

DISCUSSION—SINGLE TAX

Chairman Galloway: We are fortunate in having with us Dr. Robert Murray Haig of the Department of Economics of Columbia University and Travelling Expert for the Mayor's Committee on Taxation, New York City, who has recently made an investigation of taxation in the western provinces of Canada and who will address the conference at this time.

Dr. Robert Murray Haig of New York: Mr. Chairman, Ladies and Gentlemen, I should like to give what I have to say with an apology. I was asked to speak to you this morning on a half hour's notice and hope that you will bear with me if my remarks are somewhat confused.

The experiments in Western Canada seem to me to be both interesting and significant. But the thing that is borne in upon me most strongly is that the data have been grievously misused. Both sides, so to speak, have been using dum-dum bullets. Just criticism may be brought against even the two very able addresses which have been read this morning. Thus the statement of Mr. Dixon that it took two and one-half minutes for the Vancouver council to decide this year to continue its policy of untaxing buildings is open to grave question. This particular statement is true, but the impression conveyed is quite misleading. The short time required in passing the formal resolution was not due to unanimity of sentiment among the aldermen of Vancouver as to the merits of the system. The question was not settled in the two and one-half minutes; it had been fought out beforehand and the issue decided before the formal resolution was considered by the council.

Moreover, far from there being universal satisfaction with the system, quite the opposite is the true state of affairs. Within the past month I have had the privilege of interviewing privately all of the aldermen in Vancouver, the same men who passed the two and one-half minute resolution last spring.

More than half of them are dissatisfied with the system and are in favor of some modification in the direction of taxation of improvements. So far as I have been able to discover, the continuance of the single tax this year is due chiefly to the inability of the dissatisfied aldermen to agree upon the exact nature of the change to be made and to their uncertainty of the political effect of any change. These are little things but a great deal has been made of them in the arguments on both sides. I shall not attempt to criticize in detail the data presented by Mr Dixon but I should like to say in passing that they are neither entirely accurate nor strictly up to date.

All who have heard the papers this morning will agree that in Mr. Wade the single taxers have an opponent worthy of their steel. The members of the association should be very grateful for valuable and reliable data collected and submitted by him and for his interpretation of those data. But attention should be called to at least two points. In the first place, Mr. Wade throws himself open to criticism when he attaches significance to the fact, demonstrated by his comparative statement of bank clearings, that the older, non-single tax cities in the East have borne up more strongly under conditions of economic depression than the new single tax cities of the West. It might be contended successfully that the strength shown in the East is almost wholly accounted for by the business conservatism of the older region as compared with the speculative character of business enterprises in the West.

In the next place, I am not convinced that Mr. Wade has been entirely successful in demonstrating that the weight of the tax burden falls upon the workingman. The method he uses, that of comparing the proportion of building value to land value is perfectly valid, but the buildings which he cites as examples are scarcely typical of the whole business section of Vancouver. I have been told by several real-estate men that, taking the business section as a whole, the value of the buildings does not exceed the value of the land. Again, neither Mr. Wade nor the labor leader whom he quotes seems to have considered in his comparisons the large amount of unimproved

land in the city. Up to the present time the added contribution from this source under the single tax has probably been large enough to offset the disadvantage of the small householder as compared with the owner of a skyscraper under the same system. It would be very difficult to demonstrate that in the past the small householder has been discriminated against. If present tendencies continue—if the amount of vacant property steadily decreases and the number of buildings, whose value exceeds the value of the land, continues to increase—the time will doubtless come when the plan will have the effect described in Mr. Wade's paper.

Those opponents of the single tax who have been accustomed to quieting their fears by convincing themselves that the Canadian experiments are not really single tax experiments at all should disabuse their minds of any such idea. It is true that the Dominion duty on imports remains. Moreover, in Vancouver an income-personal-property tax is levied by the provincial government in addition to the municipal tax on land; but no such tax is levied in Alberta. In this province there are many municipalities which have an almost simon-pure brand of single tax. In Edmonton, for example, not only has the tax on buildings been removed but the various supplementary sources of revenue, such as the business and the income taxes, have been pruned away until practically nothing remains except the land tax and some fees charged for licenses issued for regulative purposes. The movement has spread through the prairie provinces until the exemption of improvements from taxation has been coupled with municipal ownership of public utilities as the two fundamental doctrines in the creed of the Canadian West.

