

The Mail Bag

SINGLE TAX QUESTIONS

Editor, Guide:—Allow me to reply to Mr. Hull's questions about the Single Tax, which appeared in the last issue of your valuable paper. To save space, I will deal with the points raised in a general letter, without recapitulating the questions or attempting to answer them categorically. Mr. Hull evidently does not understand the meaning of the term "rent" as it is used by political economists. Rent is not governed now by what "the best, poorest, or medium farmer" can make the land produce, nor will it be so governed under the Single Tax. "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." This is Ricardo's statement of the law of rent, accepted by all economists of note, including Henry George. I would ask Mr. Hull to note that it refers to "the same application" not the application of the "best, poorest, or medium farmer." For example, if a man can produce on an average \$2 a day on free homestead land, he will be willing to pay \$1 a day rent for the use of land which will yield \$3 a day for the same amount of labor. This rent he now pays either annually, or in a lump sum by purchase, or by crop payments. In addition he also pays taxes upon food, clothing, lumber, implements, etc., for the support of the government, and, under a protective tariff, he also contributes a large sum to the protected manufacturers. Then again he pays exorbitant freight rates, telephone charges, etc., out of what remains, thus carrying out Kipling's injunction to pay, pay, pay. Henry George proposed to abolish all taxes save one tax on land values. In other words to take the rent of the land into the public treasury, and to use it for public purposes. Under this system railways, telegraphs, telephones, roads, bridges, hospitals, schools and colleges would be built, maintained and operated freely for the service of the people out of this common fund. This proposal may seem Utopian to some persons who pride themselves upon being practical, but "Some feelings unto men are given, With less of earth in them than heaven," and the feeling that this earth would become a Kingdom of Happiness if justice were established, which was bequeathed by Henry George to his followers, may be one of them. At any rate we can never hope for happiness until we cease to commit the injustice of taxing the industrious for the benefit of the idlers. We Single Taxers propose to establish a system under which each man would pay to society according to the benefits he receives from society, which benefits are reflected in the value of the land he occupies. We would treat land as common property, and those who wished to occupy choice locations, whether for farming, mining, business, or residential purposes, would pay accordingly for that exclusive privilege. After a man had paid for the opportunities he wished to monopolize, we would say, "Go ahead, make the best use of your opportunities and may success crown your efforts. You shall not be taxed one penny piece upon your industry." Men would pay equal taxes on land of equal value, but their right to enjoy the product of their superior industry or thrift, would be sacredly respected. Thus, if one man could produce 20 bushels of wheat to the acre, against his neighbor's 10, he would enjoy the full fruit of his extra ability.

"We envy no man what he makes. We only challenge what he takes." In the words of Henry George: "We would take for the community what belongs to the community, and leave sacred to the individual what belongs to the individual." And does not this unimproved value of land belong to the community? What gives land value, but the growth of population and the expenditure of the public money? This land value is not created by any one of us, but by all of us, and when we are wise we will take it for our common needs. No commission can fix the

rental value of land. It is fixed by the law of supply and demand. Under the single tax, assessors would be necessary, as they are now, and their assessment would be subject to the criticism of the assessed. With publicity of assessment rolls in a wide awake community there would be no danger of unjust assessments. Mr. Hull need not fear that manufacturers, merchants, miners, or laborers other than tillers of the soil, would escape taxation. Each would pay his just share according to benefits received. The Single Tax is not a proposal to tax the tillers of the soil and let others go free. Merchants and manufacturers would pay taxes upon the value of the sites they occupied. Mark the word "value" and remember that some business locations in Winnipeg are valued at \$4,000 a front foot. The occupier of this land would pay as much taxes on one foot as a farmer would pay on 200 acres valued at \$20 an acre. The Single Tax is a tax on land according to its value, not according to its area. This is a point farmers should make a note of, because although they use large areas of land, it is land of comparatively low value. Land values are highest in the large cities. Even the poor city laborer would not escape. He would pay taxes upon his 25-foot lot, or, if he were a roomer, the landlord would collect the rent and hand it over to the public treasurer. Mr. Hull's imaginary difficulty with the surplus revenue when all the land of

revenues from that source. "When," to quote Henry George again, "the common right to land is so far appreciated that all taxes are abolished save those which fall upon rent, there is no danger of much more than is necessary to induce them to collect the public revenues being left to individual landholders."

It is extremely difficult to do justice to such a large theme in a short letter. For that reason I hope many of your readers will purchase "Progress and Poverty" from your book department, and study this question at its source during the coming winter.

F. J. DIXON.

NOTE.—Any reader can secure "Progress and Poverty," postpaid, by sending 20 cents to the Book Department, Grain Growers' Guide, Winnipeg.

TORONTO CAPITALIST REPLIES

Editor, Guide:—I beg to acknowledge receipt of your letter of the 27th inst., in which you inform me that you understand that as a result of my trip through Western Canada I have felt that I made a mistake in opposing reciprocity with the United States last September. In this connection your information is incorrect.

