

I might say that this tax bill was passed for the purpose of reaching the hidden wealth of Washington plutocrats. You can see how it reached them in this instance. The money-lender got the full amount of his interest; the broker got his full commission, while the debtor tightened his belt another notch and shouldered the additional burden.

When will our legislators discover that these nagging, hit-or-miss tax laws never go where they are aimed, and that sooner or later they will be found, like the Old Man of the Sea, clinging to the backs of the poor.

There is only one tax that cannot be shifted and that is the one assessed against the rental value of the land.

LAND VALUE TAXATION IN ALBERTA

OFFICIAL REPORT SHOWS THAT THE SINGLE TAX LIMITED HAS NOT FAILED

The Canadian Province of Alberta has gone further in the direction of Single Tax than any of the Western Provinces, although more attention has been attracted to British Columbia by the complete exemption of buildings in Vancouver. British Columbia was the pioneer, improvements in Nanaimo having been exempted as early as 1873. In 1891, Vancouver was given permission to reduce the assessment on buildings or to exempt them entirely, but the city of Edmonton in Alberta exempted its buildings before Vancouver took such action.

Alberta having first permitted cities to exempt buildings, passed an act in 1911 compelling rural municipalities to raise their revenues by a tax on land values only. This is the furthest step toward the Single Tax plan that has yet been taken over a large area.

Owing to financial difficulties arising out of the war, this act has been amended to permit localities to levy other taxes, and some have imposed business licenses. Hostile newspapers in the United States were quick to seize on this as a demonstration of the "failure" of the Single Tax as a fiscal measure.

From a perusal of the report of the Alberta Department of Municipal Affairs for 1916, it appears that this failure of the Single Tax is, as Mark Twain remarked of the premature report of his death, "grossly exaggerated." The description of the tax system of the Province and some comments contained in the report follow. They corroborate the testimony of the Minnesota Tax Commission report (see Single Tax Review, March-April, 1917), that "while the Canadian system has not been uniformly successful under adverse business conditions, it is doubtful if the old system would have been any more successful under the same circumstances."

Of course, neither in British Columbia nor Alberta is the Single Tax in full operation, but only what is sometimes termed the "Single Tax limited." The Single Tax is more than a mere revenue-raising measure and contemplates taking the entire rent of land with the purpose of destroying all incentive to land monopoly and speculation. Merely to raise all public revenue by a tax on land values, unless this should require all the rent of land, will permit land speculation to continue, especially in a new country when land values are constantly rising, owing to large increases of population. In British Columbia and Alberta the land value tax does not raise all revenue, there being other provincial taxes. But the system in operation there has been adopted with the purpose of freeing industry and enterprise from taxation and raising revenues mainly from land values.

ALBERTA—REPORT OF DEPARTMENT OF MUNICIPAL AFFAIRS, 1916

Until quite recently the system of levying taxes on land values only was almost universal throughout the Province; that is, taxes were levied according to the value of the land, and any buildings or improvements placed thereon by the expenditure of capital or labor were entirely exempt. This system has frequently been referred to as "The Single Tax System" but it might be pointed out that this name is rather a misnomer. . . . The system of taxation which has been in force in this Province should more correctly be called a system of taxation on land values, which, although a modified form of Single Tax, is quite distinct from it.

The limiting of taxation to a tax on land values has worked out very successfully in the rural portions of the Province, and any attempt to change this method of taxation in our rural municipalities so as to require a farmer to pay more taxes because he has been energetic enough to put up good buildings and good fences, and cultivate his land, would be strongly resented by practically the entire rural population. This is not to be wondered at, as it is easily understood that a farmer would not take kindly to any system of taxation which would increase his taxes because of his thrift and business ability, while a non-resident landowner whose land increased in value because of the work of the resident farmer would escape with a lighter tax.

In our towns and villages there has, during the last year or two, under the existing abnormal financial conditions, been a tendency to ask for the widening of the basis of taxation and to include not only a tax on business but a tax on buildings, improvements and personal property. The reason of the desire to make a change appears to be based on the understanding that if a tax is levied on buildings, improvements and personal property as well as on land, the unoccupied lands within the municipality would escape with a lighter tax and that, therefore, the parties holding these unoccupied lands would, because of their getting off with a smaller tax than under the system

of taxation of land values, continue to be revenue producers, whereas, if the taxes were as high as those on improved property similarly situated, the vacant land would be allowed to become the property of the municipality.

One criticism offered to this method of reasoning is that it is only deferring the evil day and that unless the vacant land increases in value at an early date, the owner ceases to be a taxpayer in any case, thus putting the whole burden of taxation on the shoulders of the parties owning improved lands. To support this criticism it is frequently pointed out that much of the unoccupied lands in our urban municipalities is not likely to be needed for building purposes for many years, and the reducing of taxation on such unoccupied lands would therefore be of no real benefit, although in some cases the reduction of the assessed value of some of the vacant lands might well be considered. On the other hand it is pointed out that the larger buildings benefit more from fire protection, police protection and so on, than do the unimproved or less improved properties. This is no doubt quite correct to a certain extent, but the question as to how far this should be allowed to change the system of taxation is a question which requires very careful consideration. It is possible that this matter might be balanced by a special tax on certain areas to meet the amount due for the increased benefits. On the whole, it would appear that the unrest in connection with the system of taxation that should be followed has, to a great extent, been brought about because of financial troubles, rather than by an absolute verdict condemning the system of taxation of land values only.