To discover the reasons for the popularity of the single tax in this region is not a difficult task. It can be said at the beginning that the system has spread not because the people in general are convinced disciples of Henry George. The number of persons who are thorough-going single taxers is very small, and even those who call themselves such sometimes have very vague ideas as to what the system involves. In one city

where the tax on improvements had been reduced to a small fraction, I discovered the man who announced himself a single taxer, the father of the movement in that city and the person who was responsible for the reduction of the assessment of buildings. When I asked if he favored the total exemption of buildings from taxation, I was surprised to hear that he did not. But I was much more surprised and indeed quite bewildered when he proceeded to announce that his reason for opposing complete exemption was a fear that the system would "make it hard for the owner of vacant land." Another case of mixed philosophy was revealed when, in the course of a conversation, the mayor of a single tax city who has been hailed as one of the leaders in the movement in Canada inquired in the most naive manner "what people meant when they spoke of the rental value of land." Moreover, he was quite astonished when he heard, evidently for the first time, that the plan of Henry George contemplated any tax heavy enough to affect the selling value of land.

I believe that the chief reason why so many of the Canadian cities have adopted the single tax is to be found in the presence in all these cities of a very large proportion of vacant land held for speculative purposes by non-residents. The system was popular at the beginning because it offered a method of transferring the weight of the tax burden to the other fellow. There are other reasons of importance, however, which help to explain the growth of the movement. Among these are an eagerness to encourage building, a desire for free advertising, the single tax propaganda, the willingness of the westerner "to try anything once," and, so far as most of the prairie towns are concerned, an anxiety lest Vancouver or Edmonton get ahead of them in something.

When ethical and economic values are both involved, judgments as to the success or failure of a system differ widely with individuals. To a person with a lively appreciation of the importance of the ethical problem involved, a plan which "rights the wrong" will seem desirable even at the cost of considerable economic disturbance. There have been disturb-

ances in Canada. The impression which has been created by some of the single tax literature that the shifting of the tax to land has been accomplished without stress and friction is a mistaken one. Several factors have combined to make the transition easy in several places and to make the economic effects less apparent than they otherwise would have been. Many of the plans have introduced the system at the beginning of things and the rules of the game were understood from the first. As a result, the economic effects have been discounted in advance. Another factor is the rapid growth and development of the cities and the surrounding country and the consequent growth in land values. Large fortunes were being quickly made; large returns were being received from the investment of capital. A number of real estate men have told me that, until recently, taxes have not entered into their calculations. As one man in Saskatoon expressed it, unless he could foresee a fifteen per cent return upon his money invested in a building, he would use his capital in some other direction. A reduction of a few mills in the tax on buildings would, of course, have little effect under conditions of this sort. Thus the man who believes that the experiments have and must prove disastrous in all cases is in error. I have not yet had an opportunity to analyze and compare the statistical data which I have gathered but my general impression is that, in all probability, the prosperity of most of the larger cities of Western Canada which have tried this experiment has been neither retarded nor promoted to any considerable extent by the tax system they have chosen to adopt.

Some of the smaller towns which have not had the advantages of rapid growth and an early start with the system have had very unhappy experiences. The towns of Alberta which were thrown over to the land tax basis almost without warning, in 1912, furnish some very interesting material to the student of economics. It is interesting to the economist because it shows that the general economic laws are working in Canada and must be taken into account in any consideration of the extension of the system. In some of these places the amount

of site value in existence was very small and the necessity of restricting themselves to it as their sole source of revenue caused considerable distress. Extremely high tax rates, great over-assessment of property and radical curtailment of expenditures were necessary in a number of cases. There were marked effects upon land values. As is pointed out in Mr. Dixon's paper, the significance of the experiences of these towns should not be over-estimated. The aggregate amount of the distress is not great. But the significance should not be overlooked on that account. Their experiences offer a clue as to what economic effects may be expected where similar economic conditions prevail. The scale on which an experiment is carried on does not necessarily affect the significance of the result.

