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British Columbia : The Work of a Pioneer

By Alexander Hamilton

The hundredth anniversary of the birth of Henry George is also the fiftieth anniversary of the inauguration of the Single Tax movement in British Columbia. The man who put British Columbia on the Georgeist map was John Cunningham Brown, of New Westminster, a native of Ireland and a graduate of Queens College, Belfast.

In April, 1889, three working men—a farmer, a carpenter and a stonecutter—started the publication of a little monthly journal called the *Single Tax Advocate*. Its motto was "Free Trade, Free Land, Free Men." It circulated in the coast cities, and a few copies were distributed through every post office in the Province. The idea was novel and made a wonderful hit. Even Tory protectionists were converted to the extent of the exemption of improvements from taxation.

One of our earliest converts was Albert E. Freeland, who later did splendid work for the cause in Texas and elsewhere; was the author of the clever skit of *Squirrel Island*, and is still a prolific writer in the Press in Seattle.

But our outstanding catch was John Cunningham Brown. He had been editor of the *British Columbian* newspaper for some years, and was at that time postmaster of New Westminster. When the *Single Tax Advocate* caught his eye he read it through and, of course, had to get hold of *Progress and Poverty*. That settled it. He was a Georgeist for the rest of his life, and a swift and efficient one at that.

When the civic election at the end of 1889 for the 1890 term took place Brown was elected Mayor. It happened to be a crucial time for New Westminster. Waterworks and an electric light system had to be inaugurated. Certain promoters wanted to control these for private profit. Brown took a different view of the matter. His idea was that such services, being natural monopolies, should be collective monopolies. He held public meetings and allowed both sides to state their case. The discussions had an educative value, and were not relished very much by the promoters, whose sophistries had rather a rocky time of it. What

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may have perhaps the last straw for the private profiteers was when a fine old conservative denounced them as "vampires." This from such a source was hailed with great enthusiasm and hurled at them from every direction. Brown won out.

In 1891 the Government was reactionary and rather unpopular; but the opposition was ineffective and had dwindled down to two members who were in reality as reactionary as their opponents. A new Opposition was organized, and was at first known as the "Independent Party." Brown stumped the country and put ginger into the movement. He had the finances of the Province at his finger-ends and could give it to the lawyers. The opposition carried the Fraser Valley and the city of Vancouver, New Westminster and Nanaimo. But the Government still had a majority in the Legislature.

During the campaign a Single Taxer in the Fraser Valley heckled the Premier and extracted from him a promise to exempt \$500 worth of improvements on farms. When the momentous session of the Legislature met early in 1891 the Premier was about to forget this pledge, but Brown was at his elbow to remind him of it. In addition to the \$500 improvement exemption, the Wild Land Tax was amended, changing it from a 2 cent tax per acre to a 2 per cent tax on the value. When, in clearing land, farmers burned the timber there was no charge, but when they sold it they paid a stumpage tax. That and the tax on mortgages were abolished.

But municipal legislation took front place. Population was increasing and applications for municipal registration were coming in. There is a general Municipal Act under which all municipalities (with the exception of Vancouver, which has a special charter) operate. The Act was too narrow, arbitrary and dictatorial. Brown's slogan was "Home Rule for Municipalities." The Act was amended so that they could own their public utilities, tax land values or exempt them and tax or exempt improvements. Nearly everything was optional. One provision carried was that municipalities were debarred from taxing improvements on more than 50 per cent of their value. When Brown came home at the week-end one of his supporters said to him, "I thought you were a democrat; that you didn't believe in compulsion. Here you are withholding from municipal councils the opportunity of going wrong." Brown laughed loudly and long, "You were quite right," he answered, "I am a democrat; it was the reactionary Attorney-General who inserted that clause, but," he added with a twinkle in his eye, "I didn't vote against it."

