

The Square Deal

WE CLAIM THE EARTH AS THE PROPERTY OF THE WHOLE PEOPLE

To the individual, the values created by his own industry, without taxation.

To the community, the values created by the community for revenue.

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WHAT'S WRONG WITH ONTARIO?

Excessive Taxes on Motorists and Business — Land Values Arising from Highways Appropriated by Landowners — Haywire Assessments — Economic Rent Hardly Touched for Provincial Purposes — Improvements Carry Bulk of Municipal Taxation

As most of Canada's people live in Ontario a study of how they are taxed—or mulcted—provincially is quite in order.

The Brief of the Single Tax Association of Canada to the Rowell Commission contained the following statement showing sources of Ontario's provincial revenue for the fiscal year 1936-37 :

		% Total Revenue
(1) Succession Duties and escheated estates	\$16,015,359.86	19.89
(2) Fees, Licenses and Taxes on Business	15,348,217.38	19.08
(3) Revenues from motorists—Gasoline Tax, etc.	26,158,714.60	32.51
(4) Revenue from Trading Activities—Liquor and Wine	10,024,789.59	12.46
(5) Revenue from use of natural resources (hunting, angling licenses, etc.)	3,918,463.66	4.87
(6) Income Tax	2,641,190.59	3.28
(7) Dominion Subsidy	2,941,424.28	3.66
(8) Fees—Local Registrars, Police Magistrates, Crown Attorneys, Land Transfers, etc.	1,507,932.12	1.87
(9) Fees charged individuals for privilege of working—insurance salesmen, nurses, chauffeurs, miners	855,895.24	1.06
(10) Supreme Court, Suspense Account	600,000.00	.74
(11) Fines and Forfeitures	247,589.35	.30
(12) Earnings from Government Services :		
Use of Laboratories, etc.	\$ 89,407.30	
Interest	104,686.74	
Miscellaneous	34,775.24	
	228,863.28	.28
	<u>\$80,488,439.95</u>	<u>100</u>

As will be seen, one-fifth of the revenues came from succession duties—taxes on land, property and securities left or willed by deceased persons.

Another fifth came from fees, licenses and taxes of one kind or another on business, which is already overtaxed by the federal authorities in customs, excise and sales taxes; and by the municipalities for land and improvement taxes and a surtax called Business Assessment on top of that, as well as various licenses. Many of these taxes increase the cost of goods that we buy across the counter, and those which do not reduce profits by adding to the expense of operating a business and so in many cases preventing more wages to the owners and employees.

One-eighth of the provincial income came from the sale of intoxicating liquor in one form or another, adding ten million dollars to the cost of drinks to the thirsty.

Motorists Milch Cows

The largest single source of revenue was from motorists, \$26,158,714. What a milch cow for taxes these have developed into in a comparatively short space of time, for it is only since 1925 that the gasoline tax was imposed, and last year it was responsible for more than 15¼ millions of dollars of revenue for Ontario. We shall discuss the ethics of taxes on motorists later on.

The taxes which can be defended from the standpoint of economic justice are those levied for the use of natural resources. Many of these are called licenses, such as hunting and angling permits, and so on. They are really rentals charged for the privilege of using natural resources and are, therefore, the most just form of public revenue. More also on this subject later. They account for less than 5% of Ontario's revenue.



Miss D. E. Coate
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Mar. 23

Taxes on Right to Work

Income tax yielded about $3\frac{1}{4}\%$, and the federal subsidy brought $3\frac{2}{3}\%$. The items so far enumerated take in the bulk of the taxes and, with one exception, the other small items will not be discussed. The one exception is the tax on individuals for the privilege of working. It is impossible to sell life insurance, or be a broker or stock salesman, or a real estate operator, or engage in nursing, or act as a chauffeur without having a license. There seems to be an increasing tendency, as government becomes more bureaucratic, to bring more and more types of occupation under license. This is a direct interference with the individual's right to earn a living without benefit of government. While this particular type of tax brought in only 1.06% of the revenue, it is an improper tax.

