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## SINGLE TAX INVESTIGATION IN WASHINGTON.

By Henry George, Jr.

The most important public occurrence in the District of Columbia in favor of the single tax cause took place last Saturday, March 12, when the District Commissioners gave a public hearing on Tom L. Johnson's bill to shift taxation in the District from improvements to land values. To those not familiar with the form of District government it should be said that there is no municipal legislative body here. Congress passes all the municipal laws and has them administered by three commissioners appointed by the President. Each house of Congress has a District Committee to which all matters pertaining to legislation for the District of Columbia are referred. The District committees customarily refer much of their business to the commissioners, whose approval or condemnation in most instances determines



HENRY GEORGE, JR.

the action of the Congressional committees. Mr. Johnson's bill, on being introduced in the House, was referred to the District Committee, and by that committee referred to the District Commissioners. It was, therefore, here that the first contest had to be made, and in accordance with public notice the friends and opponents of the bill assembled in the office of the Board of Commissioners Saturday at noon.

It was an interesting little assemblage. The three commis-

Henry George, Jr., eldest son of Henry George, was born at Sacramento, Cal., on the 3d of November, 1862. He received his education at public schools, learned to set type in San Francisco, came East in 1881, and after spending some time on the Brooklyn Eagle as a reporter, he went with Mr. George as private secretary to England in 1883-84. He was managing editor of THE STANDARD in 1889, and since 1890 has been engaged in newspaper work at Washington, D. C. Last summer he made a trip to England as the correspondent of several papers in the United States, among them being the Boston Globe, the New York World, the Chicago News, and the Indianapolis Sentinel, when he also wrote weekly letters for THE STANDARD. He is a hard student, and a clear and graceful writer, who is certain to make a mark for himself.

sioners, experienced-looking, white-haired men, sat together in a bow window, with a large table before them. At one end of the table sat Mr. Johnson, with his maps, books and papers, and at either hand Congressman Warner and Congressman Simpson. Near by sat Charles Hemingway, who had drafted the bill. Ranged about the room and crowding in the doorways were prominent citizens, "property owners," and persons conspicuous in the single tax movement. Against the wall, but in places where they could hear, sat the District Assessor, Matthew Trimble, and his three assistants, one of them a middle-aged, fine-looking colored man.

The chairman of the board, Commissioner Douglass, politely, and in the briefest manner, explained the reason of the hearing, and read the bill under consideration, after which he called upon Mr. Johnson to speak upon it.



CONGRESSMAN TOM L. JOHNSON.

Everybody gave close attention when Mr. Johnson arose. "I appear in behalf of this bill," said he; "which proposes to change the plan of assessing property in the District of Columbia by relieving improvements and putting taxation entirely on land values. I do not come here in antagonism to any interest in the District. I am not unfriendly to the District. I come to urge what I believe will be a great benefit to the District and its people."

Commissioner Douglass gravely nodded assent and Mr. Johnson went on: "We find by looking at the assessment returns of the District for 1891, that the value of improvements just about equals the value of the land. That is to say, the result of that assessment is, that the houses, the improvements, all that lies above the land, is about equal in value to the land itself. So, that if the tax assessment remains as it is, and you were to take the tax off the improvements, to raise the same amount of

money you would have to levy twice the rate on the land, or \$3 instead of \$1.50."

Mr. Johnson then spread out on the table a large map of the District of Columbia. He said that at first blush it might be thought that this change would fall heaviest upon the poorer people of the city, but the contrary is true. He had taken twelve blocks in the most important part of the business centre, and twelve blocks in the poorer residence section, and found that, according to the assessor's published figures, in the latter locality the value of improvements amounted to 69 per cent., and the value of the land 31 per cent. of the total real estate assessment; while in the former section, that is, in the business centre, almost the reverse is true, 39 per cent. of the assessed value constituting the value of improvements, and 61 per cent. the value of the land. In other words, that in the residence section the improvements exceeded twice the value of the land they rested upon, while in the business section the land value amounted to almost double the value of the improvements.

