

SINGLE TAX IN THEORY AND IN PRACTICE

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Experiments in Single Tax

So much, briefly, for the theory, and now let us turn and see what has been accomplished by the single tax in practice. For some years the single taxer referred us to western Canada and a few places in the United States as shining examples of the prosperity resulting from the application of the single tax in those places. At present they try to draw our attention away from the conditions now existing in western Canada and refer us to Australia and New Zealand. Time will not permit me to go into the facts in connection with these two countries further than to say that the unimproved land tax in Australia and New Zealand is only one part of their system of taxation. In New Zealand only 43 boroughs out of 113 have adopted the unimproved land tax, which is far from being generally satisfactory. In Australia the town clerk of Brisbane city said, "that he did not consider it would be desirable to revert to annual rental values as a basis for valuation," while, on the other hand, the town clerk to the Borough of Brisbane stated, "that he considered the old mode of rating on improved values to be fairer than the new, and that he did not think ratepayers held any sentimental objections to the rating of improvements." Australia is now widening her base of taxation to meet increasing expenditures, so that the single taxer can find no consolation in viewing the taxation system there.

Reference is often made by single taxers to the success of their system in Houston, Texas. I have a letter from an official of the city of Houston, dated February 18th, 1919, in which he says: "The single tax system is not in operation in the city of Houston, and never has been. However, the late Mr. Pastoriza, tax and land commissioner during the years 1912, 1913 and 1914, inaugurated a system commonly known as the 'Houston Plan of Taxation,' under which Houston assessed all land for taxation at 75 per cent. of its value and improvements at about 25 per cent. This was abolished in 1915 as being unconstitutional."

In the State of Oregon, in 1916, a single tax proposition was submitted to the vote of the people. This proposition, as described by a local single tax advocate in a freely-quoted paragraph: "Has as its intent to confiscate all land titles, leaving owners and mortgagees nothing but improvements and preferred rights to become tenants of the state." The resulting vote was 43,800 for and 184,900 against, nearly five to one, the electorate decisively showing that they were not to be caught by any such socialistic theories, and were opposed to the confiscation of land in any form.

In the State of California, in 1912, 1914 and 1916, the electorate voted on a single tax referendum with a majority against it in 1912 of 74,638; in 1914, 108,106, and in 1916, of 316,201. This amendment voted on was "that state, county, municipal and district taxes shall be raised by taxation of land values, exclusive of improvements, and no tax shall be imposed on any labor, product, business or person."

This proposition was described by the San Francisco Chronicle as "shockingly wicked and absurd," and when it was so overwhelmingly rejected in 1916, the Chronicle in an editorial said: "While California probably outranks even Kansas as a cranky and uncertain state, the overwhelming vote by which the single tax humbug is snowed under proves that the mass of the people, at any rate, are not utterly clean gone daft. There is somewhere a boundary line beyond which reason holds sway and the single tax humbug is far outside of."

Attempts in Western Canada

Coming nearer home, we find that the missionary work done by single taxers in western Canada bore fruit, when, in 1909, a disciple of Henry George was elected mayor of Vancouver, practically on his promise that he would carry into effect the principles enunciated in Henry George's "Progress and Poverty." Subsequent to his election the tax was taken off all improvements, and Vancouver prospering, as

all other cities on this continent were prospering at the time, the boast was made that her prosperity was due to her system of taxation. The supposed triumph of the single tax was such that the son of Henry George was taken to Vancouver by some enthusiastic single taxers to see the glorious results arising from the putting into practice of the theories of his father. While he was then entertained most royally, I do not think the same reception would be accorded to-day.

Following Vancouver, the exemption of improvements became practically the law of British Columbia, Alberta and Saskatchewan. When land values were soaring, fortunes being made daily in land speculations and general prosperity reigning throughout the west, the single tax journals and supporters were boasting far and wide of the success of the theories of Henry George in western Canada.

In April, 1914, a body of citizens was appointed by Mayor Mitchell and the Board of Estimate and Apportionment of the city of New York to study the systems of taxation in the cities of the United States and abroad, so as to see if any improvements could "be suggested as calculated to effect an improvement in the ways and means of creating a revenue for payment of the cost of the city government."

This committee, which was composed of some of the ablest taxation experts of that city, had as chairman of the executive committee Prof. Seligman, one of the most eminent political economists of the present age. One of the first things this committee did was to appoint Prof. Robt. Haig, instructor in economics in Columbia University, with the responsible duty of making a thorough study and exhaustive report on the so-called single tax in any American cities where the plan had been tried, but particularly in Western Canada, where it was stated that the single tax system was the cause of unparalleled prosperity and satisfaction. Prof. Haig spent about three months personally visiting the cities of our Canadian West. In this time he not only studied the conditions through municipal officials, but interviewed all classes from the members of the legislatures down to the working man, and in his valuable report of nearly three hundred pages he impartially records the replies to his enquiries, and the opinions expressed for and against the exemption of improvements, and gives valuable statistics to show the condition of things as he then found them. His conclusions were, "the system of taxation does not check or prevent speculation in land, the absence of a tax on buildings is not in itself an insurance that building activity will continue indefinitely, as witness the slump in all western cities, except Winnipeg, in 1913 and 1914." And, "it has been customary to think of western Canada as a region where single tax measures have been uniformly successful. Such is not the case."

Adversity Puts it to Test

While prosperity was general throughout western Canada, few if any of the municipalities gave much thought to their system of taxation, so long as there was sufficient revenue to meet civic requirements, but when that prosperity began to wane in 1912, taxation became a burning question. As it was found that depreciation of land values was imperilling the solvency of many municipalities, and would probably cause some of them to fall down on their bond indebtedness, many schemes were tried to bolster up the tottering land tax system, the chief of which was over-valuation. Proprietors had practically no redress against over-assessment. Section 371 of the Town Act of Saskatchewan says, "that in case the value of which of any specified land has been assessed appears to be more or less than its true value, the amount of assessment shall nevertheless not be varied if the value which it is assessed at bears a fair and just proportion to the value which the land in the immediate vicinity of the land in question are assessed." In other words: even if lands were assessed at two or three times their value such assessment must stand if all neighboring land was assessed alike. Comment on such an iniquitous invitation to over-assessment to bolster up a system of single land tax is unnecessary.

The system of single land tax having passed through a period of prosperity has now passed through a time of