

# THE SINGLE TAX REVIEW

A Record of the Progress of Single Tax and Tax Reform  
Throughout the World.

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## SINGLE TAX IN PRACTICE.

*(For the Review)*

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An interesting document has just been published by His Majesty's Government containing the minutes of evidence given before the Royal Commission on the Natural Resources, Trade, and Legislation, of certain portions of His Majesty's Dominions. In the evidence of Mr. J. O. Smith there is to be found the figures of immigration into Canada since 1902. For the year ending March 31st, 1912, out of a grand total of 354,237, no less than 133,710 left the United States to settle in Canada. In 1902 out of a total of 67,000 there went from the United States 26,300. One-third of the increase of the population of Canada is from the United States.

Now what can be the attraction in Canada that draws yearly so great an exodus from the States? From Mr. Smith's evidence one reason seems to be cheap land. He states quite frankly how the agriculturist in the States is forced further and further west until he reaches the cheaper land of the north-western States, and then passes over the border into Canada. But the enormous flow shown in the figures gives no indication of so indefinite and tranquil a process being the main cause of immigration. He admits that farm land in Dakota, Northern Minnesota, and Montana is of little more than the value of similar land in Canada. There are quantities of land in Oregon and Washington as fertile as most land to be had in British Columbia and Alberta. But in none of the divisions of the States mentioned is there anything like the increase of population that is to be found in the provinces across the border.

There must be something more potent than cheap land to attract such numbers of settlers. Cheap land is not the beginning and end of all production. Twenty years ago there was plenty of cheap land to be had in the States. It has been left to the provinces of North Western Canada to offer in their fiscal system the corollary of cheap land, the taxation of land values. Cheap land with a fiscal system that discourages improvement by levying taxes upon industry has proved in the case of the United States no blessing to settlers. Canada, in spite of her Federal statesmen, has benefitted by the experience of

the States, and, for the past six years has in the provinces of the Northwest, gradually brought into operation the beginning of the system of Single Tax. Indeed, many cities in the Northwest now advertise as one of their great attractions the system that does not penalize industry.

The Board of Trade of Lethbridge, Alberta, issue a booklet in which some fifty odd questions put by would-be settlers are answered. All of the answers are interesting reading to people of the old country, but question seventeen is the magnet that undoubtedly draws numbers of immigrants from the States. The question and answer are as follows:

Question 17.—What system of taxation is in force?

Answer.—Lethbridge has adopted the Single Tax system. All revenue is obtained from the taxation of land values only. This means that the workman's house is not taxed, neither are business blocks or the residences of the 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."

What can be more attractive to producers than a system that does not penalize their efforts? When Boards of Trade think it worth while advertising the fact that their city thrives under a Single Tax system, and can produce astonishing statistics in its favor, those who know something of the old system of taxation such as we tolerate in the old country, and from which the States suffer, cannot but believe that the increase and development of the northwestern provinces have very largely resulted from the beneficence of their fiscal system.

In Vancouver there is issued a beautiful book containing photographs of the city and the district round about. It also sets forth all the information the intending settler might desire. The book is really a history of the growth and development of the place. This is the way it advertises its system of taxation:

"Vancouver has gained celebrity as the first metropolitan city in the world to exempt improvements from taxation, the total levy being made on land values . . . . The effect of this system of taxation is already seen to some extent in the remarkable increase in the value of Vancouver's building operations, and in the improvement in the size and quality of the buildings erected. The exemption of improvements is distinctly encouraging to industry and cannot fail to have a beneficial influence upon the industrial life of the city, since no tax is levied against the production of wealth."

The population of the city in 1906 was 55,000. Greater Vancouver has now 175,424. In the four years ending 1912 the value of real property increased from about 48,000,000 dollars to over 138,000,000 dollars. Building permits issued in 1909 numbered 2,054, representing a value of 7,258,565 dollars; in 1911 permits were issued for 2,755, representing a value of 17,652,642 dollars.

Edmonton is another wonderful example of what can be done under a Single Tax system. The city lies away to the north on the banks of the Sas-

katchewan. Its charter is only eight years old. When it was granted her population was less than 7,000, now it has grown to over 50,000. It is a place where dreams come true. The reformer in need of a vision should go to Vancouver or Edmonton and there see what will never leave his mind's eye in all the work he has to do in the poverty-stricken cities of the old world. Civic pride is what strikes the visitor to these cities of the great Northwest when he gets in touch with the inhabitants.

