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One of the tragedies of our times is that, not knowing that George covers the range of economic science in a fundamental way, people discount him on the basis of some partial or second-hand knowledge. Beginning with observable premises, George's argument develops so soundly that his "Progress and Poverty" has been used in Johns Hopkins University in a course in Logic. -- The Interpreter (Brookville, Ohio), Feb. 15, 1946.

The Henry George School is doing a magnificent piece of educational work. When it spreads widely enough and soon enough it will save our American democracy. -- Msgr. Ligutti, Secretary of the National Catholic Rural Life Conference.

The new Liberalism must be based on the principles of the Prophet of San Francisco as his genius expounded them in "Progress and Poverty", and in "Protection or Free Trade". The necessary foundation of social reform is to be found in the teaching of Henry George. -- Osvalda Fernandez Vidal, Buenos Aires. Quoted in "The Standard", March, 1945.

THE SQUARE DEAL

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TORONTO GEORGISTS MEET ASHLEY MITCHELL

A dozen local Georgists, including Senator Roebuck, were hastily brought together by telephone to meet Mr. Ashley Mitchell at an informal dinner at Pierson Hotel, Centre Island, on August second.

A round-table discussion followed, in which most of those present took part. Mr. Mitchell spoke of the recent prosecutions of those accused of divulging atomic bomb secrets as a case of mis-directed energy. He said the scientists should rather have been prosecuted for maladministration, wasting upon the discovery of means of destruction the resources they should have devoted to constructive ends. They should have continued the work of Henry George and showed the people how they might live and be prosperous without killing each other.

He expressed little confidence in the present Labor Government in Britain. He said they are merely carrying out the same kind of social reform measures the Tory Government did when they were in power. Without land taxation, towards which they have not even made a beginning, they cannot carry out the promises made before election without smashing the whole economy of the nation.

He spoke of Henry George as one of the world's great discoverers, the man who correlated the law of wages and the law of rent and so made a science of economics possible.

DOUGLAS GOVERNOR OF MALTA.

Mr. F. C. R. Douglas, for many years Member of Parliament for the North Battersea District and for a considerable time Chairman of the Finance Committee of the London County Council, has been appointed Governor of Malta. Mr. Douglas is the author of "Land Value Rating" and a considerable number of other writings dealing with Georgist principles. He has long been active in the League for Free Trade and Land Value Taxation, since 1933 as Assistant Editor of "Land and Liberty". While his departure from London means a considerable loss to the movement there, there are possibilities, not to be estimated at present, in his presence in a position of great prestige in Malta.

NEW PRIMER OF ECONOMICS

AN INTRODUCTION TO THE NEW POLITICAL ECONOMY is the title of a 24-page booklet by C. LeBaron Goeller, published by the author at Endwell, N. Y. (25¢). The booklet does not go much beyond definitions, which however are made extremely clear by illustrations and diagrams. These definitions include Monopoly Rent and Speculative Rent. The implications of these definitions are carried out far enough to give a student a clearer insight into economic principles than he could gain from most text-books on a much more pretentious scale.

KILLS THE MARKET

C. R. Walker

Is it not time the business interests of the nation, having the most to lose by unsettled and depressed industrial conditions and the most to gain by permanent peace in the industrial field, investigated the cause of unrest and turmoil with which the nation has been so sorely afflicted the past few months?

In view of the fact that business men manifest keen interest in matters that tend to increase their earnings, it seems more than passing strange that they fail to take like interest in those things that decrease their earnings.

When the business man's car does not function properly, he loses no time in calling on an expert mechanic to put it in running order. Does he display the same good judgment when his business gives indications of an unhealthy condition? He does not. Does he endeavor to ascertain the underlying causes of the industrial disturbances that threaten his ruin? He does not. Does he seek to learn why it is that, as is so frequently the case, the more in money, time and effort he puts into his business, the less he takes out in earnings? If he does, his endeavors along that line are scarcely perceptible.