The taxation of buildings and improvements is frequently looked on as a tax on an industry. An American authority on taxation has in this connection made the statement that no taxes should be levied on anything that is movable, otherwise it will be driven away. There is much that can be said in connection with the values of the different systems of taxation, but whatever system of taxation is adopted it is well, I think, to give every consideration to the fact that the taxation of industry or anything produced by the expenditure of capital or labor should be taxed as lightly as possible, so as to place no hindrance in any way to the full development of a man's powers for social enjoyment or progress in his work, calling or profession.

With reference to the tax on personal property or a tax on any movable business, it should be borne in mind that such a tax, especially that on personal property, is usually difficult and very expensive to collect. The experience of some of the larger cities, more particularly some of the larger American cities, in connection with the personal property tax, has been that very small results have been obtained from such tax, and the difficulties in properly administering any tax or ordinance providing for such an assessment are very great. Exemption of personal property, buildings and improvements cannot help but to encourage development along business lines, and such development is the real source of growth in any urban centre. It brings in its wake

a steady demand for land on which to build residences, business places and so on, and creates real land values.

PRESENT METHODS OF LOCAL TAXATION

Cities. The system of taxation in force under our different city charters varies from a straight land value tax to taxation of lands, buildings, improvements, personal property, income and poll tax; the objects of taxation and the limits being subject to the provisions of the charter, and in some cases subject to by-law of the city.

Towns. The Town Act provides that the main source of revenue shall be a tax on land values only, but our towns have been given the privilege of levying a business tax which shall not exceed 10% of the rental value of the premises on which the business is being carried on, and in addition thereto they may tax buildings and improvements. The assessed value of such buildings and improvements cannot, however, exceed 60% of their true value; the exact percentage of value on which this assessment is required to be made being fixed by a by-law of the town. It should be noted that the business tax does not apply to any business, trade or profession licensed under the licensing powers possessed by a town.

A number of our towns have availed themselves of the wider taxing powers, more particularly in the way of levying a business tax in addition to the tax on land values, and, therefore, have to that extent departed from the system of land value taxation which was formerly the system required to be followed by all our town municipalities. There is no limit to the rate of taxation that may be levied on land values or buildings and improvements. The limit of the business tax is 10% of the rental value.

Villages. The basis of taxation in our villages is also that of taxation according to land values only, but our villages have the same powers as our towns in connection with the levying of a business tax or a tax on buildings and improvements; the limit of the tax which may be levied for business purposes being 10% of the rental value of the premises in which the business is being carried on, and the total assessed value of buildings and improvements cannot exceed 60% of their true value. Villages are limited to a rate of twenty mills on the dollar on lands, buildings and improvements. A few of our villages have made use of the increased taxing powers, but a great majority of them still levy taxes on the land value system.

Rural Municipalities. In our rural municipalities the rate of taxation is limited to a tax on land values only, and such tax is required to be based on a value of the land as raw land, without taking into consideration any improvements of any kind that have been made on the land by the expenditure of capital or labor. This tax is limited to a rate of ten mills on the dollar, or 1% of the assessed value.

WILD LANDS TAXES

In addition to the taxes which are levied for specific purposes we have a general tax payable to the Provincial Government which is levied on all patented lands in the province that are not being cultivated or used for pasture by the owners. The exemptions from this tax are very broad, and no land is subject to this tax which is being used to any considerable extent. The people who pay this tax are, generally speaking, non-residents holding vacant land pending an increase in value because of the development of the country by resident land owners who by their intelligence, toil and investment of money are developing the country and increasing land values. This tax is based on the value of the land, and the rate fixed by the Act is 1% of such value.

The total acreage assessed under The Wild Lands Tax Act for the year 1916 was 9,090,034 acres. The total assessed value of the land assessed was \$68,123,321,77, and the total taxes levied on such lands was \$681,402.50.

This Act has brought about much development, and a great deal of new land is being gradually brought under cultivation, as it is now not at all profitable to hold vacant land pending increase of price because of development by surrounding farmers. The result of this development will, of course, gradually bring about a decrease in the total amount of assessment levied under this Act.

ASSESSMENTS AND RATES

The assessments made in the year 1916 show that assessed values are being adjusted and the abnormal values appearing in our assessment rolls a few years ago because of the unusual prices at which real estate was then selling are being brought down to a more reasonable value. As the assessment roll is the foundation of the whole financial structure of a municipality, it is necessary that it should be made out on as sound a basis as possible. The following comparison of assessments of our two largest cities will be of interest:

City	1915	1916
	Municipal Assessment	Municipal Assessment
Calgary	\$113,807,735.00	\$ 85,055,825.00
Edmonton	168,973,190.00	130,916,282.00

Returns from our rural organizations show that the average assessed valuation per acre in rural municipalities during the past year was \$14.55.

The average valuation per quarter section being \$2,328.00

Total average tax for school and municipal purposes, on lands within rural municipalities, per quarter section, \$18.81 (82 cents per \$100).