Whatever the motive behind that reactionary's action may have been, it proved to be the chief bulwark against the land gambling fraternity, who have laboured with a persistency worthy of a better cause to have it eliminated. It was left for a Tory government—1928-33—to raise the amount of the optional rate from 50 per cent to 75 per cent. However only the City of Victoria and one rural municipality have as yet taken advantage of the change. The tax on improvements in Victoria

is now 41 mills (4.1 per cent) on the dollar, on 65 per cent of the assessed value, and really constitutes an embargo on the erection and repairing of buildings.

Of course Brown's teaching throughout the Province is the best part of what he accomplished, and the basis of some action along the right lines long after he was jockeyed out of politics. Like another John Brown, "his soul goes marching on." He secured the municipalities their rights, and they have clung to them with considerable tenacity in the face of adverse manoeuvring. Brown held the office of Mayor for two years and that of alderman for two more. He got Public Ownership of Public Utilities established in his home town (other places followed suit), but political assassination was his fate.

When the four-year term in the Legislature neared its end a member of the Cabinet had occasion to visit Ottawa. Shortly afterwards Brown got a curt note from the Postmaster-General advising him to quit politics or quit the Post Office. He had a wife and young family to provide for, and the sessional indemnity was at that time small, so he quit politics and the Province was deprived of his priceless services.

Before the Dominion election of 1896, Mr (afterwards Sir Wilfrid) Laurier, leader of the Liberal Party, came west. In his addresses he said if the Liberals succeeded to power they would move in the direction of "Free Trade as it is (was then) in England." He was accompanied by Mr D. C. Fraser of Nova Scotia, who spoke of "man's natural rights," and tore the protectionist sophistries to tatters. This just suited the followers of Henry George. They were fired with enthusiasm and went to work with a will. The result was that for the first time the Liberals swept the Province, except the city of Victoria. The Party also had a majority in the Dominion. Laurier was idolized and knighted, but he wasn't strong enough to combat Privilege, and Free Trade was far away.

Brown had been out of politics for a whole term of four years. Now his own Party was in power at Ottawa, so he took a chance and ran again for the Legislature. Again he stumped the country and greatly aided the Progressives. They won, but Brown was defeated. The Reactionary Party could not have defeated him with one of their own ilk, but they nominated a milk-and-water Progressive and managed to elect him. The Progressives were not all progressive; after two years they split and lost control of the House. The Lieutenant-Governor dismissed them and called on Joseph Martin, a Progressive who had been Attorney-General, to form a Cabinet. Martin chose Brown as his Minister of Finance and went to the country. This time Brown was elected, but his Party was defeated. There was now political confusion. It had been a question of Pro-Martin and Anti-Martin; now there were no parties and no policy. Mr. James Dunsmuir, the wealthiest man in the Province, was prevailed upon to form a Cabinet. He soon grew critical of the Cabinet he had chosen, and, having confidence in Brown, asked him to join the Government.

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At times a member accepting Cabinet rank automatically vacated his seat in the legislature, and had to go back to his constituency for re-endorsement. Brown had now the political fight of his life and went down to defeat. Being a by-election the Reactionaries of the whole Province were enabled to concentrate all their malignant energies and unscrupulous tactics in small compass. In that way, and resorting to a second method the trick of nominating a milk-and-water Progressive, they won and Brown was got rid of for good and all. On accepting office Brown resigned from the postmastership and was now at a loose end. Liberal M.P. for New Westminster at Ottawa, however, was a friend and admirer of his, and as the wardenship of the penitentiary was vacant advised Sir Wilfred Laurier to present Brown with that appointment. Some men will make good at any undertaking they tackle; Brown became known as the best warden who ever ruled over that institution. Ultimately he was superannuated and lived in retirement until he died at the age of 83 years.

With the buzzards out of the way the Buzzards of Privilege, with the connivance of their political puppets, settled down on the fat carcass of the natural resources of British Columbia, and devoured everything in which there was any immediate nourishment. However, as there is only about 3 per cent of the provincial area that can be classed as inhabited, there is still something left worth saving.