Single Taxers all the world over will be glad to hear of the re-election of Mr. Short, K.C., who framed the Edmonton charter, and who for three terms several years ago was mayor of the city. He polled 61 per cent. of the total vote cast, with two opponents in the field. Mr. Short some time ago wrote in the *SINGLE TAX REVIEW* an article on Edmonton in which he said: "There is no way as fair as the taxation of land values . . . . I can with good grace say that no community that will levy its taxes upon land values alone, irrespective of buildings or improvements, will ever regret the change, if it be made with care." The re-election of Mr. Short means a great deal to the people of the Northwest, for he is a force that permeates the whole province. His example is one to follow, and in the growing towns of fair Alberta many citizens with lofty ideas will watch with gladness the vigor and the aim of his work in Edmonton. He is a man with a clear vision: a rarity in this world, a pioneering statesman. Blessed is the city or the state which has a man with constructive imagination.

In an interview, the mayor-elect, who is also chairman of the city's Board of Commissioners, the administrative branch of the municipality, said: "We have already more than 14,000,000 dollars invested in our public utilities, and it is purposed to double the amount of construction, mainly street railway, water, sewer and pavement extensions, during the coming year. I am heartily in favor of a broad improvement and betterment programme and will give support to every measure that is for the benefit of the city and its people. Obviously, every resident of Edmonton wants improvements, but the people also demand service and quality—the highest form of efficiency. No obstacles should be placed in the way of Edmonton's progress. We want the city to grow. Edmonton stands at the threshold of a tremendous commercial and industrial expansion."

That has the right ring, and the best of such a programme is the fact that it can come true; for the economic basis of the city is just, and the man is wise.

Mr. Wolf, of the Citizens' League, supplies some figures and other information worth recounting. Permits for 13,850,422 dollars worth of buildings were issued during the first eleven months of 1912, an increase of 237 per cent. over 1911. The revenue of the street railway was 75½ per cent. increase; the bank clearings 85 per cent.; the customs returns 120 per cent.; all vast increases during the eleven months. The contractors and architects estimate an expenditure of between 20,000,000 and 22,000,000 dollars on factory, office, store buildings, and dwelling houses during 1913. Mr. Wolf states that all this is directly due to the Single Tax plan.

Life in a city with a future like that of Edmonton must certainly be worth living. What prospects for the youth and children of such a place! Hope there can aspire and aim, set the general pulse beating high, for what endeavor would be too lofty for the citizens of a place so free?

How strange it is that lands not far from San Francisco, great areas that were only a name to Henry George, should be the first to boast that all their local taxes are based on land values. Some of the towns now prospering from land values taxation in the great provinces were not thought of when Henry George died in 1897. There are many towns of over 10,000 inhabitants which have sprung up during the past fifteen years. And to think that lands where his voice was never heard now throw their Single Tax banners out to the world and bid the people of his own land grasp the golden key which unlocks the portals of the Creator's store house to the hungry and the toiling masses of the vast cities of the States. These new communities send messages beckoning the hopeless hordes of southern Europe across the main. From Austria-Hungary, from Russia, from Belgium, and from Italy they answer the call by tens of thousands; 82,406 continentals went into Canada last year. The stream flows on from the United Kingdom, Europe, and the States, folk fleeing from the scourges of poverty, militarism, protection, and slum, to the lands where they can produce without penalty, and raise their heads to the sun and the stars, new men in a clime that knows not squire and the curse of landlordism.

A revolution is at work in the Northwest. Far-reaching will be its effects. It is more than a local revolution for the consequences must be universal.

By way of showing what can be done by Single Tax communities the *Manitoba Free Press* published last September an article containing the very interesting record of the value of building permits issued for the first eight months of 1912, in 52 cities in Canada. The analysis makes out a strong case for land values taxation. Medicine Hat is a small city of 5,608 inhabitants which lies near the east corner of Southern Alberta. It is the Canadian Pacific junction of roads branching away to Calgary and Vancouver to the northwest and to the Kootenay and Spokane to the southwest. Last session the legislature of Alberta passed a law to compel all municipalities in the province to adopt the system of land values taxation within seven years. The city council of Medicine Hat were not content to wait so long as the act permitted, so it applied for and obtained a special act which gave it power to abolish forthwith all taxes upon business, buildings, and personal property, and raise all local revenue from a tax on land values. The effect of this change on building operations was phenomenal. In eight months the increase in the issue of building permits rose 408 per cent., the highest increase of all the 52 cities of Canada. In Edmonton the increase was extraordinary; the figures of 1911 were 2,706,780 dollars; in 1912 they were 10,250,562 dollars, an increase in the value of building permits of 7,543,782 dollars. This gives a very good idea of what the extent of restriction must have been under the old system of levying taxes on improvements.

