

## INTERNATIONAL NEWS

## BRITISH COLUMBIA

The Annual Report of the Inspector of Municipalities (Mr. Robert Baird) contains much valuable information about the assessments and the taxes levied in each of the 33 city municipalities, the 30 district municipalities and the 5 (recently formed) villages of British Columbia. We have received the report for the year ending 31st December, 1925. By far the greater portion of the public revenue is obtained from taxes levied on the value of land apart from improvements, whether it is used or not. The land is taxed at 100 per cent of its assessed capital value in every area and nowhere are improvements taxed at more than half their assessed value. Of the 63 cities and districts, 28 exempt improvements altogether and levy their taxes on land value alone, excepting however that in six of these areas there are taxes on improvements (but only on a part of their value) for certain of the public services. In 25 cities and districts and in the five villages, improvements are taxed at 50 per cent of their value for all public services; in the remaining 10 cities and districts the value of improvements exempted from taxation varies from 66 $\frac{2}{3}$  per cent to 92 $\frac{1}{2}$  per cent.

A comparison of the assessments for 1926 with those for 1919 offer a striking contrast. The figures are to be read in the light of the fact that it was only after 1919 that real effect was given to the taxation of land values. In previous years, the local councils had been slack in their administration of the system. The land value taxes were imposed but were often not uniformly collected. In the interest of the owners (especially of vacant land held in speculation) the councils failed to exact payment and the arrears of taxes accumulated, until at the end of the year 1918 they had amounted to as much as \$14,624,000. At that time also, the values at which the land, both used and vacant, was assessed had reached its highest level; the assessment in fact reflected the prices to which the land had been driven by the intense land speculation just preceding the war. For that state of affairs, the local councils themselves were largely responsible. They embarked on extravagant schemes of municipal development, getting heavily into debt to finance their projects, and all they did or promised to do helped to "boost" the value of suburban lands. They arbitrarily kept up the assessments so as to have an apparently good security for their loans, and they neglected to insist on payment of overdue taxes, probably fearing that the effect would be to bring down the monopoly price of the land with a rush. For a time, the interests of the speculators were well served by the failure of the municipalities to enforce collection of the taxes that had been legally imposed and levied.

Then the Provincial Government took action, passing stringent legislation for tax recovery by compelling the process of "tax sales" and the eventual surrender of the land if the taxes remained unpaid. It is more than a coincidence that under the operation of land value taxation, duly enforced, the position has so completely changed. These are the figures of the assessments for all the city and district municipalities in British Columbia taken together:—

	Capital value of Land apart from Improvements	Value of Improvements
Year 1919 .. ..	\$366,004,370	\$181,358,220
Year 1926 .. ..	\$302,289,390	\$264,214,790

In these seven years, the population has increased from 374,980 to 444,735. Yet the assessed value of

the land has declined by \$63,714,980. The position has since been eased for industry, and while the value of the land has fallen the value of improvements has increased by \$82,856,570. In 1919 the relation of improvement value to land value was as 100 to 202; in 1926, the relation is as 100 to 114. In the same period the land value per head of population has fallen from \$976 (£201) to \$671 (£138). As for the "tax arrears," the due enforcement of payment has reduced them from the sum of \$14,624,000 in 1918 to \$4,528,200 in 1925 and in the process many defaulting owners (in the vast majority of cases, owners of vacant lands) have been obliged to surrender the land they were holding up.

Surely "Statistics" never spoke more eloquently. The beneficial results of land value taxation are as apparent in British Columbia as in any of the numerous other places where it has been introduced. It may be said that land values in British Columbia had reached an altogether artificial and unreasonable level in 1919 and were bound to fall in any case. This may be true; but if the British system of local taxation, with all its burdens thrown on the improver and not a penny levied on the owner of unused land, had been in vogue, the monopolists would have been holding fast still. The facts of the case cannot be dismissed. The land value tax has worked its way. It has not been "passed on" in higher prices. It has not "increased the value of land"; it has not "stopped building." On the contrary it has forced the mere speculator to give up the game. Under its steady pressure land prices generally have been heavily reduced; land values have fallen both absolutely and relatively; and improvements largely free from taxation, have increased by the substantial figure of more than 83 million dollars in seven years.

Mr. Robert Baird's latest report mentions that there is now noticeable a reaction in the direction of taxing improvements; but fortunately it is very slight. In only two places is it of any consequence (improvements formerly free being now taxed at 25 per cent of their value) and in the past two years the whole of the taxation thus "shifted" back on to improvements amounts to no more than \$124,050 out of a total municipal tax levy of \$14,238,460 in all the cities and districts taken together.

In Vancouver, the largest city, with a population of 128,350, the land is taxed at its full value whether used or not (as throughout British Columbia) and improvements are taxed at half their value, which has been the case since 1919. The land value of the city works out for 1926 at \$961 (£197) per head of population. The tax rate is 3.17 per cent. and 58.2 per cent. of the tax-revenue from real estate is derived from the value of the land alone. In the last seven years the assessed land value has fallen from \$132,245,020 to \$125,339,970 while improvements have increased from \$72,799,650 to \$89,962,340. The "tax arrears" have been reduced

## Trade Depression and Unemployment

By SIR EDGAR HARPER

THE REMEDY: TAX LAND VALUES  
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from \$5,456,450 to \$1,372,320. Thus Vancouver has the same story to tell as the rest of British Columbia. But greater progress still awaits the city if success attends the renewed movement to get back to the taxation of land values only. What should help in that direction is the fact that in the surrounding municipalities—New Westminster and North, South and West Vancouver—the local taxes are levied on the value of land alone and improvements are entirely exempt.

