

REACTIONARY TRENDS IN CANADA EFFECTUALLY COUNTERED

A well-timed publication* dealing with municipal taxation in the Western Provinces of Canada has been published under the joint auspices of the International Union for Land Value Taxation and Free Trade (Canada branch) and the Henry George Foundation of Canada. It is a book of 48 quarto pages. Mr. Herbert T. Owens, the author, has had the assistance of an editorial committee consisting of John D. Gilmour, Alex. D. Mathieson and James T. Turner, all of Canada, with A. W. Madsen in London also associating.

The book was called for to provide an answer to the recently issued Reports of official Commissions appointed in each Province. Immediate action was necessary to counteract the influence of those Reports—especially in the case of British Columbia, Alberta and Saskatchewan—which argued against the exemption of improvements from taxation, and recommended either restricting or withdrawing the powers of local authorities to levy their taxes on land values alone and correspondingly exempt improvements. The purpose of this book is adequately accomplished. In its criticism it reveals that those Reports give an incomplete picture of the economic background of Western Canada during the past fifty years; they ignore or slur over the real causes of the economic events of that period; they take a parochial instead of a world-wide view of taxation practices; they fail to render adequate or sound judgments on all subjects they were appointed to study; and they recommend changes which are definitely contrary to the best interests of the people concerned.

That criticism will not be easily traversed. It is accompanied by an exposition of the principal and policy of land value taxation that makes the whole production an instructive guide to the legislator, the local councillor and to all who are concerned with the conduct of municipal affairs—a text book, too, for the student of economic and social philosophy.

It is unfortunately true that since the time when many places in Western Canada levied their taxes purely on land values—as in British Columbia in particular—there has been retrogression in Western Canada.

Of that circumstance, and shamefully misrepresenting it, opponents have invented the cock-and-bull story of the “failure of the Single Tax in Canada.” As often as it has been repeated, it has been exposed and disproved. A feature of the present book is that it goes over all that ground once again, back to those years of violent land speculation preceding 1913, the collapse of that bubble, the part played by the municipalities at the instigation or under the influence of the land speculators and other pressure groups to prevent the collection of the land value taxes that were of legal application, and *in the interest of those groups* to get the taxes transferred upon buildings and other improvements. This analysis of the situation, appearing first in *LAND & LIBERTY* of August, 1922, was reported in the transactions of the International Conference held in Oxford, 1923; and for the sake of its valuable information, we are glad to see the full use Mr. Owens has made of it.

* *Land Value Taxation in Canadian Local Government*. Being constructive criticism on Reports on Provincial-Municipal Relations in British Columbia, Alberta, Saskatchewan, Manitoba. Price \$1 from the Henry George Foundation of Canada, Inc., 222 Wood Avenue, Westmount, Quebec; or 5 shillings from *LAND & LIBERTY* offices, 4 Great Smith Street, London, S.W. 1.

There is a concise statement on “Site Value Taxation in Other Parts of the World,” as in Denmark, New Zealand, Australia, South Africa, Rhodesia, Kenya, Tanganyika and in the cities of Pittsburgh and Scranton in Pennsylvania.

In Canada local taxes are levied on 100 per cent of the assessed capital value of land and (*excepting where whole or partial exemption of buildings obtains*) on 100 per cent. of the assessed value of buildings. In fact, it is by virtue of this exemption of buildings at so and so much percentage of their valuation, that land value taxation displaces the taxation of buildings. This method of procedure is peculiar to Canada. In other countries where land value taxation or local rating of land values is in operation, the procedure is to put a higher *rate of tax* on the land value and a lower rate on buildings, or none at all.

The present position in those Western Provinces can be shortly stated as follows:

In British Columbia, the municipalities have the right to exempt buildings to any extent they please and the law forbids the taxing of buildings at more than 75 per cent of assessed value.

In Alberta, the law requires that, in the cities, buildings be taxed at 60 per cent of assessed value; but in towns, villages and other local districts, the taxes now fall equally on land and on buildings, the former options to exempt improvements having been withdrawn. The legislature here adopted the reactionary proposals of the Commission, and it is a decision that will surely be fought for reversal.

In Saskatchewan, when the Commission entered on its work, cities, towns, villages, and rural districts exempted improvements from taxation—ranging from Regina’s exemption of 70 per cent to a general exemption of 40 per cent elsewhere; but in rural municipalities buildings and improvements were almost totally exempted. With the last named, the Commission apparently would not interfere, but for all urban districts it has recommended that legislation be enacted that all improvements be assessable at full value for taxation purposes. Some of those recommendations have been implemented by the Legislature, but it has not so far implemented the recommendation that land and improvements alike should be assessed and taxed at full value. The position is fluid. There is work to do for the upholders of Land Value Taxation and the present book should be a good aid to them in their vigilant efforts.

Finally there is Manitoba. For many years that Province has had a uniform exemption of one-third of the assessment of buildings and improvements, in the case of Winnipeg dating back to 1909. The Commission offers no change in that dispensation. Farm homes and farm buildings have long been entirely exempt from local taxation, and according to the Commission should remain so, subject to the modification that the *total* exemption of those homes and buildings should be confined to farms of 80 acres or more. But why inflict any taxation on the buildings on the smaller farms? No reason is given for this proposal which mars an otherwise excellent Report.

This enterprise has been undertaken at a really testing moment. The publishers can rightly claim as goodly measure of financial support as can, in appreciation, be forthcoming.

A. W. M.