Practical experience of the system of land values taxation in Vancouver and Edmonton has taught the municipal authorities of innumerable cities and towns of the great provinces how to build up their social structures on a sure foundation. The experience of Edmonton taught other towns of Alberta, and that of Vancouver showed the way to the cities, towns, and districts of British Columbia. Victoria now enjoys the Single Tax system, and the result is shown in the enormous increase in the issue of building permits. For the eight months' comparison already referred to, Victoria issued in 1911 building permits to the extent of 2,197,920 dollars, but in 1912 the issue rose to 5,781,155 dollars, an increase of over 3½ millions of dollars. Prince Rupert, Nanaimo, Oak Bay, and many other places have ceased to tax buildings and business. According to the *Victoria Colonist* some of the Okanagan municipalities have attempted and have succeeded in a very interesting experiment. This special reference is to Kelowna, Summerland and Penticton. In these municipalities, which are from 7,000 to 11,000 acres in area, the principle of Single Tax prevails. The municipalities either own or are preparing to operate their own light and water supply. In Summerland the municipality owns the irrigation system. In Kelowna the rural roads are lighted by electricity. The tax rate is levied upon land without regard to improvements. Improvements are based upon a systematic basis, but no rate is levied on them. The law requires real estate and improvements to be assessed separately. The municipal authorities find the assessments of improvements valuable for the maintenance of their credit. The rate imposed in these municipalities covers schools as well as other public services. The tax rate is not in excess of two per cent.

The opponents of Single Tax have made much of the meeting of the Union of Alberta Municipalities which was held last September, at Innisfail, Alberta. Several articles have found their way into British newspapers in which it was stated that the municipalities of Alberta had tried the system with dire results, and that public opinion was now veering round to the old system again. At the meeting of the Union it was found that several small towns in having to cut their assessments in two at one stroke, could not raise sufficient revenue from the small tax the law allowed them to impose on land values. The fact is, these communities had been passing through an era of extravagance. Mr. Robert J. Stead in the *Canadian Courier* says "an unreasonable optimism had prevailed. The disease had been rooting itself in the body politic for years, and when the cure is applied suddenly, it hurts." Mr. Stead's opinion is that while a few towns experience some difficulty in putting the new law into operation the greater number have met the changed conditions without any disorganization of their machinery, and the business tax which will be in vogue while their difficulties exist, will be resorted to only in a few cases of emergency. Certain it is, he says, that there is no disposition on the part of the people of Alberta to go back to the principle of penalizing industry and public spirit by means of a tax on improvements.

It is curious how the opponents of Single Tax set to work with the idea

that the people of Britain know only what they tell them of Canada. There are in Britain some half dozen rich Canadians who wave the flag and shout for Protection. Their chief notion of Anglo-Saxon progress seems to be an Empire bristling with rifles, and oceans studded with dreadnaughts. In electioneering they certainly go to work with the idea that "money talks." And the information which they give British audiences of Canadian affairs is puerile when it is not grotesque. Their views on the taxation of land values are as Tory as any that ever came from a tory peer. Not from them will the electors of Britain hear what took place at Winnipeg at the Annual Civic Meeting last December when ex-Mayor MacDonald, speaking in the interests of Controller Harvey, as to his views on the taxation of land values, said: "that he could not conceive of any man who had ever read up and considered the question being of any other opinion than in favor of the Single Tax. He felt positive that this must be Controller Harvey's attitude." At this meeting Mr. Deacon, the candidate for mayor, declared himself to be in favor of the Single Tax, and Controller Douglas also said he was in favor of the system.

Reverting to the capital Canadian opponents in Britain made of the complaints at the meeting of the Union of Alberta Municipalities at Innisfail, it is interesting to find in the *Edmonton Daily Capital* of December 11th, 1912, that she was the first city in the prairies to abolish the civic tax on building and industry, and that her example has been quickly followed by all the more important cities of the west. The *Capital* refers particularly to the new act which was passed February, 1912, which was the cause of complaint at Innisfail in September, and says that while the land tax has been incorporated in the constitution of the new Alberta towns and rural municipalities, and has become so well established that any changes that may be made in the future will be in the direction of a further application of the principles upon which land taxation is based.

Testimony of the beneficial results of land values taxation from farmers must surprise the tillers of the soil in Britain and the United States, but such testimony is easily gathered in the northwestern provinces. Last January the United Farmers of Alberta held their convention at Edmonton, and passed the following resolution:—"That in the opinion of this association it is desirable that all farm lands in Alberta situate in school districts, whether in rural, village, or town districts, should be assessed on a uniform basis, preferably on the plan for the taxation of land values." At the same meeting the following resolution which is more to the point, was also carried:—"That this convention places itself on record as being strongly in favor of the system of taxation of land values for all kinds of taxation in this province, further that the executive press on the Government the advisability of placing an extra tax on the unearned increment on all unoccupied and unutilized land in the province."

The Vice-President of the United Farmers of Alberta, Mr. W. J. Tregillus, in his speech to the convention said: "The wonderful progress toward the

adoption of the Single Tax in Alberta is a great satisfaction and most encouraging, and Albertans take a pardonable pride in the fact that their province is in the lead."

