

**TAXATION OF LAND VALUES  
IN WESTERN CANADA**



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## TAXATION OF LAND VALUES IN WESTERN CANADA

By

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Thesis presented in partial fulfilment of the  
requirements for the Degree of Master  
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# TAXATION OF LAND VALUES

IN

## WESTERN CANADA

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## PREFACE

### The Single Tax

Henry George<sup>1</sup> and his followers, advocated a policy, whereby all public revenue, national and local, would be obtained, by appropriating as nearly as may be all the rental value of natural opportunities without regard to improvements. This he called The Single Tax<sup>2</sup>. His argument is based upon a distinction between wealth produced by individual effort (wages and interest) and that which results from the aid given by the community as a whole, (economic rent), and may be briefly summarized as follows:—Land being public property and by right belonging to all the people of the country in which it is situated, just as air and sunlight belongs to all individuals in common, one generation has no right to alienate its title so as to affect the title of the next; but, private use and occupancy of land is right and indispensable. Land should be divided for private use among those who will pay the highest price, for each parcel:—In some cases this price is paid annually in the form of rent, accepting the classic law of rent,<sup>3</sup> that, “the rent of Land is determined by the excess of its produce over that which the same application can secure from the least productive land in use.” By applying the rent of land exclusive of all improvements to the equal benefit of the whole community, absolute justice would be done to all, and, as rent on land is always more than sufficient to defray all necessary government expenses, those expenses should be met by a tax upon land rent alone, to be brought about by the gradual abolition of all other taxes. Landlords would thus become mere land agents, being left in possession and nominal ownership, with a

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<sup>1</sup> Progress and Poverty, Henry George.

<sup>2</sup> Palgrave Dict. of Pol. Ec. sub. verbo Americana. (c) Hny. Geo., Ency. Brit.

<sup>3</sup> Ricardo. Prin. Pol. Ec.

sufficient margin over the tax to induce them to collect the rents and pay the taxes.

In Western Canada a system of tax reform has been introduced for the taxation of land values. Many persons speak of this tax as the Single Tax, implying thereby that it is an application of the system advocated by Henry George. It is proposed in the following thesis by a careful examination of the growth and working of this system, in the centres where it has been most fully developed, to place before the reader certain data which may enable him to determine the merits of the above statement, and the efficiency of the tax.

## CHAPTER I.

### INTRODUCTION

#### (a) Reform of Land Taxation

Land taxes purporting to be a levy on economic rent as distinct from taxes on improvements are found, in varying degrees and under various names, in certain countries of Europe, in Australasia and in certain cities of the United States.

In Europe, Germany was the country in which such special land taxes were first levied to any extent.<sup>1</sup> This tax (*Wertzuwachssteuer*) is the result of an experiment tried in the German Colony of Kiauchau in China in the year 1898.<sup>2</sup> A German Naval Officer (Von Diederich) wishing to prevent speculation in land, introduced a system of increment tax, by which one-third of the increased value, exclusive of improvements, went to the Government, when sold. Frankfort a.M. in 1904, adopted this system in a modified form, and at first imposed a tax on the increment value of land on each transfer by sale or exchange. Subsequently the system was altered and extended. This reform has met with considerable popularity in Germany, as is shown by its rapid spread through the municipalities of the country; by April 1910, 4,500 cities and towns, including one-fourth of the entire population of the German Empire, had adopted the increment value tax.<sup>2</sup>

In Great Britain the movement was of later date and not till 1906, when a bill relating to taxation in Scotland was introduced, was any decided step taken. This bill provided for the separate valuation of sites and buildings, and for the imposition of a special tax, not exceeding 2s. in the pound sterling on site value.

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<sup>1</sup> British Blue Bk., C.D. 4750, page 9.

<sup>2</sup> Pol. Sc. Quarterly, Dec. 1912, Vol. XXVII, page 586; The Quarterly Journal Ec., Vol. XXVII, pages 151 and 329.



This movement met with strong opposition throughout the country and the bill in question was rejected by the Lords. Not till the famous Lloyd George Budget (The Finance Bill) of 1909, did the tax make any progress. The efficiency of this reform is now being tested.

What is of greater interest to Canada is the reform in taxation in Australasia, where the conditions are more similar to those of Canada.

In Australasia various kinds of land taxes have been imposed, chiefly with the aim of preventing the holding of large landed estates.<sup>1</sup> Victoria, in 1877 provided for a tax on rural estates exceeding 640 acres in extent and £2,500 in value. In 1884, South Australia adopted a similar principle. This system has rapidly spread in Australia, and while at first the taxes were light, they were later increased.

New Zealand in 1891, imposed a tax of 1d. in the pound sterling on all land values, and in cases where land holdings exceeded £5,000 in value, an additional graduated tax was imposed.<sup>2</sup> Improvements were exempt up to £3,000. Since its introduction there has been a tendency to extend the field, and increase the tax rate, and other parts of Australasia are adopting modified forms of the New Zealand system.

Local taxes in Australasia formerly were levied on the rental value, but on account of the tendency towards speculation, the tax was transferred from rental values to capital values in several of the states, and, in some instances, a greater burden was placed on bare land values by exempting improvements either in whole or in part. Queensland was the first to adopt this system, when by an act of 1890 capital values were taxed and improvements on certain lands were exempt, but by an act of 1902, the exemption was extended to all lands. Since then New Zealand and two other states of Australia have taken somewhat similar steps.<sup>3</sup>

The movement in the United States is not uniform, and would take too much space to allow discussion here.<sup>4</sup>

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<sup>1</sup>Brit. Blue Bk. C.D. 4750; Ec. Journal Vol. XXI, page 513 et seq.

<sup>2</sup>Pol. Sc. Quarterly, Dec. 1912.

<sup>3</sup>Vide. British Blue Bk. C.D. 4750; Pol. Sc. Quarterly, Dec. 1912, Vol. XXVII, page 586, by E. R. A. Seligman.

<sup>4</sup>Vide. British Blue Bk. C.D. 4750. sub verbo.

## (b) Tax Jurisdiction in Canada.

Before tracing the development of the tax reform movement in Canada, it is advisable to make a general survey of the constitutional aspect of the revenue system of the Dominion and Provinces in order that we may fully appreciate the nature of the movement.

Public revenue in Canada may be divided into three grand divisions, according to the purpose for which it is raised: (a) Federal, (b) Provincial, (c) Municipal. The British North America Act,<sup>1</sup> Article 91, gives the Federal Government power for (1) "The regulation of Trade and Commerce," (2) "The raising of money by any mode or system of taxation." Section<sup>2</sup> 92, delegates to the Provincial Governments exclusive power over (a) "Direct Taxation within the Province in order to the Raising of Revenue for Provincial purposes," (b) "Shop, saloon, tavern, auctioneer and other licenses in order for the Raising of a Revenue for Provincial, Local and Municipal purposes." (c) "The Management and sale of the Public Lands belonging to the Province, and of the Timber and Wood thereon," (d) "Municipal Institutions within the Province." In another portion of the Act,<sup>3</sup> it is provided that certain subsidies be paid to the Province by the Federal Government.

From the above it appears that there is a conflict between the power of the Dominion to raise revenue by any mode or system of taxation, and the exclusive power of the Province over direct taxations (within the Province). This difficulty has been settled by a decision of the Privy Council, in which their Lordships held <sup>4</sup> that while the power granted to the Dominion Parliament is sufficiently large and general to include direct taxation within the Province in order to the raising of a revenue for Provincial purposes, it obviously could not have been intended that the general power should override the particular. Thus the power of the Province in levying direct taxation is limited by

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<sup>1</sup> Vide. Houston, Const. Documents.

<sup>2</sup> B.N.A. Act. S. 91 S.S. 2 and 3; S. 92, S.S. 2, 9, 5 and 8.

<sup>3</sup> B.N.A. Act. S. 111-120.

<sup>4</sup> Citizens Insurance Co. V. Parsons 7 A.C. 96; Lambe vs. Bk. of Toronto, 12 A.C. 575; Fisheries, 1898, A.C. 700; Clement, Can. Const. pages 356 and 376.

the phrase: "for Provincial Purposes." It would appear<sup>1</sup> that the Dominion, under certain limitations, can levy a direct tax within the Province, but in general practice the Dominion Parliament does not impose direct taxes within the Province; similarly, direct taxes imposed by the Provincial Legislature must be for Provincial purposes. But through its exclusive legislative authority over municipal institutions, the Province may delegate powers to the municipalities similar to those which it possesses for the raising of revenue.

It also has been held<sup>2</sup> that the power which was given to the Federal Parliament to regulate trade and commerce and the power over any mode and system of taxation, deprives the Province of any mode of indirect taxation. The Privy Council, in dealing with this question accepted<sup>3</sup> the definition of John Stuart Mill for direct and indirect taxation<sup>4</sup>; "Indirect taxes are those which are demanded from one person in the expectation and intention that he shall indemnify himself at the expense of another," and "A direct tax is one which is demanded from every person who it is intended or desired, should pay it."

Under direct taxation it has been held by the Privy Council<sup>5</sup> that certain licenses and taxes, when levied on commercial corporations of various kinds, in a lump sum, so that they could not be shifted to the consumer are within the scope of Provincial taxation.

Since the Dominion Parliament does not levy direct taxes, we may summarize taxation as, (a) Indirect or Federal (chiefly Customs and Excise Duties), (b) Direct, Provincial or Municipal.

Consequently the tax reform movement has been entirely within the field of provincial and municipal taxation. It has, moreover, been confined almost entirely to the three Western Provinces of British Columbia, Alberta and Saskatchewan. In the following chapters the history of this movement in each province will be considered.

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<sup>1</sup> *Gordon v. City of Montreal*, 1904, 24 S.C. 465 A.C.

<sup>2</sup> *Atty. Gen. v. Reid*, 10 A.C. 141.

<sup>3</sup> *Malters Association v. Atty. Gen. of Ont.* 1897 A.C. 231.

<sup>4</sup> *Mill, Prin. Pol. Ec. Bk. v.*, ch. 111, s. 1.

<sup>5</sup> *Lambe v. Bk. of Toronto*; 12 A.C. 587; *Malters Association vs. Atty. Gen. for Ont.* 1897, A.C. 231.

## CHAPTER II.

### Taxation in British Columbia

In each Province of the Dominion of Canada, taxes are levied as has been said<sup>1</sup>, (1). by the Provincial Government, and (2) by the Municipalities. The power of the municipalities themselves to levy taxes is granted by the Provincial Legislature and is subject to its control. It is proposed to show by an investigation of the various revenues raised (Federal, Provincial and Municipal) what portion of the total tax burden is borne by land and what that burden would be if all public revenue were raised by the "Single Tax."

British Columbia has given the municipalities great latitude in raising their revenue, and has gradually extended municipal autonomy as regards taxation until finally complete local option, for the taxation of land values and the exemption of improvements, has been granted.

