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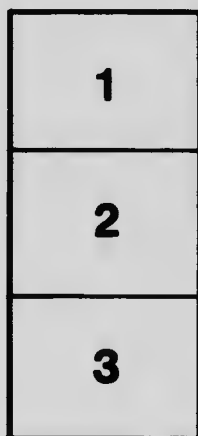
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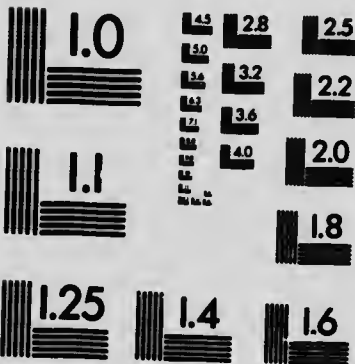
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The Progress of Land Value Taxation in Canada

The rapid spread of land value taxation in Western Canada justifies the faith of our great leader, Henry George, who even in the darkness of temporary defeat "Never doubted clouds would break, Never dreamed, though right were worsted, wrong would triumph, Held we fall to rise, are baffled to fight better."

In response to numerous requests from many parts of the world I have undertaken to write a brief record of what Land Value Taxation has achieved in the land of the Maple Leaf.

This pamphlet is not a full and complete statement of all that has been accomplished, but if it indicates the soundness of land value taxation and inspires others, who may be suffering temporary repulses, to nobler efforts for the cause of democracy it will not have been written in vain.

BRITISH COLUMBIA.

A very interesting and informing report has been presented to the Legislative Assembly of British Columbia by the Royal Commission on Taxation, appointed last year. This report recommends the abolition of the poll tax, and the taxes upon personal property and improvements. It recommends an increase of the income tax. The Commissioners evidently recognize that income taxes put a premium upon lying. But "they have too firm a faith in the integrity of their fellow citizens" to suppose that they will attempt to evade the tax. The report calls attention to the significant fact that "The Provincial Government has seen fit for taxing purposes to divide lands in British Columbia, privately held in fee, into two classes, according to the motive which prompted their purchase:—(1) Lands for use or occupation; and (2) Lands held for an increase in value. It has also, in imposing rates of taxation, differentiated between various classes of land according to the use to which they were put. At present, land held for occupation or agricultural use is taxed at the rate of $\frac{1}{2}$ of 1 per cent.; land held as "coal land" on which mines are worked, at 1 per cent.; if unworked, at 2 per cent.; land held as "timber land" at 2 per cent.; land held for appreciation of price only, at 4 per cent.; unworked Crown-granted mineral claims, at 25 cents per acre. The commission recommends that these taxes be maintained, but suggests that the assessment machinery should be improved in order "that the valuation of real property should be brought up, as near as possible, to its real value."

Each municipality in British Columbia has local option in taxation. Victoria, Oak Bay, Saanich, Nanaimo, Prince Rupert,

Vancouver, South Vancouver, Point Grey, North Vancouver, Coquitlam, Burnaby, Mission, New Westminster, Surrey, Langley, Matsqui, Sumas, Chilliwack City, Chilliwack Township, Kent, Merritt, Spellingham, Peachland, Kellowna, Summerland and Penticton have adopted land value taxation. The system is working well and spreading rapidly.

ALBERTA.

At its last session (1912) the Alberta Legislature amended the "Town Act" to make Land Value Taxation compulsory throughout the whole province. Some interesting testimony from municipal officials lauding this change will be found on page six of this pamphlet.

The provisions of the Act in regard to assessment are as follows:—

"Land shall be assessed at its actual cash value as it would be appraised in payment of a just debt from a solvent debtor, exclusive of the value of any buildings thereon or any other increase in value thereof, caused by any other expenditure of labor or capital thereon.

"Whenever two or more persons are as business partners, joint tenants, tenants in common or by any other kind of a joint interest the owners or occupants of any land liable to taxation hereunder, the names of each such persons shall be entered on the assessment roll in respect of his share or interest of or in such land."

The provisions relating to taxation are:—

"The council shall in each year fix by by-law and levy upon all lands assessed upon the last revised assessment roll such rate or rates as shall be sufficient to pay all the debts of the town falling due within the year, making due allowance for the cost of collection and for the abatement and losses which may occur in the collection thereof; but the council shall not levy more than an aggregate of twenty mills on the dollar (exclusive of debenture rates, school rates and local improvement rates) upon the total value of the assessable property within the town according to the last revised assessment roll thereof."

SASKATCHEWAN.

