall be deemed commenced, when the plans have been filed with the proper authority and excavation actually and in good faith begun. The owner or architect may file with the authority with whom the plans are filed, a statement in writing setting forth the date of filing plans and the date when excavation was actually commenced; and said authority shall forthwith cause said facts to be investigated. If said statement on such investigation is found to be true, said authority shall thereupon issue to such owner or architect a certificate setting forth the date when the plans were filed with him, and the date when excavation was actually commenced, which certificate shall be conclusive evidence of the date when construction was commenced, for the purpose of obtaining the benefits of this section."

New. Added by L. 1920, ch. 949. Amended by L. 1921, ch. 444; L. 1922, ch. 281; L. 1923, ch. 243, ch. 337; L. 1924, ch. 87, in effect April 1, 1924.