"If you start from the center of the city," said Mr. Johnson, pointing to the map, "you find the value of the improvements low as compared to the value of the land; and as you approach the outskirts you find the value of the improvements is high. So that to relieve improvements of taxation does not relieve the people in the center of the city, but the people in the small houses towards the outskirts—the people having small homes."

The commissioners seemed interested in this statement, the chief assessor was a little confused, and a bunch of single tax men, sitting in a corner, broke into loud applause and looked as happy as if they had just heard that they were heirs to large fortunes. Mr. Johnson smiled and said that that was only the beginning, that his deductions had been drawn from the official assessments, but that those assessments were far from the true conditions, since after a careful study of the subject, employing the services of six experienced and well-known real estate agents, he had concluded that the most valuable land in the city was greatly undervalued by the assessor. These real estate experts selected twenty-eight typical blocks from various parts of the city, and without knowing what the information was desired for, had determined land value, exclusive of improvements, from their knowledge of recent sales. The value of the land of these twenty-eight blocks as given by the assessor was \$3,850,000. As estimated by the experts this value amounted to \$15,294,000. In one block, perhaps the most valuable block in Washington, the assessor's valuation amounted to only 14 per cent. of the experts' valuation, and some lots were assessed at \$6 a square foot, for which the owners had refused \$65 a square foot. But, working away from the centre of the city, it was found that the assessor's valuations were found to be nearer and nearer the true value of the land. The assessed value of the land in the whole District is \$76,451,000. The true value, as based on the

estimate for these twenty-eight typical blocks, is \$305,904,000.

Commissioner Douglass: "That is, as you go out towards the outskirts the assessment and valuation approach each other?"

Mr. Johnson: "Yes, sir."

Commissioner Douglass: "And as you come towards the centre of the city, where land is more valuable, the assessment and valuation get wider and wider apart?"

Mr. Johnson: "Yes, sir. And that is natural when you come to think about it. The small owner, who has only a small amount of property, has not the time to go to the Board of Equalization and have the assessment reduced; but the man who has \$150,000 worth of property can well afford to go before the assessors and have his assessment cut down. My attack is on the fundamental principle of the scheme. Taxing improvements is in favor of the rich and against the poor; it operates to prevent improvements, and puts a premium on the miserable shanty which stands next to a fine building. And it is the man who will put up the fine buildings, and who will make other improvements in the city, that we would like to have. We would like to get rid of the shanties. This plan makes it every man's incentive to do the thing we want done. We charge him no more tax whether he has a building on the land or whether it is vacant. Under the present system we tax him in proportion as he improves."

Mr. Johnson then handed around some cards containing the following tabulations:

Present revenues: from land.....	\$1,131,695
"          "          " improvements.....	1,030,882
"          "          " personalty.....	180,366
Total.....	\$2,342,943
Official assessment of 28 typical blocks.....	\$3,850,609
True value                                    ".....	15,294,367
Assessed value is, therefore, 23 per cent. of true value.	
Official assessed value of all land in the district.....	\$76,451,028
Estimated true value                                    ".....	305,904,112
Revenue from true value of land:	
At \$0.76.....on each \$100.....	\$2,342,943
At 1.00.....on each 100.....	3,059,041
At 1.00 and \$1.50.....on each 100.....	4,500,000

Mr. Johnson then pointed out that if a true valuation of the land were made by the assessor a sum far in excess of the present revenue would be raised without increasing the rate of taxation. The present revenue obtained from taxing both land and improvements amounts to \$2,342,943, and the present tax is \$1.50 in \$100 on residential and business land, and \$1 on farming land in the district. On a true valuation of the land, \$4,500,000 could be raised at the present rate of \$1.50 and \$1 in the \$100, \$3,059,041 could be raised by a tax of \$1, and the present revenue of \$2,342,943 by a tax of 76 cents. Mr. Johnson said, in conclusion, that he had taken great care in making his estimates, and thought that if there was anything wrong with them it was that they were too conservative. He then announced that if the commissioners

had any questions to ask he would be glad to try and answer. But the commissioners had nothing whatever to say. They denied nothing; they affirmed nothing. They did not open their lips.

