

houses had not been built to such extent it is obvious that the increased population could not be forced out of existing houses.

2nd. What then is to be done? It is quite apparent that the solution for this must be found in one or two ways, either by the lessening of land values to a point making it possible for workmen to purchase land whereon to build, or by builders purchasing land and erecting houses which can be rented. If, however, this be adopted then it means that rents in keeping with the cost of land, plus that of the building and builders' profits, must be charged. Assuming, from the experience of the Model Houses Association two years ago, the minimum cost of land and house to be \$2,000, even at six per cent. this means \$10, or with taxes a \$11 rental per month.

3rd. A third scheme is possible, viz.: the purchase of land outside existing subdivided areas by either private or company initiative or by the municipality at a lower price and then selling or leasing lots to purchasers on which to build houses, or by erecting buildings and selling or leasing at low rates as is done by the Sanitary Housing Company, Washington, D.C., whose charter allows only five per cent. to be charged in rentals on the actual investment.

Whatever scheme is selected, it is plain, however, as Prof. Eberstadt of Berlin, Germany, says, that "All our difficulties of housing in Germany spring from the price of land." "Building sites in Germany carry about four to seven times the price which is paid in England." "The inflation of land values in Germany is altogether an artificial one, and contrary to the laws of public economy." He further says: "My investigations, on the other hand, show that land may be turned into a monopoly, and therefore we have to shape our institutions to prevent this. I should, therefore, in case of a tax, propose that a duty be imposed, not uniform, but on a sliding scale, beginning with low rates and gradually rising with the price, thereby awarding, as it were, a premium to the owner selling at a fair price, and laying a charge on the owner selling at a high price. The high price of land in many German cities has resulted in what is called the Barrack system, or apartment houses for the working classes. On the other hand, in a notable number, some 300 cities own the large proportion of their land, and in these instances every facility is given for proper housing of the workers. Not only are loans granted for a considerable percentage of the cost at a low rate of