In 1903 Richard McBride headed a Conservative Party and got a majority in the Legislature. This was the beginning of party lines in provincial politics. That Government held sway till 1916. They began by handing away the natural resources to speculators for a song. The Liberals charged that they had alienated two-thirds of the timber area and more than six million acres of arable land. (Less than half a million acres has yet been scratched by a plough.)

About 1911 a second Single Tax wave seemed to strike the province. The larger towns, New Westminster, Vancouver and Victoria, in addition to rural municipalities (quite a few of which adopted that policy at the start) exempted improvements from taxation.

A strange thing now happened. The Tory Government got converted to the philosophy of Henry George. They appointed a Commission to enquire into the whole subject of taxation. The Chairman was Mr C. H. Lugin, the very able editor of the *Colonist*, a Tory paper, although he was personally an advanced Liberal. Throughout the Province the bulk of the evidence favoured Single Tax, and the logic advanced was so convincing that Mr Lugin was converted to that faith and reported accordingly. The Government coincided. They had already increased the Wild Land Tax from 2 per cent to 4 per cent on the value. At the session of 1913 they abolished the Poll Tax and promised to exempt all improvements on provincial land in 1915, abolish the Personal Property Tax in 1917, and fall back upon natural resources for their revenue.

We quote from the 1913 Budget Speech of the Minister of Finance :
“ At this point, Mr Speaker, having disposed of the estimates, I propose to make an announcement of policy in respect to taxation. The Royal Commission on Taxation made four important recommendations, namely, the abolition of the Poll Tax ; the exemption of improvements from taxation ; the abolition of the Personal Property Tax, and the readjustment of the Income Tax and various minor changes to which I need not refer in detail. The Government, after careful consideration, decided that to adopt all these recommendations at once would involve too great an immediate loss of revenue. By the Bill before the House, which I introduced the other day, we propose to abolish the Poll Tax, which involves a loss of revenue to the extent of about \$350,000, and it is proposed in two years' time to exempt improvements from taxation. In four years it is proposed to abolish the tax on personal property and rearrange the incidence of income tax, endeavouring as far as possible to adopt the whole of the recommendations of the Tax Commission. Our aim is, as far as possible, by easy stages to reach a point when indirect taxation will be eliminated and our revenues will be obtained from the natural sources of the Province.”

The Liberals felt this was a direct challenge to them. Shortly after the session of the Legislature was prorogued they held the famous Revelstoke Convention, elected Mr H. C. Brewster, a Georgeist, as leader and adopted a platform bristling with Single Tax clauses. We quote a few of the more direct ones ;—

“ We believe that agricultural land should be disposed of only on such conditions as will insure its continuous use and occupation.”

“ No public lands for the speculator.”

“ Exemption of improvements on all lands paying taxes to the Provincial Government.”

“ A readjustment of the system of taxation whereby the Province will receive a fairer share of the unearned increment.”

“ Coal lands not to be alienated, but leased under conditions to be fixed periodically by the Legislature.”

“ We condemn without reserve the wholesale disposal of timber lands to speculators . . . ”

“ The survey, cruising and valuation of timber lands by the Government before alienation, and the disposal of all such lands by public competition to actual users.”

“ We adhere to the principle of Public Ownership of all Public Utilities . . . ”

Mr Brewster was a native of the Province of New Brunswick ; was well educated ; had a good platform presence, and the whiskers of the Single Tax “ Cat ” could be visualised in every speech he delivered. In 1915 the Tories fell down on their pledge to exempt improvements on farm lands. In the election of 1916 the Liberals swept the Province, only a few Tories being returned.

At Liberal conventions we had been trying in vain to commit the Party to direct legislation. At the election of 1916 the Tory Government gave the people two referendum votes. They were well received, both measures carried and, of course, became law. When those referendum votes were announced the Liberal executive decided to bid higher. They promised a Direct Legislation Act. On attaining office they kept their promise to the ear but broke it to the heart. Instead of a 5 per cent initiative petition they put it at 25 per cent, which made the measure unworkable and an insult to the people. However, they managed to increase the amount of the exemption of improvements from \$500 to \$1,500 on farms, and increased the Wild Land Tax from 4 per cent to 5 per cent on the value.