In 1871, British Columbia was created a Province of Canada, and in 1872 the municipal act was passed. This act was amended in 1872, 1873 and 1874, but neither the original act nor the amendments, gave any power to exempt improvements. Thus sub-section 6 of section 24 of the act 1872.<sup>2</sup> "The council may in each and every year after the final revision of the roll pass a by-law for levying a rate on all the real and personal property on the said roll, to provide for all the necessary expenses of said municipality, and also for such sum or sums of money as may be found expedient," and in section 25 of the same act is found, "No tax shall be levied and assessed upon real estate and improvements within a municipality by the council thereof, exceeding in any one year one per cent of the assessed value thereof." By an act of 1873 the so-

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<sup>1</sup> Vide super. ch. 1.

<sup>2</sup> S.B.C. No. 35.



called Wild Land Tax,<sup>1</sup> was first introduced. This was a tax of one per cent on the assessed value of the unimproved land, which then included timber land and coal land, but, by the assessment Act of 1903 these were put in separate classes.

In the Municipal Act of 1881,<sup>2</sup> we see the first signs of special power granted to municipalities in regard to vacant land. This act empowered the councils to levy and collect a special rate on unimproved lots and property respectively. The annual tax was not to exceed five cents per acre upon all wild land. Wild land is here defined as with improvements of less than \$2.50 per acre on land west of, and \$1.25 per acre on land situated east of, the Cascade Range of mountains.

By the Municipal Act of April 20, 1891, a decisive step was taken towards granting power for the exemption of improvements. Sec. 121 of the Act contains the following<sup>3</sup>:—"It shall be lawful for the council of any municipality to pass a by-law declaring that a distinction, for the purpose of assessment within the municipality, shall be made between land and improvements." Sub-section (a) of the same section grants power to municipalities to pass by-laws for the assessing of land at its actual cash value, as it would be appraised in payment of a just debt from a solvent debtor. In sub-section (b) of the same section, power is granted to pass by-laws for the purpose of assessing improvements not in excess of fifty per cent. of their actual cash value, or to exempt all improvements from assessment and taxation. "After the passing of such by-law or by-laws, all judges, courts and the assessor, and all other persons shall be guided by the same." The Act of 1891 gave optional power, but in the Act of 1892 hesitation is shown in making exemption compulsory. Section 148 says in part "and the respective values of land and improvements thereon, shall be estimated for the purpose of assessment, separately, and, improvements shall not be estimated for the purpose of assessment in excess of fifty per cent of their value; and it shall be lawful

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<sup>1</sup> S.B.C. 1873. No. 11.

<sup>2</sup> S.B.C. 1881. c. 16, s. 121, 122 and 123.

<sup>3</sup> Vide. Single Tax Review. Page 59. S.B.C. 1891. C. 29, S. 121.

for the council of any municipality to pass a by-law either exempting improvements altogether from assessment, or else providing improvements shall be assessed at a rate of less than fifty per cent of their value." But later in the Act, Section 170, ss. (a) is found, "and levy rates and taxes upon improvements at a percentage less than that imposed by the council upon land, or they may exempt improvements from taxation altogether." After this no important change took place, till in 1895 when a committee was appointed on the Municipal Act and, their report resulted, in 1896, in the passing of the Municipal Clauses Act.<sup>1</sup> "This Act is made to apply to all municipalities except where clauses of a special act are repugnant to it but in no case are extra powers granted by this act to be limited by those of any special or general Act."

Section 112 provides for the assessing of land and improvements at actual cash value, "as they would be appraised in payment of a just debt from a solvent debtor; but land and improvements shall be assessed separately." This does not apply to real property held by Railway Companies. Section 136 gives power to the municipal council to pass a by-law for the taxing of property as in the assessment roll, but the tax on improvements must not be levied on more than fifty per cent of their assessed value. The rate<sup>2</sup> for general expenditure must not exceed one and one-half per cent. except in cases of wild land within the Municipality which shall not be taxed at more than  $2\frac{1}{2}$  per cent on its assessed value. This rate on wild land was raised to four per cent. in 1906.<sup>3</sup> The Act also provides (Section 138) that improvements may be totally exempt at the discretion of the council.

With the passing of the above Municipal Clauses Act, the municipalities were granted local option for taxation of land values and as all future acts and amendments did not lessen or seriously alter this municipal power, we need not trace this development further.<sup>3</sup>

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<sup>1</sup> S.B.C. 1836, C. 37; R.S., B.C. C. 144.

<sup>2</sup> Vide. S.B.C. 1906, C. 32, S. 139.

<sup>3</sup> Vide. S.B.C. 1906 Consolidated Municipal Act. C. 32.

## Provincial Taxation.

Having followed the movement of the Provincial Government in granting the municipalities power to exempt improvements, we shall discuss briefly the method followed by the Province in raising its revenues.

At present (1913) the Provincial Government raises revenue from taxes as follows:

(1) On real property outside the boundaries of any incorporated municipality.

(2) On all personal property whether within or without an incorporated municipality.

(3) Income tax.

(4) Poll tax (This tax has been abandoned for the present year but was collected last year, 1912).

The wild land tax as stated above dates back to Feb. 21, 1873, and, till the coming into force of the assessment Act of 1903, included timber and coal land, but this Act placed these in separate lists. The tax imposed on the wild land varies from one to five per cent of the assessed value, which was the actual cash value.

Under the act of 1903 the unimproved lands were classified as follows:—(a) "Wild Land," (b) "Timber Land," (c) "Coal Land," (d) "Unworked Crown-granted mineral claims." The rates imposed on the above in 1911 were as follows:—Wild Land, 4 per cent, Coal Land, Class (a) (worked) one per cent., class (b) (unworked) 2 per cent., Timber Land, 2 per cent. Unworked Crown-granted mineral claims 25 cents per acre.

The chief exemptions at this period were, homesteads, under the Dominion Land Act, and pre-emptions under the Provincial Land Act, which are exempt for two years from date of record and, \$500 of their value for a period of 4 years thereafter. In addition, all timber and coal land held under lease or license from the crown in virtue of the Land Act or Coal Mines Act, under which a royalty and rental is reserved, or under which a license fee is reserved for the use of His Majesty, are exempt from taxation.

In 1907, the Provincial Government when taxing improved property, did not direct the assessor to show separate valuations for improvements and land, but both were included under the one valuation and the rate then (in 1907) was 3-5 of one per cent. on the assessed value which was the actual cash value.

A Royal Commission on Taxation appointed by the British Columbia Government, reported in 1912, and, in their report drew attention to the following.<sup>1</sup> "The Provincial Government has seen fit for taxing purposes to divide land in British Columbia privately held in fee, into two classes, according to the motive which prompted their purchase:—(1) Lands held 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 a rate of one half of one 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 recommended the maintenance of these taxes, but urged methods by which the valuation of real property will be brought up as early as possible to its real value.

### **Personal Property Tax.**

British Columbia also imposes for provincial revenue a tax on personal property, but this tax is apparently unpopular<sup>2</sup> in that it does not affect all classes of the community in the same proportion. A merchant whose business demands but a small stock on hand, and allows a large turn-over is not taxed in proportion to the man whose business requires a large stock, although the latter may yield a much smaller return. Another difficulty is the great danger of double taxation, which it is almost impossible to avoid, in the cases of rapid turn-overs. The Assessment Commission of 1905 in their report said, "That in as-

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<sup>1</sup> Sessional paper, B.C. 1912.

<sup>2</sup> Vide, Rpt. of Royal Com.



much as it seems impossible to formulate a plan for taxing personal property, in a way that will bear equitably on all classes, the system of taxation should be directed with the ultimate object of substituting an income tax for any impost on personal property."<sup>1</sup> The Commission in 1912 recommended the abolition of the personal property tax.

However the tax is still (1913) in force. The yield from this tax for the year ended March 31, 1911, was \$179,052.70 and ranks tenth in the items of provincial taxation.

### Income Tax.

British Columbia in 1897<sup>2</sup> imposed a tax on all incomes over \$1,000 at a rate varying from  $1\frac{1}{4}$  per cent to  $1\frac{3}{4}$  per cent. according to amount. In 1901 the tax was made more progressive, and was levied under four classes. After the report of the Assessment Commission in 1905, the rates were increased, but in cases where the income is derived from personal property, only that tax which yields the greater amount is to be collected. The incomes for the increased rates of taxation are divided into five classes, and taxed as follows:—<sup>3</sup>

- Class (a) On all taxable income up to and including \$2,000 . . . . .  $1\frac{1}{2}$  per cent.
- Class (b) On all taxable income where the income exceeds \$2,000 but is less than \$3,000 . . . . .  $1\frac{3}{4}$  per cent.
- Class (c) On all taxable income where the income exceeds \$3,000 but is less than \$4,000 . . . . . 2 per cent.
- Class (d) On all taxable income where the income exceeds \$4,000 but is less than \$7,000 . . . . . 3 per cent.
- Class (e) On all incomes over \$7,000 . . . . . 4 per cent.

In 1910 a reduction was made in the rates.<sup>4</sup> Classes "a" and "b" were reduced by  $\frac{1}{2}$  per cent. each, class

<sup>1</sup> Vide. Vineberg. Prov. & Local taxation in Canada, p. 45.

<sup>2</sup> R.S.B.C., c. 179.

<sup>3</sup> Vide. Vineberg, page 74.

<sup>4</sup> Vide. Report of Royal Commission, 1912.

“c” to  $1\frac{1}{2}$  per cent., class “d” to 2 per cent., and class “e” to  $2\frac{1}{2}$  per cent.

No tax is paid on incomes of \$1,000 and under, and 10 per cent. of the tax is deducted if paid before June 30th.

The incomes of banks and other corporations are also taxed. The total tax from income in 1910 was \$190,984.

That this tax is meeting with success is shown by the reports of the commissions of 1905 and 1912, both of which recommended an increase of the income tax.

### **Poll Tax. (Revenue Tax.)**

The poll tax was previous to 1913 levied at the rate of \$3.00 on all males over 18 years of age, except militiamen and men over sixty years of age whose incomes did not exceed \$700. In the year ended March 31st, 1910, the poll tax amounted to \$260,682. On the recommendation of the commission of 1912, it was abolished for the year 1913.

In addition to the above mentioned taxes, there are several other sources of revenue for provincial purposes, which require no extended discussion as they can scarcely be said to bear upon the “Single Tax” system. These are Dominion Subsidy, Lands (sale, lease, etc.), Chinese Head Tax, Fees and Licenses. The items of the Provincial revenue for 1911 were as follows:

### **Revenue, Province of British Columbia.**

Fiscal Year Ended 31st. March, 1911, and estimates<sup>1</sup>  
1913-14.

	1910-11	1913-14
Dominion Subsidy.....	\$ 522,076.66	\$ 723,135.00
Land Sales.....	2,431,231.36	2,000,000.00
Land Revenue.....	321,586.98	350,000.00
Survey Fees.....	18,052.97	20,000.00
Rents, exclusive of land..	230.00	200.00
Timber Leases.....	106,857.75	80,000.00
Timber Royalties.....	435,888.71	500,000.00

<sup>1</sup> Estimates, Vancouver Daily Province, Feb. 25, 1913.

