

The Mail Bag

INCOME VERSUS LAND VALUES TAX

Note.—We publish below a comment on a previous article of D. W. Buchanan and a reply in this same issue. All who stand for Land Values Taxation should read this.

Editor, Guide.—I read with appreciation the article on "Back to the Land," by D. W. Buchanan, in The Guide of February 9, and would draw further attention to it by a few questions suggested by reading it. What is meant by "Stop confiscating private earnings"? Is that just a form of objecting to income tax such as is found in England? Personally I would prefer income tax to taxation on land values, for while taxing land to make speculation unprofitable, what more likely than to make hardship on the farmer? In re statement, "There is a fund which is provided by the community as a whole, this fund is the annual value of the land economically known as rent."

By taking this publicly created fund, etc.—is this true of Western Canada? Was not the value created by the pioneers, out of their blood, muscle and former savings? Is it possible to work on a system of rents, as suggested, in a country where land is worth practically nothing except by improvement through personal effort, so widely scattered that there is no community life? Can we reasonably expect that improvement to be effected without the satisfaction of absolute ownership?

Mr. Buchanan states: "Taxation may create monopolies and may violate liberties." Is it not a fact that some of our worst troubles arise from using taxation as an instrument for other purposes than providing revenue? Is it safe to agree to use taxation for aught but revenue? The income tax of Britain, based on a scale of the ability to pay and limited to the needs for revenue, works well. The old argument which ascribes all wealth to the land, to the disparagement of individuals, is losing its force with years and development of agricultural science. It is measurably true that the farmer is lost without his land, but greater than the land is the individual personality which under Providence causes production to increase a thousandfold more than is possible in the wild state. I agree with Mr. Buchanan generally and fully in the argument that high land values is a curse to the country. I have no wish to carry on a discussion, but would with these suggestions direct attention to Mr. Buchanan's article in the hope that we may find truth.

Birch Hills, Sask.

W. A. CODLING.

Answer by Mr. Buchanan: The expression "Stop confiscating private earnings," had not special reference to income taxes. An income may be earned, and again it may not. Income derived from rent is not earned, therefore a tax on income derived from rent is not confiscation of private earnings. The British income tax is to a large extent a tax upon unearned incomes, because vast incomes in Britain are derived from rent—that is from land values which have not been created by the recipients thereof. These land values are purely commercial values and should be taken into the public treasury, in lieu of taxes, thus relieving the people who create these values of all taxation. The people who use land must pay for it in the form of rent. If this rent is not taken for public purposes it will be taken by the landlords, who are simply private tax collectors. Therefore, by taking these commercial values—which the people now pay to private tax collectors—for public revenue purposes, taxation of all kinds would be completely abolished. Those who pay rent get value for it in the land which they use. By using that rent fund for public purposes we would return it to the people again by providing roads, pavements and other public improvements for their use. Thus the people would get double value for this rent fund—first the use of the land and, secondly, the use of the public improvements provided by the expenditure of publicly created values.

Every tax which is not upon land values is a "confiscation of private earnings," inasmuch as everything

AN OPEN FORUM

This page is maintained to allow free discussion of all questions that interest farmers. Up to the limit of space letters will be published giving both sides of all such questions. It is not possible to publish all letters received, but an effort will be made to select those most fairly representing different views. Most letters will be given preference. All letters must be accompanied by name and address of writer, the first necessary for publication. Signed letters will be returned if accompanied by postage.

else that has value except land is created by labor. Land value is the only public value that can be taxed or taken for revenue purposes. The first effect of taxing anything else than land values is to curtail the use of land, thereby producing unemployment; for all employment arises from the use of land. The second effect is to increase the



Arrival of the Russian troops of Siberia in the Pacific and then traversed to transport 10,000 miles to France. They came unarmed. They are all picked men, some with as many as four decorations. They look like Russian "bears," all right.

cost of living and reduce wages. The land values of Western Canada, like land values everywhere, are due to the presence and industry of the people. The only way we can protect these "pioneers" who have largely created these values by the expenditure of "their blood and muscle" is to stop confiscating their earnings by taxing them upon their food, clothing, machinery, homes, etc. They have produced every dollar of the value of the 100,000,000 million acres of land held by speculators in the three prairie provinces. Why not take this value for public purposes, and stop this shameful confiscation by unjust and extremely burdensome taxes?