Many cities and towns in Saskatchewan have reduced the assessment upon improvements, in accordance with the provisions of the Act giving local option in taxation, passed by the Legislature of that province in 1911.

For many years agricultural improvements have been exempt from taxation in Saskatchewan and municipal revenues have been raised in the rural districts by an acreage tax. On November 28th, 1912, the Hon. George Langley introduced a bill to make land value taxation compulsory in the rural municipalities.

The Legislature of Saskatchewan is unanimously in favor of Land Value Taxation, and there is no reason to doubt that this legislation will become effective in 1913.

MANITOBA.

The Municipal Assessment Act of Manitoba states that all horses, cattle, sheep, swine, poultry and other farm stock (live or dead), grain, cereals, flour, the produce of farm or field, in store or warehouse, cordwood, and all farming implements and machinery used by farmers in the ordinary occupation of farming, and when kept upon the lands of bona fide agriculturists or farmers, shall be exempt from taxation.

The Manitoba act also provides that agricultural land shall be taxed according to its value, allowing, however, considerable latitude to the assessor in fixing the value, with the result that the land is usually under assessed.

An amendment is needed to compel the assessment of land at its actual value.

Winnipeg.

Winnipeg operates under a charter from the provincial government and has to apply to it before she can make any changes in her system of taxation.

In 1909 an amendment to the charter was secured by which the assessment on buildings was reduced to two-thirds of their value. Land being assessed at its full value.

During the municipal election of 1911, 24 out of 28 candidates declared in favor of Land Value Taxation. The city council asked the provincial government for power to take a Referendum vote upon the question. This request was refused. A request from the Union of Municipalities of Manitoba for a change in the Assessment Act, which would permit the reduction of taxation upon buildings in the cities and towns, received the same treatment. Perhaps this was to be expected from a government led by such an "inordinate admirer of antiquity" as Premier Roblin, who, at a Young Conservative's banquet, denounced those so-called reformers "who say that the present system of taxation is wrong" and "are asking the people to throw away that principle which has come down to us for five hundred years, stamped with the approval of the best men of the centuries." But, if Sir Rodmond is satisfied with a system of taxation that is five hundred years behind the times, there are signs that the people are not, and it is comforting to reflect that the people are greater than the government. If the government continues to oppose the will of the people, so much the worse for the government.

The local situation confirms our belief that Direct Legislation is the next step in the progress of Democracy. When that is established we can go directly to the people with our proposals. The politicians will no longer be able to bar the path of progress. With these facts in view, we have devoted our energies principally

to assisting the Direct Legislation League in its propaganda, and it gives us great pleasure to report that public sentiment in favor of Direct Legislation is, owing to the activities of the League, developing very rapidly.

EASTERN CANADA.

The Tax Reform Association of Ontario is carrying on an active campaign in that province for local option in taxation.

At the annual convention of the Ontario Municipal Association, held at the city hall, Toronto, on August 31st and September 1st, 1911, the following resolution, forwarded from the Union of Canadian Municipalities, was presented and carried:

Resolution from Canadian Municipalities.—Moved by Alderman Shepherd, of Windsor, Ont.; seconded by Mayor Hopkins, of Saskatoon, Sask.: "That in the opinion of this Convention, municipalities should be empowered to discriminate between different classes of property by placing a lower tax rate on buildings, improvements, incomes and business assessments than on land values, or by assessing buildings and improvements at a lower proportion of their value than land values; any change in rates or assessments to be determined by the municipality." Carried.

Three hundred municipalities in Ontario have signed a petition asking the provincial government to give them the power to reduce taxation on improvements and increase taxation on land values.

By a vote of 23 to 1 the city council of Toronto recently decided to submit the following question to a Referendum vote of the people in January, 1913:—"Are you in favor of applying for legislation to assess buildings, business tax and incomes on a lower basis than land?" This was carried by about 4 to 1 on Jan. 1st, 1913.

NEW BRUNSWICK.

On September 28th, 1911, the town council of Newcastle, N.B., passed this resolution:—

"Resolved, that this Town Council of the Town of Newcastle prepare (or co-operate with the Union of New Brunswick Municipalities or any county, city or town in said province in preparing) a bill for the next session of the Legislature providing that any county, city or town in the Province of New Brunswick shall, upon a majority vote of its qualified ratepayers, have the power to reduce or abolish within its jurisdiction taxes on polls, improvements, personal property and income, or any one or more of these, and raise its revenue by means of a land tax with or without a poll tax and with or without a system of business licenses."