What most of us are interested in is the possible application of the plan to American cities. The desirability of adopting it seems to me to depend upon a number of factors in each local economic situation. The problem is tremendously complicated and an answer to the query whether the plan is a good one can be given only when a particular city is specified in the question. For instance, much depends upon whether it is a city of tenants or of home owners, for the stimulus to building will be much weaker in a city of tenants. The proportion of the value of improvements to the value of land and the amount of available land withheld from improvement are important factors. It is a question which should not be settled by rule of thumb or through the influence of violent partisans or opponents of the single tax theory. The plan should be adopted or rejected in a particular city only after careful analysis of that city's fundamental economics. (Applause.)

Chairman Galloway: The single tax in Pueblo and progress of single tax movement in Colorado, was to have been presented by Mr. G. J. Knapp of Colorado Springs, but he is not present and Professor Warren M. Persons of Colorado College is prepared to discuss this subject in part.

Mr. Warren M. Persons of Colorado Springs, Colorado: Mr. President, I was asked to discuss Mr. Knapp's paper,

which was entitled the Single Tax in Pueblo and Progress of Single Tax Movement in Colorado. I have not seen the paper and hence am not able to discuss it, but I can tell you something of the situation in Pueblo. The single tax was adopted in Pueblo as an amendment to the city charter, which in turn had been adopted in accordance with the provisions of Article XX of the State Constitution. Under that article a number of the cities of this state, Colorado Springs, Denver, Pueblo, Grand Junction, have adopted the commission form of government. Section 6 of Article XX of the Constitution contains paragraphs which read as follows:

Such charter and the ordinances made pursuant thereto in such (local and municipal) matters shall supersede within the territorial limits and other jurisdiction of said city or town any law of the state in conflict therewith.

The citizens shall have power to legislate upon, provide, regulate, conduct and control:

The assessment of property in such city or town for municipal taxation and the levy and collection of taxes thereon for municipal purposes and special assessments for local improvements; such assessments, levy and collection of taxes and special assessments to be made by municipal officials or by the county or state officials as may be provided by the charter.

It is under this provision that the single tax amendment, so-called, in Pueblo was adopted. I have one of the circulars that was distributed last fall by the Pueblo Single Tax Club when the agitation for the single tax amendment was going on. This amendment to the charter in Pueblo was adopted November 5, 1913. And this circular contains what I consider to be a specimen of the dum-dum bullet to which reference was made by the preceding speaker. I will submit that dum-dum bullet to you.

“Consider these facts: The city of Vancouver increased her population from 55,000 to 150,000 in five years after she adopted the Single Tax plan of land value taxation that we advocate for Pueblo. The city of Edmonton doubled her population in one year under the spur of the Single Tax. Leth-

bridge, Canada, has grown from a city of 2,300 in 1907 to a city of 15,000 souls in 1912 under single tax. Victoria is growing by leaps and bounds under single tax, while Seattle, Washington, which is located right across Puget Sound from Victoria and Vancouver, is losing her population. Calgary, Lloydminster, and other Canadian cities that have adopted the single tax are all gaining, while the cities of the American northwest are coming to realize that they must fall in line, or be wiped off the map”

The single tax amendment to the Pueblo city charter is very short. Because of the shortness and because it was evidently gotten up in a great deal of haste there appeared to be a large number of legal objections. Perhaps it will be well for me to read the amendment to give you an idea of what they are trying to do in Pueblo. The amendment provides that the city council shall have power to levy taxes for municipal purposes “in the manner following and not otherwise:”

(a) On and after January 1, 1914, a tax of not less than one quarter of one mill, and not more than one mill, shall be levied upon all taxable property within the limits of the city, and upon all of the taxable personal property within the several parts, water districts and park districts thereof.

(b) Real estate improvements and all improvements in or upon land shall, on and after January 1, 1914, be exempt from all taxation for municipal purposes to the extent of fifty per cent or one half of its present assessed value; and all such property shall, on and after January 1, 1915, be exempt from all taxation for municipal purposes to the extent of ninety-nine per cent. of its value.

