

THE SINGLE TAX LIMITED IN WESTERN CANADA

MANITOBA

The Province of Manitoba was carved out of an enormous area belonging to the Hudson's Bay Company. That area consisted of the territory now known as the Prairie Provinces and much besides. The ownership, being a direct grant from Charles II to a favorite cousin, Prince Rupert, and seventeen others, was as valid as it is possible to make any land title by means of a grant or deed. To nullify a title so patent would appear to many men like confiscation of a most arbitrary character. Yet that was the fate of the Hudson's Bay Company's title to most of its land in the year 1870. After being in legal possession of this land for two centuries the Company was forced by an act of government to relinquish its hold on all but one-twentieth part of its formerly private domain, and thus yield to the highest law of eminent (public) domain.

So small was the land allotted to the new Province that, until its recent enlargement, it was nicknamed the Postage Stamp Province. Although adjoining the western boundary of Ontario it was more than a thousand miles distant from the inhabited portion of that Province, and so became an isolated portion of the newly formed Canadian Dominion. A railway intended to unite these two widely separated portions resulted in an enormous grant of land to the Canadian Pacific Railway Company, which again robbed the people of much of the recently emancipated land; and in addition took the right of taxing that land away from the new Province—a right, by the way, which it had not been denied in the case of the Hudson's Bay Company.

The former owned every alternate section, checker board fashion, for twenty miles on each side of its right-of-way; the latter owned two sections in every township. Absentee companies and individuals, the Selkirk Highlanders, the French Half-Breeds, and so forth, owned other portions.

In these and other ways the necessity of curbing land speculation and monopoly was forcibly brought to the attention of the legislators of the newly organized Province of Manitoba, and they seem to have lost no time in endeavoring, as far as lay within their powers, and as far as their knowledge of proper methods extended, to check this invidious invasion of the rights of the settlers to the land of the Province.

On the eighteenth day of February, 1873, the Hon. H. J. Clarke proposed in the Legislative Assembly that a tax should be imposed on wild land belonging to absentee landholders, and the Governor recommended such a measure for approval to the Secretary of State for the Provinces. It was further announced that a general tax should be levied upon all land speculators holding large areas of vacant land. These being special taxes they could not be made to apply to the Hudson's Bay Company, according to their agreement when their land was taken by the Dominion.

The injustice of land monopoly seems to have been keenly felt, and the remedy of land taxation clearly seen at that early date in Manitoba. With the increase in local autonomy the inevitable consequence was, therefore, to continue the application of that remedy in larger measure as the years passed. When the teachings of Henry George began to be heard their echo was a welcome sound in the ears of the pioneers of Manitoba.

A young journalist¹ had been reading some of Mr. George's articles on the land question in a paper² which came to his desk from far away San Francisco. He suggested to a newly formed government (the Greenway) the feasibility of making the land tax general instead of special for the purposes of the rural municipalities in lieu of taxes on the farmers' stock and improvements. This suggestion was adopted, and an act was passed exempting improvements on farms up to the value of one thousand dollars. It was later increased to fifteen hundred dollars, and has recently been extended to all improvements. In fact, since the first

¹The late W. W. Buchanan.

²Most likely *The Evening Post*. This is recorded from recollection of the verbal statements of the late Mr. Buchanan.

adoption of this principle farm improvements have hardly been assessed at all for municipal purposes.

As the law now stands it ordains that, "lands improved for farming, stock raising or gardening purposes shall be assessed at the same value as such lands would be assessed if unimproved. . . the ordinary farm residences and buildings upon any piece of land shall be considered improvements for farming purposes within the meaning of this section."¹

A further step in the exemption of improvements has been taken by permitting the municipalities to reduce the assessments on industries other than farming and gardening.

Although these land value taxes have been very low—not nearly high enough to have an appreciable effect on vacant land holding—yet it can be safely said that few Manitoba farmers would care to exchange their lots with those of the farmers south of the boundary line in North Dakota where all improvements are taxed; and it is a fact that many of the latter have been induced to move across the border in order to escape from that burden.

The towns and villages of this Province have the regular real estate tax on land and improvements with a permission to assess at less than actual value.

In the cities the tendency is to assess buildings lower than the land. In Winnipeg, the largest city of the Province and Western Canada, the assessment on buildings has been reduced one-third since 1909.

The years following the reduced assessment on buildings in Winnipeg saw an enormous increase in the building industry. In 1908 building permits had been issued for \$5,516,700 worth of buildings. They were increased to \$9,226,825 in 1910, \$17,716,750 in 1911, and to \$20,563,750 in 1912; when Winnipeg along with the whole of Canada began to experience the depression which has lasted up to the present. All that increase in Winnipeg's growth, it is fair to say, cannot be attributed to the local exemption. The free land of the new Provinces to the west

¹Citation from Prof. Haig's report prepared for the Committee on Taxation of the City of New York. From George V, c32 s. I. (28). See appendix in this work for reference to the Haig Report.

of Manitoba had been attracting a constantly increasing stream of immigration, and Winnipeg as the chief distributing center of the prairie Provinces was bound to keep pace with that movement. Much of the present depression is of course attributable to the European War.

SASKATCHEWAN

A great trek to Western Canada commenced shortly after the beginning of this century. Manitoba had no longer the best homesteads to offer, and the immigrant population was obliged to go further afield. The adjoining land to the west and northwest was therefore next in order. This territory had become so populated that in 1905 it was organized into two Provinces. On September first of that year the Saskatchewan and Alberta Act was passed into law by the Dominion government.

Saskatchewan being nearest to Manitoba had received the first influx of immigration from the east as well as some from the south. The City of Regina, which had been the capital of the North-West Territories, now became the capital of Saskatchewan.

The North-West Territories had already passed an Act granting local option in taxation which permitted two-thirds of the councillors, or one-half of the taxpayers to exempt improvements from taxation.

Since the Province of Saskatchewan has been organized the following steps have been taken:

(1) In 1907 the legislature of Saskatchewan passed an Act which levied a tax of one per cent. upon all land not included within the limit of a town or village school district; the funds so collected to be used for school purposes.

(2) In the rural municipalities the revenue was at first derived from an acreage tax on land alone. The rate was five and one-sevenths of a cent per acre. In 1914 this was changed to a land value tax in the following terms:

“Land shall be assessed at its actual cost value exclusive of any increase in such value caused by the erection of any building thereon or by any other expenditure of labor or capital.”¹

¹S. 252. Rural Municipalities Act.