

half the rate levied upon vacant land. Building has increased accordingly.

"Here is illustrated how ideas once thought radical and impractical come gradually into general acceptance."

There is, of course, no loss of revenue to the city through the graded tax. It simply brings about a shift in burden from buildings to land. Its effect is upon the respective tax rates on land and buildings, which are fixed annually by the City Council at such figures as will produce the sum estimated as necessary to meet the budget.

For the year 1953 the city tax rates for Pittsburgh were \$32. per \$1,000 (32 mills) on land, and \$16. per \$1,000 (16 mills) on buildings. The total taxable real estate valuation was \$1,065,173,432 of which \$414,326,522 represented the value of land and \$650,846,910 the value of buildings.

What the Plan Has Achieved

The Pittsburgh tax plan as it now stands, is a moderate tax reform. While it represents a distinct departure from the practice prevailing in other American cities, its effects have been limited by reason of the fact that the owners of improved and unimproved real estate in Pittsburgh are subject to very considerable tax levies for school and county purposes over which the city administration has no control or jurisdiction whatever, and which are therefore not affected by the Graded Tax Law. Unfortunately, no single act of legislation could be drafted that would include tax levies of the school district and the county.

Another place where land value taxation has been tried out is Denmark. This is chiefly an agricultural country. One hundred years ago the farmers in this country were in a bad way. Since then, the Folk Schools have educated the farmers on how to farm to the best advantage, and have taught a larger proportion of the people of Denmark that ground rent is the natural source of revenue for government, more than has been so taught in any other country. So far as I know, it is generally admitted that Denmark is now the most prosperous country in Europe.

The following quotation is taken from a report prepared by K. J. Kristensen on "Land-Value Taxation in Denmark":

Accordingly, the result seems to be that, in Denmark, through land-value taxation, the increment duty and public ownership of land, nearly half of the total economic rent is being collected by State and local authorities for the benefit of the whole nation.