But a lady, the only lady present, Mrs. E. E. Briggs, a large land owner, wanted to say something. She put in a vehement protest against transferring taxation from improvements and concentrating it on land. "I own a square," she said. "It is open, save for one house, which I occupy. It is practically an open park and improves the value of the houses facing it. I don't get a penny for it. I have already to pay money out in the taxes."

Commissioner Douglass: "She is one of the persons whom the bill would hurt. She is one of the large owners of unimproved property."

Mr. Johnson: "It is not possible to devise a scheme that does not hurt somebody. It would not hurt her if she improved her land. It offers an inducement to improve land. The present plan offers an inducement to keep land unimproved."

A man in the back got up at this point. It was our good single tax friend, Monahan, who couldn't keep still any longer. Addressing the lady, he said: "I would like to ask what would be the condition of Washington if everybody used their land as this lady does—with only one house on a whole square?"

Mr. Johnson answered that "the effect would be that Washington would soon be without a population," and there was loud laughter.

Dr. Robert Reyburn, famous throughout the country as one of the physicians attending Garfield at his assassination, quietly arose and declared himself strongly in favor of the bill. He believed land values should bear the burden of taxation, and gave a number of striking instances of the way the improver was punished and the way the land holder, simply as holder, was rewarded. He earnestly hoped the commissioners would approve the bill, and that it would go into effect.

When Dr. Reyburn sat down another property owner was ready. He was Thomas H. Smith, owner of valuable land, improved and unimproved, and, indeed, of the very building in which the hearing was then going on. He had come in late and stood in a doorway, his eyes snapping and his whole manner breathing defiance. He wanted to know who the bill was "going to benefit." Did it propose to exempt the owner of the big Washington Loan and Trust office building?

Commissioner Douglass answered and showed that he had obtained a clear idea of the bill. He said: "The bill operates without regard to individual interest, the individual being merged in the whole. The argument is that the assessment of land at its true value, as the figures show, would raise \$4,000,000 instead of two and a half or three millions. It would make a difference to the Washington Loan and Trust Company, and so it would to the man who owns property next to it, but it would equalize the thing,

and would induce people who own land to improve it. At the same time the District would get more revenue."

Paul T. Bowen, representing District Assembly 66 of the Knights of Labor, which had, after exhaustive discussion, endorsed the bill by unanimous vote, was the next to address the commissioners, and he made a ringing single tax speech, saying that his organization supported the bill because they believed it would bring about three great results: Firstly, increase employment and raise wages; secondly, lower rents; and thirdly, give relief from taxation.

After Mr. Bowen came George C. Henning, president of the Traders' National Bank of Washington. He stated that eight years ago he suggested, through the columns of the Washington Post, the plan which now appears in the bill under consideration, without knowing that he had been anticipated by another—Henry George—in regard to this matter of the taxing the value of land. He said that this method of taxation would raise the revenue necessary for the local government with the least expense and the least possible hardship to the people.

By this time Mrs. Briggs had got together again, and ventured to remark that the bill could not help the renter, because the landlord would add his land tax to his rent.

This brought John De Witt Warner to his feet.



CONGRESSMAN JOHN DE WITT WARNER.

“The extent of the rent,” said he, “that the landlord can exact from the tenant must depend upon the supply of houses. If we have in the city of Washington as we do have, a large number of lots that have houses upon them, and a large number of lots which do not have houses upon them, then the system of taxation which fines or taxes the man who puts a house upon a lot, reduces the number of houses which are offered to tenants, and thereby enables the landlord to charge higher rents to the man who wants to rent. While, on the other hand, a system of taxation which will relieve the man

who is a public benefactor by building more houses, from any part of the taxes on those improvements, and will offer inducements for building more houses, the number of houses in proportion to the number of tenants will be increased."

