

## James R. Brown in Ottawa

THE Ottawa *Citizen* gives a three column report of the lecture of James R. Brown, president of the Manhattan Single Tax Club, to members of the City Council. The members gathered at the Laurentian Club of Ottawa at the invitation of Mayor Fisher.

Mr. Brown said the tax lists of today were only "a collection of guesses" and proceeded in the breezy and effective way with which our readers are familiar to indicate the impolicy of taxing labor products, and pointing out the true source of revenue. The following extract from the report of his lecture must have been an eye-opener to the city fathers of Ottawa:

"Ottawa every year punishes industry by a fine or tax amounting to about \$1,000,000, and then to add to the sum of its follies, it gives to land owners as a reward for idleness, in the form of land values, public property to the extent of about \$3,200,000. This enormous premium on idleness results in the boosting of land values beyond the ability of labor and capital to pay the tribute. Ottawa requires about \$2,750,000 this year for all purposes. Your land area is about 5,296 acres, and allowing for streets, there are, therefore, about 63,552 lots, 25x100. An average tax of \$45.00 per lot would yield \$1,859,840. And this without taking one cent of private property, nor adding one cent to the cost of living. This tax would grade in apportionment between your dearest lot said to be worth \$70,000 or more—and your cheapest lot worth about \$150, or, if you were to abolish all taxes on improvements and personal property and levy a 5 per cent. tax upon your land values, the dear lot would pay \$3,500—improved or unimproved, and the cheapest lot would pay \$7.50, improved or unimproved. Users of land would benefit, non-users would have to become workers and producers.

"If you allow in this town  $1\frac{1}{2}$  lots to each family, for all purposes, you would need only 30,000 lots, leaving some 33,552 lots idle and vacant, all of which are entitled to and get more or less social service and advantage, but do not pay the full cost thereof. What they do not pay is unjustly loaded on to improvements."

## Frederick F. Ingram on Secretary Lane's Land Policy

THE *Forum Folks*, a little paper published by Frederick F. Ingram, of Detroit, in the interests of the Detroit Forum, takes a slap at Secretary Lane's land settlement scheme for the returned soldiers. It prints this item from the *Detroit News* of November 1:

"East Lansing—An effort to interest the Federal Department of the Interior in muck lands of Michigan is being made by the M. A. C. It is believed that the State may in this way secure as colonists many soldiers who may be given farms."

The M. A. C. stands for the Michigan Agricultural College, and Mr. Ingram's caustic comment is as follows:

"Lately we have seen frequent mention in the newspapers and magazines of a scheme proposed by Secretary Lane of the Department of the Interior, of putting the returned soldiers on the arid deserts and other waste lands of the West, set them to work improving it, the government to

buy it for them, from the speculators who, of course, will be there to 'hold it.' The government guaranteeing payment to the speculators and in turn the government is to require the soldiers to stay on it and work it and turn the product of their labor over to the speculators for a generation or two until they have paid the purchase price and interest. The speculator is to do nothing except to hold it and hold up the government.

"It seems the speculators who hold title to the cut over and burnt over pine barrens and muck lands of the northern part of Michigan, have caught on, they want a slice of it, so they are making their wants known through the Michigan Agricultural College."

The Detroit Forum, under the management of Mr. Ingram, has begun its course of lectures in which men of prominence in many walks of life are given an opportunity to present phases of the social question in which they are interested. It may be that Secretary Lane could be induced to appear and defend his proposals—for we assure him that they need defense more than they do advocacy

## Canada

THE City of Halifax, Nova Scotia, will hereafter limit its tax on improvements to a fixed rate of one and three-fourths. Whatever additional may be required will be levied on land values. The value of premises exempt from "the household tax has been lowered from fifteen hundred dollars to one thousand."

We call attention to this change, which though neither radical nor far-reaching, embodies a lesson for American cities. Here is Canada, which has been four years in the war, yet many of the important cities are taking steps to relieve industry of taxation. The city of Sydney, Australia, also four years in the war, deems it wise to retain its system of exempting improvements from taxation in this period of stress, when the needs of revenue are making extraordinary demands and legislators are seeking new objects of taxation in the mistaken notion that new objects of taxation mean new sources of revenue. How long will the lesson remain unheeded by American cities?

Regarding the new change in Halifax, Mr. F. H. Bell, the City Clerk, has this to say, with much of which Single Taxers may cordially agree:

"It may not be out of place to say a few words of the general nature of the new act. It embodies two principles. The first is the doing away with all taxation on personal property and the substitution of taxes based on the values of premises occupied for business or residential purposes payable by the occupiers. In this respect the act is a straightforward application of the principle which in my opinion is the only sound one on which municipal taxation can be based, namely that the tax should be "in proportion to the benefit received." Not, as that principle is often grossly misunderstood, in proportion to the taxpayer's share of civic services such as police, fire protection, etc., but in proportion to the extent to which he avails himself for business or residential purposes of the one thing which the City has itself created—the value of real property within the City. In other words the City may be regarded as a huge combination of a market and apartment house in

which one pays for the space occupied, and in which the City has no more concern with the means or income or gains or losses of the occupier or the amount of his personal property or the nature of his business than the owner of a market or an apartment house would have with those of his tenants.