Taxes on Motorists

In the course of our survey, however, certain subjects were reserved for further consideration. One of these is the justification of the taxes on motorists. Owners of passenger cars were taxed (or fined) \$6,154,894 for investing in, or owning, cars, and pay this annual tax or fine during the life of the vehicle. Owners of trailers paid \$271,518 for having such an adjunct. Ontario collected from motorists over a quarter of a million dollars in fees of one kind or another, including \$226,959 for transfers and \$17,161 for examinations. In sum, car owners were fined about \$10,000,000 for owning cars and \$16,000,000 as a gasoline tax for using the roads.

The principal arguments advanced by those who justify the gasoline tax are that considerable outlays are necessary for the construction and maintenance of highways; that motorists are the chief users of highways and therefore it is argued they should bear the brunt of their cost and upkeep.

Highways Raise Land Values

What is overlooked, however, is that paved highways are a part of the locality through which they are laid and are a physical improvement to the locality. In other words they raise local land values and these increased land values under present conditions go into the pockets of the land-owners adjoining the highways.

The Brief instances a case where the very construction of a highway at once reflected itself in the price of lots. A highway going through one of the mining centres of northern Ontario made four corners valuable for service station sites, and the prices jumped from a few hundred dollars a lot to \$7,000 for each site. The owners had done nothing to bring about this rise in values; it was due to the outlay of public money. The party who should have reaped the benefit was the public who have to foot the bill, but under our system the benefits of public expenditures for permanent improvements go into private pockets—that is land-owners' pockets. Yet withal, there is a veritable anvil chorus these days about the burden of taxes on "real estate."

Improvement Tax Unjust

As to this chorus about taxes on "real estate," it is only too true that there is justification for the complaint. But the choristers fail to make a dis-

inction between the two factors of real estate—land and improvements. Normally, land increases in value; but a building begins to depreciate almost from the time it is built. Land, too, is the gift of nature; buildings are the product of labor, they are commodities. Sewing machines are also the product of labor, but we do not put a tax on them now, as our forefathers once did, or tax them as we tax the various articles which go into the construction of a house. In economic science, it is perfectly proper to tax land values, as the occupation of a certain plot of land is an exclusive privilege which society gives to an individual as against every other individual; but it is not scientific economics to tax buildings.

Municipal Tax Situation

With these principles in mind, let us examine the municipal tax situation. The latest figures (1936) show that the assessed land values of Ontario are \$1,263,202,479, and that the assessed value of buildings is \$1,415,930,245. The value of buildings is in excess of the assessed value of land, which means that buildings carry 52.85 per cent. of the burden of taxes, and as the tax-rates rise with the cost of relief so the burden on both land and buildings, but especially on buildings, rises too. The result is that land values have been falling since 1932, and as they fall the tax-rate mounts. The building trades stagnate because comparatively little building is being done, and where building activity appears it is in areas outside of cities where taxation is lower than in the adjacent municipality.

Buildings Carry Heaviest Load

In 29 towns and cities outside of Toronto, assessed land values for 1937 are \$270,882,898, while buildings and improvements are assessed at \$551,682,860. In Toronto's suburban area, land value assessment totals \$40,308,759, and building assessment is \$63,728,808. In Toronto proper, land value assessment is \$365,849,307, while buildings are assessed at \$495,467,731. In all these cases, the land factor of real estate gets off more lightly than the improvements, so that the latter are carrying the bulk of the load. In addition to these, there is another levy made on real estate, but it is politely called Business Assessment. Inasmuch as it is based on the space occupied, however, it is essentially a tax on the use of land and improvements. This additional real estate taxation assessment is \$93,853,693 for the 29 cities and towns, \$3,308,380 for the suburban area of Toronto; and \$113,272,002 for Toronto itself. In statement form, this would appear as follows:

	Land Assess- ment %	Building Assess- ment %	Business Assess- ment %
1937			
29 cities	29.6	60.2	10.2
Toronto suburbs	37.5	59.4	3.1
Toronto city	37.6	50.8	11.6
Ontario as a whole,			
1936	47.15	52.85	

Now, our unscientific taxation is keeping us in the trough of the depression despite some improvement in the volume of business transactions.

WHAT'S WRONG WITH ONTARIO?

The theme of this issue is as stated in the title. It takes some 86 millions of dollars to run the Province of Ontario these days, and some idea of the several sources of revenue can be gained by a perusal of the opening article of this issue.