## THE HENRY GEORGE FOUNDATION OF AMERICA

### Purchase and Preservation of Henry George's Birthplace

The newly-formed Henry George Foundation held its meetings and congress in Philadelphia, 2nd to 4th September, as announced in *Land & Liberty* of last month.

Mr. George E. Evans, the President, writing to us after the event, reports a most successful gathering, and outlines the plans and programme the Foundation has in view. The first object has been attained—the purchase and preservation of Henry George's birthplace in Tenth Street, Philadelphia—an achievement that will be welcomed with pride and joy by the disciples of Henry George the world over. Those who have taken the initiative in this enterprise are to be heartily congratulated. For years the purchase of this historic house on behalf of the movement has been the thought and ambition of very many followers of Henry George, and all can be grateful to Mr. Evans and his colleagues for this special service.

Mr. Evans writes:—

"The idea of Henry George Foundation originated in our Pittsburgh group, which conceived the idea of incorporating a permanent Foundation, which is now chartered under Laws of State of Pennsylvania, as an Educational Institution.

"Our purpose and hope is that it will become a permanent national agency, through which all Georgeites may function. We invite the co-operation of all groups. We have a very broad charter, under which we can carry on almost all descriptions of educational work. Among the activities which we are carrying on at present is the maintenance of a booth at Sesqui-Centennial Exposition at Philadelphia. It is located on the main aisle of the Educational building and is taken charge of by one of our secretaries, Mr. McGuire, who devotes all his time to this work. Many thousands of pamphlets have been distributed.

"Another activity upon which we are entering is the publication of a large cheap edition of *Progress and Poverty* which may be sold at a shilling. We are also publishing 20,000 copies of an abridged *Progress and Poverty*, edited by Mr. Bolton Hall and Will Atkinson of New York.

"Our major activity is the taking over of the Henry George birthplace, which is located on Tenth Street, near Lombard Street, Philadelphia. On 1st November, 1926, we take over this property free of encumbrance. We were most fortunate in finding it in the possession of a well-known Philadelphia Georgeist, who is selling it to us at a very low price. The property is appraised at two thousand pounds (£2,000), but will cost the Foundation about a third of this amount. The owner

makes up the difference with a subscription to the Foundation.

"We have a number of other proposed activities which are not yet fully developed. I cannot tell you the exact amount subscribed so far, for the figures are not available at this moment. We do not fall far short of \$40,000. We received two one thousand dollars cash subscriptions this week.

"I had the pleasure of meeting Mr. Hennessey at Philadelphia and to hear his very interesting talk on the Copenhagen Convention.

"I have received some membership blanks for International Union and will endeavour to obtain some members for you here."

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*Land and Freedom* (New York) September-October issue carries an extensive report of the Congress and Memorial Celebration held in Philadelphia under the auspices of the Henry George Foundation. The Address by the Hon. Charles O'Connor Hennessey on the Copenhagen "International Conference for the Taxation of Land Values and Free Trade" is given verbatim and is an illuminating story of that great event. The address is described by the editor of *Land and Freedom* as "one of the high lights of the Congress," a tribute which we agree is well deserved.

The resolutions adopted included "A New Declaration of Economic Independence" and a call to the President and Congress of the United States to convene an International Conference to consider the economic causes of international friction and their causes. An immediate political demand for local option in taxation was made in the resolution addressed to the Chairman of the Pennsylvania State Tax Commission in the following terms:—

"The Henry George Congress assembled in Philadelphia, 2nd, 3rd and 4th September to celebrate the 87th birthday of the author of *Progress and Poverty*, resolves:—

"That we respectfully ask the Pennsylvania Tax Commission to incorporate in their coming report on taxation a recommendation that the citizens of the Commonwealth of Pennsylvania be given local option or home rule in taxation as suggested by Harold Sudell in his letter to you under date 14th November, 1925.

"We commend your Committee for the recommendation that real estate now exempt from taxation be taxed on the land value, and only improvements be exempted."

## AUSTRALIA

### Victoria

The September issue of *Progress*, Melbourne, announces two notable victories for the rating of land values in Victoria. Polls were held at Sandringham and at Brunswick on 26th August at the same time as the municipal elections.

At Sandringham the question before the voters was the adoption of the system and it was carried by 2,284 votes to 2,098. In these totals there were 574 postal votes against the proposal and 46 in favour. "The postal votes," as *Progress* points out, which would be mostly from absentee land-owners, had a majority of 528 against the proposal, so that there was really a majority of the residents of 714 for the reform.

At Brunswick, where rating on land values has been in force for a few years, having been carried by a majority of 288, the opponents had demanded a poll to revert.