	1910-11	1913-14
Timber Licenses.....	1,922,062 .61	1,800,000 .00
Free Miners' Certificates..	68,937 .86	80,000 .00
Mining Receipts, General	105,319 .55	110,000 .00
Licenses, Trade and Li-		
quor.....	92,498 .00	80,000 .00
Licenses, Game.....	7,815 .00	9,000 .00
Licenses, Commercial		
Travellers.....	200 .00	
Fines and Fees of Court..	46,203 .69	50,000 .00
Probate Fees.....	37,294 .41	40,000 .00
Succession Duty.....	200,459 .88	200,000 .00
Law Stamps.....	30,992 .30	60,000 .00
Sale of Government Pro-		
perty.....	7,820 .82	1,000 .00
Registry Fees.....	613,092 .22	650,000 .00
Marriage Licenses.....	17,580 .00	30,000 .00
Revenue Tax (Poll Tax)..	313,338 .00	
Real Property Tax.....	352,372 .44	425,000 .00
Personal Property Tax...	179,052 .70	225,000 .00
Land taxes (Wild Land,		
Coal and Timber		
Lands).....	316,130 .83	750,000 .00
Income Tax.....	192,924 .78	300,000 .00
Dykes Assessment Act,		
1905.....	10,080 .07	27,250 .00
Mineral Tax.....	91,038 .48	150,000 .00
Tax on Unworked Crown		
Granted Mineral		
Claims.....	42,020 .84	40,000 .00
Registered Taxes (all de-		
nominations).....	38 .91	
Tax Sale Deeds.....	560 .00	500 .00
Revenue Service Refunds	1,463 .32	2,000 .00
Printing Office.....	127,776 .49	85,000 .00
Bureau of Mines.....	917 .00	1,000 .00
Hospital for the Insane...	26,274 .07	30,000 .00
Provincial Home.....	308 .30	2,000 .00
Royalty and Tax on Coal.	248,332 .86	250,000 .00
Traffic Tolls, New West-		
minster Bridge.....	23,817 .81	22,000 .00
Reimbursements for Keep		
of Prisoners.....	793 .45	1,000 .00
Interest on Investment of		
Sinking Funds.....	61,923 .85	80,000 .00

	1910-11	1913-14
Miscellaneous, Interest . .	248,772 .40	200,000 .00
Chinese Restriction Act (1884 Dom. Statutes)	1,066,000 .00	500,000 .00
Boiler Inspection Fees . . .	20,827 .04	25,000 .00
Log-Scaling Fees . . . . .	27,518 .64	25,000 .00
Fishing and Cannery Li- censes . . . . .	82,657 .79	33,000 .00
Water Revenue Rentals . .		60,000 .00
Water Revenue Records . .		40,000 .00
Fees Under Joint Stock Companies . . . . .		132,000 .00
License, Taxes and Fees under Fire Ins. Act . .		37,000 .00
Fees under Motor Traffic Regulation Act . . . . .		50,000 .00
Miscellaneous Receipts . .	62,751 .48	50,000 .00
Total . . . . .	\$10,492,892 .27	\$10,336,085 .00

This revenue may be tabulated according to its sources as follows:—

	1911	Estimated. 1913-14
Dominion Subsidy . . . . .	\$ 522,076 .66	\$ 723,135 .00
Succession Duties . . . . .	200,459 .88	200,000 .00
Revenue Tax (Poll tax) . .	313,338 .00	
Personal Property—Tax .	179,052 .70	225,000 .00
Income Tax . . . . .	192,924 .78	300,000 .00
From Natural Resources (Fees, Sale, Tax, etc.)	6,372,842 .41	6,455,000 .00
Other Fees, Sale, etc., and Miscellaneous . . . . .	2,702,197 .84	2,432,950 .00
	\$10,492,892 .27	\$10,336,085 .00

The revenue derived from natural resources in 1911 was \$6,372,842.41, equal to 61 per cent. of the total revenue, while the estimated revenue from natural resources for 1913-14 is \$6,455,000, equal to 62 per cent. of the total estimate. The poll tax is no longer collected. The tendency therefore appears to be to derive a constantly greater proportion of the Provincial revenue from natural resources. This tendency is further



illustrated by the following quotation from a British Columbia Daily, dealing with the budget speech (1913).

"The minister followed with an announcement of the government's policy on taxation, as recently intimated to the House, the immediate abolition of the poll tax, involving a loss of revenue of about \$350,000 and added:

"It is proposed in two years' time to exempt improvements from taxation. In four years, it is proposed to abolish the tax on personal property and re-arrange the incidence of income tax, endeavouring as far as possible to adopt the whole of the recommendations of the tax commission. Our aim is as soon as possible, by easy stages, to reach a point where direct taxation will be eliminated and our revenues will be obtained from the natural resources of the province."

### **Municipal Revenue.**

Since the granting of local option in taxation to the municipalities throughout the Province, the "Land-Value" Tax has spread rapidly, and at present, over fifty municipalities, including all the leading cities and towns, exempt improvements in varying degrees of assessed value. Among the municipalities which have adopted the tax may be mentioned Vancouver, Victoria, South and North Vancouver, Nanaimo, Prince Rupert, New Westminster, Kelowna,<sup>1</sup> etc.

Victoria and New Westminster adopted complete exemption of improvements in 1911. Prior to this for some time they had exempted fifty per cent. of the value of improvements.<sup>2</sup> Vancouver's system will be examined in the following section.

### **Vancouver.**

The City of Vancouver was organized under a special charter<sup>3</sup> in the year 1886, and, in addition to the terms in this charter relating to taxation, the Municipal Clauses Acts of 1895 and 1906 granted

<sup>1</sup> Vide Dixon, *The Progress of Land Taxation in Canada*, page 1.

<sup>2</sup> Vide. Vineberg, page 81.

<sup>3</sup> S.B.C. 1886, c. 32.

power to exempt improvements over any special act or charter which did not contain the full latitude granted in the act of 1895.<sup>1</sup>

During the two or three years preceding 1896 an agitation for exemption of improvements was carried on by a few men, particularly in the "Single Tax Club,"<sup>2</sup> which had been formed prior to 1890, chiefly from the labour unions. This club, however, appears to have been more of a tax reform organization than an instrument for the promotion of the theories of Henry George.

In 1896 the first step towards exempting improvements was taken when a by-law containing the following was passed.<sup>1</sup>

"All improvements and buildings erected on or attached to real estate shall be exempt from taxation to the extent of fifty per cent. of their actual value."

"Done and passed in open council on the 13th day of March, A.D. 1896, reconsidered and finally passed on the 16th day of March, 1896."

The above resolutions seem to have passed with but very little opposition, but when in 1905 an attempt was made to increase the exemption on improvements to 60 per cent., the motion was defeated. Hence it seems that at the end of nine years' experience with the 50 per cent. exemption, its further adoption was still a matter of doubt. In the following year (1906) a motion, "that churches used as bona fide places of worship be exempted to the extent of 75 per cent. of building valuation," was defeated by the casting vote of the Mayor. Immediately after the above motion was defeated, the following motion was carried, "that all improvements be exempted to the extent of 75 per cent. of the assessed value," by a vote of seven to three.<sup>3</sup>

After four years' experience with the 75 per cent. exemption, a by-law was passed in March, 1910, by a vote of seven to five, which made the exemption of improvements complete. The opposition in this vote

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<sup>1</sup> S.B.C. 1896, c. 37, s. 3, 4, and 5.

<sup>2</sup> Vide Single Tax Review. May-June, 1911, page 65.

<sup>3</sup> Vide. S.T.R. May-June, 1911, page 66.

showed that there was still doubt as to the success of the tax. Mayor Taylor used the land tax in his election campaign of 1910 and, again in 1911, it was one of the strongest planks in his platform. He was elected by a vote of about five to one.<sup>1</sup> In 1911 the by-law re-passed without a dissenting vote.<sup>1</sup> The land tax has now, if we may judge from the above, clearly become popular with the citizens. In the light of the above exemption, the expression is frequently heard that Vancouver has a Single Tax. The following table shows the revenue for the City of Vancouver for the year ended 31st December, 1911.<sup>2</sup>

General Taxes, 1911 gross		
levy .....	\$2,193,251 .27	
Less rebates and adjustments .....	197,137 .95	
Net .....		\$1,996,113 .32
Local Improvement Taxes		
1911—		
Paving .....	\$ 43,686 .20	
Cement Walks .....	25,584 .22	
Sewers .....	3,634 .25	
		72,904 .67
Street Sprinkling Taxes, 1911 .....		2,549 .18
Hastings Townsite General Taxes (City prop.) .....	24,459 .33	
Hastings Townsite School Taxes (City prop.) .....	5,285 .72	
D.L. 301, General Taxes (City prop.) .....	6,032 .85	
		35,777 .90
Government Grants (Provincial) .....		126,248 .30
Sundry Licenses as per Schedule "M", p. 39 .....	148,389 .95	
Sundry Rentals as per Schedule "M", p. 39 .....	10,362 .50	
Sundry Fees and Receipts as per Schedule "M", p. 39 .....	202,164 .49	
		360,916 .94

<sup>1</sup> Vide. S.T.R. May-June 1911, page 66.

<sup>2</sup> Annual report, Vancouver, 1911, page 17.

Adjustment of Unexpired Insurance.....		2,513.65
Interest on Commutations	141.88	
School Trustees' Credits..	6,544.28	
	<hr/>	6,686.16
		2,603,710.12
Outstanding.....		<hr/> 183,714.89

In addition to the above there are levied the water rates, which in 1911, amounted to \$409,542.66 net, but as this tax is levied solely as a water rate it may be neglected in the above.

The above revenue may be divided into two classes.

A. Revenue derived from land:

- (1) General levy, 2 per cent. of assessed value.
- (2) Particular levies.
- (3) Tax on a Special district.

B. Revenue from other sources:

Class "A" netted \$2,107,345.07, or 80½% of total.

Sec. (1) General levy, netted \$1,996,113.32 or 76% of total.

Sec. (2) Particular, netted \$75,453.85 or 3% of total.

Sec. (3) District, netted \$35,777.90 or 1½% of total.

Class "B" netted \$493,851.40 or 19½% of total.

Prov. Gov.'t Grant net \$126,248.30 or 5% of total.

From business fees, licenses, etc., net \$360,916.94, or 14¼% of total.

From miscellaneous, \$6,686.16 or ¼% of total.

(Local improvements, such as pavements, etc., are borne, roughly speaking 1-3 by the City, and 2-3 by the property owners, and is a frontage tax.)

From the above, we see that only about 76 per cent. of the total revenue of Vancouver in the year ended March 31st, 1911, was derived from the general land tax or so called "Single Tax." Add to this the particular tax which forms 3 per cent of the total revenue and we have 79 per cent. of the total revenue, which may be called a revenue from land taxes in Vancouver



proper.<sup>1</sup> About 19½ per cent of Vancouver's total revenue was not derived from the land tax.