Considerations of practical statesmanship require that succession duties, liquor taxes, income and some others should be retained, and the Dominion subsidy, of course, is an asset from Confederation. These sources of income amount to some 41 millions of dollars in the budget for 1938-39 brought down in the Legislature recently. Revenues from natural resources—game and fisheries, lands and forests, and mines—amount to \$7,500,000. These make a total of 48½ million dollars, leaving 37½ millions to be provided. This sum is to be raised by taxes on corporations and insurance companies budgeted at \$9,230,000, and on motorists of \$28,300,000; and these are most unjust taxes.

If this 37½ millions were to be raised by a tax on land values, a rate of \$30.00 per \$1,000 of assessed value would be necessary on the present assessed value of land, which is \$1,263,202,479 (1936). This figure is, however, much less than the real value of the land. The per capita land value for Ontario is \$344, which is very low when compared with a figure of about \$1,000 per capita in Saskatchewan. Assessment should be made more scientific by requiring assessors to take courses in assessment technique, and so remedy the abuses which are rampant at present, and which have been exposed in previous issues.

In order to relieve unemployment, the Provincial Treasurer should revert to natural taxation, that is, impose a tax on land values, or charge a ground rent for provincial purposes for the use of Ontario's soil. A rate of 2% on the assessed land values of Ontario would be the beginning of a real and beneficial reform.

H. T. O.

THE LANDLORDS OF BELLEVILLE, ONTARIO

In the March 1st issue of "Maclean's Magazine," there is a unique editorial, captioned "The Muted Taxpayer." It points out that 1,500 property owners out of Belleville's entire 15,000 population are paying taxes for the civic services supplied to the whole number, with the innuendo that the 13,500 are not paying any taxes. But let us look into that claim.

Included in the 13,500 are the babies and children of the 1,500 landowners themselves. Then there are the aged and infirm. Deducting these two classes, the real facts of the situation are that the working element of the city are really carrying the landlords and the bulk of the tax load. Although the landlords in whose name the properties are registered do write out the cheques for the civic treasury, or hand over actual cash for taxes, from whom do they collect the money? From the tenants, of course. There would be something to the point if the landowners paid the taxes and allowed the tenants to occupy the land free of charge. But landlords aren't built that way. And when they provide housing they should be reimbursed for it, and usually they are. So there is no point in the mere statement that 1,500

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people pay all the taxes of Belleville. If 1,500 people choose to own all the land, and collect the rents for its use, and, incidentally the unearned increment of land values, what is there awry with the fact that they must pay for the costs of civic services?

The editorial goes on to say that "in Winnipeg, property-owners pay 92 per cent. of that city's taxes. As voters they are outnumbered two to one by those who, all together, contribute but 8 per cent. of the municipal revenue." Of the three kinds of lies, this is the statistical variety. By the previous reasoning, of course, this statement is wide of the mark.

This unique editorial continues with some vague threat that there is danger that the goose that lays the golden egg may be killed. Of course, the goose who lays the golden egg of increasing land values is the tenant population; and that tenant population is a goose to let the landowners appropriate it to their own profit. But Maclean's editorial writer does not refer to the tenants in this connection; he thinks the goose is the landowning taxpayer. Well, supposing that these geese do go off to Bermuda and join the other would-be tax-evaders, what then? Would not some other landowners arise who would be tickled to pieces to collect rents, or might not more of Belleville's tenants become landowners themselves and pay their own bills for civic services? It is hardly likely that Belleville would seriously deteriorate should it lose a few hundred rent-collecting parasites.

But the quintessence of assinnity in this unique editorial appears in the following verbatim quotation:

"But who is going to enter a brief for the taxpayer? Where are all the people's paid representatives who, in appealing for votes, promised to look after the interests of *THE MAN WHO PUTS UP THE MONEY?*" (italics theirs)

The "PEOPLE'S paid representatives!" The voters among Belleville's 15,000 elected these representatives. But are these the PEOPLE that Maclean's editor is thinking of? By no means! The 1,500 landowners are the PEOPLE! The interests that these "paid representatives"—elected by more tenant votes than land-owners' votes—are to "look after" are those of the 1,500 landowners. While it is a melancholy fact that the "paid representatives" do in practice cater to the

interests of the privileged far too much, would not these PEOPLE'S representatives be unmitigated asses to take Maclean's advice seriously? Maclean's has never editorially, to our knowledge, advocated that the economic rent of Canada be used for the benefit of the people. May it not be that its campaign to reduce the number of provincial governments—at the expense of the Maritimes and the Prairies—is on a par, as a remedy, with its ideas as to the fitness of things in Belleville?

