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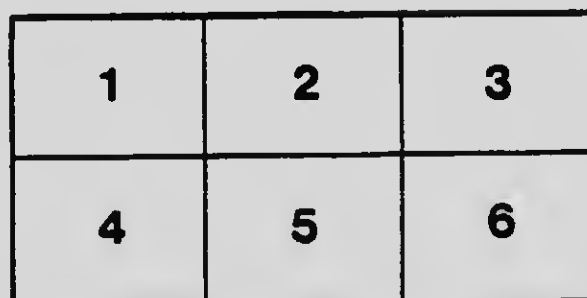
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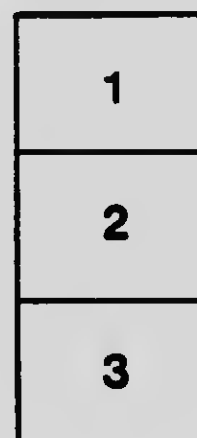
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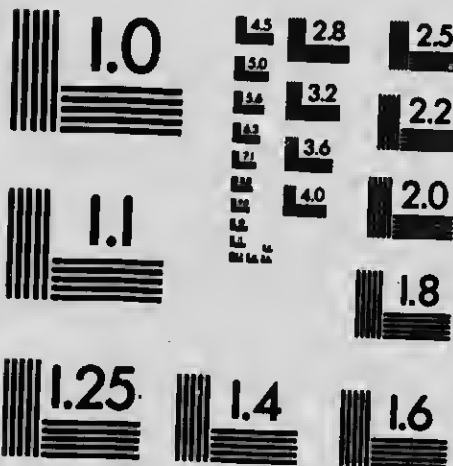
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*The Single Tax Humbug
in Vancouver*

By F. C. WADE, K. C.

The Single Tax Humbug in Vancouver

Letter by F. C. WADE, K. C.

To the Vancouver Daily Province

January 2nd, 1912

THE single tax referred to in the caption has nothing to do with the Henry George theory. Henry George was opposed to the private ownership of land, which he held to be as immoral as private ownership of the air or sunlight.

Private occupancy he deemed indispensable. The interest of the landlord, however, would be little more than nominal, as rent alone would pay taxes of every kind. Nothing made by man could be made to pay taxes. A tariff on imports under his system would be impossible. Free trade is an absolutely necessary part of the Henry George doctrine. Income taxes, poll taxes, personal property taxes, are equally precluded.

The single tax, so-called, as we have it in Vancouver, and the Henry George system of taxation are, therefore, as far apart as the poles.

Part of the huge humbug being perpetrated on the public lies in the pretence that Vancouver is following in George's footsteps.

It is only necessary to get this idea going to catch the labor and socialist vote. Henry George's son has even been brought here and entertained, to create and keep alive this impression.

The enormity of the humbug is obvious. According to the Vancouver Annual, our customs revenue for the year ending March 31, 1909, was nearly three millions, and for 1910 nearly four millions, or 60 per cent. of the customs tax of all British Columbia. The statement issued today makes the customs receipts for December

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The Single Tax Humbug in Vancouver

alone in 1911, \$546,976.77. The inland revenue receipts have gone up from \$504,890.49 in 1910 to \$611,690.70 in 1911. None of these duties are taxes on land. All are taxes on what we eat, wear and otherwise use, and therefore directly opposed to the Henry George theory.

The estimated provincial taxes for 1910, according to the Attorney-General, included \$175,000 from registry fees, \$200,000 from the Revenue Act, \$425,000 from the real and personal property tax, \$470,000 from land income and coal taxes—a great proportion of which comes out of the pockets of the people of Vancouver. And yet there are those who contend that we have a single tax in Vancouver to which all our prosperity is due.

We have no single tax system in Vancouver along Henry George lines, or otherwise. In addition to the tax on real estate, we have a poll tax, an income tax, a personal property tax and all the others to which reference has been made. The only change in our system in recent years was effected by the bylaw to wholly exempt from taxation the improvements and buildings erected on land within the city. This, however, was but a further modification of an arrangement which has been in force, more or less, for nearly sixteen years. From 1895 to 1905, improvements were taxed at 50 per cent. of their value, and from 1906 to 1909, 25 per cent. of their value. In 1910 another 25 per cent. was struck off and the exemption made complete.