The farmland speculators had bitten off more than they could chew. They were far behind with their payments, and as Mr Brewster's terms were "pay up or let go," the result was that 2,000,000 acres reverted to the Province.

It is noticeable that speculation keeps a few jumps ahead of development. Less than half a million acres has as yet been farmed in British Columbia. Mr Brewster had poor health and died before he got into his stride with his reform policy. It seemed as if all virtue in the Liberal Party died with him. They held office from 1916 to 1928 and got more reactionary as time passed. In 1927, being pestered by letters in the Press demanding that they live up to the Revelstoke platform, they brought down and passed a measure to tax the Unearned Increment. Natural resources changing hands were required to contribute to the Provincial treasury up to 8 per cent of increased value. Timber holdings that had cost nothing except the cruising, and were paying a rental that in a century would amount to an average of \$1.50 per thousand feet of lumber, were changing hands at from hundreds of thousands of dollars up to millions. This tax would leave them 92 per cent clear profit on their ventures, and was really pitifully inadequate, yet the big speculators refused to agree. So, at the 1928 session, which preceded a general election, it was repealed. Their political perfidy, however, availed the Liberals not at all; they were swept out of power.

The Tory Party now had a majority and held office from 1928 to 1933. They reduced the Wild Land tax from 5 per cent to 3 per cent, and increased the limit upon which municipalities could tax improvements from 50 per cent to 75 per cent of value. However, only one city (Victoria) has taken advantage of it and did so in the face of a 1,200 majority mandate not to tax improvements at all. It is only fair to say that the plebiscite was taken some years earlier, still there is no reason to believe that the ratepayers have changed their minds.

In 1933 the Tory Tweedledees went out and the Liberal Tweedledums came in. The Liberals have forgotten all platform pledges of the past and "wax exceeding wroth" when reminded of them. Both parties keep on selling land for a mere song instead of leasing it, as we constantly advise them to do, and have borrowed till they have got quite beyond

the point where they can stop. The only way that the present set-up can keep going is by getting deeper into debt.

In the half century since Georgeist propaganda started in British Columbia there has been no surrender. Letters to the Press, briefs to Commissions on Timber, Agriculture and Taxation, Provincial-Municipal Relations, Dominion-Provincial Relations, etc., occasional addresses and timely distribution of pamphlets have all been attended to. This has been done, and the flag kept flying, chiefly by men who have to rustle for a bare living. We have had advance and retrogression; sometimes bright prospects of accomplishing something worth-while, then disappointment.

There was a time when half the municipalities exempted improvements altogether from taxation. By devious and underhand means, adopted by "commission collectors" and speculators, the number has now been reduced to about one-sixth. This is not to say that improvements have any great burden. In most cases the tax is only levied on from 10 per cent to 50 per cent of their assessed value. Only one city, Victoria, taxes on 65 per cent, and one rural municipality on 55 per cent. The bulk of municipal revenue throughout the Province *still comes out of land values*. Several plebiscites and one questionnaire have all gone our way by sweeping majorities, not one against.

New Westminster, a city of 20,000 people, is an outstanding example for Land Value Taxation. Mayor F. J. Hume, writing in the *American City* of New York for March, 1935, amongst other favourable comments said: "The Single Tax discouraged vacant land speculation and assisted manufacturers. This city is believed to have the largest percentage of individually owned, unmortgaged houses of any city on the continent. It now has the largest invested capital per person of any city in the Dominion of Canada, and this capital invested is not an inflated speculative land value, but rather in factories, machinery, stores and goods." Mr Hume is still mayor, and the tax on Land Values was increased in 1938 from 56 mills on the dollar to 70, and in 1939 from 70 to 75.

There have been two distinct waves of Single Tax advance in British Columbia. We live in the fervent hope that the third may be a billow and sweep everything before it.

(This paper has been fraternally submitted to the Conference by the Henry George Club, Victoria, B.C., Canada. President, Alexander Hamilton; Secretary, Fred. W. Davey.)

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