As for entering a brief to the Rowell Commission for the taxpayer—the real taxpayer—we are not too modest to say this Association did just that.

H. T. O.

61 TAXES ON A LOAF OF BREAD!

At the Convention of the Master Bakers and Confectioners held in Toronto, in January, it was stated that 61 taxes enter into the price of a loaf of bread. And bread is still threatened with the possibility of another tax. The National Dairy Council of Canada, allied with some other interests, have made application to the Tariff Board for a duty of 4 cents a pound on vegetable oils imported into Canada, with a view, they think to an increased consumption of Canadian butter. The bakers say that this will add one million dollars annually to the cost of bread, and ten millions to the cost of other products. The December issue of *The Cow Bell*, Edmonton, Alberta, contains some very melodramatic cartoons. Black thunder clouds labelled "Vegetable Oils" show lightning darts striking at a herd of cows, while a farm family cowers in fright. Another cartoon shows two buildings, one a creamery and the other titled "Relief Office." A farmer surveys both, and his thought is described as: "Shall it be a Cream cheque or a Relief cheque?" A third cartoon shows an African Nut Oil Planter, clad in a jock-strap, with an offspring shinnying up a coconut palm. The cartoon claims the African has no barn, no feed, no clothes, no winter. In contrast, a Canadian barnyard is shown, and the reader is told that the farmer must keep a barn, raise feed, wear clothes and endure winter. A pig and a cow are pictured, and the former is shown to yield 15 lbs. of lard at 200 lbs. weight, and the latter, if an 1100 lb. steer, produces 50 lbs. edible tallow. In the centre of the cartoon is a Canadian bakery, which we are told uses mostly Vegetable Oil shortening, whereas to be patriotic it should use Canadian butter, tallow and hog lard. The complaint of the picture is:—Question: "What chance have Canadian farmers against free imports of approximately 200,000,000 lbs. of vegetable oils yearly? and the Answer: "I guess we'll have to move our families to Central Africa." Well, in Central Africa probably nobody is on relief, and so long as would-be emigrants do not take along with them the peculiar institution of private ownership of land they might do better in Central Africa than here! However, in the opinion of the National Dairy Council and its allies international trade seems to be a bad thing. If they succeed with the Tariff Board, the consumer of bread products will have to foot the bill. This is another instance of tax-ridden people barking up the wrong tree. Taxes on bread raise the cost of living: taxes on land values reduce it.

H. T. O.

WILL CENTRALIZATION HELP DEMOCRACY?

Numerous Briefs submitted to the Rowell Commission advocated more centralization of administrative and executive power at Ottawa as a remedy for some of the ills we suffer. No better way of building up a bureaucracy can be imagined than this proposal. Democracy is not nurtured by being centred at Ottawa or at Washington: it thrives when it is cultivated in villages and hamlets and in the boroughs of towns and cities.

A prominent Ontario legislator remarked within the last year or so that the funds which are most carefully administered throughout the Province are those connected with the schools. The reason for that is that practically every member of every school section has a vital interest in the collection and expenditure of such a fund, and it is carefully supervised. It would not be so carefully watched over if it were centralized at Queen's Park.

New England flowered under the influence of the town meetings, and the names of Longfellow, Whittier, Webster, Lowell and Emerson made that part of the United States famous. With the decline of the town meeting and its influence came the era of graft and debauchery of municipal administration. To say nothing of Senator Henry Cabot Lodge who killed American participation in the League of Nations.

The March issue of the "Readers Digest," in an article entitled "Yankee Tax Revolt," tells how a modern revival of the old town meeting is cleaning up "Squandermania" in New England. Taxpayers associations to the number of 200 are functioning, with the result that they have "broken the power of the Curley ring . . . they have blocked proposed state extravagances totalling \$50,000,000 and saved even more in local budgets."