(c) Land, exclusive of all improvements in or upon it, and the franchises of all public service corporations, and all other rights of way and franchises in the public streets and alleys shall never be exempt from taxation for municipal purposes

Finally, saloon licenses and present exemptions are not affected and anything in the Pueblo city charter inconsistent with the amendment is repealed. The first levy under this “single

tax amendment'' will be made this fall and will not be due until January 1 next. Of the total levy of 32 mills, some 17.5 mills will be for municipal and park purposes. This means that the net increase in the tax on unimproved lots is about \$6.00 per \$1,000. It is too early to quote the experience of Pueblo with the single tax because, she has had no experience and no single tax. However, it takes no prophet to foresee the failure of the predictions of those responsible for the adoption of the single tax amendment when they urged the voters of Pueblo to "VOTE FOR THE SINGLE TAX AMENDMENT TO THE CITY CHARTER, AND THUS GRASP THE OPPORTUNITY OF PUEBLO'S EXISTENCE TO MAKE HER A COSMOPOLITAN METROPOLIS." The adoption of this amendment will be a standing invitation to the people of all parts of the country to move to Pueblo instead of to Canada, and to bring their capital with them for investment here."

There are, as I have said, several legal objections. It is probable that the collection of taxes under the amendment will be resisted. I have a letter from an attorney who has been retained by parties who will refuse to pay taxes under this single tax amendment. I am not at liberty to give his name, but I am at liberty to state some of the objections which he means to bring up against the amendment when the legal action is started. In the first place, he means to make the point that the assessment is arbitrary and that there is no remedy by review or appeal provided for; that the tax laws of the state of Colorado are state laws pertaining to the entire state; that the assessor is an officer elected in the county and is under the jurisdiction of the state tax commission and therefore he does not have to make his assessments according to the city charter if he does not wish to do so; that is, he is not under the jurisdiction of the city charter in any way whatever; that it provides neither method nor basis for the taxation of franchises, which are not to be exempt. There are numerous other objections which are technical and which pertain to the particular laws we have in Colorado which it will not be necessary to read.

Mr. William Ryan of New York: Does he raise constitutional objection?

Mr. Persons: Yes he does—concerning the Fourteenth amendment, the taking of property without due process of law because there is no provision for equalization.

Pueblo does not offer anything of value on the single tax question. I have a letter from one of the commissioners of the city of Pueblo who says that he believes that three-quarters of the people in the city do not know that the amendment has been passed and that there was very little interest taken in the question when the amendment was adopted. It seems to me that the discussion of the single tax question illustrates the statement made by Herbert Spencer, that most of the legislation that has been passed has been passed on the basis of arguments which have not been realized when the legislation has gone into effect. In fact, in a large number of cases which he cites, the effects of legislation have been diametrically opposite to those which were predicted, and it seems to me that that will be true in the case of the single tax. I would like to call your attention to an article that appeared in the last number of the *Quarterly Journal of Economics* by Mr. B. M. Anderson of Harvard who takes up the point as to whether the single tax will bring about improvements, and in a word his position is that it will have little effect one way or the other, and his reason is this, that there will be no change in the basis of taxation whether a man builds or not. The question as to whether he should build is a financial one, and he will build if he can bring the earning power of the land into operation, and with that earning power the earning power of the building. If that combination is such as to give him a return large enough to induce him to make his investment there, rather than elsewhere, he will make the investment there, and the proposition will be the same under the single tax as it is at present as the tax will be a constant factor whether the land is built upon or not. The economic needs of the community is the thing which will determine whether he will build or not.

Chairman Galloway: The subject is now open for general discussion.

DISCUSSION—SINGLE TAX

Mr. A. C. Pleydell: There is not time, nor is this the occasion, to take up the economic questions raised in Mr. Wade's paper, because they relate chiefly to the thoroughgoing single tax to which I alluded in my opening remarks. It should be said, however, that Congressman Henry George, Junior, who visited Vancouver, subsequently and repeatedly warned the single taxers that they should not over-emphasize the results which were accruing in Vancouver from the partial application of the single tax, as it would not bring about anything like the results claimed for the theory of his father, in which he so firmly believes. And one of the chief reasons he gave for this, is that the tax rate is not sufficiently high to discourage speculation in vacant land.