The chief concern of business men is returns on their capital and labor investments. As a rule they are not greatly disturbed over taxes, figuring that since they pass them on to the ultimate consumer, there is no occasion to worry. Never were business men more mistaken. The thing they overlook is that the taxes they pass on kill the market for their products. The dollar consumers are obliged to spend for taxes is a dollar they cannot spend for the products of commerce and industry. The more government taxes, the higher are prices and the less consumers are able to purchase. Then business men wonder why sales lag, huge surpluses accumulate, the market crashes and industrial stagnation envelopes the land.

The reason we have taxes that kill the market for the products of commerce and industry is that government fails to live on its own earnings, therefore lives on the earnings of labor and capital. That part (by far the greater part) of its earnings government does not receive falls into the hands of holders of title to natural resources, making possible the monopolization of the source of all employment. Denied access to natural resources, except on terms that yield producers little more than a mere existence, limits the earnings of labor and capital, which in turn accounts for depressed markets for their products.

Were government to live exclusively on its earnings, taxes in any form would be unnecessary, thus labor and capital would receive

full returns as a result of their efforts. This one simple change -- abolition of all taxes and substitution therefor of government earnings -- is all that is needed to establish unlimited, permanent domestic and foreign markets for the products of commerce and industry. Such a plan of financing government is the solution of the numerous perplexing problems confronting the business interests of the nation. -- Fairhope Courier, June 27, 1946.

PLANNED DESTRUCTION OF LATHES

A recent example of the abuses of "planning" is afforded by the destruction of lathes and other machinery previously in use for munition making at Maribyrnong. These machines were still usable, but instead of being made available to private industry were being destroyed and sold as scrap.

Great secrecy was preserved, but despite precautions the press were able to get the story. Of course, in a completely "controlled" country the press would not be allowed to print it.

The official explanation given is that these lathes are of an old type, that better and more expensive ones are available now, and that production from the old ones would be uneconomic. This defence has come from the Chairman of the Machine Tool Merchants' Section of the Chamber of Commerce (Mr. H. Lowen), who said that the release of the machines would be "harmful to the national economy."

This is evidently a case of "planning", but apparently in the interests of the vendors of the more expensive machines and in restraint of competition. Other private firms have pointed out that small firms cannot afford these more expensive machines, and must have the alternative of using them or going without.

They also point out that the small engineer, with old machinery, turned out an enormous quantity of first-class munitions during the war, and that similar quality goods could be produced by them for peace.

This policy of destruction is aimed at the "small man", and must tend to prevent competition with the larger firms. It is strange to see such actions being carried on and defended under a Labor Party Minister in view of that party's professed aim to support the small man rather than the larger capitalized concern.

We point out that if these machines were on the market the alternative of buying them would tend to make the new and better machines less expensive.

This case is an example of planned scarcity. Some forms of planning -- e. g., Town Planning -- are necessary and desirable, but far too much of the planning is harmful and anti-social. Many people are serving prison sentences for less anti-social offences. The world needs abundance, not planned scarcity. -- Progress (Melbourne) April, 1946.

NEW WESTMINSTER -- SINGLE TAX CITY?

Ernest J. Farmer

In an editorial note on page 5 of THE SQUARE DEAL for March-April it was stated that "it is an exaggeration to say that New Westminster (B.C.) is a Single Tax city."

In reference to this note Mr. J. Rupert Mason writes: "The system of taxation in effect in that City, in so far as it is applied to the taxation of real property, invokes the single-tax principle by taxing or rating the value of the privately held land, and exempting buildings and improvements from the rates.

True, the city may have other revenue, collected as profits from city owned utilities, and business license or other excise taxes (all of which serve to lessen the tax on land values, and create unearned increment for the private holders of land titles) but that does not alter the fact that the principle of taxation advocated by Henry George is being practiced in that city, and all that is necessary to put it more fully into effect is to abolish the profits from City owned utilities or other services and also the present excise or other license taxes now levied, and increase the tax or rate each year, on the value of the taxable land in the City. Whether or not the Georgist system is 100% in effect or only 50% or any other per cent, as far as the total revenues collected by a community are concerned is unimportant, as far as the principle is concerned. . . We can show that the principle is now embodied in the laws that exist, and that it can be more fully applied without any radical change. It is my view, that this is a better way to win friends, than to deny that the system in New Westminster is the Single Tax System. The hardest job in any community is to get the voters to understand the advantages to them of the principles in effect in New Westminster with respect to the taxation of real property. Defend that principle and urge its extension wherever it is now embodied in the laws."