The case of Lowell is instanced. The claim is made that Lowell "had the highest real estate tax of any city in the world—\$46.40 per thousand dollars of assessed valuation—and assessments were high." (However, the author of this article had never heard apparently of our Guelph, which had a tax rate last year of over \$50.00 per thousand of assessment. Is it another case of Canada First?) To conclude the story of Lowell, however, the taxpayers association unearthed shortages in the public accounts, instituted reforms, and forced "the first real tax cut in all Lowell's history." Nowadays, as many as 500 citizens attend a council meeting. The article goes on to relate of the movement generally that: "The taxpayers don't always demand that expenditures be cut. Often their committees report that more money should be spent in the interests of efficiency—to motorize the police department, enlarge the school or purchase a larger hook-and-ladder for the fire department."

The campaign which has been waged by certain journals looking towards the centralization of administration in fewer centres, and the recommendations to that end made in several of the Briefs, are steps in the wrong direction. It is to be hoped that the Rowell Commission will take a saner view of the problem. We do not want to narrow the "bounds of freedom," but to make them "wider yet."

H. T. O.

Some Canadian Extensions of The Henry George School of Social Science

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Hamilton Extension

The Hamilton class found its spring session so interesting, that instead of closing, as scheduled, on March 24th, there was an extra session on March 31st to permit fuller discussion.

On April 7th a group from Toronto motored to Hamilton with Mr. Ernest Farmer to take part in the ceremony of presenting certificates to the ten graduate students.

Toronto Extension

Class in International Trade

The class in International Trade has proved a great success, under the leadership of Dr. S. T. Floyd. The text book used was Henry George's "Protection of Free Trade." This class was rather an event, for it is the first time the Toronto School has offered a post-graduate course and a number of our graduates have taken advantage of the opportunity to increase their knowledge of Henry George's philosophy.

It Pays to Advertise

The Henry George School in New York advertised its correspondence course in the New York Times. A man living in Toronto, who had never heard of Henry George or of the Toronto School, saw the advertisement, took the course, and was so convinced by it that he has now organized a class among his friends. This class began on March 24th, with an extra session on the 27th to enable some late entrants to catch up and join the regular Thursday night class.

We welcome Mr. A. I. Mackay, teacher of this new class, to the ranks of Toronto workers.

Montreal Extension

Miss Walton reports as follows:

"Mr. John Anderson's original class of last year has carried on with meetings every other week. Mr. Anderson has given the class several interesting talks on Economics and also we have had several other speakers. Mr. A. C. Campbell, of Ottawa, addressed the class a few weeks ago on the subject 'The Man Who Invented Plenty,' and Dr. Stanley Allan gave us a talk two weeks ago outlining the C.C.F. programme, followed by a discussion on the Socialist views compared with our own. Some of the members of Miss Bateman's class in 'Progress and Poverty' joined this group after finishing their course.

"Miss Bateman has given her talk on Denmark and the practical application of the Henry George taxation system there to many groups, including the Single Tax Association in Toronto; the West-End Co-operative, Montreal; The People's Forum at Sherbrooke; the C.C.F. Youth Group at Montreal; Emmanuel Youth Forum, Montreal; Deer Park School, Toronto; the Dalhousie University Alumnae, Montreal; and Mrs. Louise Boudler's class in 'Progress and Poverty'. Mrs. Boudler's class has about finished its regular course, but is continuing two or three weeks longer with review and further study."

SECRETARY OWENS AT UNIVERSITY OF WESTERN ONTARIO, LONDON

On Friday, February 25, through the courtesy of Dr. Logan, head of the Department of Economics, the economics students heard an address by H. T. Owens on The Eradication of Poverty. Some 75 students were present and several professors. A short question period followed the lecture. Miss Mary Barker, one of the University staff, made the arrangements.

PERSONALIA

Mr. A. I. MacKay, of Toronto, was elected a member of the Executive Committee.

Mr. John Anderson, who has just retired as Vice-President of Standard Brands, Limited, will continue to have an office in Dominion Square Building, Montreal, and has kindly consented to the listing of his office as a centre for Georgist activities for Quebec.

Mrs. Wesley E. Barker, now residing in London, Ontario, was present at the funeral of Henry George, on which occasion her late husband was an usher. Mrs. Barker recounted to Mr. Owens on his recent visit to London, her most vivid memories of that impressive service, especially the moving oration of Father McGlynn.

* * * *

The recent death of Senator A. E. Fripp recalls that, in 1909, he introduced in the Ontario Legislature a Bill providing that land values should be taxed at a higher rate than improvements, income, business and other assessments. This was the first of a series of Bills which culminated in the Act passed by Hon. Mr. Drury in 1920 bringing this reform into effect. The government of the Hon. G. Howard Ferguson repealed the Drury Act, so that Ontario has been deprived of its benefits since that time.