In the year ended March 31st, 1911, Vancouver contributed towards the Provincial revenue as follows:<sup>2</sup>

(1) Licenses, Trade and Liquor .....	800.00
(2) Fines and Fees of Court.....	210.00
(3) Probate Fees.....	11,529.01
(4) Succession Duties.....	105,495.83
(5) Law Stamps.....	18,667.50
(6) Registry Fees.....	235,680.08
(7) Marriage Licenses.....	8,800.00
(8) Revenue Tax.....	56,055.00
(9) Personal Property Tax .....	63,626.89
(10) Income Tax.....	56,876.11
(11) Interest, Miscellaneous .....	592.31
(12) Miscellaneous Receipts.....	2,884.65

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Total..... \$561,217.38

As regards the Federal revenue it is impossible to determine what one section of the country contributes, but by taking the total revenue and dividing by the total population, we may determine the average per capita amount contributed and, in this way, give an approximate idea of what a section of the country would contribute, were all revenue raised from land.

The total revenue (consolidated fund) of Canada for the year ended March 31, 1911, was \$117,780,409.78.<sup>3</sup> The population of Canada by the 1911 census was 7,204,838.<sup>4</sup> This gives a per capita contribution of \$16.36. In 1911 Vancouver had a population of 100,401 and estimating on a per capital basis, Vancouver would have contributed towards the Federal revenue the sum of \$1,642,560.36.<sup>5</sup> This tax is indirect and no part is obtained from land.

We are now able to compare the total revenue which Vancouver paid from her land tax and that from other sources for the year 1911.

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<sup>1</sup> The special district tax (1½% of total) may be neglected here as not affecting Vancouver proper.

<sup>2</sup> Sessional papers B.C. 1912, c. 27.

<sup>3</sup> Public Accounts, Canada 1912. Pt. 2, page 12.

<sup>4</sup> Government Census, 1911.

<sup>5</sup> While inaccurate this sum would be rather lower than Vancouver would pay if the Federal taxes were imposed on land, as City land is more valuable than rural land.

## Vancouver's Total Contribution, Federal, Provincial and Municipal

Tax (purpose)	Tax from land	Per Ct.	Taxes from other sources	Per Ct.	Total
Municipal...	\$2,071,567.17	79	\$493,851.40 <sup>a</sup>	19½	\$2,565,418.57
Provincial..	.....	.....	553,377.86 <sup>a</sup>	100	553,377.86
Federal....	.....	.....	1,642,560.36	100	1,642,560.36
Totals.	\$2,071,567.17	43.5	\$2,689,789.62	56.5	\$4,761,356.79

Thus we see that approximately 43.5 per cent. of Vancouver's total contribution to revenue comes from land taxes and 56.5 per cent. from other sources. The general rate on land (1911) was 20 mills. Adding the local improvement tax, the total rate would equal a general rate of 20.8 mills. Thus if Vancouver had a purely single tax, the rate for all tax burden would be equal to 47.8 mills on the dollar of the assessed or actual cash value of the assessable land in Vancouver.<sup>1</sup>

The Council of Vancouver is experiencing difficulty in raising sufficient revenue for the current year (1913). It is reported that the increase in the assessed value of land as shown by the returned roll,<sup>2</sup> is so slight that at the 20 mill rate, a deficit of from \$250,000 to \$300,000 appears against the estimates. Two proposals are brought forward (a) Raise the rate, (b) Tax improvements on 25 per cent. of their assessed value. The following quotations are from a Vancouver Daily.<sup>3</sup>

"The council majority, according to expressions of opinion at the City Hall this morning, is against any taxing of improvements, however, and is rather inclined to raise the rate itself. An increase of about two mills net would provide additional revenue of nearly \$300,000."

"A number of citizens are said to have admitted a preference to having the tax on twenty-five per cent.

<sup>1</sup> The year 1911 was chosen, as some of the 1912 accounts are not yet obtainable, and 1911 represents total exemption of improvements in Vancouver.

<sup>2</sup> Subject to court of Revision.

a. Less City's proportion of the Provincial Grant.

<sup>3</sup> Daily Province, Vancouver, March 27, 1913.

of improvements restored rather than bearing an increase in the rate, giving as their reason the fact that to increase the rate would advertise the City in the wrong way. A restoration of the tax on improvements would mean that the shortage now to be provided against would be met by the owners of improvements, the proprietors of income bearing blocks chiefly, and to a less extent all householders. To raise the tax rate would result, they claim, in a taxation increase to a material extent for all land owners whether possessors of improved property or not."

Tables dealing further with Vancouver's system are in chapter five.

## CHAPTER III.

### Taxation in Alberta

The Provinces of Alberta and Saskatchewan were created by the Alberta Act<sup>1</sup> and the Saskatchewan Act,<sup>2</sup> respectively, which were assented to 20th July, 1905. Prior to the passing of the above acts, this combined territory was governed by the Federal Government and by a Territorial Government. Consequently the history of the legislation in the two provinces till the year 1905 is the same.

The first indication of local option in regard to special taxes on land values appears in the Municipal Ordinance of 1897. This ordinance, after laying down regulations for municipal taxation, added as a supplementary section, the following:<sup>3</sup> "The Council of a Municipality may by by-law authorize the levying and collecting of a rate or rates of so much on the dollar based upon the actual value of all lands (without improvements) in the municipality as the Council deems sufficient for the current year to raise the sum required in their estimates, but in no case shall the rate imposed exceed 4 cents on the dollar of the assessment in any one year including general school, special and debenture rates."

The adoption of this system was left optional to the municipalities,<sup>4</sup> but in order to adopt it, a vote of two-thirds of the Council or a petition signed by one-half of the resident ratepayers was required. If for two successive years the residents so petitioned, the system then became permanent, but on a similar petition might be repealed. In another section of the same Act,<sup>4</sup> the assessor was directed to value land (which included buildings and improvements), gener-

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<sup>1</sup> 4 and 5 Ed. VII., ch. 3 and 42.

<sup>2</sup> Ord. N.W.T. 1897, No. 8, s. 139; C. Ord. N.W.T. C. 70, s. 139.

<sup>3</sup> Ord. No. 8, s., 140 and 141.

<sup>4</sup> O.N.W.T. 1897, No. 8, s. 127.

ally speaking, at the value for which it would sell. Mineral lands with the buildings erected thereon were to be valued according to the valuation placed on the neighbouring agricultural land. In addition to the above mentioned tax, there was imposed an income tax on all incomes exceeding \$1,000,<sup>1</sup> and a poll tax of two dollars per capita.<sup>1</sup>

Though the Act was amended several times prior to 1905, these clauses remained unchanged and were in force at the creation of the separate Provinces.

The first departure in taxing property in Alberta took place in 1907, when the Village Act<sup>2</sup> was passed, which purported to deal with all villages then existing and which might later be created under the laws of this Act. By the terms of this Act, village councils are required to raise their revenues from taxes levied on the assessed value of land (including improvements), and personal property.<sup>3</sup> Incomes and the increase in the value of land by reason of the annual cultivation thereof, growing of crops or the cultivation of trees, are to be exempt. License fees may be levied from hawkers, pedlars, and showmen, and on billiard tables and dogs. But section 52 of the Act provided that the Minister of Municipal affairs,<sup>4</sup> on the strength of a resolution passed by the village council, and a petition signed by two-thirds of the total number of ratepayers, may order that the assessment in such village be limited to an assessment based on the actual value of land, exclusive of improvements. The rate under this section must not exceed two cents on the dollar, provided, that no person shall pay a total tax of less than one dollar.

Many villages have petitioned and obtained permission to adopt this system, and several had adopted it previously. In no case did any of them revert to the old system.<sup>5</sup>

By an amendment<sup>5</sup> to the Village Act, in 1912, land is made the sole basis of taxation; the exemption of

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<sup>1</sup> General O.N.W.T. Page 815, s. 13, and page 829.

<sup>2</sup> S. A. 1907, C. 10.

<sup>3</sup> S. A. 1907, C. 10, s. 37 and s. 38, s.s.f. and h. 161, c. 10, s. 352.

<sup>4</sup> S.A. cp. 4, s. 22, s.s. 1.

<sup>5</sup> Vide. The Canadian Municipal Journal, Oct. 1912, page 389.

personal property, income, and improvements being compulsory.

During the Session 1911-12, two important Acts were passed, (1) The Town Act.<sup>1</sup> (2) The Rural Municipality Act.<sup>2</sup>

The former purported to deal with all towns within the Province which were not incorporated under a special charter, and with all towns created subsequent to the passing of this Act. Any town to which this Act does not apply, may apply to the Lieutenant-Governor-in-Council, who may, on the strength of such application, order that this Act shall thereafter apply to such town. Of the three towns to which this Act did not apply at the date of its coming into force, one has already made such application.

With reference to assessment and taxation, the Act says that all municipal and school taxes shall be levied equally upon all rateable land in the town, which shall be assessed as follows:<sup>2</sup> "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 labour 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 of such persons shall be entered on the assessment roll in respect of his share or interest of or in such land."

The power of the town council is, however, limited by section 294 of the Act. "The Council shall in each year fix 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, but the Council shall not levy in any one year more than an aggregate of twenty mills on the dollar (exclusive of debenture rates, school rates, and local improvements rates) upon the total value of the assessable property within the town according to the last revised assessment roll thereof."

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<sup>1</sup> II. and III. Geo. V. 1911-12, c. 2 (3), c. 3.

<sup>2</sup> c. 2, s. 265 and 267.

A minor source of revenue is that of License Fees<sup>1</sup> which may be imposed generally on the following:—Horse dealers, hawkers, billiard tables, shows, places of amusement, certain businesses, etc., porters, etc., pawn-brokers and dogs. But in no case shall a license fee exempt a land holder from paying his land tax.

The Rural Municipalities Act was passed for the creation, organization and government of rural municipalities throughout the Province. By the provisions<sup>2</sup> of this Act, all the municipal taxes shall be levied equally upon all rateable land in the municipality according to the assessed value of such land, and further, "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 erected thereon, or of any other increase in value caused by any other expenditure of labour or capital thereon."

The rate<sup>3</sup> levied by the council in any one year (exclusive of the school rates) shall not exceed one per cent. of the assessed value of the land as shown in the last revised assessment roll, provided that in case the revenue is not sufficient to meet all the debenture coupons due in the year, an additional rate may be levied, also, if necessary to meet the payment for hail insurance, an additional rate may be levied.

A small tax may also be levied by the municipality from dogs, and licenses for hawkers, pedlars, pool rooms and bowling allies.

The above may be summarized briefly by saying that in the case of the villages and rural municipalities land only may be taxed, while towns, with two exceptions, may tax land only.

As Alberta has no general act relating to cities, all the cities in the province are incorporated under special charters.

According to the 1911 census, Alberta contained the following cities:—Calgary, Edmonton, Lethbridge, Medicine Hat, Strathcona and Wetaskewin. The city of Strathcona has since been annexed to the city of Edmonton.<sup>4</sup>

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<sup>1</sup> S.A. 1911-12, C. 2, s. 163, s.s. 54-61 and 70.

