

INTERNATIONAL NEWS

CANADA

Municipal Single Tax in Milk River

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The original site of the Village of Milk River—owned by the "Alberta Railway and Irrigation Company," was subdivided by the Company in the year 1909. Since that year three further subdivisions owned by the Company and its successors—the "Canadian Pacific Railway Company," have been added to the original site. In the year 1912 the community became a corporate body known as the "Village of Milk River."

In the years prior to 1912 public revenue was collected from the subdivision by the Provincial Government, and was raised solely by taxation of land values. However, following incorporation and the resultant need for greatly increased public revenue the usual agitation for the assessment and taxation of improvements made its appearance, and, of course, as improvements increased, the agitation for assessment of these newly-produced values became still more pronounced. I believe you will agree that the story thus far constitutes a recital of the history of taxation in practically every political unit throughout the civilized world. But at this point the Village of Milk River leaves the well-beaten path—here, in this small community, the agitation to which I have referred did not accomplish its accustomed tragic end.

That this Village refrained from falling into the error of taxing private property while allowing individuals to appropriate the publicly-caused rent of land; is due to the efforts of an ardent disciple of Henry George, who established his home at Milk River in the year 1910. I refer to Mr Fred Pease—a man well-known in Single Tax circles throughout the length and breadth of the North American Continent. Coming into a community which was at the time entering upon the process of political organization, Mr Pease saw his opportunity to strike a blow for the principles of economic freedom. Labouring ably and patiently he has gathered about him a group of supporters who are willing and, I believe, able to maintain and continue the progress which has been made.

In so far as Village Authority extends, Milk River is on a strictly Single Tax basis. Excepting only the negligible matter of a nuisance tax on dogs, every dollar which is received into the Village Treasury is derived from ground rent. Unfortunately, however, improvements are assessed and levied upon for Public School purposes. Our School District includes territory which is not situated within the territorial limits of the Village, and for this reason Village authority does not extend to the collection or method of collection of revenues necessary for the maintenance of our School system. Because of the existence of this tax collecting authority which is beyond the jurisdiction of the Village, and because also of other factors such as Dominion and Provincial Government Sales Tax, Income Tax, etc., it is difficult if not impossible for the Village to arrive at the Single Tax climax of appropriation of *all* economic rent. The policy, however, of collecting economic rent has been carried to a point where it has become unprofitable for anyone to hold land out of use in anticipation of increment in its value. The result is that practically all unimproved land has been acquired by the Village under tax recovery proceedings, and is readily available by lease, or purchase for a nominal sum, to those wishing to use it.

No difficulty has been experienced in raising revenue sufficient for the needs of the Village. The small loss in revenue occasioned by the abandonment of unimproved land by speculative holders, is more than offset by the additional use to which land has been put. In this connection labouring men have found it possible to build small homes rather than pay high rents; farmers in the surrounding districts have been attracted by cheap land and have built homes in the Village for winter residence, and business men have refused to pay high rents demanded for use of business premises, because they are able to secure

favourable sites on which to build without having to pay capitalized ground rent to a landlord. No, our difficulty is not in raising sufficient revenue—rather is our problem one of being able to expend the revenue which we find it necessary to collect in order to prevent speculative holding of land.

Due to the fact that the town of Milk River is out of debt, having met all expenses, and having a large share of revenue on hand, one of our ratepayers circulated a petition to have the taxes reduced to one-half of its present amount. A majority of the ratepayers signed this petition and it was presented to the Council at the ratepayers' annual meeting. While discussing the matter a great opportunity arose for the Georgeists to show up the old special privilege class that we find all over in every village, town and city; namely, those who really have the ability to pay taxes on the valuable sites they use.

It was explained to the petitioners, and they did then plainly see that the small ratepayers who are always in the majority and who are using less valuable lands would only save (by cutting the rate in half) from one to five dollars a year compared to the fewer ratepayers owning the more valuable sites who would save from \$25 to \$150 a year, which makes up more than one-half of all revenues received annually. Further explanation proved to them that the one-half of revenue saved (by cutting in half the full amount) would deprive many of the labourmen of an opportunity they always had, to earn not only the amount of their taxes but from \$25 to \$75 more, while working on public improvements. They did then plainly see that the class of people who own the most valuable sites are the very class of people they were going to favour by reducing the taxes.

It was easy now to show the difference between Capitalism and Landlordism, that it is the landlord and not the capitalist who has an unearned income, that must be taken by all the ratepayers and labourmen who have and always do create the land value.

A week later an election was held for a new council man. The first candidate upheld the present amount and the other resolved to cut the present amount in half. The result was three to one in favour of the former.

So there is at least now one town in which the people will not have their revenue lowered, since they see that the land value can be used to all of the people's advantage, and that by taking the land value is the only way that the whole people can have a just right to the earth, that is, the land value for all the people. Although individually we cannot all use the same valuable sites, but can collect the site values and in this way divide it up to the whole community in the way of public improvements, police and fire protection, etc. There is no other way to obtain an equal right to this earth. There is no other way that the whole people in a community can deal justly with one another. In this way land values become public property, and the land private possession for individuals who ever want to use it.

It must not be supposed that the progress of the Single Tax movement in Milk River has been all clear sailing. On the contrary, the story of the Single Tax here is the history of a relentless struggle, we have faced and still face the most bitter opposition. In so far as landowners resident in the Village are concerned, this opposition has to a great extent disappeared, but there is abundant evidence that large vested interests throughout the Province are very much opposed to what they are pleased to call our policy of confiscation of land. Successive Provincial Governments, too, have clearly indicated their lack of sympathy toward our policy. Some years ago the Canadian Pacific Railway Company, then the owners of practically all unimproved land in the Village, engaged us in litigation in connection with our policy of "confiscation," fortunately, however, we were able to successfully defend our policy. During the year 1927 the Provincial Legislature enacted legislation compelling Villages to assess improvements at two-thirds of their actual value and to levy on that assessment at the same rate as the levy on land values. This

legislation, of course, completely upset our policy of raising revenue exclusively from land values. Alone and unaided this Village fought for an amendment to the legislation, permitting Villages to decide for themselves whether or not improvements would be assessed and taxes, and after two years of unremitting effort the Village succeeded in securing the enactment of the desired amendment and promptly returned to the policy of raising all revenue from a tax on land values exclusive of improvements.

During the two-year period just referred to, land values in the Village rose rapidly and practically all unimproved land was acquired by a few speculators, who hoped to make a handsome profit from the normal growth of the Village and the resultant demand for land. But with the return to Single Tax following the enactment of Provincial Legislation again permitting the Village to exempt improvements, their hopes vanished and they were compelled to allow their holdings to revert to the Village. As before stated, the loss in revenue from those unimproved lands is insignificant when compared to the advantages which are to be derived by the whole people from the increased accessibility to land for business purposes and home building.

In conclusion, it may be pointed out that the Village is in sound financial condition, having no indebtedness whatever, and carrying over at the end of each fiscal year a surplus of approximately the amount of the current year's tax levy. Public improvements and services compare quite favourably with those of any Village of its approximate size in the Province, and, because of the general absence of speculative holding of land, the development of the Village has been orderly and compact which makes for economy and efficiency in the carrying out of public improvements.

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