

thing as "the problem to get settlers." But that would mean the awful iniquity of taxing land held out of use by speculators as high as the unimproved value of adjacent improved farm land. That is, the ungrateful people would tax according to the value that they themselves have added to the land, and would not tax anything else; they would actually take for their public purposes the annual value that they create, and thus iniquitously deprive land speculators of the "vested right" to get something for nothing.

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Perhaps my fears have no foundation. It may be that you Governors will save the country by meeting and proposing something that won't work.

W. G. EGGLESTON.

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## EDITORIAL CORRESPONDENCE

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### THE SINGLE TAX IN CANADA.\*

Winnipeg, Canada, April 18.

Henry George, Jr.'s, word of warning in reference to Vancouver is opportune. Prior to my residence in Winnipeg my home was in Vancouver, and for that reason I feel qualified to speak about conditions there.

Since the city adopted the single tax it has bulked large as an example of an application of the Georgean theories of taxation, and some of our friends have made claims too preposterous to go unchallenged. Vancouver has slums, or at least a lower quarter—perhaps not so bad as many cities of no greater population—but at any rate such as should not be tolerated in any city. Vancouver has many unemployed at certain seasons of the year, particularly when the logging camps are closed. More general employment there than in many other cities is partly due to causes unrelated to taxation of land values and exemption of improvements, although some increased employment is due to increased building activity and general industry which can be traced directly to exemption from taxation. But hundreds have gone from Seattle and other coast cities to Vancouver in search of employment, and this process must again produce unemployment in Vancouver. Seventy-five per cent of the working men of Vancouver may be nominal home-owners; but I think that figure too high, and I believe strict investigation would reveal the fact that a large majority of nominal home owners own only an equity of from \$300 to \$1,500 in homes worth from \$2,500 to \$3,500. I doubt if there is another city in the whole Northwest where the price of building lots of all kinds is as high as in Vancouver. This is a natural sequence of increased building activity. Another great factor is the geographical limitations of the city. On the north and west Vancouver is bounded by water, and water-front land is naturally higher in value than other land. From the water

front the city has grown south and east, instead of radiating in four directions as in cities where physical conditions do not hamper. There is much greater demand for land in Vancouver than in Winnipeg, a city of but little greater population; and in Vancouver speculators experience much less difficulty in maintaining a land monopoly. Still another factor is the fact that many men who accumulate a competence on the Canadian prairies retire to Vancouver and there invest considerable of their capital in land. They have "confidence in the city" and want a portion of the unearned increment.

These conditions must tend to boom land values, unless the single tax is drastic.

But the application of the single tax to Vancouver is elementary and diluted. The actual rate of assessment upon the selling value of land, as Congressman George points out, is only about 15 mills, or 1½ per cent on capital value, which absorbs only a fraction of annual value. Is it strange that land values boom in Vancouver, when improvements are not assessed at all and land value escapes with 1½ per cent? Added to rapidly increasing population, great commercial advantage of location, mild climate and limited area, so mild an application of the single tax cannot fail to stimulate all the value of Vancouver land both normally and speculatively; and the normal value has in fact been accentuated by an almost unprecedented era of speculation.

The present degree of the single tax in Vancouver is not sufficient to be a corrective of land monopoly. There must be a much larger measure of the socially created annual value of land. If the people of Vancouver wish to secure the benefit the single tax is capable of yielding, they will follow up their initial action by issuing short term bonds to provide funds for municipal expenditure, and then increase assessments on land values to provide for speedy bond redemption. This would tend to check the present era of speculation and would augment general prosperity in the city.

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There is absolutely no desire on the part of the citizens of Vancouver to return to the general property tax, nor do I think there will be any such danger in the event of depression following upon the present period of inflation. The people of Vancouver are beginning, through their experiment, to realize the moral basis of the single tax; and I feel confident that they will insist upon an increase of the tax instead of a return to the old system to cure undesirable conditions.

There is a civic pride in the fact that the city has attained world prominence as the largest city to have gone so far in the single tax direction. This spirit is evident everywhere, and among men who have never read a word of the Georgean philosophy nor so much as heard an intelligible exposition of it. The experiment itself has made them think, and they are thinking along lines of moral justification.

I asked a citizen who had got millions in land speculation and knew nothing of Henry George, how he liked the single tax? "I like it fine," was his reply "But isn't it unfair to tax the man who owns a fine house and has plenty of money, no more than

\*See The Public for March 31, pages 290, 294.

the poor man who owns a vacant lot?" I queried. "Never a bit," was the reply. "It's only the industry of the man who owns the home, and more like him, that gives value to the vacant lot. Why should you tax the industrious man who builds and gives employment and improves the city?" I agreed. "Why?"

