

were desirable. The assurance must be to the effect that their taxes under the proposed system will not be burdensome in comparison with their taxes under the present system.

But if advocates of the taxation of the rental value of land are willing to include such assurance as a prominent part of their program, success may be near. The advocate of land value taxation need not then do all the explaining. His opponents will have the test of trying to explain, to persons who are not political economists but who are often persons of common sense, that a reduction in their taxes will hurt them.

How far will these opponents get in persuading farmers and home owners that they should pay high taxes and the land speculators low taxes in order that the land speculators may keep up the price of land by holding land out of use? Need the advocate of land value taxation

do more than put the case in this way? If the United States Steel Corporation, the Standard Oil Company, the coal mine owners, and other big landed interests succeed for a while in blocking the way, it may be necessary to offer larger or longer-continued concessions to the small home owner and farmer. When, however, it becomes evident to these large interests that they are bound to lose and that delay may only make their loss the greater, their opposition is likely to weaken. At any rate, if some such program is adopted as has been above suggested, the politicians who choose to oppose the reform cannot successfully pretend to be so doing in the interests of workingmen, home owners, and small farmers, but must, tacitly, if not frankly, admit that they are the spokesmen of the large landowners, including the steel trust and other powerful corporations.

New Zealand Home-Building

By Arthur Withy

Member of the Editorial Staff of the New Zealand Times

THE operation of taxing unimproved land values can be best understood, perhaps, by means of a few examples of how it pans out in actual practice. From the large number of such examples on record, I will select a few of the more striking.

When in February 1, 1911, we carried the question of taxing unimproved values in Gisborne Borough, we found on one side of Stanley-road, between Childers-road and the railway line, a narrow strip of land containing thirteen houses, mostly new and highly improved comfortable workmen's homes, on sections of one-quarter acre and less, the aggregate area being three acres. Under the former system of taxation on both improvements and land the tax was \$17 and upwards per house and section, the total being \$250 per annum, or \$20 per quarter acre. On a similar strip of unused land immediately opposite—part of a block of twenty-seven acres, paying \$80 a year in taxes, the amount averaged only 26 cents per quarter acre. In other words, under the old system of taxation a working man using a quarter acre on one side of the road paid eighty times as much in taxes as the speculator hold-

ing a quarter acre idle on the opposite side of the road, putting a tax on industry and a premium on laziness; for the thirteen industrious owners in Stanley-road paid \$250 in taxes on three acres, while one owner of idle land opposite paid only \$80 in taxes on twenty-seven acres. Odds of 80 to 1 in favor of land gambling.

Under the taxation of unimproved values, however, it was shown the thirteen industrious and enterprising citizens would pay—their homes and other improvements being freed from taxes—\$65 among them on their three acres, instead of \$250; or \$5 a year apiece, instead of nearly \$20. While instead of \$30 per annum, less than one-fourth of the taxes on the three acres, the owner of the twenty-seven acres lying idle opposite, would pay \$575 a year, or nine times as much as the three acres.

And why not? The expenditure of taxes and loan money on sewage, water, roads, lighting, etc., in Stanley-road increases the value of the speculator's land just as much per quarter acre section as it increases the value of the small men's land on the opposite side of the road. As Councillor Daton, a member of the Gisborne

Borough Council, pointed out in the course of the fight, the man with a \$3,000 house and section (house, \$2,500 and land \$500) paid under the old system at least six times as much in taxes as the man who held a \$500 section idle. At least six times as much under the old system, because the tendency always is to under value idle land. Councillor Daton also quoted the case of Mr. Arthur Wade, formerly of Gisborne, but now living in Hastings, where the tax on unimproved values was already in force, and the municipal services were much better than in Gisborne, and showed that on a six-roomed house and section in Hastings (house, \$3,000; land, \$3,750) similar to the house and section he formerly occupied in Gisborne, Mr. Wade paid \$4.50 a year only in taxes (the house being exempt), as against \$25 to \$30, in Gisborne, where both house and land were taxed. At Marton Borough, carried for the taxation of unimproved values in October, 1912—it was shown that under the old taxing system a \$1,500 house on a \$250 section paid \$11.37 a year in taxes; whereas under the new system it would pay only \$3.85. While a vacant section valued at \$250 paid under the old system \$1.62, it would pay under the taxation of unimproved values \$3.85, the same as the \$250 section that was built upon. In Otahuhu, which adopted the tax on unimproved values in February, 1914, I found, in one case, that of a worker's home and section in Station road, the taxes on the old system were equal to the total taxes paid by a speculator who held six idle sections on one side of the worker's home and five idle sections on the other—eleven idle sections in all. Under the taxation of unimproved values, of course, the speculator would have to pay as much on each of his eleven sections for the privilege of keeping it idle as the worker paid on his home section. It is such cases as these, to be found under the old system wherever one chooses to look for them, that bring home to the workers the justice and the benefits of the new system of taxing. They readily realize that to tax homes tends to make homes scarcer and dearer; whereas to tax idle sections tends to force the speculator to build, and this helps to solve the housing problem. The heavier the tax, the sooner the speculator will build or give way to those who will.

The Ottawa Skirmish

THE first skirmish of the oncoming fight to establish the safe and sane principle of taxation in Ontario has just taken place in Ottawa, and all concerned are trying to appraise the result.

After long years of waiting, the hearts of singletaxers were made hopeful by the action last year of the Ontario Government in granting Ottawa permission to free improvements from taxation, subject to a referendum of the property owners in the city; Ottawa being the only place in the Province to be given the opportunity. The city council at once arranged to present the question to the voters on January 5, in the form of a tax reform by-law, under which, if passed, present taxes on improvements, incomes and business would be entirely transferred in the course of four years time to land values. It was considered by many that Ottawa furnished perhaps the most favorable chance in Ontario for such a change from the present method of taxation, to the sanity and justice of payment for services rendered.

In the early days of the campaign it looked as though the proposed reform might recommend itself to the better sense even of the land-owning element, when suddenly a local newspaper campaign was launched against it. To be sure they had only the old standpat arguments, "it hasn't been tried before in Ontario," and "we don't know how it will end;" but the big idea—only too successful—was to create an atmosphere of doubt. Then a few of the land speculators called a hurried meeting and raised a large fund to combat "this mad scheme." Needless to say their propaganda was both humorous and illogical. One day the tax reformers were "members of the Millionaires' Club," and the next day saw them branded as having practically no property or other interests in the city.

The "Citizen," the chief daily newspaper, as usual was in the forefront of the engagement throughout—a veritable tower of strength to the cause. Much might be recounted here of the yeoman service of the "Citizen," suffice it to say that the Messrs. Southam again added to the debt of gratitude which all forward-looking men and women in Ottawa owe to them for