To this change, so we are told, we owe all our prosperity. Are we to understand, then, that we had little or no prosperity previous to 1910? Let us look at the figures. Improvements in 1906 totalled \$14,087,640.00. Notwithstanding a 25 per cent. tax, they mounted by leaps and bounds: To over sixteen and a third millions in 1907, over twenty millions in 1908, and nearly twenty-

four and a half millions in 1909. In 1910 they reached twenty-nine and a half millions—a slightly greater ratio of increase than during the years of the 25 per cent. tax from 1906 down, notwithstanding that 1910 was the banner year of prosperity through Canada. The "magic" of the single tax is the pet expression in the mouths of its advocates, and we are treated to no end of instances to show that, owing to this magic, Vancouver has outstripped all competitors in the prosperity race. The usual way of proving this is by tabulating percentages of increase in building permits and bank clearings. How misleading this is, and how easily it can be turned against us is obvious: In 1910 the building increase in Montreal was 103.14 per cent.; in Moose Jaw 113.16 per cent.; Sydney, N. S., 116.63 per cent.; Calgary, 130.93 per cent.; Saskatoon, 164.11 per cent.; Regina, 215.80 per cent., and Prince Albert 370.70 per cent., while in Vancouver it was only 81.17 per cent.! And yet none of these towns and cities, with the exception of Vancouver, profited by the "magic" of the so-called single tax. I adduce these figures, not to detract in any way from the greatness of the prosperity which we undoubtedly enjoy, but to show the danger of using humbugging methods which can be employed either for or against us and convey no reliable information.

Similarly with regard to bank clearings. The increase in bank clearings in Vancouver has been truly remarkable, but treated by the percentage method, it could easily be shown that Regina, for instance, has increased its bank clearings between 1909 and 1910 at a much greater rate than Vancouver, although the total clearings of that city for both years do not exceed one-seventh the total clearings of Vancouver for 1910 alone.

Surely saner and more honest methods of arriving at the facts must be adopted. According to this year's cen-

sus Winnipeg has a population of 135,400. Vancouver's population is stated to be 100,333. Point Grey is returned at 4,319, North Vancouver at 7,781, and South Vancouver 16,021.

It is possible that Greater Vancouver will quite equal Winnipeg in population, but according to the census figures Vancouver, as at present constituted, is about a quarter less. Allowing for this, there is some room for comparison between the two cities, one of which enjoys the "magic" of "single tax," which is quite unknown to the other.

Comparing the two cities, then, it is very agreeable to find that Vancouver's bank clearings increased from \$287,538,944 in 1909 to \$444,988,818 in 1910—but Winnipeg's increase was from \$770,649,322 to \$952,415,182. Vancouver's ratio of increase was considerably greater than that of Winnipeg, but after all is said and done, in spite of the magic of "single tax," Winnipeg was able to boast nine and a half millions of bank clearings to our four and a half for the year 1910.

As to building permits. There was very little difference in the respective increases for 1910, but Winnipeg spent \$15,106,450 in new buildings against our \$13,150,356. Perhaps if the whole territory that will ultimately make Greater Vancouver were included in the returns, we expended as much as Winnipeg. That is, equal populations produced equal results, or in other words, the city without the single tax and with a much shorter building season, equalled our own record.

I repeat that these facts are adduced, not to in any way lessen the wonder and enthusiasm excited by our phenomenal prosperity, but merely to show that other parts of Canada are prosperous without the "single tax" system. The causes of our prosperity are, in the main, precisely the same as those which account for the

marvellous development of Montreal, Toronto, Hamilton and London in the East, Winnipeg in the centre, and Regina, Calgary and Saskatoon in the West, and not otherwise.

While the causes of our development are in the main the same throughout Canada, it must be added that Vancouver possesses special advantages, such as climate, situation, etc., for which we are thankful, and which it would be folly to overlook. It may also be readily admitted that the removal of taxes on improvements must have stimulated building activity. It stands to reason that if a capitalist is allowed to construct a mammoth office or apartment building or hotel on a lot or two and divide it into one to three hundred suites of rooms and offices, thus multiplying his earning power on the same ground space one to three hundred times without increasing his taxes one cent, he is not going to object to the arrangement. It will be popular as far as he is concerned, and he will go ahead and build. Other capitalists will do likewise, and before long all our banks, insurance companies, professional offices and financial institutions will help to swell the rent rolls of skyscrapers that are not taxed.

