

Canadians Want An Inquiry Into Land Value Taxation

POWERFUL agitation is under way in Canada for governmental investigation into whether it would be desirable to change from taxes on land and improvements to a system of real property tax on site value.

In part this has been generated by the recent report of the Royal Architectural Institute of Canada (L&L., November) which has attracted wide attention. The *Toronto Financial Post*, editorially commending the report, referred to "the totally obsolete tax system which depends so heavily on property taxes and which penalises the man who improves his property."

The *Toronto Star*, under heading "No Subsidies for Landlords", commented: "An assessment law that nourishes slums is reprehensible. To the extent that slum owners are being undertaxed, other property owners are being overtaxed. Speculation in land is one thing; speculation that the public at large is forced to subsidise is quite another . . . As it now stands Ontario's assessment law encourages some slum landlords to keep their properties rundown, when otherwise economic considerations would force them to demolish the houses and redevelop the land. This is because the law tends to let the presence of slum drag down the assessment on land, thereby encouraging speculative holdings.

Mr. A. J. Scott, president of the Ontario Division of the Urban Development Institute, in a lengthy article, also commended the RAIC Committee's recommendation that the Provinces should conduct an investigation. "Such a study should be undertaken at once, by all levels of government, with the assistance of the most competent individuals available."

Similar statements have come from influential quarters from coast to coast. They indicate that in Canada (as in Britain) public interest is much greater than a few years ago reformers had dared to hope. Much of the credit for this rapidly developing interest is due to the work done by the International Research Committee on Real Estate Taxation, and to the impressive brochure prepared by the Committee's research director, Mr. H. Bronson Cowan, under title *A Graphic Summary of Municipal Improvement and Finance as Affected by the Untaxing of Improvements and the Taxation of Land Values*.

AN IMPORTANT INQUIRY TO BE UNDERTAKEN IN U.S.A.

IN a recent public address the *Graphic Summary* was mentioned by Dr. Norman Mason, Administrator of the Housing and Home Finance Agency, Washington, D.C. Dr. Mason said:

"Many municipalities in these countries (i.e., Australia, New Zealand, South Africa and Western Canada) have been using the system for as long as 50 years. The results are given at length and in specific terms. The result is undeniably impressive . . . It is evident that there is a close relationship between our prevailing real estate tax system and our problems of slums, blight and community renewal. The time has certainly come to increase our fund of knowledge by taking a fresh look at the matter. Therefore, I am asking my staff to make an extensive investigation. I shall make the result of their studies available when they are completed."

The H. & H. F. Agency is an immensely influential organisation. It controls the expenditure of billions of dollars designed to improve the housing situation, the reclamation of slums, and to provide the employment of labour in the construction industries. This statement is attracting wide attention in the press and otherwise. It is raising the whole movement to a higher level of discussion.

West Germany

LAND SPECULATION IN HANOVER

MR. Erich Zincke, a vice-president of the International Union, writes from Hanover: "The Housing Minister in his efforts to establish a free market in rented residential property has exempted the rent of new houses from control. As demand greatly exceeds supply, the results are striking. Now landlords could double their rents. Their speculation has proved right. They rebuilt their ruins with public subsidies, and the sums the future tenants were ready to give (DM 5-10,000) are totally lost. Now people see how a free market in land works where there is no land taxation. The great building societies condemn such speculation as they condemn any land speculation. It may be remembered that several of them sent representatives to the International Union's conference in Hanover last year.

"This city provides a most illuminating example of how, if land values are not taxed, good town planning heaps up land values into a virtually insurmountable obstacle to further municipal improvement, while endorsing land speculators.

"The artificial lake beside which our Conference was held — the Maschsee — was made at public expense. It was obvious that the lands around it must rise in value. The municipality knew this and tried to buy all this land. But it could not. The famous politician Hugen-