On the other hand, Mr. E. S. Woodward, with whom I spent an evening to good purpose in Vancouver on June 8th, refuses to admit that New Westminster is a Single Tax city, and considers that it is harmful to admit such a view. What is the soundest viewpoint in this matter?

Our job as Georgists is mainly a teaching job. Any application of Georgist principles is obviously in the interests of 95 per cent of the people, and less obviously in the interests of the other 5 per cent. If we can teach enough of the people to understand Georgist principles, and know how they work in practice, their own self-interest will soon compel necessary legislation. To this end, the more precise our comprehension, the better; but in

talking to economic illiterates and neophytes we only confuse them if we try to be too precise. The earth's orbit around the sun is not a circle; it is more nearly an ellipse, but is not an ellipse; but in teaching elementary astronomy one might let the students think of it first as a circle, then as an ellipse, afterwards introducing the complex corrections astronomers must use to calculate an eclipse.

An ideal Single Tax community would be one in which 100% of the economic rent was taken for public revenue, and in which this rent provided 100% of the revenue. (Income from other special privileges, such as the use of a radio wave-length, should be classed with rent.) At present the demand for public revenue, swollen by war expenses, is several times the economic rent. The extent to which the administration of a community complies with Georgist principles can therefore at present be estimated by the proportion of the economic rent taken for public revenue.

Judged by this standard, the Fairhope Single Tax Colony and the Australian Capital Territory are (apart from any deficiencies in assessment and collection) 100% Georgist, even though the inhabitants are subject to burdensome State and Federal imposts. In New Westminster, however, the revenue raised from land is only about \$25 per capita. There is no satisfactory information available as to the actual economic rent of that city, but in a city of over 20,000, so well situated, it can hardly be much if any less than \$75 per capita. By this standard the city is only about one-third Georgist. By the same standard Toronto, with higher land values and with a municipal revenue from land approximating \$17 per capita is about one-sixth Georgist. Milk River, Alta., with a tax rate of 200 mills on land appears to be about 80% Georgist, but there is room for doubt as to the assessments. Values in small villages are much less per capita than in cities; but the Milk River revenue is so small, less than \$10 per capita, that it looks as if it must be less than 80% of the economic rent. The smaller village of Sangudo raises about \$15 per capita by a 150-mill rate, which, like that of Milk River, is on land alone.

The control of a municipal council, however, extends only to municipal revenues. Thus it is legitimate to call "Georgist" or "Single Tax" a municipality which raises all its own revenue from land values. This Sangudo does, and, with one small exception, Milk River also. (So do many California irrigation districts, so far as revenues under their control are concerned.) New Westminster, however, raises only about one-half its revenues from land values, and from this viewpoint can be considered but half Georgist. Taking the municipalities of Saskatchewan as a group, they raise nearly 88% of their revenue from land values, and so might well be considered nearer the Single Tax ideal than New Westminster.

These comparisons do not tell the whole story. While New Westminster extracts about \$12.50 per capita from its citizens by charging monopoly prices for public services, the people of many cities

pay these monopoly prices to private companies, and pay taxes on their buildings and personal property besides. In my recent visit to the Pacific coast, I had only a few hours in New Westminster, with very little time to look around. I could easily see, however, that it is a decidedly finer city than any of comparable size in Ontario with which I am acquainted; a comparison of its downtown area with that of Toronto was distinctly humiliating. It is, as said in the cited editorial note, a remarkable city.

It is true, as Mr. Mason says, that New Westminster is a single tax city so far as the taxation of "real estate" is concerned. So, in case of need, we may well let the neophyte speak and think of it as a Single Tax city, being ready with the needed correction to that conception when he is ready to learn why that city, with all its desirable features, is not all it might be.

