

FREEFOLK

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A PUBLICATION DEVOTED TO:

Explaining the social nature of ground-rent
and the injustice of taxation.

A PUBLICATION ADVOCATING: THE COMPLETE
ABOLITION OF TAXATION: THE PUBLIC COLLECTION
OF THE FREELY OFFERED AND AUTOMATICALLY
ADEQUATE GROUND-DUES

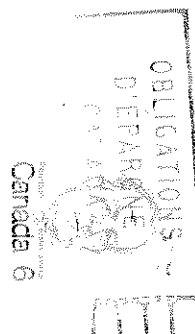
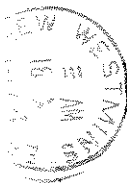
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COMMONWEALTH
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that qualification and modification of a pure principle in favour of this interest or that, or in fear of an outcry of people suddenly deprived of their unwarranted privilege, are already an accepted manner of thought.

The Commonwealth Society for Economic Education has arranged for two classes in Basic Economics to be held in the near future. Commencing Nov. 6th. a class will run at Queen Elizabeth High School, Wednesdays at 7-30 p.m. Commencing Monday January 6th. a similar class will run in the Aldergrove Elementary School which is right on the Fraser Highway.

Daily we see how the politicians flounder in their own ignorance of natural law. Each measure they initiate only makes matters worse. Our Society has the necessary scientific knowledge to bring about social justice and a happier and more secure life for all.

WE MUST TELL OUR MESSAGE NOW. WE NEED PEOPLE TO BRING IN STUDENTS. DON'T LEAVE IT TO THE SAME FEW.

Should more people than anticipated congregate at the shopping centre, then the land value would be higher than anticipated. If the crowds failed to materialise, then the land value would be lower in spite of the most sumptuous improvements.

In general it seemed that the committee favoured the idea of site value taxation. At times their questioning was of the type that a keen georgist might have put, - particularly in the case of M.L.A's D'Arcy and Allan Williams. Another encouraging feature was a long presentation by a Langley estate agent who once violently disagreed with the Editor but who was making a case for local site value taxation. Unfortunately he has not yet realised the full implications for he advocated a dual mil rate according to the type of use. Nevertheless it did seem that he must have read the many letters to the local paper over the Editor's name, and taken note.

Mark Rose, ex N.D.P. Member of Parliament presented a case for a Langley N.D.P. club. It was not one of principle, but one of finding a piecemeal approach to the problem of hobby farms in a municipality where there are farm exemptions. After his presentation he made reference to facts of land tenure the S.E.E. wants to make known. He also dwelt on the basic problem of land ownership which he understands better than any of the M.P.'s who were in Ottawa during the last session of Parliament.

The S.E.E. presentation was supplemented by a handout appearing on pp. 2 and 3. This purported to show how assessments on land are wildly unrealistic to the benefit of the land speculator.

What good did the presentations do? They called attention to the land value question and its implications for a solution to the high cost of homesites, good community planning, adequate finance, and social justice. It will be a miracle if any good measures result for it seems

TAX HEARINGS

Hearings of opinions on the "property tax" have been taking place across the Province. On Oct. 7th and 8th. they were at New Westminster and it was there that two Georgist presentations were given, - one by Carl Iversen as an independent citizen, on Oct. 7th, and one by the Commonwealth Society for Economic Education on Oct. 8th.

The Committee was composed of a group of M.L.A's of various parties, some intelligent, some not, some interested and some bored. Those who were alert are to be commended for their vitality, since much that was presented lacked cogency or aptness. It is surprising that people would go to speak about their personal local taxation problems - "I bought these two lts some years ago to retire to, and now my taxes are going up." One remarkable thing was the number of times the name Henry George kept coming up, - often grudgingly or disparagingly. One person who used it disparagingly was a professor Clarke from U.B.C. who informed the committee that site value taxing had not been proved workable because it had not been used anywhere before. Yet the very city where the hearing was taking place had been financed by such a system until 1947. This point had been made by Carl Iversen who pointed out that New Westminster had grown up compact and without urban blight, and its taxes had been the lowest of any around.

Prof. Clarke also flung a petulant shaft by the statement that the value of a site can be caused by the improvements on that site, witness shopping centres. The S.E.E. presentation pointed out that shopping centres are built to attract people and if they are successful, people will come, bringing with them the land value they create by their presence and activity.

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ASSESSED LAND VALUE IN LANGLEY MUNICIPALITY

AS COMPARED WITH CONSERVATIVELY ESTIMATED LAND VALUE

(Authority for quoted municipal figures, - Financial Statement for 1973. Authority for estimated figures, - current real estate advertisements in local press)

Langley is a municipality that has five main clusters of fairly dense residential development, a large area divided into small acreages, and a few large farms over 40 acres. There are commercial and industrial areas associated with the residential clusters. There are 13,000 taxable parcels of which 10,000 have improvements. A very conservative estimate of the value of the land will be obtained by assuming that there are only two kinds of use, - residential and agricultural. The residential value will be found by multiplying the number of improved lots by the value of a home-lot (\$20,000) and assuming that each lot has $\frac{1}{4}$ acre associated with the house. Any remaining area will be deemed to be agricultural and the total value so estimated. This type of land sells for \$7,000 an acre in small parcels to \$2,500 an acre in 40 acre parcels. Finally, there should be a corrective figure added because the price of land is always reduced by the taxes upon it, and the accounts show \$23 $\frac{1}{4}$ million raised against land. However, in the interests of modesty and conservatism, we shall omit this corrective figure.

No. of home lots, 10,000	
Value each \$20,000	Estimated value of
	<u>home lots \$200,000,000</u>

Area of Langley 78,491 acres	
Less 2,500 acres deemed to	
be home lots 76,000 acres	
at \$3,000 an acre	Estimated value of
	<u>farm land \$228,000,000</u>

Total estimated land value enjoyed
by title holders \$428 million

Municipal assessment of this land
(supposedly at 100%) \$23 million

PERCENTAGE ERROR APPROXIMATELY 2,000 percent.

In 1973 the revenue of the municipality was \$4 $\frac{1}{2}$ million. With realistic land assessments and using land values only the mil rate could have been under 10 compared with the present rate of 71.14. Improvements could be relieved of taxation thus removing the punitive element of the "property tax". A total land value of \$428 million when the rate of interest is at 12 percent will yield an income of \$50 million a year. This income should be re-stored to the community which is the cause of the land value, instead of going as it does today to land speculators here, in the U.S. and all over the world who take their ease and watch the good citizens making them fortune upon fortune as the municipal services inevitably increase the value of the land.