Perhaps the farmers' view of the land question in Canada will be of deep interest to readers of the SINGLE TAX REVIEW. A statement of the problem by a farmer to farmers will no doubt carry a long way, and affect many who are inclined to pooh-pooh the declarations of townsmen. In the fifth annual report of the Grain Growers' Grain Co., Ltd., published in August, 1912, Mr. T. A. Crerar said: "The company has a distinct mission to perform in the way of improving social and economic conditions generally. I believe that much progress has been made in the past five years in changing the current of thought among our people. Undoubtedly much more remains to be done. There is no doubt that when we get down to bottom principles that the land question, as it is frequently termed, is above all others the paramount question. It is a fact beyond dispute that the natural resources of our dominion, particularly of western Canada, have been most ruthlessly and foolishly squandered. Every human being gets his sustenance from nature. The clothes he wears, the food he eats, the habitation that shelters him, comes from nature's bounty. In other words, man is essentially a land animal, his very life depends on access to the resources of nature. It is equally certain that the Almighty endowed our country with its great natural resources, coal, timber, fisheries, minerals, and rich productive soil, for the benefit of all his creatures. What has happened? A few far-seeing individuals, soulless corporations, like the railway companies, various other companies, composed usually of a few individuals, have been permitted to secure control in a very large degree of our immense natural resources, and having secured control they turn round to the great mass of common people and say: "This is ours. It is true you must have it in order to live, but you must pay us the price," and this ruthless robbery of our natural inheritance has brought thousands and thousands even in our young country, face to face with actual want. Why should a few individuals be permitted to secure control of our coal and our timber, two things that are absolutely necessary to those who live in western Canada, and be permitted to extort from the people who must have them in some form or other? This, when we get down to bottom principles, is one of the great questions that must be solved, and it is my earnest hope that the Grain Growers' Grain Co. may become a great and active agency for the dissemination of information that will solve this and similar questions on right and proper lines."

Small wonder the face of western Canada has been changed in the past six years with men engaged in industry promulgating such ideas. When Mr. Crerar spoke vast changes had taken place in only a few years, but not enough was accomplished to satisfy the great desire to see their land free and prosperous. The campaigns of the farmers in the rural areas side by side with the activities of the urban reformers go on unceasingly. Indeed what they have done spurs them on to further exertions in the same direction. More and

more taxation on land values is the cry on every side. The advantages of the system of exempting improvements are advertised by the railway companies, who spend thousands and thousands a year in tempting the people of other lands to settle in the provinces of the great northwest. In the Canadian Pacific's Handbook of Information on "Manitoba for Mixed Farming," we read that taxation in Manitoba under the Municipal Assessment Act all buildings, equipment, live stock, etc., are exempt from taxation in rural districts. This brings farm property down to a straight "Single Tax" basis, the land only being assessable, and only on the same valuation as the adjoining unimproved lands of the same class. Again in the Handbook of the same railway company on "Sunny Alberta" we are told that "the rural taxation system of Alberta is based entirely on the land. Improvements, live stock, chattels or personal property of any kind are exempt absolutely."

Single Tax in practice in the Canadian provinces is of course only a beginning of the Single Taxers' ideal. But it is as sound a beginning as can be made. The broad basis of land values taxation has been well and truly laid. Future generations will come into a great heritage. Small as the beginning is this generation may do much to make the future certain. Land speculation is to be fought. The *Grain Growers' Guide* is on the war path, and gives special prominence on its front page, December 18th, 1912, that it is out to destroy land speculation. It says: "Under the present land system it is more profitable in western Canada to hold land idle than to cultivate it and improve it. The result is that millions of acres of well-located and fertile farm land, and many thousands of desirable home-sites are held vacant by speculators, while farmers are compelled to go miles from the railway, and city workers to live in overcrowded tenements or seek homes far from their places of employment and forego sanitary and other conveniences. The adoption of the taxation of land values as the means of raising all revenues, Federal, Provincial, and Municipal, would make it unprofitable to hold land idle, and would make all land available for use. The destruction of land monopoly and land speculation would be an incomparable boon to all producers."

The people of the great northwest are raising a monument to Henry George. Its base covers millions of acres, hundreds of thousands of square miles. It is a monument which springs from every hearth where the worker rests his weary limbs with some satisfaction—though his toil is heavy and he does not yet enjoy to the full the work of his hands. But in the hearts and minds of the builders of the monument to George there is the feeling and there is the knowledge that within a few years they will bring about a greater realization of a just kingdom than the world has yet known.

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THE touchstone of reform is individual liberty. That which expands and liberates is essentially good; that which restricts is essentially bad.  
—*Douglass P. Boatman.*