<sup>2</sup> S.A. 1911-12, C. 3, s. 249 and 252.

<sup>3</sup> C. 3 s. 292-295 3. s. 191 s.s. 9 12 and 28.

<sup>4</sup> S.A. 1911-12, c. 66.



## Provincial Taxation

The provincial revenue in Alberta is derived chiefly from six sources, viz:—(a) Dominion of Canada, (b) Fees, Sales, etc. (c) Railway Taxes, (d) Corporation Taxes, (e) Succession Duties, (f) Miscellaneous.

The largest receipt is the subsidy and public school lands grants from the Dominion Government. This is particularly large in Alberta, Saskatchewan and Manitoba, as these provinces do not control their crown lands, and consequently are deprived of the revenue from that source.

The revenue from source (b) which is second in amount of net revenue, include fees for licenses, incorporation of companies, court fees and fines, and general fees levied under the various departments of the Government as shown in the revenue statement at the end of this section.

In Alberta, the railway tax is not of great importance, since by the Alberta Act of 1905, the property and capital stock of the main line of the Canadian Pacific was exempt from taxation. The tax, where imposed, is levied on a mileage valuation.<sup>1</sup>

The corporation tax is levied on fire, life and accident insurance companies, as a tax on gross premiums, in the case of loan and trust companies a specific sum is levied, while banks are taxed by the levy of a specific sum on the head offices and branches on a graded scale.<sup>1</sup>

Succession duties are collected in Alberta from estates in direct lines and otherwise with exemption of \$25,000, and \$5,000 respectively, and some special exemptions. The yield from this tax as yet is not large.

The amounts received from the above sources for the year ended December 31st, 1911, were:—

Dominion of Canada . . . . .	\$1,382,951 .59
Fees, Sales, etc. . . . .	864,381 .92
Railway Taxes . . . . .	68,490 .51
Corporation Taxes . . . . .	85,110 .46
Succession Duties . . . . .	30,871 .00
Miscellaneous . . . . .	370,520 .51
	<hr/>
	\$2,802,325 .79

<sup>1</sup>Vide. Vineberg, page 127.

The above shows that no part of Alberta's revenue is derived from a tax on land values per se. The receipts for the year ended December 31, 1906, were:—

Dominion of Canada.....	\$1,030,375 .00
Succession Duties.....	1,054 .62
Fees, Receipts from Sales of Sundries, Reimbursements, etc.....	369,966 .64
Miscellaneous.....	23,662 .75
	<hr/>
	\$1,425,059 .01

The only change in the source of revenue is that brought about by the introduction of the Corporation and Railway taxes, which were first collected in 1907.

### Net Revenue, Province of Alberta in Detail.

Fiscal Year Ended 31st Dec., 1911.

Dominion (Subsidy and Public School Lands).....	\$1,382,951 .59
Dept. of Provincial Treasurer:	
Railway Taxes.....	68,490 .51
Hail Insurance Fees.....	104,281 .54
Interest, General.....	64,786 .80
Corporation Taxes (Fire, Life and Acci- dent Insurance, Loan, Trust and Land Companies, Banks and Mis- cellaneous).....	85,110 .46
Dept. of Provincial Secretary and Regis- ter of Joint Stock Companies:	
License Fees, Certificates under Pro- vincial Seal, Companies, Ordinance, (Home and Foreign) Incorporation Fees, and Miscellaneous.....	77 700 .61
Dept. of Attorney General:	
Succession Duties.....	30,871 .00
Commissions, Court Costs and Fines..	477,508 .12
Dept. of Public Works:	
Fees, Lease, Sale, Rents, etc.....	45,265 .94
Dept. of Agriculture:	
Fees, License, Sale, etc.....	32,458 .56
Dairy Commissioner:	
Sales, etc.....	128,992 .12
Dept. of Education:	
Fees, etc.....	3,355 .00

Clerk of the Legislative Assembly:	
Private Bills . . . . .	4,920 .00
Government Printer . . . . .	9,899 .83
Miscellaneous . . . . .	305,733 .71
Total <sup>1</sup> . . . . .	<u>\$2,822,325 .79</u>
Telephone Department:	
Fees, Sale, Rent, etc . . . . .	506,830 .18

### Municipal Revenue.

As already stated, all the villages, rural municipalities and all the towns in the Province now raise the greater part of their revenue from taxes levied on land values. While there has been no compulsory act dealing with the cities most of the latter have adopted or are adopting the system.

On January 1st, 1912, Medicine Hat adopted the system in its entirety. Improvements, stock, income and all personal property are exempt from taxation, and business taxes of all kinds have been abolished.<sup>2</sup> The City of Lethbridge in 1908 was given permission to exempt improvements in whole or in part.<sup>3</sup> In a booklet issued by the Lethbridge Board of Trade,<sup>4</sup> in October, 1912, they state, "Lethbridge had adopted the single tax system. All revenue is obtained from the taxation of land values only . . . . . In fact, business of all kinds is exempt, land values forming the sole basis of assessment." An attempt was made to place an extra burden on speculators, by imposing a super-assessment of fifty per cent. on vacant lands in the business section of the city.<sup>5</sup> In 1907 Strathcona began to exempt improvements, but as Strathcona now forms part of the city of Edmonton, its revenue system is that of Edmonton, which will be considered later.<sup>6</sup> Wataskewin, which was incorporated by a special act in 1906, was given power to exempt improvements under the Muni-

<sup>1</sup> Exclusive of temporary and other loans.

<sup>2</sup> Vide. Dixon. The Progress of Land Value Taxation, page 7.

<sup>3</sup> S.A. 1908, C. 23, s. 6.

<sup>4</sup> "Lethbridge in a Nutshell."

<sup>5</sup> Vineberg (1. O.N.W.T. 1893, No. 33).

<sup>6</sup> 1911-12, C. 66.

cipal Ordinance which was made applicable to the city by a clause in the Charter.<sup>1</sup> Calgary, which was incorporated in 1893,<sup>2</sup> levied taxes on the full value of improvements till 1912, when permission was obtained from the legislature to exempt part of the value of improvements. In 1912 the assessment of buildings for taxation purposes was reduced 75% of their value. A further reduction of 10% per year is to be made until buildings are totally exempt. Land is assessed at its full value, and personal property at two-thirds of the average stock carried throughout the year. Edmonton, which is the leading land tax municipality in Alberta, requires a section for itself.

The statement given below of the revenue of the City of Calgary for the year ended 31st Dec., 1911, shows that 75 per cent. of the total revenue was derived from the general tax, which included land and improvements both assessed at full value. The separate valuations for land and improvements for Calgary are not given, but judging from the valuation in other cities, we may estimate buildings at one-third the total valuation, which gives as a rough estimate, that 50 per cent. of Calgary's total revenue is derived from land:

### **Receipts<sup>3</sup>: City of Calgary.**

Year Ended 31st Dec., 1911.

#### **Taxes (General):**

Land estimated 66 2-3 %	Improvements
33 1-3 %	.....
Poll Tax	.....
Licenses, Fees, Miscellaneous	.....
Total	.....
	\$691,711.30
	8,840.20
	104,471.53
	<hr/>
	\$915,023.03

### **Edmonton.**

The City of Edmonton was incorporated Oct. 8, 1904, under a special Charter,<sup>4</sup> which granted the Municipality a very wide autonomy as regards taxation.

<sup>1</sup> S.A. 1906, C. 41, s. 3.

<sup>2</sup> O.N.W.T. 1893, No. 33.

<sup>3</sup> Vide. Annual Rept. Calgary, 1911, page 10.

<sup>4</sup> N.W.T. 1904, c. 19 (3) c. 19 T. XVII, s. 1.

Assessment and taxation are vested in<sup>1</sup> the Commissioners of the City of Edmonton, subject to the Legislative jurisdiction of the City Council. They are granted by the Charter powers as follows:—"Subject to the other provisions of this Ordinance, the municipal and school taxes of the City of Edmonton shall be levied upon:—(1) Land, (2) Business, (3) Income, and (4) Special Franchise<sup>1</sup>." By the same section all males over 21 years of age, of not less than three months residence in the Province, and not otherwise liable to taxation, were called upon to pay a poll tax of \$5.00, but this was amended in 1906<sup>2</sup> to a tax of \$2.00 and in 1908<sup>3</sup> to a tax of \$3.00.

Men belonging to Naval or Military Service, Mounted Police, and men on the Fire Brigade are exempted. In 1910 the Poll Tax was abolished. The Council, however, is restricted in levying taxation, in that the aggregate rate (exclusive of school and local improvements) must not exceed two per cent. of the total assessed value, within the City.<sup>4</sup> Local improvements are taxed against the property affected, with no exemptions.<sup>5</sup>

From the above it is seen that improvements are not taxed, except as affected indirectly by the business tax, as we shall see from the method of assessment. In addition to the above direct taxes, the Council may pass by-laws for the issue of licenses and payment of license fees, if such be not contrary to any general law of the Province.<sup>6</sup>

The method of assessment may be stated briefly, thus:<sup>7</sup> "Land is assessed at its fair actual value. In estimating its value, regard is had to its situation and the purpose for which it is used, or if sold by the present owner, it could and would probably be used in the next succeeding twelve months." Appeals shall not change the value unless its difference be greatly out of proportion to the value of the land in the immediate vicinity, (2) The mode for assessing the business tax is as follows:—

<sup>1</sup> C. 19, T. XXXII., s. 1.

<sup>2</sup> S.A. 1906, C. 76, s. 58, s.s. 5.

<sup>3</sup> S.A., 1908, C. 32, s. 15, s.s.c.

<sup>4</sup> O.N.W.T. 1904, C. 19, T. XXVII. s. 1.

<sup>5</sup> C. 19 T. XXXII, s. 2.

<sup>6</sup> O.N.W.T. 1904, C. 19, T. XXXII. s. 2.

<sup>7</sup> C. 19 T. XXXII., s. 3.

The assessor shall fix a rate per square foot of the floor space (irrespective of partitions, elevators, stairways or other obstructions) of each building or part thereof used for business purposes and shall as far as they deem practicable classify the various businesses and may fix a different rate for each and, in so doing, may place a wholesale business in a class distinct from a retail business of otherwise the same class and may classify each building or part thereof according to the class of business carried on therein and may fix a different rate for different classes of business carried on under the same roof and for storehouses and warehouses or other like appurtenant buildings than that fixed for the principal building and may fix a different rate for different flats of buildings. Such rate is not to exceed \$5.00 per square foot except in the case of banks, loan companies or other financial institutions, in which case such rate shall not exceed \$10.00 per square foot. And the assessor shall submit to the Council a statement showing all the various classifications and ratings which he proposes to apply in the assortment of businesses and the assessor shall make his assessments according to the directions which the Council shall make upon the consideration of such Statement.