The annual statement of the North West Land Co., published March 14, shows that the shareholders in that corporation are receiving annually in dividends five dollars for every dollar of investment. Who pays that enormous profit of 500 per

cent? It is not earned by those shareholders—not a copper of it. It is earned by the "pioneers" of Western Canada by the expenditure of "their blood and muscle." Here is the great confiscation. Taxation upon anything but land value is confiscation of private earnings for public purposes. But by far the more objectionable form of confiscation is the taking of publicly created land values for private purposes, such as we see in the dividends of the North West Land Co. We stop both these forms of confiscation by the simple and eminently practical process of applying the Single Tax. The fact that these remarkable dividends are paid by land companies proves that it is "possible" and practical to work out this system of obtaining public revenues in Canada. No argument necessary.

People use land for profit usually. The speculator holds it idle for profit. By shaking out the speculator, on the one hand, thereby making it easier to obtain land, and increasing the profits from the use of land by removing taxation from the products of land and the products required in the use of land, we would greatly encourage the use of land for farming, mining, manufacturing and all other purposes. Under such conditions there need be no fear that there would be any tendency to stop making permanent improvements upon land. In many cities some of the finest structures have been erected on leased land.

The income tax in Britain, I readily admit, is a vast improvement upon indirect taxation as in Canada. Nevertheless, the income tax does not prevent the confiscation of publicly created land values for private purposes. It does not stop the confiscation of private earnings for public purposes. It produces unemployment and poverty by encouraging the holding of land idle. It leads to the concentration of wealth in the hands of a few and brings poverty to millions. It operates to check the production of wealth, increases the cost of living, reduces wages and brings misery and distress to vast numbers of persons, while others roll in luxury wrung from the earnings of the toilers.

Mr. Codling's reference to "ascribing all wealth to the land" is ambiguous. All wealth is produced by labor, from or thru the use of land. There is no controversy on this point among political economists. There are only two primary factors in production—land and labor. Capital, that is stored labor, is an auxiliary.

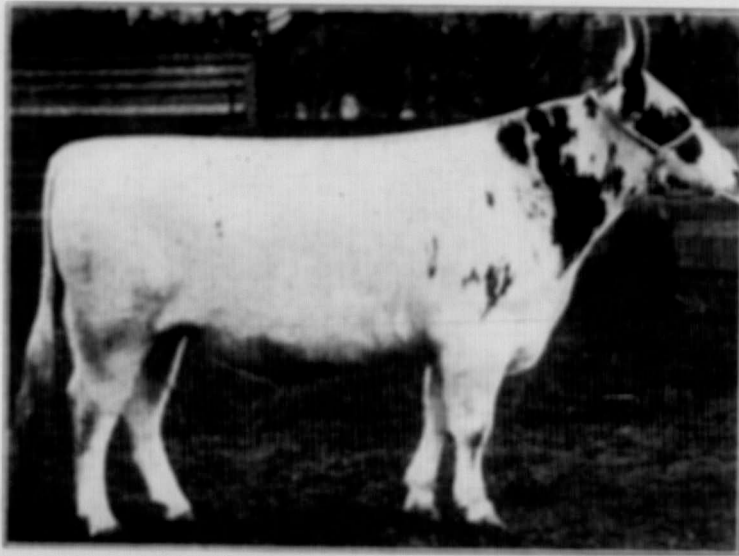
D. W. BUCHANAN.

GOPHER KILLING CONTEST

Editor, Guide:—As the busy rush of seeding is practically over, most young people—and also some of the elders—are wondering what they are going to have as a recreation or amusement for the summer months. Now, just let me describe to The Guide readers a method of bringing social enjoyment to every girl and boy, man and woman in the country. If they will go into it with energy and enthusiasm they will help tremendously to decrease the 4,000,000 bushels of grain destroyed by gophers in 1915 in Saskatchewan alone.

If some young man—a live wire—in a community will just get all the people he can to come and meet at some central place—the public school should be made the centre of attraction in every district—and then ask them how they would like to join in a gopher killing contest, you will find that when they know the rules nearly every person in the district will be interested immediately. Have a secretary, a president, two persons for captains to choose up sides, and a committee to count the gopher tails. The secretary shall record all names of persons after their respective captains. The object of the contest is for each chosen side to catch and retain the tails of as many gophers in the specified time as possible. Here are the rules usually adopted in this contest:

1. Any contestant may receive tails from any direct member of his or her family if they desire to help without joining the contest but not from any outsider.



"Champion," champion Ayrshire bull at Ayr show, Scotland, 1915. Owned by Andrew Logan.

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