* * * *

The death of Mr. J. L. Dawkins, which occurred on February 17th, in Toronto, removes one of the founders of the Anti-Poverty Society, which was founded in this city by the late W. A. Douglass in the '80s of last century. Mr. Dawkins was active in its affairs, being secretary for a number of years. Out of the Anti-Poverty group came the Single Tax Association of Canada. So passes another of the old guard who were inspired by personal contact with Henry George. To us they "throw the torch."

* * * *

From "Land and Freedom" comes news of the death of Mr. Fiske Warren, who took keen interest in the founding and progress of the Single Tax enclaves. Enclaves are endeavors to work out within the present framework the securing of municipal funds from the rent of land only, improvements being exempted. Mr. Warren will be much missed by our movement.

Credit Scheme to Supplement Land Taxation

A suggestion was sent to the Royal Commission on Dominion-Provincial Relations by Mr. C. E. Cartwright (M. Eng. Inst. Can.) of Vancouver, B.C. This document supported the land value taxation solution to our economic problems but made an original contribution as to a credit scheme for bringing into force from the monetary angle the benefits of land value taxation.

We have shown this document to several of our members who have given special attention to the monetary aspect of things and they express the opinion that this is a feasible proposition. The following is the text of Mr. Cartwright's submission :—

To the Royal Commission on

Dominion-Provincial Relations.

Gentlemen :—

We beg your consideration of the following and hope that it will assist you in making recommendations which will enable this country to solve its economic troubles ;

(1) There is no solution for our economic troubles to be obtained by granting the Provinces and Municipalities wider powers of taxation, or by the Dominion Government increasing the taxes now collected by it in order to enable them to reduce their taxation—the people of Canada pay the Dominion Taxes just as much as those of the Provinces and Municipalities.

(2) The real solution is in solving our unemployment and poverty problem so that all our people can become prosperous and able to pay their share of the country's expense without feeling them a burden, and this unemployment and poverty problem is much easier of solution than generally supposed, particularly in Canada.

(3) If Canada had adopted a policy of leasing the land and other natural resources, from the early days of settlement, there would be no involuntary poverty, or unemployment now. There would be no valuable land held idle—no unused agricultural land near cities, nor vacant lots in them. The Rural Population would be much greater in proportion to the Urban than it is. There would be no so-called "surplus labour" competing for employment—employers would be competing for labour—wages would be high and the purchasing power of the people ample to buy everything they produced.

(4) It is quite practicable to change our present system into the above leasehold system and obtain the benefits, without any great disturbance of business, or injustice to anyone. If it was not that the public debts of our Provinces and Municipalities are now so great, all that would be necessary would be the exemption of all improvements upon land and other forms of industry and trade from taxation, and the increase of the revenue collected from land values to balance the taxation abolished ; but, the great debts render it necessary to make the change gradually, or devise some plan by which the Dominion can issue Credit to carry the country through the Reconstruction Period that will be acceptable to the Provinces and Municipalities.

(5) The following plan is submitted as practicable for this Credit scheme :—

The provinces and municipalities to exempt all improvements from taxation and abolish all their taxes on industry and trade in other forms, on condition that the Dominion will issue to them Credit Certificates to the amount of the taxes they abolish—said Certificates to be used by them in payment for work and services as they would have used the funds received by the taxes abolished and to be accepted by them at par in payment of all taxes and dues payable to them, and reissued by them until finally redeemed, at par, in payment of a levy by the Dominion upon the value of all lands, irrespective of improvements, to commence in two years and to be increased one per cent annually until the Credit issued annually is balanced by the Credit redeemed annually.

Municipalities which already exempt improvements to be entitled to Credit Certificates equal to fifty per cent. of their taxation on land values to be used by them in useful public works, and accepted by them in payment of taxes and dues in the same way as the others.

The Provinces and Municipalities would lose no revenue by this plan—they would have the benefit of the exemptions of improvements from taxation—without loss of revenue—no interest—redeemed out of new wealth created by the exemption of industry from taxation and most of it will be redeemed by those who are now unable to pay anything—who will have become prosperous. Unemployment and poverty will have disappeared.

