

VANCOUVER'S EXPERIMENT IN SINGLE TAX.

By JAMES R. BROWN.

The following article is published as showing the reasons given by the single taxer for the collapse of single tax in Vancouver. The financial statement of the city for 1919 just received is not only strong evidence of the sanity of the present system of securing income, but is flatly contradictory of the premises on which the writer bases his statements.—Editor.

From all sides we hear that the Single Tax has failed in Vancouver, B.C. This statement is always made by opponents who do not seem to know what the Single Tax really is and are also ignorant of the facts of Vancouver's tax experiment.

What is the Single Tax? The Single Tax means one tax in lieu of all other taxes, and that upon what is commonly called land value, that is, the value of social service and presence of population that attaches to land independent of the value of all improvements thereon or therein; and by this one tax, to raise all revenue, Dominion, Provincial and Municipal. The assumption is that if all revenue was raised in this manner, it would absorb so much of the economic annual value for use; that the reward that now goes to the land speculator would disappear, and no land of value would be held out of use, to the detriment of labor and capital.

If any man will take the trouble to get a clear conception of the Single Tax, and also acquaint himself with the facts of the Vancouver experiment, he will never again be so unfair and so foolish as to say the Single Tax failed in Vancouver.

Vancouver never had the Single Tax, nor even a reasonable approach to it.

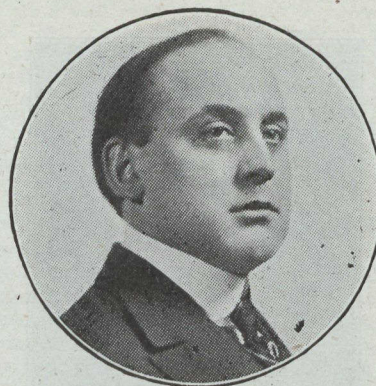
British Columbia has a provincial law that fixes a maximum rate of 20 mills, aside from debentures and schools. Money in British Columbia is worth not less than 8 per cent. These two facts are conclusive proof that Vancouver never had the Single Tax. What Vancouver really did was to abolish in 1908, all taxes upon improvements. At this time land values were tremendously inflated and a 20 mill tax produced sufficient revenue for municipal purposes.

The effect of not taxing improvements resulted in a great stimulus to building and improving. Capital began to flow into Vancouver, which naturally made a great demand for land, and as the 20 mill tax on land values was not sufficient to hold down the selling price of land a great land boom resulted.

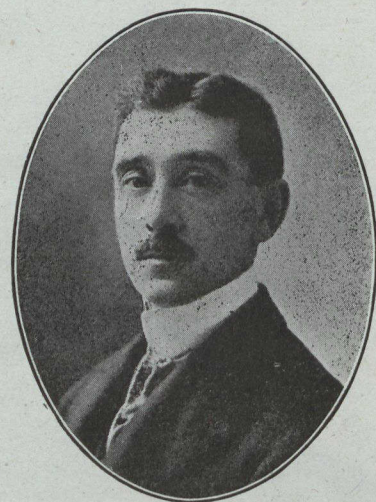
This boosting of land prices, due to the failure to collect a sufficient amount of land value for all governmental uses was the undoing of Vancouver. The false promise of the temporary prosperity lead Vancouver to spend money like a drunken sailor ashore, bonds were freely issued, and debts for future settlement were piled up. Like all bubbles the land boom had to burst. It did burst in 1915, and in bursting it shrank the base of taxation so seriously that a 20 mill rate would no longer raise sufficient revenue to meet the excessive demands growing out of the wild orgie of bad financing during the boom period.

Another factor entered at this period to further embarrass the finances of Vancouver. Owing to the war, the population shrank from 122,000 at the beginning of 1913 to 95,000 at the end of 1916. Again, the moratorium act of the Dominion Parliament added greatly to the liability of Vancouver to collect taxes; and the people, mostly speculators who had bought land during the boom at ten times its real value, discovered they were stuck. They not only refused to put any more money into the land, but they declined even to pay taxes on land for which there was no hope of ever getting back any part of the inflated purchase price.

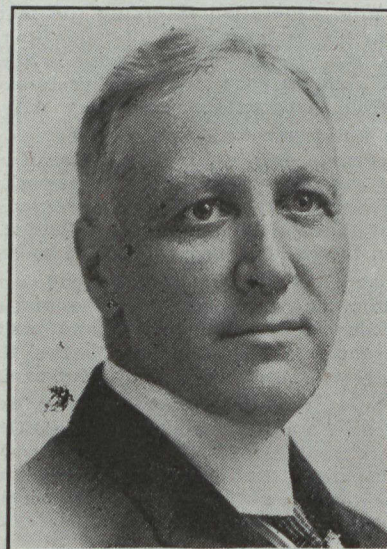
The cure for Vancouver's troubles was not to go back to taxing improvements, thereby restricting progress and increasing the cost of living, but to amend the Provincial law so as to allow municipalities to have as high a tax rate as necessary to raise all public revenue from publicity created value, namely land value. Whether there is \$10 or \$10,000,000 to be raised the only just, wise and business-like way to raise it is to apportion it among citizens according to the services and advantages they receive from the government; and the value of land is the only true and just measure of the services and advantages the citizen enjoys. The remedy for the lack of justice is more justice.

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