(3) The owner of a special Franchise shall not be assessed in respect of business or income but in addition to an assessment on land, shall be assessed for the actual cost of the plant and apparatus less a reasonable deduction for depreciation.

(4) No person who is assessed in respect of any business or special franchise shall be assessed in respect of the income derived therefrom and no person who is assessed in respect of any business or special franchise or of any income derived therefrom shall be liable to pay a license fee in respect of the same business or special franchise.

(5) The occupant of any building liable to taxation under the preceding section shall be liable for the business tax aforesaid though he may also be the owner of the premises and liable as such owner to taxation on land.

It is provided that no taxable parcel of land shall pay in taxes less than 25 cents.

By an amendment<sup>1</sup> assented to in 1912, the Council was given power to abolish all taxation and assessment on businesses and to direct that thereafter all municipal and school taxes within the city shall be assessed and levied on land and special franchise only. Under the power granted by this amendment the business tax, which during the last few years had been gradually diminished, was abolished for the year 1912. The income tax was abolished in 1910.

### Municipal Revenue, Edmonton.

Year Ended 31st Oct., 1911.

General Tax Assessment—Land <sup>2</sup> .....	\$	546,618.20
General Tax Assessment, Business.....		26,371.88
Special Frontage Tax.....		94,295.05
		<hr/>
Less:		\$667,285.13
Discount (estimated)....	\$33,333.30	
Bad Debts, etc.....	735.14	
	<hr/>	34,068.44
		<hr/>
		\$633,216.69
Interest.....		30,104.56
Licenses (general, dog, milk, tent, liquor).		31,695.33
Miscellaneous:		
Poll Tax.....	\$2,253.00	
Sale of Land.....	450.00	
Deposit Forfeited.....	500.00	
Miscellaneous.....	359.56	
Search Fees.....	738.00	
Rents.....	2,440.30	
Rural Taxes Taken Over...	228.41	
Surplus Stores Dept.....	1,477.02	
Taxes Levied under Sec. 20.	442.04	
	<hr/>	8,888.33
		<hr/>
Total.....		\$703,904.91

As Edmonton owns a great many of her public utilities, there is a large revenue received from these sources which is not mentioned above, as such de-

<sup>1</sup> S.A. 1911-12, c. 68, s. 18.

<sup>2</sup> Includes School Assessments.



partments incur large capital expenditure and affect very little as yet the revenue of the general fund.

The receipts from land sources are:—

General Tax.....	\$546,618.20
Special Frontage Tax.....	94,295.05
Total.....	<u>\$640,913.25</u>

This gives 91% of the municipal revenue, exclusive of the departments mentioned above. Edmonton's contribution to the Provincial and Federal revenue cannot be definitely determined, but some information may be added by taking a per capita estimate. Taking as a basis the 1911 census, Edmonton would have contributed to:

(a) Provincial Revenue.....	\$175,252.00
(b) Dominion Revenue.....	408,111.00
Total.....	<u>\$583,363.00</u>

This with the municipal revenue gives a total contribution for all purposes of \$1,287,268.70, of which \$640,913.25 may be said to come from land, which equals 50%. The actual municipal rate levied on land for 1911 was 13 7-10 mills. If we add to this the rate for special frontage tax, it makes a rate of 16 mills on land values, which represents 50% of the total contribution. Hence if all the tax burden of Edmonton was upon land values, the rate would be approximately 32 mills on the full value of land.

## CHAPTER IV.

### Taxation in Saskatchewan.

As stated above the laws of Saskatchewan till 1905 were those laid down in the Ordinances of the N.W.T.<sup>1</sup> After the coming into force of the Saskatchewan Act, the first important steps were, (1) The repeal of the Municipal Ordinance of the N.W.T.,<sup>2</sup> and (2) The passing of four acts, in the session 1908-9, which were entitled,<sup>3</sup> (a) The City Act, (b) The Town Act, (c) The Village Act, (d) 'The Rural Municipality Act. These acts lay down rules for taxation in the various municipalities which fall under their jurisdiction. These rules we shall now examine separately.

The City Act states,<sup>4</sup> "Subject to the other provisions of this Act the municipal and school taxes of the City shall be levied upon, (1) land, (2) business, (3) income, and (4) special franchises." Lands here are held to include improvements.<sup>5</sup> In addition a poll tax of \$3.00 was to be levied on each male person, subject to certain exemptions.<sup>6</sup> The only exemption which was made for improvements is that contained in the following clause,<sup>7</sup> "Land shall be assessed at its fair actual value and buildings and improvements thereon at sixty per cent. of their actual value. In estimating its value, regard shall be had to its situation and the purpose for which it is used . . . ."

By later amendments,<sup>8</sup> it was made compulsory to assess buildings and improvements at not more than sixty per cent. of their fair actual value, while land is to be taxed at its full value, without regard to the purpose

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<sup>1</sup> Vide. super. ch. 1.

<sup>2</sup> R.S.S. 1909, page 2151.

<sup>3</sup> R.S.S. 1909, ch. 84, 85, 86 and 87.

<sup>4</sup> R.S.S. 1909, ch. 84, s. 303.

<sup>5</sup> ch. 4, s. 2. S.S. 10.

<sup>6</sup> ch. 84, s. 312.

<sup>7</sup> ch. 84, s. 310.

<sup>8</sup> S.S. 1910-11 c. 18. s. 15 and 1912, c. 26, s. 19.

for which it is held. However, it is provided that the assessment of buildings and improvements, shall not be reduced in any one year below that of the previous assessment by more than fifteen per cent. of the fair actual value of such building and improvements.

The business tax is levied on floor space, in a manner similar to that which was in vogue in Edmonton,<sup>1</sup> In the case of income, the tax is non-progressive, and incomes of \$1,000 and less are exempt. The special franchise tax is levied on the market values of such franchises.

In levying the rates, the power of the council is limited by the clause,<sup>2</sup> "but the council shall not levy in any one year, more than an aggregate rate of two cents on the dollar (exclusive of school rates and local improvements rates), upon the total value of the assessable property within the City according to the last revised assessment roll thereof."

This Act applies to the cities of Regina, Moose Jaw, Saskatoon, and Prince Albert, and to all other City Municipalities which may be created within the Province subsequent to the passing of this Act.

The Town Act,<sup>3</sup> is to apply to all towns or town municipalities which existed at the passing of this act, or which may be subsequently created. According to the provisions of the act,<sup>4</sup> municipal and school taxes are to be levied on (1) lands, (including improvements), (2) businesses, (3) income, and (4) special franchises. In the assessment of land the same rules as laid down in the City Act apply,<sup>5</sup> viz:—Land at its actual value, buildings and improvements at sixty per cent. of their actual value, regard being had to the situation and use for which it is intended. The business tax is levied as a tax on floor space. The poll tax of \$2.00 per capita is also a source of municipal revenue.

The aggregate rate which may be levied on the total value of the assessable property as shown in the revised assessment roll is one per cent. (exclusive of

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<sup>1</sup> Super. c. 3.

<sup>2</sup> R.S.S. 1909, c. 84, s. 314.

<sup>3</sup> R.S.S. 1909, c. 85 s. 7.

<sup>4</sup> s. 301 and s. 2 s.s. 11.

<sup>5</sup> c. 85, s. 302.

debenture, rates, school rates, and local improvement rates). By an amendment, the assessment on buildings and improvements must not exceed sixty per cent., provided the assessment be not reduced more than 15 per cent. per year of the value of the buildings and improvements for the previous year.<sup>1</sup>

The village act lays down the rules for taxation in villages. As in the case of cities and towns, the assessment<sup>2</sup> shall be on the full value of land and sixty per cent. of the value of improvements. In addition there is the income tax, personal property tax and poll tax of \$2.00 per capita. Another section of the act provides<sup>3</sup> that, "If two-thirds of the total number of resident electors in any village petition the council therefor, the council may by by-law provide that the assessment in the village shall after a date to be fixed therein be limited to an assessment based upon the actual value of lands in the village, exclusive of the improvements thereon."

In the case of the former assessment, the rate is not to exceed one per cent. and in case of taxes on land values  $2\frac{1}{2}$  per cent. on the value of assessed property,<sup>4</sup> By a later amendment<sup>5</sup> the rate allowed under section 181 is 4 per cent. instead of  $2\frac{1}{2}$  per cent. of the assessed value of land. "In any village in which a by-law has been passed under the provisions of this section, all buildings not otherwise exempt from taxation and situated upon non-taxable land shall be assessed at 60 per cent. of their actual value."<sup>6</sup>

The Rural Municipality Act, provides for assessing land values only and (except in cases where the tax is levied on the value of the lots) the rates are levied at so much per acre<sup>7</sup>" . . . and the council shall by resolution authorize the treasurer of the municipality to levy upon all lands entered in the said roll, with the exception of such lands as are included in any hamlet, such tax at the uniform rate *per acre* as shall

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<sup>1</sup> S.S. 1910-11, c. 19, s. 17.

<sup>2</sup> 1912, c. 27, s. 15.

<sup>3</sup> R.S.S. 1909, c. 86, s. 181;

<sup>4</sup> sec. 201, S.S. 1.

<sup>5</sup> S.S. 1910-11, c. 20 s. 10.

<sup>6</sup> S.S. 1912, c. 28 s. 2.

<sup>7</sup> R.S.S. 1909, c. 87, s. 251 et seq.

be deemed sufficient to meet the said estimate of expenditures." But the rate per acre is not in any one year to exceed six and one-quarter cents per acre, nor shall such rate be less than two and one-half cents per acre. These are exclusive of local improvements, taxes, school rates and debenture rates. No person is to pay as taxes less than \$2.00 for municipal purposes.<sup>1</sup> By an amendment passed in 1910-11, "The council of the municipality may by by-law authorize the levying and collection of a rate or rates of so much on the dollar based upon the actual value of all lands (without improvements) in the municipality . . . but in no case shall the rate imposed exceed four cents on the dollar of the assessment in any one year including general, school, special, and debenture rates."<sup>2</sup>

The adoption of the above section is optional and requires a vote of 2-3 of the council or a petition signed by one-half of the resident ratepayers.

### Provincial Revenue.

The revenue system of Saskatchewan is similar to that of Alberta<sup>3</sup> and may be classed under six headings.

(a) Dominion of Canada, (b) Railway tax, (c) Corporation tax, (d) Succession Duties, (e) Fees, sale, etc., (f) Miscellaneous.

As in the case of Alberta the grants from the Dominion Government form the largest item. Railways in Saskatchewan are taxed on their gross earnings with certain exemptions.<sup>4</sup> The C.P.R., has so far paid this tax without admitting the right of the Province to collect such. Under the Corporation Tax Act banks are taxed by a specified sum levied on head offices and branches.<sup>5</sup> The amounts levied on the branches are arranged progressively. Insurance companies are taxed on their gross premiums. Telegraph and telephone companies pay a tax on their gross receipts. Loan and trust companies are taxed on their

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<sup>1</sup> R.S.S. 1909, c. 87, s. 299, s.s. 2.