(6) Unemployment and Poverty having been eliminated it will become possible to make plans for repayment of public debts within a reasonable period.

The fact that the country can undertake extensive expenditures, without payment of interest, by above Credit Plan will be a great help in this matter.

The disappearance of poverty and the great increase in prosperity will enable a great increase in revenue ; without taxation being high in proportion to earnings.

The solving of our economic troubles will allow Canada to open its gates to a high class of settlers from other countries, with a great gain of the wealth produced by each settler and the increasing of the revenue of the country from increase in number of prosperous revenue payers from this cause.

This Credit system may be used to buy gold produced in Canada and the gold used to reduce foreign debts—

In general, Public debts, which now appear impossible of repayment, may after solving our Unemployment and Poverty problem become comparatively easy of settlement.

General

The essential feature of this Recovery Scheme is the abolishment of all taxation on industry and trade and the taking of the economic rent of land for the expenses of government—that is, it is a full application of the Henry George System of Land Value Taxation—first advocated over fifty years ago and never successfully refuted.

The Credit portion is a suggestion of the writer's for overcoming the financial difficulties which

would cause the Provinces and Municipalities to oppose the application of the Land Value Taxation System, and enable it to be applied immediately. It is not advanced as a remedy of itself, and would be impracticable if the economic rent of land was not taken for the common expenses.

It is not "Social Credit"—The Credit Certificates would be issued for work and services—not "Dividends"—and would be redeemed out of new wealth created by the elimination of unemployment and poverty.

We have attempted only to give the principles of this Scheme—as outlined the Dominion would ultimately collect all the revenue and allow the Provinces and Municipalities Credit for their requirements; but, apparently, it can be worked out for the Provinces and Municipalities to do the collecting—without altering the principle.

These Credit Certificates can be handled by the Banks in the same manner as other Dominion Notes—and will no doubt take the place of much of those now issued by the Banks—but will not decrease the business done by the Banks.

Summary of Benefits

The Municipalities will be able to reduce their taxes on Real Estate, by the exemption of all improvements from taxation.

The Province will be able to abolish the taxes they now levy on Income, Sales and industry in other forms.

The Dominion will be able, also, to abolish Income and Sales Taxes, Custom Duties, etc., and carry out large public works without payment of interest to borrow money.

All Producers will be relieved from an enormous load of taxation, which has now to be added to the cost of production.

All land owners who are efficiently using their land will receive an immediate reduction of taxation.

A great demand for labour will be created to improve property and produce supplies.

A great movement of labour to the land will be created, for all valuable land will be put into use, it being no longer profitable for anyone to own unused land.

The knowledge that in two years time the Dominion will commence taxation of land values, irrespective of improvements, will prevent land speculation, increase in land prices and rents.

The cessation of competition of Labour for employment will cause a great increase in wages and cessation of unemployment—causing an enormous increase in purchasing power for all of the people, resulting in a home market which cannot be over-supplied with all available labour and machinery in full use.

Before the time the Dominion taxes on land value are imposed the incomes of all producers will have increased so greatly that the increase of the land taxes will cause no hardships.

The amount of money put into circulation will be greatly increased for two years, but, no harm will result for it will be accompanied by an increase in production which will make it desirable.

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The fact that land gets off so lightly as compared with improvements (and the federal taxes

on commodities) means that it is easy for those who hold title to vacant land to hang on to it until it rises in value. That means that so long as idle land is held out of use, idle labour is unable to have access to it in order to satisfy labour's desires. This condition prolongs unemployment, and gives rise to the rather commonly expressed notion that the dole is to be with us always.

What is wrong with Ontario is that it is inordinately kind to land-owners, and not so kind to tenants. It encourages land speculation, the root of unemployment; and permits large unearned increment of land values to be appropriated by owners of land titles.

FROM OUR MAIL BAG

The Rev. L. M. England of Kingston writes: "Delighted to read the clever Brief summary in the January-February issue. Am thankful that there is such a group to make such a presentation."

