

local taxation in British Columbia and in Edmonton. The facts belie the Land Union's statement. British Columbia is getting back to the position in 1914 in respect to the exemption of improvements, and Edmonton takes 68 per cent. of its rate-revenue by taxation on the value of land alone.

Unfounded Allegations.—"In some of the Colonies" the Rating of Land Values has been tried "with unsatisfactory results"! In which? And where has the policy been a failure? In Queensland the policy has been in full operation since 1902; in New South Wales (except that part of Sydney called the City) since 1908; in the City of Sydney since 1916; in South Australia for ten years in 13 municipalities; in the Transvaal in most localities since 1916; and in the Western Provinces of Canada since they were founded. In Manitoba, city improvements are taxed only two-thirds of their value, and there, as in the Western Provinces, local taxes on farm buildings and improvements are almost unknown. Overwhelming evidence proves the success of the Rating of Land Values wherever it has been adopted, and it is that success which has recently persuaded the Province of Ontario, the Cape Province, the State of Victoria and the Orange Free State to extend to their municipalities the same powers to rate land values as are possessed in other Colonies.

As to New Zealand, the Land Union is guilty of the grossest misrepresentation. It merely tells its readers that "we learn from the Land Taxers' Journal, LAND AND LIBERTY, of October, 1920, that in New Zealand five places which adopted rating on site values have reverted to the old system." This is the art of selected quotation. The statement was that in New Zealand 167 local authorities rate on land values, viz., 64 boroughs, 34 counties, and 67 other smaller town districts and areas. Sixteen polls had been taken to revert to the old system, and of these only five had been successful. The facts of the case present the very opposite impression to that circulated by the Land Union. The system has been so satisfactory that since 1896 it has been adopted in 167 places, that only sixteen attempts have been made to abandon it, and only five of these attempts have been successful. Recently the Town Clerk of Cambridge, N.Z., made full inquiry from the councils of many towns and districts as to their experience with Land Value Rating, and the replies were almost wholly in favour of the system. That was the information given to our readers, which the Land Union has chosen to distort for its own ends.

In the £ of What?—In recent months the papers have found good copy in the enormous increase of rates. When it is said that rates are 20s. in the £, what does the statement mean? In the £ of what? The standard or basis of the taxation is rateable value—that is, the annual rent which the premises would be likely to command if they were let in their existing condition from year to year. Whether the premises are owned by the occupier or they are occupied by a tenant the assessor is supposed to ascertain what a hypothetical tenant would give for them in rent from year to year *in their existing condition*. That is the present law, and it operates as a penalty on all building and improvement. No rates are imposed on valuable land which

is held idle. Therefore, no reduction of the burden can come by a re-assessment of values determined by the present law, for that would only impose still greater penalties on used land, and give a proportionately greater relief to unused and under-used land. It is quite true that the high rates are more apparent than real. The high poundage is really so many shillings of rates with 1920 purchasing value measured on a basis of assessments with 1914 purchasing value. The alteration of the money standard must be taken into account. But it is of no avail to increase rateable value in sympathy with the change in money values, and so bring down the amount of the rate on the £ of rateable value, as is sometimes proposed in some localities where the assessment is many years out of date. The remedy needed is much more drastic and radical. We have to stop the taxation of improvements and secure revenue from the value of all land, and then whatever the rate in the £ on the value of land may be, until it absorbs the whole of the land value it is neither a "burden" to the locality nor a hardship to any occupant. It would merely call on all landholders to pay rent to the community and stop them from confiscating wealth they do not produce.

How Houses, New and Old, should be Assessed.—The cost of new houses and the operation of the Rent Restriction Act are giving the rating authorities some little perplexity in the matter of valuation and assessment. Some are fixing rateable value on the basis of cost, and others are fixing it on the assumption that such houses are subject to the Rent Restriction Act, thus putting the taxation of new and old houses on an equal basis. The Ministry of Health has issued a notice to the rating authorities that whether the house is new or has been recently purchased, the rateable value must be based neither on cost nor on the price paid, but on the rent which would be obtainable if the house was subject to the Rent Restriction Act.

This is no solution of the problem. The Restriction Act is a temporary expedient. It has not reduced nor restricted rents, but only enabled tenants to enjoy some part of the rent which would otherwise go to the landlord of the premises. And now the Ministry would interpret the Act so that occupying owners of houses shall be deemed to enjoy less rent than they actually enjoy. When the Restriction Act ceases to operate, all houses will require to be rated on the rent for which they would reasonably let, and taxation is likely to be heavily increased. If the Ministry of Health really had a housing policy, they would have provided long ago for the abolition of all taxation on houses, whether new or old. By this time they would have had an Act through Parliament for a revision of the land value of the country, with provisions empowering local authorities to obtain these revenues by rates levied on land values, whether the land is used or not. The relief of improvements from taxation and the forcing of valuable land into use can come that way, and that way alone. It is the only housing policy that will check speculation, bring raw materials to market in abundance and promote building.

City Councillor Peter Burt.—The Scottish League and the movement in general can rejoice and take renewed