I do wish, however, to take up this question of buildings, about which so much has been made in the papers read, and to say that the mere falling off from the tremendous increase of construction does not prove that the arguments made in favor of the exemption of improvements were fallacious. It is somewhat the situation of a man who makes such a small salary that he never has more than one suit of clothes at a time; then he gets a raise in salary and he gradually accumulates two or three suits and changes about occasionally. After he once gets a supply he does not accumulate new suits so rapidly, but he has a much better stock on hand, and that is precisely the situation in Vancouver. When the first partial exemption was begun in 1895 the per capita value of buildings was \$254, at the end of the fifty per cent. assessment period (1905) the per capita had risen to \$310, at the end of the twenty-five per cent. assessment period (1909) it had risen to \$370, and then came this boom, and in a few years, with the exemption of buildings they had reached by 1913 a per capita value of buildings of \$500 for this city of 114,000 population. Now I think that is about enough buildings to go around for a

little time, for this reason, that in the city of New York with five millions of people and all of its enormous industry the per capita valuation is only \$530. In Brooklyn with eighteen hundred thousand people, with a great deal of separate commercial interest, factories, department stores, etc., the per capita value now is only \$429. It is not to be expected that after having once gotten the supply of buildings in Vancouver up to something like the quantity that reasonable human beings ought to occupy, they are going to continue indefinitely to multiply buildings and create an excess. I think that answers the question in regard to buildings.

One more point I want to emphasize, the point made by Mr. Dixon, that the exemption was again voted this year. It is not generally understood that buildings are assessed every year in Vancouver, and when the council makes up the tax budget annually they decide whether buildings shall be taxed at 60 per cent of the assessed value, which is the maximum allowed by law, or at a lower percentage, or be exempt. In 1910 the council voted for entire exemption, and from year to year they repeated the exemption on this formal occasion. I do not care whether all of the aldermen are against that exemption or not. It is mighty significant that if they are against the exemption they don't vote that way in the council. One hard fact like that weighs a great deal more with me, after some practical experience with politics, than all this mass of figures brought on one side or the other.

VANCOUVER				NEW YORK <i>Per Capita</i> Buildings	
	Pop.	Value Buildings	<i>Per</i> <i>Cap.</i>	All Boroughs	Brooklyn
Full Value Assessment to 1895--	17,000	\$ 4,317,000	\$254	----	----
50 per cent to 1906-----	45,000	14,000,000	310	472	382
25 per cent to 1910-----	79,000	29,500,000	370	528	435
Exempt 1910 to 1913-----	114,000	68,000,000	500	530	429

Mr. John Harrington of Wisconsin: I am in serious doubt, Mr. Chairman, whether the views of this body upon the single

tax would be broadened by anything I might say. The thing that impresses me is that after hearing papers such as those presented, after listening to the arguments for and against, after weighing them by our reasoning or our prejudices, the results here and upon ourselves are of small consequence. Human life is short, but the history of progress is long. We hope, if the single tax is right and sound, that it will prevail, though it may be long after those who are here are forgotten. You will remember the words of hope and faith of Henry George; "Will it at length prevail? Ultimately, yes. But in our own times, or in times of which any memory of us remains, who shall say?"

There is much soundness in this philosophy. It makes no difference whether it is assessors or tax commissioners or college professors who come forward to express firm convictions that it is right or that it is wrong. We must rely upon the experience and development of the future. What those figures from Western Canada show are significant, for or against, to those whose opinions or prejudices are now well formed. It is useless to discuss with an anti-single taxer the proposed benefits of the single tax, for like curbstone political arguments, when you are through you are nowhere; everybody is where he was before.

So we may as well be patient about this matter. There will be other meetings of this association, and in the meantime from year to year—for fifty years and more—history will be made, and will be related at these conferences, and upon that history will depend the success or failure, the adoption or the rejection of the single tax. Such history is now being made in a more or less limited way in various parts of the United States, in Canada, Australia and New Zealand, in England, Germany, South Africa, and elsewhere. The movement is well strated. If it is right it will prevail. Thank you, gentlemen, for your attention.