Mrs. Briggs : "It seems to me that the poor man who has to pay the rent will be taxed."

Mr. Warner : "So far as my experience goes, it is not the poor man who can afford to hold lots which are unimproved and which have no houses upon them. It is the people who can afford to pay taxes, and who do not have to pay rent, but own their own houses, and who can afford to hold vacant lots. So far as the poor man owns any land it is that on which his little house is located, and under the present system it is taxed more than it would be under the plan proposed."

E. W. Oyster, of the Federation of Labor, was the next supporter of the bill, and spoke in much the same strain as Mr. Bowen. He and Mr. Bowen, he said, represented nine-tenths of all the mechanics in the District of Columbia, and that they were as a unit for the bill.

The last objector to the bill was M. I. Weller, a prominent real estate agent, and a member of the East Washington Association, a landowners' organization. Curiously enough, Mr. Weller was one of the experts whom Mr. Johnson had called in to help him determine the real value of the land of Washington. Mr. Weller had "come to scoff and stayed to pray"—that is, he learned so very much before he got up to speak, and from interruptions during his speaking, that he seemed perplexed and confused, and afterwards admitted that he half believed the other side had the best of the argument. Among other things, he said that there were now three thousand vacant houses in Washington, whereupon Charles Newburg got up and poured in half a dozen questions that went to prove that there were a great many houses in Washington containing two, three, and four families each, and that if it was proposed to give everybody a separate house there wouldn't be enough houses to go around.

Everybody laughed, and Mr. Weller joined, but he made no attempt to answer. He merely remarked that if houses got so cheap people with money wouldn't invest, at which a voice said: "But wouldn't the mechanic build? Yes, he would."

Jackson H. Ralston said he addressed the commissioners in behalf of the Washington Single Tax Club. He made a short, terse, pointed argument that sent every shaft home. Among the things he said was this, that the number of houses was not the only thing to be considered; the character of the houses had a great deal to do with the matter. He cited the case of Baltimore, in which, in 1881 and 1882, that city relieved manufacturing establishments of all kinds, no matter how extensive, of all taxation, and stated that the manufactories had enormously increased in consequence.

Mr. Johnson closed the hearing with the following spir-

ited words: "I wish to thank the commissioners for their courtesy in giving us such an extensive hearing, and I will only occupy a few moments in closing. There is one side of this question that I purposely did not touch upon in opening this discussion. That was the ethical side. I merely presented statistics to show that the value of the land of this District was really \$305,000,000 instead of \$76,000,000, as assessed. But the strong side of this case is the ethical side. It is in answer to that question which a man is apt to ask at first, 'why is it that one class of property should bear all the burden of taxation? Why is it that men should not divide this load of taxation according to their wealth?' The answer is very simple, and it is the greatest mistake in civilization to-day that it has not been universally appreciated. Land in the District of Columbia gets every farthing of its benefit from government; every street completed, every sewer built, every single dollar spent in improvements benefit land values, and can benefit nothing else. Just as you beautify the city, you increase the value of the land. The value of any building or of any article of any kind, whether it is a church steeple or a wheelbarrow, is measured by its cost of production. You cannot measure land values that way. Land values are measured by an entirely different measure. Imagine all the sewers of Washington, all the pavements, buildings, and everything that makes this city beautiful, taken up bodily and put down twenty miles from here, at a place where land is of little or no value. That instant that land would be worth \$305,000,000, and this land where we now stand only that of farming land. The value of land is a creation of the community. And it belongs to the community just as much as other things belong to the individual. And why should the community tax other things when it possesses this value, a value more than ample for its support?"

Mr. Johnson was vigorously applauded when he finished, and Commissioner Douglass, on behalf of himself and his colleagues, expressed warm thanks to Mr. Johnson and the others who had spoken for information they had tendered. The commissioners will report their decision on the bill in a few days.

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## THE STANDARD.

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