This motion was moved by Alderman H. H. Stewart, seconded by Ald. T. W. Butler, K.C., and adopted unanimously, and the Town Clerk was directed to forward a copy of this resolution to the Secretary of the Union of N.B. Municipalities.

FACTS! FACTS! FACTS!

The foregoing is a sketchy outline of legislation which has been passed and a slight indication of the work which is being done.

Now we come to something more substantial and satisfying. A plain statement of the effects of Land Value Taxation.

"Facts are chiefs that winna gang."

"The building record for the first eight months of 1912, covering 52 cities in Canada, is a striking testimony of the efficacy of land value taxation. Medicine Hat, a small city of 5,608 inhabitants, stands first in the percentage increase in the eight months, with 408 per cent. The legislature of Alberta, at its last session, passed a law to compel all municipalities in that province to adopt the system of Land Value Taxation. The City Council of Medicine Hat was not content to wait, so it applied for and obtained a special act, by which all taxes upon business, buildings and personal property were abolished, and the whole of the municipal revenue raised by a tax on Land Values. There is no doubt that the phenomenal increase in building operations is principally due to this change in the system of taxation. In Edmonton, the capital city of Alberta, which this year abolished the last vestige of the business tax, and now raises the whole of its revenue by Land Value Taxation, there has also been an enormous increase in the number of building permits issued. The figures are \$10,250,562 for 1912, against \$2,706,780 for 1911, an increase of \$7,543,782. The figures for Victoria are \$5,781,255 for 1912, against \$2,197,920 for 1911, an increase of \$3,583,336. For the sake of comparison, I include the building record for Winnipeg, which is a much larger city, but still lags behind in the matter of mending her tax system. We have, it is true, abolished all taxes on personal property, and in 1909 the assessment of buildings was reduced to two-thirds of their value, but we are still hampered with a tax upon buildings and a business tax. To show the effect these have in the way of holding the city back, it is only necessary to compare the building record of Winnipeg with Victoria and Edmonton, which are much smaller cities. The figures for Winnipeg are \$16,298,600 for 1912, \$13,911,900 for 1911, an increase of only \$2,386,700 as against the larger increases in Victoria and Edmonton. The population of Winnipeg, according to the census of 1911, is 136,035. Victoria has 31,660 inhabitants, and Edmonton 24,900. These are hard facts which should shake the opposition to Single Tax in any part of the world. No man can look these figures squarely in the face and say that Land Value Taxation will not work. Vancouver shows an increase of \$691,000 worth of building permits over last year. Of course, last year was a phenomenal year in the building history of Vancouver."

Some derogatory reports have been made about Land Value Taxation in Vancouver, to refute which it is only necessary to quote from an article recently published in the "Toronto Saturday Night," from its Western correspondent:

"Vancouver, B.C. A recent article in The Toronto Telegram sought to deprecate the policy of exempting improvements from municipal taxation, which is now in force in Vancouver and several Western cities, on the ground that rents in this city are higher than in Toronto. It quotes six "To Let Ads." in which the rents asked run from \$50 down to \$25, but it must be remembered that these are houses, not flats or apartments, or even semi-detached,

and are all within reasonable distance of the business district. The arguments put forward by The Telegram will convince no one who has a working knowledge of the conditions in Vancouver. They do not, moreover, prejudice the cause of Single Tax, as it is locally known, although not amounting strictly to that policy. In the first place the advocates of the exemption of improvements did not claim it would reduce the rents. The purpose was to prevent speculators getting hold of a lot of land in the city and holding it idle until the enterprise of neighboring owners had made it more valuable. By taxing vacant and improved land alike, the owners were given an incentive to improve their land, and the results in two years have justified the strongest claims in this respect. **This city has a skyline of tall buildings which would be a credit to any city on the continent.** There has been a tremendous building boom during that time, culminating in the month of October last with building permits being issued for over three and a half million of dollars, the largest total for the month of any city in the Dominion. The incentive to build is just as great for the poor man as for the man who intends to erect a skyscraper. He buys a cheap lot and after having erected a home thereon finds his taxes no higher. It is indeed more profitable to build than let the land lie idle and equally more profitable is it for him to build his own home and pay for it in small instalments than to go on paying rent. The rate of taxation is low, being 20 mills on a 40 per cent. valuation of the land, which is really less than a 10 mill rate. In consequence a larger percentage of people of all classes own their own homes in Vancouver than in any other city in Canada. Therefore two of the results of the taxation system in vogue here are a low tax and a well distributed ownership of homes."