Mr. J. W. McCreery: As one who took part in the campaign in Peublo I wish to make a remark in reference to the literature that was put out. I wish to state that we did not

attribute the prosperity of Canada to the single tax wholly. We regarded the prosperity, so-called, of Canada, artificial, just as that of the west had been, because of speculation in land. In other words, there was a tremendous movement of capital to the west in order to corral some of the unearned increment, and that artificial boom, which created an artificial prosperity, hadn't dropped. Had the single tax been in operation in the first place we would not have had that artificial prosperity and consequent collapse. I wish to say furthermore that the people did understand the question when they voted on it. I campaigned there for six weeks and believe I know what the people thought. Of course the result is not known yet as the speaker stated very cleverly.

Mr. Lawson Purdy of New York: No reference has been made in these papers or in the discussion to one economic fact which appears to me to be of the utmost importance in any discussion of this subject. This economic truth is perceived alike by many of those who oppose the exemption of buildings from taxation and by most of those who have approved of the exemption. The economic truth to which I refer is this: that the selling value of land is an untaxed value, which is to say that the tax on land is capitalized and deducted from what would be the value if there were no tax; or to put the statement in another form, that with a suitable tax rate the buyer of land will not consciously pay more for it than the capitalization of the net rent after the tax has been paid.

Another aspect of this same economic truth is the fact that in the long run taxes upon buildings are shifted to the users of the buildings. In communities that are growing or that are declining or that are stable—the time that it takes to work out to that economic conclusion may differ greatly—but it remains true that the tendency is for taxes upon buildings to be paid by the users of the buildings, whereas the tax upon land is not a tax upon subsequent buyers so long as the tax rate remains stationary and the assessment remains at the same proportion of selling value. The rise in the tax rate on land falls wholly upon the person who happens to own the

land at the time the rate rises because the rise in the tax rate is capitalized and reduces the selling value of the land. When these truths are perceived some people argue from them that it is highly desirable to exempt buildings from taxation, and others argue that it is very undesirable to exempt buildings.

Chairman Galloway: There is a gentleman here from Oregon who has recently visited and made some investigations in the provinces of Western Canada and I am going to take the liberty of calling upon him.

Mr. Robert E. Smith of Oregon: There may, perhaps have been enough said about conditions in Canada. I have made an investigation up there, that is true, and I have formed certain opinions from the information I secured. There are many phases of the single tax. There is one feature of it that I particularly combat and my Canadian investigations justify and confirm my belief. It is this feature of the penalizing of industry and the speculation in land. I want to call attention to one instance in Canada, in the city of Edmonton, Alberta. Right in the heart of that city there is a square plot of land about three blocks square. It is owned by the Hudson Bay Company and the Hudson Bay Company in Canada is far from being popular with the whole people of Canada. Now the Hudson Bay Company has refused to improve this land. I do not know why or how they arrived at that conclusion—they never told me—but the fact remains that in the center of Edmonton is that plot of vacant land and the people of Edmonton said to the Hudson Bay Company, "If you do not improve that land we are not going to let you absorb this unearned increment. We are going to make you pay a part of the taxes of the hotels, office buildings and other improvements." So without considering the fact that there were hundreds of other pieces of vacant property owned by clerks, laborers and other persons of limited means, they adopted single tax and it worked out this year like this. There has been confiscated in Edmonton by the province of Alberta, \$1,200,000 worth of vacant land.

I do not know if you realize what that means—\$1,200,000 worth of property in the little city of Edmonton which is much less than $\frac{1}{4}$ the size of Portland, Oregon. (In Portland and in our County there is less than \$3,000 worth of property confiscated this year for nonpayment of taxes.) I do not mean that the total amount of delinquent taxes in Edmonton is \$1,200,000—it is far greater in amount than that—but I do mean that there is that amount of property on which the five year period of redemption has expired, and this property is going back to the province of Alberta; and from that there is no appeal. As we look over the list of owners of that property we do not find the name of the Hudson Bay Company. The Hudson Bay Company still has this big plot of unimproved land. What we do find is the names of wage earners, servant girls, clerks, etc., all small people who put every dollar they had into their small land holdings. When the people of Edmonton told the Hudson Bay Company that they had to pay the taxes for hotels and improvements, they forgot they were making the same statement to the wage earner and the little fellow and were paving the way to take his property away from him. The Hudson Bay Company still owns their property.

