

leave no ground for reasonable opposition by any who really believe in government by the people.

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EDITORIAL CORRESPONDENCE

THE SINGLE TAX IN THE PACIFIC NORTHWEST.

Portland, Oregon, March 25.

"Have you been to the single tax city, Vancouver? If you have, what news do you bring?" This question I heard many times as I traveled through our northwestern States; for keen is the interest in the growth and material progress of the four western Canadian provinces, and especially of British Columbia, of which Vancouver is the metropolis.

American labor and American capital have latterly been flowing fast over the northern boundary line. As a consequence, one of the things that people through Oregon, Washington, and the other northwestern States most want to know about is "the working of the single tax", which report says is making magical opportunities and individual fortunes in Vancouver.

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I was fortunate enough to obtain an interview with Mayor L. D. Taylor soon after reaching Vancouver. Vancouver itself is a lively-looking city. It reminds one of both an English and an American city, with many fine buildings and many more in process of erection. But on the way from the Vancouver hotel (run by the Canadian Pacific Railway) to the City Hall, about a mile distant, I noticed many building lots that were vacant and many that were cumbered with wretched little hovels.

The City Hall itself is perhaps an adequate but not a large or pretentious building. What to me was the most remarkable thing about it was the wording on the outer door of the Mayor's office, to wit: "Walk In". It contrasted with the atmosphere surrounding most executive chambers, which in effect says, "Keep Out".

Mayor Taylor is a man of middle age, alert carriage and penetrating gaze. He has the directness and brevity of a railroad executive, and indeed he impressed me more as a railroad man than as a politician, or as a newspaper man, though he is the proprietor and active manager of the *World*, a very prosperous daily which is building or is about to build one of the finest newspaper establishments in all the Northwest, either north or south of the line. Moreover, it may be interesting to know that the Mayor is American born, hailing from Michigan.

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When I asked Mayor Taylor as to the truth of Vancouver's prosperity, he presented the great growth of building and other land improvements in proof of it.

But right here it is necessary to correct what may be a common misapprehension. It is true that within the past year there has been 86 per cent. increase in improvements. But this does not mean 86 per cent. of the total amount of improvements, but 86 per cent. above the improvements made during the year preceding. Yet that preceding year

showed a considerable advance over the year before; and each year for a number of years has shown large increases over the improvements made in each preceding year. Nevertheless, if these advances are not so great as some may have supposed, they are really remarkable when compared with the rate of building increase in cities elsewhere, especially in the United States.

Mayor Taylor attributed this building growth to the single tax; and he does not evade the plain words, "single tax". He flatly avows himself a Single Taxer. On that issue he was elected to the chief magistracy of the city. In a statement published not long since, he put the case in this way: "Fifteen years ago the city government concluded to encourage building by reducing the improvement tax 50 per cent. The effect was immediate. Huge buildings began to rise up where shacks had stood. In 1906, as a result of the success of the first experiment, an additional decrease of 25 per cent was made in the improvement tax. At once building operations showed another startling increase—an increase that when compared with the increases shown in the statistics of other cities was wholly out of proportion to the increase of population. At the beginning of 1910 it was decided to eliminate the building tax altogether, and, in consequence the single tax (taxation of ground values alone) was adopted in its entirety."

All that Mayor Taylor has here said is true. Building has been encouraged by exemption from taxation, and has jumped in consequence.

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But concurrently something else has jumped. The value of land has gone up enormously.

Mayor Taylor is too loyal to Vancouver's prosperity—too anxious to see her grow in population and wealth—to admit any undue speculation in land within the city's limits. To the observant visitor, however, it is most obvious and threatening.

That there should be such speculation accords with the circumstances and common reason. The tax on land values is very low, not high enough to discourage speculation; whereas, in addition to the encouragement to such speculation arising from tax exemption of buildings, there are two other important factors of speculation. One of these is the entrance into Vancouver of the Great Northern Railroad, thus making direct connection with Seattle, Portland and the more populous portions of the north-western States. The other is railroad building and general "development" to the north of Vancouver. The land-selling or promotion companies are extensively advertising British Columbia grain, fruit and timber-lands. Such advertisements are appearing in the principal Washington and Oregon papers. So that, because it exempts buildings from all taxation, and because it has better railroad facilities, and is attracting a larger surrounding country population by elaborate "promotion" processes, Vancouver is seen to be a superior place to live and do business in. Hence, up goes the price of its land.

