

might be totally exempted on petition of two-thirds of the ratepayers. A considerable number of villages already rate land values only.

In November, 1912, the legislature passed the second reading of a Bill making the adoption of the land-value basis of assessment compulsory in all rural municipalities after January, 1914.

Within a very few years there will not be a local authority in three Western Provinces of Canada which draws its revenue from anything but land values. The agitation is growing for an extension of the system to Provincial and Dominion finance. In this the farmers' organisations of Western Canada are taking a prominent part; they stand unanimously for the abolition of the tariff and all taxes on improvements and the raising of all revenue from taxation on land values.

The success of the system in the West is making the struggle for it in the East keener and keener. In rural districts of Manitoba improvements are not taxed, and the capital, Winnipeg, is steadily diminishing its tax on improvements and increasing the tax on land values.

### COMMUNAL RIGHTS IN RELATION TO LAND

By James Dundas White, LL.D., M.P.

Taxation of land-values is the practical expression of the rights of the community to the earth and the air and the other natural elements.

#### THESE RIGHTS FUNDAMENTAL

These rights are fundamental. If deprived of them totally, the people would perish. When deprived of them partially, the people are impoverished. The unequal distribution of wealth is mainly due to the unequal distribution of the natural elements from which wealth is derived. The first step towards anything like "equality of opportunity" is to secure the rights of the people to the natural elements.

#### "UNALIENATED AND INALIENABLE"

That is their birthright. Private appropriation cannot bar them from it. Neither can long possession, for continuance cannot validate a wrong. Neither can transfer or sale, for the seller cannot sell more than he has, and transfer cannot create a right which did not exist before. Neither can the making of improvements. That may well give a right to the improvements and to the benefit of them, but it cannot give a right to the land itself—to the surface and all that is naturally there, to all that lies below the surface to the centre of the earth, to the space above the surface, with its share of light and wind and rain. To all these natural elements the rights of the community remain, unalienated and inalienable.

#### THE SIMPLE SOLUTION

The simple solution of the problem is to require those who hold the land to contribute to the needs of the community according to the market value of the land which they hold, whether they use it or not. Or, in other words, to tax land-values.

#### "COMMUNAL VALUE"

To such a tax we may apply what was said by Mr. Asquith when speaking of the Budget proposals at the Holborn Restaurant on 24th June, 1909:—

"What are these land taxes? Let me, in the first place, say that though by a convenient and popular use of language they are called land taxes, that is not really an accurate description. They are not taxes upon land in the sense in which, for instance, a tax upon tea or a tax upon spirits is a tax upon that commodity. These land taxes proposed by my right honourable friend are

a toll levied by the community only on the added values which accrue to land or rather to the owner of land, not through his own effort, enterprise, or expenditure, but through social causes for which the community and the community alone is responsible. They are not, therefore, taxes upon land. They are taxes upon the *communal value* which has been added to land by the existence and exertions of the State."

Land-value, indeed, is the *communal value* which attaches to the natural elements owing to the presence and competitive demand of the community, that demand being of course greatest for those lands which can be made to yield the best return. On principle, this *communal value* of the natural elements is the true source of public revenue.

#### PRACTICAL ADVANTAGES

In practice, a system founded on that would be of far-reaching benefit. To require those who hold the land to contribute to the needs of the community according to its market value, whether they use it or not, would make many who hold the land without using it adequately either to use it themselves or to transfer it to others who would use it. It would open up the land to the people, increase the available supply of land, and reduce land-prices and land-rents to their natural level.

#### THE DOUBLE REFORM

The taxation of land-values should be followed by the untaxing of improvements. The present system, which is based on taxing *the value of the use made of the property* as a whole, gives facilities for withholding land from use, and penalizes buildings and improvements of every kind. The taxation of land-values would bring the land into use, and the untaxing of improvements would give free course to its development.

#### WAR AND ECONOMICS

These considerations are of special importance at this time. In meeting the cost of the great war, it is important to tax the right subject, particularly when the taxation of that subject will not burden our industries but will rather lead to their extension. In making ready to meet the industrial strain which will come afterwards, it is important to open up the natural resources of the country and to promote their greatest possible use.

#### THE FIRST STEP

The first step must be to get the taxation of land-values into operation as a working system. When that is done, its operations can be extended, and the burdens which now press upon improvements can gradually be transferred to land-values. But before those further operations are attempted, the taxation of land-values must be prepared for, set up, and started.

#### DIFFICULTIES TO BE OVERCOME

Even in this, the difficulties are considerable. It is necessary to frame a new scheme of taxation, with new and appropriate machinery, which shall be simple, certain and cheap in its operation, sufficiently elaborate to deal with the complexities of our present land system, and sufficiently effective to bring about the gradual reform of that.

#### A STARVATION DISEASE.

The recent rapid increase in deaths from pellagra in the United States, according to THE SURVEY of January 16th, is believed by the Federal Public Health Service to be due to the rise in the cost of the richer protein foods, such as milk, eggs, and meat. Poor people have been substituting for these the cheaper corn and beans, which lack some of the protein elements absolutely necessary to life.—THE PUBLIC (Chicago), January 29th.