EXPERT TESTIMONY.

At the twelfth annual convention of the Union of Canadian Municipalities, held in Windsor, Ontario, last summer, papers on municipal taxation were read by Alderman Jos. Clark, of Edmonton, Alberta, and Alderman W. Hepburn, of Vancouver. In both cities the system of exemption of improvements from taxation has been adopted. The papers and the discussion which followed indicated that the system of assessing land values is favored by representatives of Western cities.

"The triumph of our land tax in Edmonton is shown by the fact that in 1906 we had building permits to the value of \$1,563,000, while in 1912—the first year all taxes other than land taxes were taken off—they were \$15,000,000," said Alderman Clark. "If the previous ratio had been continued it would have required 80,000 population to justify this expenditure, while our population is approximately 53,000."

Success at Vancouver.

"The land tax in Vancouver is the principal cause of the growth of the city in recent years," said Alderman Hepburn. "The difficulty of making owners of buildings keep them in sanitary condi-

tion has been greatly lessened and the tax on land has also had the effect of causing owners of vacant property to improve it."

"No one will attempt to dispute that the land tax in Victoria has been most beneficial," said Mayor J. L. Beekwith of the Western city. "The system of taxing buildings is simply a system of fining a man for improving his property."

"Cities of Saskatchewan are moving toward the land tax," said Deputy Minister J. N. Bayne.

"Under the new law the limit of assessment is fixed at 60 per cent. and cities have the right to reduce this 15 per cent. a year. Within two or three years it is believed that the cities will entirely remove the tax on improvements."

A GOOD ADVERTISEMENT.

In a little booklet, "Lethbridge in a Nutshell," issued by the Board of Trade of that city, we read:—

"Lethbridge has adopted the Single Tax system. All revenue is obtained from the taxation of land values only."

This means that the working man's house is not taxed, neither are business blocks or the residences of wealthier people.

The buildings and machinery of industries are also exempted from taxation under this system. In fact, business of all kinds is exempted, land values forming the sole basis of assessment.

In response to a letter of enquiry re the working of Land Value Taxation in Alberta, these letters have been received:—

Medicine Hat, Alberta,
Friday, November 8th, 1912.

Dear Sir:—

Replying to your request for information regarding the adoption of the Single Tax assessment in this city, the following information will probably be of service to you:

1. The Single Tax system of assessment was adopted in its entirety in this city on January 1st, 1912.
2. Improvements, stock, income and all personal property are absolutely exempt from taxation.
3. There is no business tax of any description whatever.

You will see by the above information that Medicine Hat made the very radical change of adopting the Single Tax absolutely, the assessment being made on land values only. The system has proved to be entirely satisfactory to all concerned and we anticipate no difficulties whatever in the near future. Any further information you require will be cheerfully given.

Yours truly,

(Signed), H. BAKER,
City Clerk.

Edmonton, Alberta, Can.,
12th November, 1912.

Dear Sir:—

Replying to your letter of 7th inst. On its incorporation as a city, Edmonton took the first step on the Single Tax road by taxing land values only regardless of improvements. It, however, had such other items of revenue as floor space tax, business licenses, income and poll taxes. Year by year these were either abolished or diminished, the poll tax having been dropped for three years, income tax the same, the floor space reduced year by year until it, too, was abolished last year. This year the licenses only remained, and the Council is at the present time considering a report of a committee whereby these are in many cases abolished and in others reduced to a purely nominal sum, in some cases with a condition as to supervision and the provision of facilities for public benefit such as lavatories in barber shops and pool rooms.

You may therefore take that while it is probable a very limited number of license fees will be charged in the ensuing year, for all practical purposes they must be counted as abolished here, and in that case Edmonton will certainly be a Single Tax city to the last degree.

Yours faithfully,

(Signed), CHAS. ED. K. COX,
Clerk.

City Assessor's Office,
Calgary, Canada, Nov. 13th, 1912.

Dear Sir:—

The mode of assessment used in this city at present is as follows:

- LAND full market value
- BUILDINGS for 1912—75% of value with a further reduction of 10% each year until wiped off.
- PERSONAL, two-thirds of the average amount of stock carried during the year.

Yours faithfully,

(Signed), RICHARD WALLACE,
City Assessor.

Is further evidence necessary to convince any fair-minded person that Land Value Taxation is practical, just and beneficial? I think not.

So far the progress made has been in the municipalities, but we hope and believe that now Land Value Taxation has been successfully established in so many of them that it will speedily be adopted as a means of raising provincial and federal revenues.

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