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Now, the tax rate on land values in Vancouver is nominally 20 mills, or 2 per cent. It in fact is much lower. For, although land is supposed to be

assessed at its market price, or 100 per cent., it is really assessed at only three-quarters of this, or 75 per cent. This makes the land tax equivalent to 15 mills, or 1½ per cent. on the true value—manifestly a trifling tax.

No wonder then that land speculation is setting in. From this small land values tax a revenue of \$2,000,000 is obtained. This amount is this year supplemented by \$5,000,000 of bonds; for, as the city's values grow, the debt limit expands and more municipal bonds may be issued. In addition, then, to expanding speculation in land, Vancouver is piling up a municipal debt.



What is true of Vancouver is, as far as I was able to ascertain, true to more or less degree all over British Columbia. It might be said for some at least of the municipal governments, that they are restricted by Provincial laws to a maximum of 3 per cent. land values tax; yet none of them are approaching even that limit.

But Vancouver enjoys a special charter which has no such limitation. It is without let or hindrance to making the tax what it pleases. By making it so low, it unnecessarily courts land speculation with its certain penalty of enormous inflation of land prices, and then a pricking of the bubble and a dead city for a longer or a shorter period.

This is precisely what caught Portland years ago; what seized Seattle immediately after the Alaska-Yukon Exposition, and from which it is only commencing to recover; and what is about to take hold of San Francisco now that it is to have the Panama Canal Exposition.



If a similar reaction comes soon to Vancouver, many may cite it as proof of the ineffectuality of the single tax.

It will in truth prove no such thing.

The thing it will prove will be the necessity for full application of the single tax—not only exemption of improvements, but increasing tax burdens on land values. Obviously the first step in the single tax must boom land values; this makes the second step obligatory.

The people of Vancouver and all British Columbia are realizing this, as can be seen in the spread of literature and the popularity of meetings urging the justice of taxing all land values into the public treasury. So it is probable that a heavier land tax will soon come in the progressive Canadian Provinces.



I have found the same ideas making great headway through the States of Washington and Oregon, where fine lecture audiences have greeted me under the management of Frederick H. Monroe of the Henry George Lecture Association.

In the little lumber and cannery town of Anacortes, Wash., for instance, no public speech on the single tax had ever before been delivered; yet the truth of it when uttered appeared so obvious that an organization was at once appointed to work for its local application in this place, where D. J. Davis for a long time considered himself the only single tax man in town.

In Everett, Washington, I found that W. N. Proctor, a large lumber merchant, president of the single tax club, had been active in a movement which by exercise of the principles of the Initiative and Referendum, had turned the town from "wet" to "dry". The Mayor and councilmen who had been for a "wet" town, thereupon left the streets uncleaned, saying they lacked the revenue which had come from liquor licenses. Later they proclaimed a vocation tax. This has raised a storm that threatens the application of the Recall principle to the Mayor and all the members of the Council. It also brings into active politics proposals for increased taxation of land values as a means of raising additional revenue.

In Spokane*, the commission form of government has just put the city's affairs into the hands of five commissioners. Two of them are known to be single tax men. One of these is the Rev. W. J. Hindley, elected by the Commission to be Mayor. Up to the election campaign he preached the single tax from his pulpit. The other single tax commissioner is C. M. Fassett.

In Seattle†, Wash., Oliver T. Erickson, for years the head and front of the single tax movement in that aggressive city, has just been elected to the Council by 80 per cent. of all the votes cast—the most sweeping election ever known there. And he has with him several single tax men.

In Oregon the forces for and against the single tax are drawing themselves up for a fierce struggle. At the last election the State Constitution was amended so as to give local option in taxation‡, but at the fall election of 1912, which is the earliest moment this local option may be availed of, the great timber, mineral and other landlords will try to have this single tax permission in the Constitution stricken out. So a battle royal is on. The single tax men are under the leadership of that old, tried and shrewd campaigner, W. S. U'Ren, and are confident that they will win.

HENRY GEORGE, JR.

*See The Public, vol. xiv, p. 278.

†See The Public, vol. xiv, p. 251.

‡See The Public, vol. xiv, p. 228.

INCIDENTAL SUGGESTIONS

LETTERS FROM CHINA—II.

Peking, January 20, 1911.

The Advance Toward Constitutionalism.

For the advance which followed the Boxer war there was of course a background of progressive ideas. The students and travelers who had lived in other nations were of course aware of the superiority of Western learning and had long been spreading new ideas; many of them had fallen martyrs to the reform ideas and many more had been punished in other ways. The Tzucheng Yuan, the National Assembly, which has just adjourned,* among other things memorialized the throne to pardon the reformers who in 1898 were ordered punished, and this on the ground that the government itself has now

*January 11. See The Public of January 20, page 61.