The one feature of this single tax question that has always appealed to me—the reason why I have interested myself in the single tax—and that is how the single tax applies to the farmers. I have no figures but I suppose that about one one-millionth of the land in the United States is contained in the corporate limits of cities of over 100,000 population. It seems to me that this nine hundred ninety nine thousand nine hundred ninety nine one-millionths ought to receive some little consideration. I take that view of the problem because I am a farmer. Possibly we are not entitled to that consideration, but I think we are. Now the farmers of Oregon would suffer by the single tax like this: It takes the tax off improvements and other classes of property and puts it on land values, therefore land values have to pay more taxes and the man who has the most invested in land pays the most taxes. The farmer has the

most land-value in proportion to his income and therefore he has to pay more than his just share of all taxes. There is quite a sentiment for back-to-the farm movement in this country, but I do not think that it is coming quite as fast as it should. About twenty years ago there were seventy-five per cent. of the people on the farms and twenty-five per cent. in the cities. Today there is forty per cent. on the farms and sixty per cent. in the cities. Now there is some reason for that. The only reason is that living conditions on the farm are harder than they are in the cities. The whole country, I think, is suffering from that condition, and if you are going to augment the hardship which the farmer is now bearing in the way of excess burdens, on account of the great mass of property which is not now on the tax roll and because the farmer's property is all visible, I cannot see but that conditions will not only be as bad as they are now, but that they will be even less desirable. The farmer is now paying more than his just share of taxation and living conditions are therefore hard. Now if you make him pay more taxes, it simply means that instead of being able to pay \$9.50 to the mail order house for a suit of clothes, he can only pay \$7.37; and there are many of us who will have to leave the farms. (time called.)

Voice: I want to know if you have investigated the comparative value of this 1/1,000,000th of land in the cities to the other 999,999/1,000,000ths of farm land?

Mr. Smith: No, I have not, but the facts still remain the same, that the owners of that land should have some consideration as unquestionably the conditions which are surrounding the agricultural situation of today are driving the people off the farms and I do not think it is wise to augment that condition. I want to say that I do not think the answer to the single tax question is found alone in the principle of economics, but I think if you will analyze any tax roll and use a little common sense that you have the answer.

Professor T. S. Adams: The preceding speaker said that in his opinion the introduction of the single tax would penalize

the country districts. I haven't any argument to make but I have a half-suggestion to put forth. Some years ago I had the assessment statistics of the State of Wisconsin analyzed by the different sorts of civil divisions. At that time the proportion of personal property and improvements, as I remember it, was lower in the city districts than it was in the rural districts, so that had the personal property and improvements been exempted the relative gain to the country districts would have been greater than to the city districts. The figures were close and it was the improvements—as I remember it—which controlled the results. Personal property alone was more important in the city than in the rural districts.

My suggestion is this: it is comparatively easy to make these studies and I want to ask those people here who have a real interest in this subject to make analyses of this kind. Anybody can make them who has the assessment rolls, if on those rolls land, improvements and personal property are separately shown.*

Before closing I desire to give public expression, by other than a mere formal resolution of thanks, to the deep feeling of appreciation which every delegate here feels for what Mr. Hamer and the members of the Colorado Tax Commission, Mr. Adams, Mr. Link and Mr. Phillips, have done to make our meeting pleasant and profitable. These men have been indefatigable in making this meeting in many respects the most successful we have ever had. I move we adjourn.

Chairman Galloway: We stand adjourned.

* Either my recollection of the earlier study was at fault or conditions in Wisconsin have changed greatly since the introduction of the income tax and the exemption from taxation of stocks, bonds, credits, money, household furniture and the like. The table on the following page shows that bare land in rural districts now constitutes over 70 per cent of the total assessment, but in cities and villages less than 40 per cent. Exemption of buildings and personal property would apparently benefit urban districts much more than rural districts, or even throw a part of the burden from urban to rural districts, according to these figures. The figures do not cover railways or the more important public utilities. "Improvements" mean "buildings" for the most part, indeed almost exclusively, it is believed.