<sup>2</sup> S.S. 1910-11, c. 21, s. 25.

<sup>3</sup> Super. c. 111.

<sup>4</sup> S.S. 1908. c. 32.

<sup>5</sup> 1907, c. 22.

investments. In addition to the above there are many miscellaneous corporations which are taxed, but the above sufficiently illustrates the principle. Succession duties are collected in Saskatchewan under a system similar to that of Alberta, but the receipts from this source are as yet very small, which is evidently due to the newness of the settlements.

The receipts from the different sources for the year ended Feb. 29, 1912, were:

Dominion of Canada.....	\$1,551,160.45
Railway Tax.....	64,224.00
Corporation Tax.....	62,627.87
Succession Duties.....	33,859.24
Fees, Sale, etc. <sup>1</sup> .....	1,337,840.01
Miscellaneous.....	308,054.70
Total.....	<u>\$3,357,766.27</u>

From an examination of the above and the detailed statement at the end of this section, it will be observed that no part of Saskatchewan's provincial revenue is derived from a tax on land. There are, however, the fees collected under the Land Titles Act; and, while this may seem an indirect tax on land, it cannot be classed as a land tax. With the exception of the introduction of the corporation tax and the tax on railways, there has been very little change in the provincial revenue of Saskatchewan since the creation of the Province. The revenue statement given below shows the receipts for the 14 months ended February 20th, 1907, and is the last account before the above named taxes were collected.

Dominion of Canada.....	\$1,186,650.01
Succession Duties.....	2,331.74
Fees, Sales, etc.....	332,884.12
Miscellaneous.....	13,142.29
Total.....	<u>\$1,535,008.16</u>

<sup>1</sup> This item includes fees under Land Titles Act, Liquor License, Agriculture Fees, etc.

## Net Revenue, Province of Saskatchewan, in Detail.

Fiscal Year Ended Feb. 29, 1912.

Dominion (Subsidy and School Lands) ..	\$1,551,160.42
Treasury Department: <sup>1</sup>	
Interest, etc .....	20,374.62
Provincial Secretary and Registrar of Joint Stock Companies; License Fees, Companies' Fees, and Miscellaneous .....	89,435.85
Corporation Tax .....	62,627.87
Railway Tax .....	64,224.00
Attorney General's Department:	
Succession Duties .....	33,859.24
Land Titles Act. (fees, etc.) .....	476,484.26
Liquor License Act .....	148,288.67
Commissions, Court Fees, etc., Fines and Miscellaneous .....	173,891.83
Public Works Department:	
Fees, Lease, Sale, etc. ....	97,520.50
Education Department:	
Fees, etc .....	10,957.37
Agriculture Department:	
Fees, etc .....	215,967.41
Railway and Telephone Department:	
Fees and Rentals, etc .....	379,957.68
Municipal Department:	
Fees, Sale of Acts and Miscellaneous...	13,517.98
Clerk of the Legislative Assembly:	
Fees for Private Bills and Sale .....	2,920.35
Government Printer .....	8,439.45
Public Health Bureau:	
Fees and Licenses .....	133.05
Supplementary Revenue Act Reim- bursements .....	16,246.68
Refunds .....	8,105.72
<hr/> Total .....	<hr/> \$3,357,766.27

<sup>1</sup> Less Temporary Loans, etc.



## **Municipal Revenue.**

The Municipal revenue system of Saskatchewan may be briefly summarized as follows:—

(a) Rural Municipalities tax land only, either as an acreage tax or on assessed value at the option of the Council.

(b) In the villages, land is assessed at its full value, improvements at 60 per cent of their value. Taxes are levied on income and personal property with a per capita, (poll) tax in addition. On the strength of a petition, the council may assess land only. About 20 villages adopted this in 1911.<sup>1</sup>

(c) In Towns and Cities, land is taxed at its full value, improvements not more than 60 per cent., and may be reduced yearly by 15 per cent. till totally exempt. Practically all the cities are taking advantage of this.

However, as yet, the system has not been developed sufficiently in these municipalities to give any reliable data concerning its efficiency.

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<sup>1</sup> Canadian Municipal Journal, 1912, page 407.

## CHAPTER V.

### Manitoba.

Manitoba has not yet (1913) taken any decisive step towards the adoption of the "Land Value" tax. It is true that the Municipal Assessment Act exempts from taxation farm stock, 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, when kept upon the lands of bona fide agriculturists or farmers.<sup>1</sup> But a request from the Union of Municipalities of Manitoba for permission to reduce the tax upon buildings in cities and towns, was refused.

The City of Winnipeg which was organized under a separate charter, assessed land and buildings at the same rate, till the year 1909, when by an amendment<sup>2</sup> to its charter, the assessment on buildings was reduced to two-thirds of their value, while land was assessed at its full value. In the year 1911, during the municipal elections, a majority of the candidates declared in favour of "land value" taxation, and the Provincial Government was asked for power to take a referendum on the question, but the request was not granted. The following table shows the revenue receipts for the City of Winnipeg for the fiscal year ended April 30, 1912.

General Taxes (net) .....	\$2,505,740.93
Licenses .....	113,879.45
Franchise Rights (Electric R.R. Co.) .....	86,740.98
Miscellaneous, Fees, etc .....	291,403.34
<hr/>	
Total, exclusive of waterworks and Light, Heat and Power Departments .....	\$2,997,764.70

<sup>1</sup> Dixon. Progress of Land Value Tax, page 3.

<sup>2</sup> 9 Ed. VII., c. 78, s. 25.

The above table shows that about 85 per cent. of Winnipeg's total revenue was received from the general tax which was levied on land, buildings and business on assessed values of \$151,795,740.00; \$62,564,700.00 and \$4,619,280.00 respectively. The land forms about 69 per cent. in value of the total assessment, and yields 69 per cent. of the revenue from the general tax which would give as the land's share 59% of the municipal revenue of the City.

In the other Provinces of Canada, although numerous agitations for tax reform have taken place, no important step has been taken in the direction of "Land Value" taxation.<sup>1</sup>

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<sup>1</sup> Vide. Proceedings of 12th Annual Convention of the Union of Canadian Municipalities, Windsor, August 1912, in the Canadian Municipal Journal, October, 1912.

## CHAPTER VI.

### Comparative Summary.

The preceding chapters have shown in detail the development and growth of the "Land Value" tax in the four Western Provinces of Canada. It will be observed that of four leading cities of the West (Winnipeg, Calgary, Edmonton and Vancouver) all of which are affected by much the same general conditions of national growth, two, viz., Winnipeg and Calgary, raised their local revenue without any recourse to the so-called single tax, whereas the other two have adopted it to a greater or less extent. The financial and commercial conditions of these four cities, taken in pairs, offer therefore, a fruitful field for comparison, in regard to the bearing of their peculiar systems of land taxation upon general progress and prosperity.

For further uniformity, the cities of Vancouver and Winnipeg may be more closely compared since both are trading points, Vancouver being the distributing point on the West and Winnipeg on the East of the area of development. Edmonton and Calgary are very similar in their respective locations. Calgary is the distributing point for southern Alberta and is connected with the East and the West by the main line of the Canadian Pacific Railway, while Edmonton is connected with the East by the main lines of the Canadian Northern Railway and the Grand Trunk Pacific, and is already feeling the impulse of the connections which it is to have with the Pacific coast through these channels. Both cities are located in agricultural communities; both are distributing centres, the one for Southern Alberta, and the other for the Northern part of the same Province.

Comparisons with Eastern cities have been avoided with the exception of rates of taxation, as conditions are so different from those in the new settlements of the West.

The following tables, which have been prepared from official provincial and municipal statistics, are presented to the reader without further comment, so that he may judge fairly on the efficiency of the system:

TABLE SHOWING RATES OF TAXATION.

City.	1904	1905	1906	1907	1908	1909	1910	1911	1912
Vancouver.....	18	18	20	20	20	20	20	20	20
Winnipeg <sup>1</sup> .....	17	19.7	17.9	{ 16 8½	15	{ 15 6½	{ 10.8 6½	{ 13.25 6½	{ 12 6½
Calgary.....	22	22	22	18	18	21½	15	14½	12½
Edmonton.....	17	16	10½	13½	14½	17½	17	13½	16
Regina <sup>2</sup> .....	22	20	15	15	{ 15 17	15	18	18.1	{ 15.88 16.38
Toronto.....	19	19	18½	18½	18½	18½	17½	18	18½

The following tables show the percentages of the revenue derived from land for the fiscal years ended in 1911, in these Western Provinces and in the four cities; and the percentages contributed from land taxes to the total tax burden of the cities.

PROVINCIAL LAND TAXES.

PROVINCE	Percentage of Provincial Revenue
British Columbia.....	61 per cent.
Alberta.....	∞ per cent.
Saskatchewan.....	∞ per cent.

MUNICIPAL LAND TAXES.

CITY	Percent of Municipal Revenue.	Percentage of the Total Tax Burden of Citizens.
Vancouver.....	79 per cent.	43.5 per cent.
Edmonton.....	91 per cent.	50 per cent.
Calgary.....	50 per cent.	22 per cent.
Winnipeg.....	59 per cent.	25 per cent.

<sup>1</sup> Double rates are (a) general, (b) business.

<sup>2</sup> Double rates are due to public and separate schools.

# CITY OF VANCOUVER.

Year	Assessed Value of Land	Percent. of Increase Over Year 1904		Assessed Value of Improvements	Increase		Building Permits		Increase		Population	Increase	
		Yearly	Total		Yearly	Total	No.	Value	Yearly	Total		Yearly	Total
1904	\$14,440,935	..	100	\$10,247,920	..	100	836	\$ 1,968,591	..	100	38,414	..	100
1905	16,739,640	14	114	11,804,250	15	115	940	2,653,000	35	135	45,000	17	117
1906	25,101,760	50	173	14,087,640	19	138	1006	4,308,410	66	236	52,000	15	135
1907	38,346,335	52	266	16,381,475	16	160	1773	5,632,744	31	295	60,100	16	157
1908	41,641,870	7	268	20,127,035	23	196	1697	5,950,893	6	312	66,500	11	173
1909	48,281,330	11	334	24,405,210	21	238	2054	7,258,515	22	379	78,900	19	205
1910	76,881,820	58	532	29,572,445	21	289	2260	13,150,365	81	689	93,700	19	244
1911	98,720,345	27	684	37,858,660	28	360	2755	17,652,642	34	926	100,401a	7	261
1912b	138,437,610	40	958	54,064,165	43	528	....	18,343,642c	4	931	111,240	10	289

# CITY OF WINNIPEG

Year	Land Value	Increase		Improvements	Increase		Building Permits		Increase		Population	Increase	
		Yearly	Total		Yearly	Total	No.	Value	Yearly	Total		Yearly	Total
1904	\$25,186,160	..	100	\$15,920,710	..	100	1768	\$ 9,651,750	..	100	67,265	..	100
1905	23,293,110	32	132	20,492,960	35	135	3349	10,840,150	12	112	79,975	19	119
1906	42,253,060	37	168	26,546,960	30	167	3487	12,625,950	16	131	101,057	26	150
1907	59,504,110	42	236	34,321,850	29	216	2433	6,309,950	50	66	111,729	11	166
1908	62,745,070	22	249	40,040,100	17	252	1544	5,513,700	12	57	118,252	6	176
1909	65,449,220	5	260	42,548,100	6	267	2498	9,226,325	68	96	122,390	12	182
1910	108,674,070	66	435	73,401,225d	72	461	3291	15,116,450	64	157	132,720	9	198
1911	118,407,650	9	470	81,404,400d	11	511	3671	17,550,400	12	182	151,958	14	226
1912	151,795,740	28	603	93,847,050d	15	589	....	16,298,600	..	....	168,533	11	251

a. Dominion Census, 1911.

b. Subject to Court of Revision and including new districts.

c. F. J. Dixon, The Progress of Land Value Taxation in Canada, page 5.

d. Full value, Assessment equals 2-3 full value.