HAMILTON NEWS.

John Wilson, Walter Connor, Ken Blair and Mr. and Mrs. Arnold Hobbs have been doing some valuable work among strikers by personal contact. There is a brisk call for literature.

Mainly as a result of letters and articles contributed by Mr. Robert Wynne, the Welsh-language national paper "The Banner of Wales" is now coming out strongly for the taxation of land values. The editor, Gwilym R. Jones, a man of high integrity and reputation, is among those who have written advocating the reform. The sub-editor, who under the name of "Miguedd" has considerable reputation as a poet, has christened Mr. Wynne "The Persistent One from Ontario." In Welsh this name is: "Yr un taer o Ontario". The underlined consonants, repeating the group r-n-t-r, the middle "r" forming part of each group, make an alliterative pattern which is extremely pleasing to the Welsh ear and is considered the finest in use in Welsh poetry, in which alliteration plays an extremely important part.

In a recent number of the Banner two correspondents referred to "The Persistent One from Ontario". Evidently the alliterative name is sticking in people's memories. Undoubtedly it will do much to draw attention to Mr. Wynne's articles.

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Compare mass-producing a house with that of a perfect and complicated machine like an automobile, and the former seems like child's play. Yet we produce 5,000,000 autos a year at prices within the reach of a working man; but we halt at manufacturing a house, more vital to his needs. -- Chas. H. Ingersoll, in "democracy", Mar. '46.

No conceivable change in economic conditions after the war will put enough into the pockets of the lowest income group to enable them to afford good housing. -- Nathan Strauss, in "Seven Myths of Housing."

OTTAWA NOTES

H. T. Owens

The federal Budget recently brought down will cause no enthusiasm in Georgist circles. It brings no relief in the current year, its benefits beginning in 1947. A beginning might have been made in taking off the taxes on railway tickets, sleepers and parlor car seats, on long distance telephone calls and telegrams, on electricity bills, on gasoline, watches, handbags, fountain pens, etc., but the Finance Minister did not offer any relief along these lines. The raising of the exemptions on income tax from \$750 to \$1,000 in the case of single persons and from \$1200 to \$1500 in the case of those married is estimated to remove 500,000 to 600,000 from the roll of income-taxpayers, but it still leaves a minority of income-receiving people to carry whatever the load of income taxation may be. On the principle of "ability to pay" the budgeteers consider that this system is equitable, but the fact that half a million wage-earners drop from the income-paying category is hardly an advertisement for the existing set-up in Canada. Until the federal authority avails itself of its right to levy taxation on the publicly created land values there will be only makeshift taxation in Canada.

Contrariwise, according to LAND AND LIBERTY, taxation of land values for national purposes came up in the Budget debate in the British House of Commons recently. The Chancellor of the Exchequer (Mr. Hugh Dalton) on May 16th said that, whatever the merits of that system might be, the government did not have the staff to put it into effect at present. (LAND AND LIBERTY'S comment is that the government manages to find staff for less wise things that it is doing). As to the taxation of site values by municipalities on a local option basis, the Chancellor gave it his personal blessing, and invited representations on the subject, pro or con, the inference being that British boroughs might be permitted to do what many have been petitioning for years to be allowed to do, viz., raise their local revenues from a tax on land values. This statement of the Chancellor is very heartening and will provide incentive for greater efforts on the part of our confreres in the British movement.

Porcelain Steels Limited, inviting subscriptions to its capital stock, announces that it will manufacture and distribute low-cost porcelain enameled steel bathtubs, etc., and on the question of a market for its products states: "Canada still has more than a million families without a bathroom." Considering that we pay about a billion dollars a year in economic rent to owners of land who render no service whatever in return, it is no wonder that a million families lack bathrooms. But what a reflection that is on a nation that holds fourth place in international trade on this planet!