After careful thought I am more strongly convinced than ever that reciprocity between the United States and Canada would be very injurious to the latter country, to say nothing of the correspondence between President Taft and ex-President Roosevelt, recently

in comparison with the enormous trusts of the United States, and in my opinion the tariff and trusts should both be dealt with by a commission of similar standing to our Railway Commission, in which the public have such confidence. A properly organized tariff and trust commission, with wide powers, would, I believe, be of great benefit to the country, in the regulation of both trusts and tariff. We have before us the recent action of the United States government in connection with the Panama Canal Treaty, and surely no sane people are anxious to rush in and make another agreement with a government which has earned the reputation of just observing treaties and agreements so long as they are favorable to them or their people.

Canada, at the present time, is enjoying an era of prosperity not known of in any other country in the world, and why should we, at this juncture, offer to share this prosperity with a foreign nation without receiving any recompense. It may be news to you that the Maple Leaf Milling Co. are at the present time grinding American wheat in their Port Colborne mill, bringing it from Duluth by boat and paying the duty on it. With the duty removed, what would happen?

I don't believe there is any possibility of reciprocity ever being carried in this country by the vote of the Canadian people. It seems to me that if we could just devote the amount of time and energy that is being wasted in discussing this question, to the development and building up of Canada, along other lines, much more good would result therefrom.

G. T. SOMERS.

59 Yonge Street, Toronto, Ont.

NOTE.—We were informed that Mr. Somers, after a trip through the West, had changed his mind on reciprocity and asked him if this were true. This letter is his reply. We might mention that Mr. Somers is president of the Toronto Board of Trade, president of the Sterling Bank of Canada, president Canada Grain Exchange Co. and president Crown Life Insurance Co. Most Canadian farmers would be glad to get into the clutches of an American trust and save \$25 on their binders, \$100 on gang plows and \$300 on tractors. This is the kind of trust the farmers are looking for. Hundreds of our readers would like to answer Mr. Somers and could do so easily, but we have not space to accommodate the letters. But we would like every farmer who reads this letter to send a reply direct to G. T. Somers, 59 Yonge street, Toronto. No doubt Mr. Somers in his earnest desire to help the West will be glad to arrange a line of credit with Western farmers at his bank at 6 per cent. It would be worth while asking anyway.—Editor.

THE HOME MARKET

Editor, Guide:—The Canadian farmer for example—to say nothing of Canadians engaged in mercantile and professional permits who are in the same boat with the farmer—has no protection for his products. He pays relatively as high for the labor he employs as the Canadian manufacturer, indeed the difference between the wages he pays his workpeople and those paid by his foreign rivals to their workpeople is often greater than the difference in wages paid respectively by the Canadian and European manufacturer. Yet the Canadian farmer maintains a successful competition with the labor of Europe. Why is this? And is it not an answer to the plea for protection to the manufacturers which is neither given nor asked for by the farmer? The farmer takes his products abroad and sells them at a profit in the home market of his

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NOTICE TO CORRESPONDENTS

This Department of The Guide is maintained especially for the purpose of providing a discussion ground for the readers where they may freely exchange views and derive from each other the benefits of experience and helpful suggestions. Every letter must be signed by the name of the writer, though not necessarily for publication. The views of our correspondents are not of necessity those of The Guide.



A WATER-WALKING CONTRIVANCE

This unique affair is the invention of Mr. J. B. Laliberte, Past Commodore of the Quebec Yacht Club. To the air belts seen in the illustration are attached rubber leggings and boots, and to the boots are fitted wings, which are the means of propulsion.

Canada is occupied, seems "like a story from the land of spirits." What a pleasant reversal of present day conditions, with our constant shortage of funds for necessary public works, and our ever-increasing public debts, that would be! There are 518 persons in England to the square mile, in Canada about two. Yet in England there is room for five times the present population, if the land were put to its best use. There is room in the world for twenty times its present population, so many moons will wax and wane before we need fear that all the land will be occupied. If in the course of events it should come to pass that after providing for all public needs, there still remained a real surplus in the treasury, we could render unto Caesar the things that be Caesar's by distributing the surplus equally in the form of a bonus to all the citizens. But, as you wisely remarked, Mr. Editor, there is, from a practical standpoint, a difference between "Single Tax" and "Land Value Taxation." We already tax land values to some extent, and the practical thing to do is to increase the taxation of the land values until we raise all our municipal, provincial and federal

made public through the United States press. I am of the opinion that the farmers of the West have grievances that should be remedied, particularly the equalization of freight rates, and I think our people should set out to manufacture the products of the Western farms in Western Canada. With an equalization of freight rates and a small bounty per barrel on flour exported, I can see no reason why the prairie should not be dotted with flour mills and the offal from the mills would easily be consumed in the feeding of live stock, of which there is such a shortage all over the Dominion. I am of the opinion that the coarser grains should be largely fed, and by the farmer selling his coarse grains in the shape of live stock, he would receive back more than double the price for them than he does by shipping his grain. I can further see no reason why flax mills should not be established in Western Canada, and our flax handled here instead of being shipped to the United States to be manufactured.

It has been stated that we suffer from trusts in Canada. If this is so, experience proves this would not be any remedy, as surely they are insignificant

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