

IS ECONOMIC RENT SUFFICIENT?

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It was interesting to read Willem Costerus' contribution in the Winter 1975 issue. Living in Amsterdam, I suppose he does not have figures available to be able to state that economic rent is adequate for social expenses. However, in British Columbia figures are available to show that rent is more than adequate.

Until 1948 the City of New Westminster on the north bank of the Fraser River raised all its local revenue against land values. In spite of this, land titles still sold at moderate prices on the market, proving that much more rent could have been absorbed. The City of Vancouver at the present time raises its revenue from land and improvements in such a way that one-third of the economic rent is collected. A little calculation shows that the rent of the City of Vancouver could easily defray all municipal expenses including those like welfare, which are an outcome of the poverty structure of taxation of wages.

The municipality in which I live has been run by land-speculating "farmers" for generations and they have succeeded in making a mockery of land value taxation. A little study I presented to the provincial parliamentary commission of the property tax (summarized below) shows how speculating aldermen and public servants can thwart the taxation of land values with phoney assessments. It also shows that the rent is more than adequate even when figured at a very conservative value.

In British Columbia there is a lesson also for those who put all their energy into campaigning for a change in the municipal taxation system. B.C. has everything Georgists want. It was lost because no one pointed out the principle that the earth is the equal birthright of all people. The idea of property in land was not challenged; in fact, the expression "property" was and is accepted. It just needed a few real estate agents on the council of New Westminster to reverse the movement from justice to injustice.

No matter what reforms Georgists are able to bring about surreptitiously, these will never endure unless the public is educated in the facts of this great reform. It is necessary to know that land is not property; that land has a rent which is publicly created, and that this rent belongs to the community as its natural and unique source of revenue.