But is it fair? Is it right that the owner of a lot or two who cannot afford to go into the skyscraper business should pay dollar for dollar taxes with the man whose earning power exceeds his one to five hundred times? Is it fair that the householder on a single lot should pay the same tax as the owner who collects rent from a hundred to three hundred householders on an equal quantity of ground? Is it fair that the ground space carrying one office or store should pay as much as the space carrying a hundred suites of offices? Is it fair that a hundred offices conducting profitable businesses should pay no more than one business which may or may not be profitable? If taxation should have any relation to income, profits or

ability to pay, it certainly is as unfair as any economic proposition that can be put forward.

But, we are told, we must not tax improvements because there is no unearned increment in buildings. And we must tax lands because of the unearned increment. Will it be pretended that there is no unearned increment in bricks and mortar? Does the owner of an apartment house or office building or hotel rent at cost price? If anyone is so gullible as to believe that he does, let him rent a suite in any apartment house in the West End. Is it not well known that many of our apartment buildings are coining money and making their owners rich in as quick time as real estate ever did; and yet the quick-rich apartment houses, business blocks and hotels are to go free, while the taxes which they should properly bear are shouldered off on the small property holder in the outskirts or the owner of more central real estate.

Last year twenty-nine millions and a half of buildings paid no taxes. This year it will, no doubt, be proposed to exempt buildings again which are now assessed at \$37,858,660.

Last year it cost \$184,181.63 to police the city and \$220,858.25 to supply light and fire protection. Real estate cannot catch fire or be run away with, nor does it require to be lighted, and yet all these taxes were paid by the real estate tax. Every poor mechanic who pays his monthly instalment on the purchase of his house and lot had to contribute to light, police and protect from fire the twenty-nine millions' worth of buildings on which not a cent of taxes was forthcoming. Much the same can be said with regard to many of the other heads of expenditure. Within 24 months, the report of today tells us, bank clearings have almost doubled, and yet out of the taxes on his small holding the poor man must pay for policing, lighting and protecting these very banks, while

as "improvements" they contributed nothing. And yet this is the tax system which is supposed to appeal particularly to the laboring man. To show the rottenness of such a system, it is not necessary to appeal to any recon-dite principle of political economy. That everyone should pay for what he gets, instead of shoving his burden on others, is good sense in political economy and elsewhere. That the poor land owner should have to liquidate the debts of the rich contractor, or proprietor of buildings, or the millionaire hotel corporation, is abhorrent to anyone's sense of justice and fair play.

But, say the "single taxers," only let us tax the land to the hilt, and owners will be forced to sell and land will become a drug in the market. This, of course, means legalized confiscation, which will appeal to an honest man in the same way as legalized burglary. But apart from this, it is not likely that the delectable results looked for would follow. As long as much of the vacant land around this city is owned by such weaklings as the Provincial Government and the Canadian Pacific Railway, confiscatory taxes will not accomplish much. But if they did accomplish all that was expected of them, what would be the result? The owner would be forced to sell, but the poor man, his unfortunate vendee, would find himself saddled with the taxes from which his more prosperous vendor had been anxious to escape!

This last phase of the question is one which outlying districts now being pressed to become annexed to the city will do well to remember. While it is pleasant to know that our building permits have increased from twenty-nine millions and a half in 1910 to \$37,858,660 this year, it means that nearly ten millions more improvements have to be cared for by taxes on land, and, in proportion as an incoming district is blest in land and short on build-

ings, its taxes must be increased to help take care of Vancouver's untaxed buildings.

In conclusion, let me call attention to the first of the four general principles of taxation as formulated by Adam Smith, approved by John Stuart Mill and subsequent political economists of note, until it has become axiomatic. The first is that taxation shall be equal: "1. 'The subjects of every state ought to contribute to the support of the Government, as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state. In the observation of neglect of this maxim consists what is called the equality or inequality of taxation.'" It is scarcely necessary to remark that "single tax" as we have it in Vancouver is in direct antithesis to the first and most important principle of all just taxation and honest government.

F. C. WADE.