The second feature of the new act is the differentiation in taxation on land between the tax on improvements, which is placed at a fixed rate, and that upon land values apart from improvements, which is left as the open end of the tax system, to make up whatever is required in addition to what is raised by the fixed rates and special taxes. This feature was added to the scheme of the act as originally submitted by the Board of Control at the instance of some earnest reformers, sincerely convinced that it will greatly benefit the community by cheapening the cost of land and promoting building. Whether those anticipations will be realized is not for me to say. If one may judge from the severe criticisms made upon the effect of similar laws in western provinces, it is at least doubtful. So far as respects land on which buildings are now standing it will not apparently make very much difference in the amount of the tax on the property as a whole, the gain by the fixed rate on improvements being as a rule pretty nearly offset by the increased rate on the value of the land. It will be by exerting pressure on the owners of vacant land to sell it or themselves build upon it that the expectations of this feature of the act will have to be realized. Whether such will be the case time alone can show."

## Brazil

WE have received from Sao Paulo a handsomely printed edition of addresses and studies, made by Dr. Luiz Silveira, the volume being entitled "The Land Tax" ("O Imposto Territorial"). We have referred before in this REVIEW to a previous publication by the same author, an official report, which, as special delegate, he had prepared for the Government of the State of Sao Paulo, upon land valuation and taxation in the republics to the south of Brazil. That important document decided the government to make a declaration of their fiscal policy in favor of the land tax as ultimate sole source of revenue.

The present volume is full of valuable information regarding fiscal conditions in the progressive South American nations. It is interesting, for instance, to learn that the Province of Buenos Aires (pop. 2,240,000) had in 1915 a total revenue of \$48,885,181, of which the sum of \$26,099,189, or 53.42%, was derived from a straight land value tax. We shall refer further to this volume in our next issue. (The Argentine dollar is worth 44 cents gold.)

## Ex-President Roosevelt on the Single Tax

WE believe that municipalities should have complete self-government as regards all the affairs that are exclusively their own, including the important matter of taxation, and that the burden of municipal taxation should be so shifted as to put the weight of land taxation upon the unearned rise in value of the land itself, rather than upon the improvements, the buildings; the effort being to prevent the undue rise of rent.—THEODORE ROOSEVELT, "The Progressive Party," *Century*, October 1913.

## Johannesburg

THIS year the Johannesburg municipality takes the important step of levying its rates on land values only, thereby, says the *Cape Argus*, "giving effect to the policy of encouraging improvements, and incidentally inducing large holders of land to sell."

The *Argus* goes on to say:

"There are 87 township companies holding land in Johannesburg, and, taking the totals, the incidence of taxation as applied today does not make the stupendous difference to them that was anticipated when the matter was being discussed in 1917-18.

The application of the rate was 4d. in the £ on land and 1½d. on buildings, and the 4d. impost produced £32,661.

For the current year the rate is 6½d. in the £ on land, and the township companies will have to find £50,415, or about £15,000 more than they were accustomed to pay.

A highly interesting feature of the alteration in the incidence of taxation is to be found in its application to the large blocks of buildings in the central area.

Taking 30 of them, the amount charged to the owners three years ago was £29,119. Last year it was £26,475, and under a 6½d. rate it will be £25,217—not an alarming difference when it is considered that the huge buildings are to escape the attention of the tax collector."

## Buenos Aires

ACCORDING to advices from Buenos Aires by recent mail, four of the political parties contesting the municipal elections for the City Council announce in their programmes that they support the adoption of the Single Tax on land values for the city's revenue. It is evident, therefore, that in petitioning for the new city charter for the same object, as announced in our last issue, the Mayor, Dr. Llambias, has behind him a strong body of public opinion. In order to remove any misunderstanding as to the purpose of the new charter, we wish to correct a printer's error occurring in the last paragraph on page 151. The paragraph, which is from the Mayor's covering note to the Minister of the Interior, should read as follows: "In the subjoined project of law, the municipality proposes to suppress all the taxes and substitute for them an additional one which will fall upon all *land* within the city, taking into account only the unimproved value, exempting buildings." The word "land" had been omitted.

ARGENTINA has asked the Latin Republics to join with her in tearing down the tariff walls and inaugurating free trade among themselves. It has rovided for the opening up diplomatic negotiations for the adoption of treaties providing for the products of each country willing to enter this proposed customs union.

It may be said that a year's trial of free trade with Peru has taught Argentina the wisdom of this step.