T. S. ADAMS.

AGGREGATE LOCAL ASSESSMENTS: WISCONSIN 1913

	Total State	Rural Towns	First, Second, and Third Class Cities	Fourth Class Cities and All Villages
Total Assessment.....	\$2,451,962,913 100%	\$1,255,566,544 100%	\$833,289,124 100%	\$363,107,245 100%
Per cent.....				
Land.....	\$1,313,672,807 53.6%	\$893,181,684 71.1%	\$322,184,109 38.7%	\$98,307,014 27.1%
Per cent.....				
Improvements	\$718,264,378 29.3%	\$206,675,414 16.5%	\$333,328,907 40.0%	\$178,260,057 49.1%
Per cent.....				
Personal Property.....	\$420,025,728 17.1%	\$155,709,446 12.4%	\$177,776,108 21.3%	\$86,540,174 23.8%
Per cent.....				

EIGHTH SESSION

FRIDAY MORNING, SEPTEMBER 11, 1914

Chairman—Charles V. Galloway, Oregon

PROGRAM

SINGLE TAX SESSION

1. THE PROGRESS OF LAND VALUE TAXATION IN WESTERN CANADA.

F. J. Dixon, M. P. P., Secretary Land Values Taxation League, Winnipeg, Man.

2. EXPERIMENTS WITH THE SINGLE TAX IN WESTERN CANADA.

F. C. Wade, K. C., Vancouver, British Columbia, (read by Prof. John E. Brindley).

3. TAXATION IN THE WESTERN PROVINCES OF CANADA.

Arch. Brown Clark, Professor of Political Economy, University of Manitoba, Winnipeg, Man.

4. DISCUSSION—SINGLE TAX.

SINGLE TAX SESSION

Chairman Galloway: Mr. F. J. Dixon, author of the first paper was unable to attend the conference, and his paper will be read by Mr. A. C. Pleydell, former secretary of the National Tax Association and now secretary of the New York Tax Reform Association.

Mr. A. C. Pleydell of New Jersey: The session this morning is entitled the Single Tax Session. The term "single tax" is used in common parlance to cover three distinct programs of reform.

The first program is that involved in the application of the whole economic philosophy of Henry George which, in its fiscal aspects, proposes to take the entire rent of land for social purposes abolishing other taxes, and thereby to stimulate the production of wealth and produce a more equitable distribution which, it is claimed, will relieve and practically abolish involuntary poverty.

The second program, sometimes known as the single tax limited, is the fiscal suggestion that all governmental revenues, national and local, should be raised exclusively by a tax upon the value of land which might or might not absorb the entire rent. The arguments advanced for that program are, briefly, the simplicity of the administration and collection of the tax, a more equitable adjustment of the incidence of taxation, and a relief of industry from what are considered to be present day burdens.

The third program under the general name of the single tax, is a combination or derivation of the first two. That is what we have under discussion this morning. It contemplates and in some cases has achieved the raising of local revenues almost entirely from the value of land, to the exclusion of other forms of local taxation. The range of application under that third program varies from some of the northwestern

provinces of Canada, where all local taxes are so levied, to the more recent experiments, which are the very beginning of the program, in the reduction of the tax on buildings in two Pennsylvania cities, following upon the long standing abolition there of local personal property taxation.

There have been many irrelevant arguments on both sides in regard to this third program—in regard to Canadian experiments. It is obvious that the failure of this third or partial program to produce the full result claimed for the thoroughgoing first program of the economic philosophy should not be charged against that economic philosophy. It is true on the other hand that any theoretical defects which may appear to any one to inhere in the first program should not be allowed to influence the judgment as to the practical results of the third program, especially insofar as it is before us in actual operation.

The writer of the paper which I have the pleasure of reading, Mr. F. J. Dixon, has been for a number of years the secretary of the Land Values Taxation League and is a resident of Winnipeg in Manitoba, which province has not gone so far as the western provinces in the direction which Mr. Dixon would advocate. It may be interesting to say that the inability of Mr. Dixon to attend now is due to the fact that within a month he has been a successful candidate from his district in Winnipeg for the provincial legislature upon a platform which involves the extension to his province of the system which has been worked out in the neighboring provinces. I may say that after reading over Mr. Dixon's paper I find myself in such general agreement with his position that I should be glad to take his place as far as able in any subsequent discussion that may arise.