

must infer that taxation is merely a guess and a scramble, incapable of being conformed to the principles of justice and equity. But is this really so?

THE TENDENCY.

The tendency of enlightened law-making is to fix taxes mainly on real estate, the land value as distinguished from the improvements, and whatever view we may take of the real or assumed defects of such a tax, it argues a tendency to simplify the theory and application of taxation and to reduce to a definite and general principle the confusion of present methods. In the first place, the tax upon ground rent or site value is a direct tax, resting upon the owner of the site, instead of shifting to the tenant in higher rents. This is made a fundamental doctrine of the science of economics by Ricardo, Mill and other economic writers of repute and might be easily tested here but for the necessity of limiting this paper.

This tax is also specially adapted to municipal wants, as the assessable value of land is constantly progressive and increasing in a direct ratio to the growth of population, and the very causes that increase and multiply the demands made on it increase proportionately its ability to meet them. All over the world men pay to a superior authority a tribute proportioned with wonderful exactness to the advantage derived from social organization.

Each man is compelled to do this by the fact that other men surround him, eager to pay tribute in his place if he will not. And thus we find in actual operation a species of taxation which does automatically collect from every citizen an amount equivalent to the full market value of the benefits which he derives from Government and the society which surrounds him, but the power to collect this tax has been delegated to individuals, and in their hands it is called "rent." It is well to remind ourselves that we already collect a tax upon land values, and in the case of Toronto upon an assessment approaching a hundred million dollars, thus relieving industry to that extent, since it would have to bear an additional burden if this tax were eliminated.

CONCLUSIONS.

Whether the further relief to be afforded by the greater concentration of taxation upon land values would be such as to justify such a measure, should follow from its examination according to the canons previously enumerated—Convenience, Economy, Certainty, Equality.

Its convenience is exemplified in the fact that it does not increase the cost of production, nor interfere with the process of distribution, since it would divert to Government uses a portion of a fund which now goes to the individuals in the form of rent, the volume of which is regulated by the law of supply and demand, and is not

susceptible to arbitrary increase, as may be seen from the fact that rent now exacts to the full extent of its ability.

Its economy consists partly in the fact that its subject is the most easily seen and valued for assessment of all classes of taxable property, requiring the withdrawal of the fewest men from the number engaged in production, and partly in the fact that, being a direct tax, there is little room for it to cost the taxpayer much in excess of what is received by Government, as we have seen is the case with the personal property and other taxes.

Its certainty is largely apparent from the fact that land stays always in one place and cannot be hidden from the observation of the assessor, nor can its value easily be sworn away by those who would resort to deception for the purpose of evasion, competition for its use being always efficient for determining its value for assessment.

Its equality and fairness is dependant upon its ability to return to the taxpayer an equivalent benefit, and this it does in so far as the tendency of every economy resulting from improvement in government, of every advantage accruing from public improvements, of every reduction in the cost of public services and of every addition to their extent and efficiency is to enhance the value of land quite independent of the individual exertion of the owner, and to increase the amount he is able to exact in the form of rent, and when the cost of public services is borne by the industrious they pay twice for them, once to the Government for their cost, and again to the owner of the land for their advantages.

The special privileges constituting the value of public franchises, which often escape their fair share of taxation, would be reached by enhancing the taxation of land values, since these privileges consist largely of the exclusive ownership or use of land, for the operation of railway, telephone, telegraph, gas or electric services.

I am conscious of having omitted to deal with several minor forms of taxation, such as the succession tax and others, and of having given this whole important subject but a superficial and inadequate treatment.

THE COST THE QUESTION.

But as I must now draw to a conclusion, permit me for a moment to recall the title of my paper and to point, this time with emphasis, to the full and complete meaning of the word "Cost" in this connection, confirmed as I am in the belief that an investigation and inquiry into the relation which taxation bears to the whole social question will reveal the real fountain whence emanates the chief cause of industrial depressions, and taking this view of the subject it assumes a position of paramount importance to all who believe in the possibility of a condition of harmony in the industrial world, when with equity for a foundation, the law of equal freedom shall be the law of social life.