

depression, and, as was predicted by all economists of any standing, what seemed a success during prosperity has proved a lamentable failure in time of adversity. The real estate men, "by whose propaganda the tax was taken off improvements, and who boosted sales on the benefit of exemption from taxation of improvements, are now the most bitter in opposition to the single land tax, as they are caught with large blocks of non-revenue producing land, for which they paid big prices, but which they cannot sell at any price, and upon which they have to pay heavy taxes. They are now in the forefront of those who would reimpose taxes on improvements."

Land values declining in Vancouver in 1912, the aldermen of that city found themselves in a financial dilemma. It would never do for those in authority to admit the failure of a system which had been their boast and pride, so they increased the tax rate until in 1917 it was 24 mills, this rate, of course, bearing heaviest on the small proprietor. In 1918, the council was faced with the alternative of an increase of three and one-half mills or abandonment of the unimproved land tax. It was abandoned, and one of the newspapers of that city said in its next issue: "In point of fact the Vancouver city council is out to broaden the basis of taxation, and get as far from the single tax as it possibly can."

This change of policy on the part of Vancouver has since been followed by practically all the municipalities in the west, some voluntarily, some otherwise.

Early last year South Vancouver defaulted in meeting its obligations, and the provincial government appointed an administrator to manage its affairs. The Edmonton Bulletin, in referring to the matter, said that among recommendations made by him to the taxpayers asking them to help him to pull the municipality out of the fire, was one which might be of interest to the citizens of Edmonton, where the system of taxing land only, was tried to a finish and found insufficient. The administrator said: "After careful consideration of the financial situation, I find it absolutely necessary to depart from the straight tax on land, drastic though it be."

C. J. Yorath, City Commissioner of Saskatoon, made a special report in 1917 upon Assessments and Taxation to the mayor and aldermen of that city. It was a scathing indictment of the policy of exempting improvements from taxation, and he stated "that it had proven to be the most difficult method of raising revenue, was largely responsible for enormous arrears of taxes, did not prevent speculation in land, but in fact stimulated speculation, as through the supposed advantage of inducing the owner to develop his property, an unhealthy prosperity was created."

Case of Edmonton

A single taxer writing to the Montreal Gazette in the latter part of 1917, said that "Edmonton had also adopted an honest and wise tax system, and it is highly improbable that the residents will be fooled by the speculators into any change whereby resident proprietors will carry the burden of speculators and non-residents, and that its utilities, municipally operated, had proved a success."

A speaker in this city in 1916, referring to Edmonton said, "that wherever the site value system had been tested it has been attended by beneficial results; it has never been discarded where once applied, and as the matter becomes better understood the advocates of the system increase in vast numbers." What are the facts? In a letter from a city official of Edmonton, March, 1918, he says: "No changes in our system of assessment have been introduced during the past two years. Very radical charges are, however, contemplated for this year. Three of our utilities have returned substantial surpluses during the past two years, but the street railway has had a deficit which more than wiped out the surplus from the other utilities." The municipality operated utilities are: Electric light and power, telephone, water works and street railway, the deficit in 1916 being \$20,827 and in 1917, \$25,540. Since that letter was received the so-called single tax system has been abandoned and Edmonton now taxes everything in sight. It was only a short time ago that a single taxer in addressing one of the

associations of this city said that, "the people in Edmonton, Vancouver and Saskatoon were well satisfied with the result of their land tax system, despite the criticism appearing in some newspapers." That they were not satisfied is shown by their return to saner methods of taxation and the abandonment of the single land tax.

As an evidence of the inflations of land values so as to obtain sufficient revenue on a low tax rate, Edmonton is a most conspicuous example. In 1914, with a population of 72,500, the assessed land value of that city was \$209,000,000. Montreal's total assessed land value in the same year was \$537,000,000. Had Montreal's land value been assessed at the same ratio to population as Edmonton's, the assessed value would have been \$1,874,000,000, or \$1,023,000,000 more than the total assessed value of Montreal's land and buildings. In other words the assessed land value per capita was in 1914, Montreal, \$825, and Edmonton, \$2,880, or over three to one. These figures show how the single taxers of the west were bolstering their theories by fictitious values and a low tax rate.

Throughout the whole of the west the history of the single land tax has been the same. It did not prevent or even check land speculation. On the contrary the bait of exemption of improvements stimulated speculation. There was, in some places, a temporary increase in building, which was prejudicial rather than otherwise to the welfare of the community. Assessment Commissioner Painter, of Vancouver, reported early in 1914, "that less than half the houses which are ordinarily rented now have tenants." The Credit Foncier office building in that city was then vacant except for the top and ground floors; and Prof. Haig reported: "There seems to be no doubt that Vancouver is over-built."

As a benefit to the working man it has utterly failed. The city treasurer, of Victoria, B.C., says: "With total exemption of all buildings from taxation, I think the working man is getting the worst end of the stick." This is the consensus of opinion of all who have carefully and impartially studied the conditions in the west.

To sum up: the single tax theory, when put into practice, has failed to abolish or in any way check land speculation; it has not lowered rents; it has not been instrumental in giving permanent employment to all willing to work; it has not increased wages; it has not lowered the cost of living; nor has it abolished poverty. Like many other plausible theories, "it has been weighed in the balances and found wanting."

VANCOUVER BOARD OF TRADE

The first issue of a monthly "Board of Trade News" was issued in May by the Vancouver Board of Trade. The second number for June has just appeared. The publication of such a record of activities is becoming common in Canada. Similar organizations which publish such pamphlets are the boards of trade of Montreal, Toronto, Winnipeg and St. John.

SUGGESTS CANADIAN EXPORT BANK

A statement recently made by the secretary of the Canadian Trade Mission in London points out that government subsidies to European countries are necessarily limited, and that the time has arrived when business interests must act for themselves as regards financing. This is similar to the views expressed by Mr. Lloyd Harris during the past few weeks in Canada. The secretary, in his statement, says: "This mission has collected abundant information relating to trade openings in Poland and also other eastern European countries, and the best way to utilize the present fine opportunity would be to form a Canadian bank for foreign trade. If five great Canadian banks each contributed one million dollars and twenty other banks half a million each, that would produce a capital of fifteen millions, which would be sufficient to finance our trade with such a country as Greece, for instance."