This is but one of many cases, and while the limited municipal single tax of Vancouver is impotent to produce the redemptive social reforms we claim for full application, it is focusing the attention of many men who would otherwise never stop to think. After all, they reflect, the man who owns land does not give value to it.

Whenever you get 100,000 loyal citizens, who think their town is the best on earth, to arguing in defense of a departure they have made in municipal government, someone is sure to hit the right reason, and the right reason is the only one that sticks. In this way the people of Vancouver have learned, since they acted, that the best of moral reasons justify the action they took in exempting industry and taxing land value. Men now see this whose minds are impervious to abstract philosophy.

Though conditions still exist in Vancouver, which permit men to obtain value where none is given, though some men are still getting something for nothing, and more men are getting nothing for something, and so long as this state of affairs continues, want and the fear of want with its consequent depravity and crime will inevitably follow, yet the single tax as applied moderately in Vancouver is doing all we ever hoped for so moderate an application.

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As for the future of Vancouver and the four western Provinces I cannot positively speak. Men are thinking, however, and learning.

During the recent session of the Saskatchewan legislature the attorney general fathered legislation which enables any city in the Province to adopt the municipal single tax by four equal annual reductions of 25 per cent in the existing assessment of improvements. This measure was enacted in response to representations made by the municipal councils of the cities of Prince Albert, Saskatoon and Regina. Four years hence those cities will no doubt have joined Vancouver, Victoria, Edmonton and the other cities where the single tax is now moderately in use.

Buildings and improvements are exempt from taxation in all rural and farming districts in Manitoba, Saskatchewan and Alberta. This is the widest application of the principle existing anywhere in the world. All our western cities seem to be on the verge of adopting the municipal single tax.

The next logical step would seem to be the shifting of Provincial taxation to the land values basis.

This will involve a big fight with the railways, the land companies and the other entrenched interests, and our object can no doubt be accomplished best and most expeditiously through the agency of the Initiative. Direct Legislation is not upon our statute books yet, but it is coming. The farmers have said so. The innings of the Interests will soon be over.

Canadian farmers are discussing the single tax and reading about it, not the mere superficial single tax, but the kind that has teeth. Their leaders are advocating it. The farmers also know what should be done to the protective tariff. They ought to—they know what it has done to them. In the meantime what better can the people of America do—without distinction as to Provincial, State or international boundary lines—than to support William S. U'Ren and his coadjutors in the momentous fight they are making in Oregon? Anyone who has read the draft of the law to be submitted by Initiative petition to the electors of the respective counties of that State in the autumn of 1912, and knowing the situation there, cannot fail to grasp the import of the fight. U'Ren suggests the single tax, pure and unadulterated. If he wins, the way out will be easier for all of us.

ROBERT L. SCOTT.

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## THE SINGLE TAX IN NEW SOUTH WALES.

Sydney, Feb. 15.

The second general election for aldermen under the local government Act\* held on the 28th of January, might be supposed to have been affected by the almost universal adoption of placing local taxation entirely on land values. In fact, however, in a vast majority of places this question was not an issue in any sense. It is generally recognized now as the right thing to raise local revenue from the unimproved value of the land alone. Our task, then, was comparatively easy. We had only to pay attention to a few places where full advantage has not yet been taken of the law.

At Prospect and Sherwood the three worst opponents of this policy were defeated. Also at Lane Cove, a doubtful place which had for three years challenged the energies of our local friends to back up friendly aldermen in the Council. At Woollahra an alderman who recently proposed taxes on improvement values, was defeated, and a land value taxer elected in his stead. In various other places old opponents were rejected.

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The place that has given us most trouble is North Sydney. It is the largest municipality outside the "City," in the State. The aldermen were an intensely conservative lot. They hated the new Act. Like all conservatives, they believed in a borrowing policy, and (outside the "City") had the largest debt in the State. Some of the most vicious examples of land monopoly in the metropolitan area are in North Sydney, and the aldermen appeared to think that it was their bounden duty to nurse them. In 1908 they decided to levy entirely on unimproved values at 3½d. in the pound, but they made it clear that they were against the principle. They really wished to impose an "additional general rate" on improved values, but feared the referendum poll.

Now it is well known that cunning lawyers may find a loophole in the best of laws. Our Local Gov-

\*See The Public, volume xlii, page 1085.