# CITY OF CALGARY

Year	Land Value	Increase		Improvements Value	Increase		Building Permits		Increase		Population	Increase	
		Yearly	Total		Yearly	Total	No	Value	Yearly	Total		Yearly	Total
1904	\$ 1,956,140	..	100	\$ 1,620,587	..	100	...	\$ 880,193	..	100	10,543	..	100
1905	2,289,655	17	117	2,327,264	44	144	....	838,829	6	94	12,500	19	119
1906	3,758,341	64	192	3,011,290	34	188	....	1,097,136	31	124	17,000	36	162
1907	7,861,171	109	389	3,716,575	24	231	605	2,094,264	92	236	21,000	24	200
1908	10,346,893	32	530	5,995,660	59	368	423	1,004,520	52	114	25,000	19	238
1909	12,597,808	22	646	5,612,935	5	350	777	2,420,450	142	275	35,000	40	333
1910	24,676,758	96	1265	6,896,778	22	425	1499	5,589,594	131	634	50,000	43	476
1911	45,017,280	82	2338	10,949,842	60	681	2619	12,907,638	131	1466	50,000	0	476
1912	102,260,951a	127	5244	20,813,620a	91	1300	3483	20,394,220	56	2317	70,000	40	666

# CITY OF EDMONTON

Year	Net Assessment	Increase		Building Permits		Increase		Population	Increase	
		Yearly	Total	No.	Value	Yearly	Total		Yearly	Total
1904	\$ 3,959,648	....	100	....	.....	....	....	.....	....	....
1905	6,620,985	69	169	....	\$ 702,724	....	100	9,200	....	100
1906	17,046,789	158	436	932	1,868,069	166	266	14,000	52	152
1907	21,985,700	28	562	910	2,280,210	24	325	18,000	29	196
1908	22,535,210	3	577	689	2,424,097	6	345	20,000	11	217
1909	25,584,990	13	654	880	2,180,776	10	311	23,000	15	250
1910	30,105,110	18	772	1019	2,031,619	7	289	25,000	9	272
1911	46,494,740	121	1190	1710	3,660,327	80	521	30,479b	22	330
1912	.....	....	....	....	10,250,262c	180	1460	53,000b	74	576

a. Not verified as to Court of Revision.  
c. Estimate including Strathcona.

b. Dixon, Progress and Land, etc., page 5.



COMPARATIVE TABLE SHOWING THE GENERAL INCREASES IN LAND, BUILDINGS, BUILDING PERMITS AND POPULATION, AND THE INCREASE OVER THE YEAR 1904, WHICH IS TAKEN AS THE BASIS.

CITY OF VANCOUVER									CITY OF WINNIPEG							
Year	Land		Improvements		Bldg. Permits		Population		Yearly	Total	Improvements		Bldg. Permits		Population	
	Yearly	Total	Yearly	Total	Yearly	Total	Yearly	Total			Yearly	Total	Yearly	Total	Yearly	Total
1904	...	100	...	100	...	100	...	100	...	100	...	100	...	100	...	100
1905	14	114	15	115	35	133	17	117	32	132	35	135	12	112	19	119
1906	50	173	19	138	66	236	15	135	37	168	30	167	16	131	26	150
1907	52	266	16	169	31	295	16	157	42	236	29	216	— 50	66	11	166
1908	7	288	23	196	6	312	11	173	22	249	17	252	— 12	57	6	176
1909	11	334	21	238	22	379	19	205	5	260	6	267	68	96	12	182
1910	58	532	21	289	81	689	19	244	66	435	72	461	64	157	9	198
1911	27	684	28	360	34	926	7	261	9	470	11	511	12	182	14	226
1912	40	958	43	528	4	931	10	289	28	603	15	589	...	...	11	251

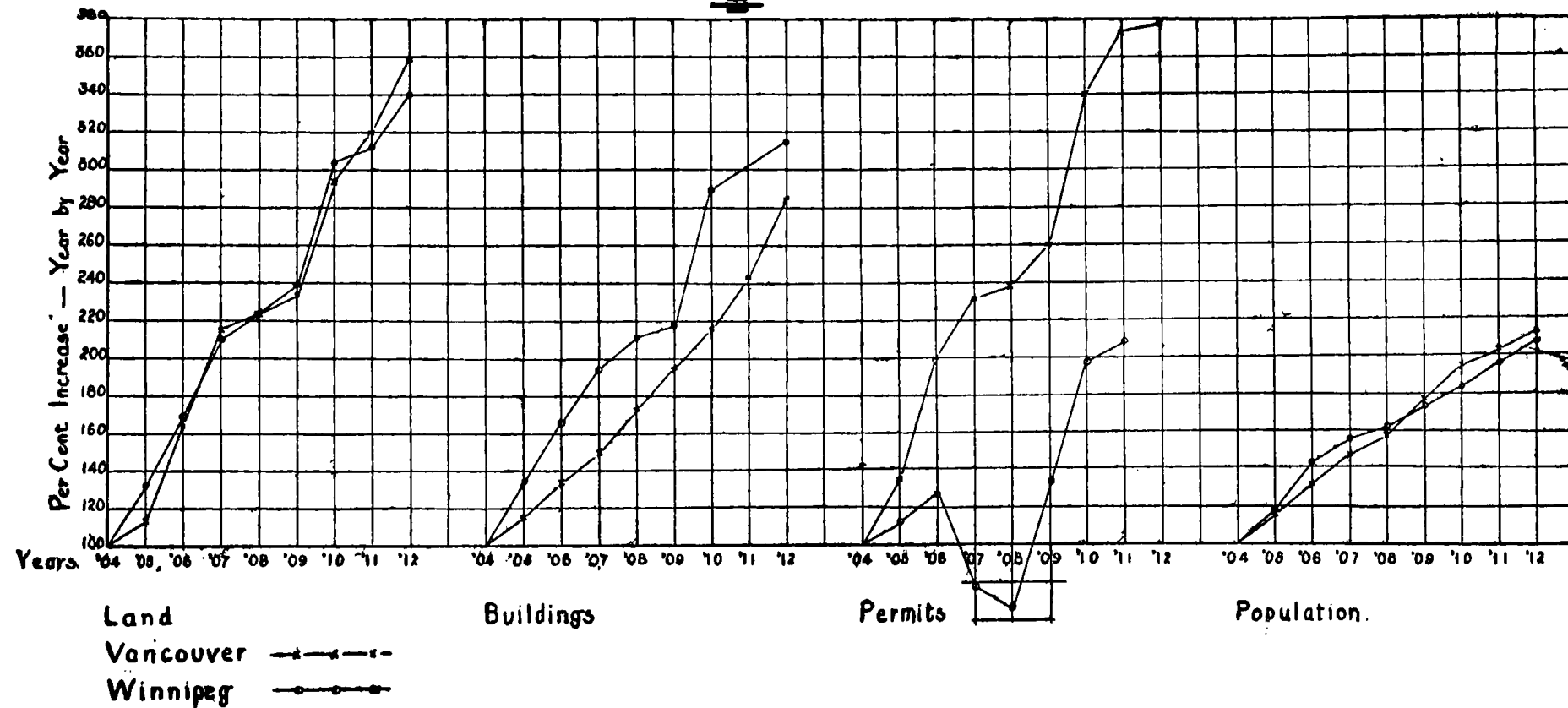
CITY OF CALGARY									CITY OF EDMONTON.(1)							
Year	Land		Improvements		Bldg. Permits		Population		Yearly	Total	Land		Bldg. Permits		Population	
	Yearly	Total	Yearly	Total	Yearly	Total	Yearly	Total			Yearly	Total	Yearly	Total	Yearly	Total
1904	....	100	....	100	....	100	....	100	....	100	....	100	....	100	....	100
1905	17	117	44	144	— 6	94	19	119	69	169	....	100	....	100	....	100
1906	64	192	34	188	31	124	36	162	158	436	166	266	....	100	52	152
1907	109	389	24	231	92	236	24	200	28	562	24	325	29	196	29	196
1908	32	530	59	368	— 52	114	19	238	3	577	6	345	11	217	11	217
1909	22	646	— 5	350	142	275	40	333	13	654	— 10	311	15	250	15	250
1910	96	1265	22	425	131	634	43	476	18	772	— 7	289	9	272	9	272
1911	82	2338	60	681	131	1466	0	476	121	1190	80	521	22	330	22	330
1912	127	5244	91	1300	56	2317	40	666	....	....	180	1460	74	576	74	576

(1) The net assessment is given for Edmonton as the separate figures are not obtainable. This does not form an accurate basis, as business assessment is included in some of the years, but the chief item is the land value.

PLEASE NOTE.—The sign "—" in the above tables is for minus.

# WINNIPEG AND VANCOUVER

Showing the increase year by year in the value of Land, Buildings, Building Permits,  
and the increase in Population



## CONCLUSION.

The facts produced in the foregoing chapters and more particularly the comparative tables, enable us to draw the following general conclusions, viz.:—

(1) The system in vogue in Western Canada has not been adopted from the teachings of Henry George and his followers, but has been developed to meet conditions peculiar to those rapidly growing cities where land speculation was hindering consolidation and central development.

(2) The so-called "single tax" is not the genuine single tax; not economic rent; limited according to the maxima set by the provincial legislatures, to a rate varying from 20 to  $22\frac{1}{2}$  mills; this rate does not exceed the rate on land values in Eastern Canadian cities. Hence whereas many municipalities have reached the maximum, it might be interpreted to mean that the rapid increase in land values alone has rendered it possible to meet the increasing municipal expenditure by revenue from land alone.

(3) The ratio of increase in population, in the value of land and buildings in the four cities compared, does not maintain the statement that under the so-called "Single-tax" population and the value of buildings increase at a greater ratio than do land values.

(4) There is nothing in the facts alone to condemn the system of taxation if understood to be a tax framed to meet peculiar local conditions; nor is there anything to warrant the assertion that a similar tax might be used as the sole basis of provincial or federal revenue. In other words the experiments in Western Canada give no support to the single tax doctrine in its wider sense.

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