FROM THE PROCEEDINGS
OF THE SENATE'S COMMITTEE ON IMMIGRATION AND LABOUR

MR. FRANK W. COLLINS (Industrial Manager, C. P. Ry.) The excess profits tax is one that will have to be considered. It may be of interest to refer to one of the unusual effects of this tax, namely, its effect on land-owning companies. For instance, near one of our larger Canadian cities there is a magnificent industrial site that is at present being held off the market. Why? The directors of the company have reviewed the situation and decided they will not sell their land at the present time because to do so would result in the turning over of a large portion of the income from the property to the Dominion Government.

HON. MR. ROEBUCK: Does that not raise a question as to the principle of land taxation? Here we have a system which amounts to levying taxes upon land when it is used. If taxes were levied irrespective of whether the land was used or not, we would get a different result, would we not?

MR. COLLINS: Well Senator, that is one way of viewing the situation.

HON. MR. CRERAR: You have long been a Henry George man, Senator.

HON. MR. ROEBUCK: Yes, and I still am. The Henry George taxation system would cause our resources to be put to use.

MR. COLLINS: In this particular instance the property is being held until such time as the excess profits taxes are removed. In the meantime a large industrial area which could be developed to the benefit of the municipality, of the people who now live there as well as those who would come to live there, remains undeveloped. In Great Britain the excess profits tax was removed at the end of last year. In my opinion it would have been helpful to remove the tax here at the same date. Personally I was hopeful that that would be done, so that various properties which are now being kept off the market would be made available for industrial purposes. As regards your question, senator, of internal taxation, that is something of which our municipalities are aware. They know their internal taxes are competitive with those of other municipalities, and that is a factor which industrialists not only carefully scrutinize but which may be a reason for an industrial location going elsewhere.

HON. MR. ROEBUCK: Mr. Cresswell, (Chief Commissioner, Dept. of Immigration and Colonization, C. P. Ry.), you mentioned the considerable acreage of Canadian Pacific land which the company still owns. I have a letter here from the Press Relations Officer of the Canadian Pacific Railway in which he says that as of the

end of end of 1945 the total unsold acreage of the Canadian Pacific lands was 1,407,756 acres. That was your figure, too, was it not?

MR. CRESSWELL: The figure I have is 1,307,876 acres.

HON. MR. ROEBUCK: I have a letter from the Hudson's Bay Company over the signature of Mr. G. N. McBride for the manager of the company's land department. He writes: "At the close of our last fiscal year, 31st January, 1946, our unsold land estate has been reduced to approximately 822,000 acres." These two sets of figures give us a considerable total acreage.

VARIOUS NEWS ITEMS

The radio station WCFL (Chicago) presented a 15-minute broadcast on Henry George each Friday during July. The series began on the 5th with a biographical sketch and continued with programs based upon his writings and speeches. It was conducted by Rod Holmgren, the only American labor commentator who is on the air daily, on his regular program time.

A new publication with Georgist leanings in "The Friday Rag" (Chicago) a mimeographed weekly edited by Jane Munroe, 12 years of age. (May she edit it for another 88 years -- Ed.)

A poll for rating on unimproved values at Naracoorte, South Australia, on March 30 showed 251 voted for with 168 against; but the poll failed on account of the regulation in force in South Australia requiring a two-thirds majority or else an absolute majority of all registered landholders. Australian Georgists plan eight campaigns in August.

Hon. P. J. O'Regan reports that in New Zealand there are now only 32 of 572 local rating authorities in New Zealand which rate on annual value.

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Private contractors can duplicate homes being built by Wartime Housing Limited, and can do it at prices cheaper than the government agency is asking, Councillor Gagne told newsmen Wednesday in City Hall.

To back his argument he referred to a proposition in Hamilton where private contractors had built a brick house complete with furnace, laundry tubs, built-in bath, kitchen cabinets, tiles, sub-floor and finished hardwood, enamelled trim, all for \$3890, while Wartime Housing is asking \$3900 for a semi-permanent frame house of the same size. There is other abundant proof, the councillor declared, that private industry could settle the housing matter far more quickly than the government if the latter would only get out of the way so the contractors could get materials and labor. --Montreal Gazette, Feb. 22, 1946.