Popular Assessing

"Horatio" writes from Houston, Texas: "Hope you will keep growing to spread the good tidings that will save civilization. On page 4 of your October copy you say, 'One crying need of today is a board of equalization to supervise the assessor.' Don't you think if a map of the city were hung on the wall in the lobby of the tax office with each assessment plainly marked on every lot, so that the taxpayer could compare his assessment with that of his neighbor next door without the trouble of consulting block books, much could be done to equalize assessments by the citizens themselves? Another map, a smaller one showing the assessments for the school district to which it refers might be hung in every school house, and interest the children in tax matters. If one kid found his lot assessed at more than the next door neighbor's he would be certain to bring the news home to the fireside. Of course, only land assessments are referred to here. Improvements are impossible to assess that way." (This is an excellent suggestion as regards a particular neighborhood, but our idea is to co-ordinate a whole province, in fact, the whole Dominion. We have demonstrated that in Ontario each assessor seems to be a law unto himself.—Ed.)

Victoria, B.C., Commends Brief

Mr. Alexander Hamilton, President of the Henry George Club of Victoria, writes: "Our secretary, Mr. Davey, received your Brief to the Dominion-Provincial Commission and we were delighted with it. There must have been a lot of work done compiling it and the comment of Hon. Mr. Rowell is very gratifying. I am very glad that the Square Deal is on the job again. A journal is a great help; it keeps us in touch with each other and gives us points that we would otherwise miss."

A prominent Toronto realtor remarked to a member of our Executive recently: "When it comes to an argument, you Single-taxers always win." However, while we are winning the argument, the realtor is winning the unearned increment of land values. He will continue to do so until a sufficient number of people become convinced that unearned increment (economic rent or ground rent) belongs to the community as a whole.

"REBEL, PRIEST AND PROPHET"

A. C. Campbell, Ottawa, Ont.

The above reads like the title of some lurid romance. In fact, it is the name of a purely historical work. But the sensational implication of the heading is completely justified, for the facts of "the McGlynn controversy" as here given are as enthrallingly interesting as fiction could possibly be. Especially should this book command the attention of followers of Henry George.

The book is written by Stephen Hall, well known as a veteran of the Single Tax movement, and is published by the Devm-Adair Company, of New York.

Rev. Edward McGlynn, D.D., was rector of the great St. Stephen's parish in his native city, New York. By efforts and sacrifices great and constant, he made himself the hero, almost the idol, of his people. He lived by one belief. He worshipped and served with complete devotion the Father God, father and lover of all mankind.

But there were many poor in his parish, and far more outside. He could not think that his God was unable or unwilling to provide for all. He knew that many of the poor were devout worshippers and honest workers. He was thus faced by a mystery. His unquestioning faith kept him true, but even such faith as his could not answer the questions that assailed him more and more.

Reading "Progress and Poverty", put into his hands by a friend, he found there expressed a religion no less earnest than his own. He found a philosophy as true as any set forth in the ponderous tomes he had studied in college, and far more vital. He found a logic straight as a sunbeam, and as revealing. The effect of its message was this: This is a world and age of plenty. Poverty does not exist under the natural law of society; it is the outcome of the clumsy laws, the ill-formed institutions, the blindly selfish acts of men.

McGlynn, Irish by parentage and congenitally sympathetic with the agitation in Ireland for restoration of the land to the people, read George's argument that the economic troubles of mankind, and many consequent troubles, arose from land monopoly, and could be cured only by restoration of the land by the simple, just and scientific method of taxing into the public treasury the current value of the land, and repealing all other revenue taxes.

His questionings vanished. His sermons became more eloquent, more inspiring. Proud of his rights as a citizen of the United States, he took up the political cause of Henry George.

His ecclesiastical superiors recalled cases in which he had spoken before on political matters not quite to their content. They felt that now he had flatly rebelled. He was successively warned, suspended, excommunicated.

Before the final stage of these proceedings, the Anti-Poverty Society was formed with McGlynn as President. Discharged from his duties within the church, Dr. McGlynn preached wherever people would hear him. He counted himself still a priest, and he preached his gospel of the bountiful Father God and "the consolations of sweet religion." Ultimately, his case was reconsidered and he was reinstated in his priestly office

and given, not his old parish but another one.

Meantime, his political activities had led to differences of opinion with honored and loved associates in that field. Even Henry George and he followed different paths in the campaign of 1888 in which Cleveland unsuccessfully ran for re-election as President of the United States. Mr. Bell entitles this separation "The parting of Damon and Pythias," and speaks of it as "a politico-economic tragedy." But the leading actors in this tragedy played their parts with dignity and true feeling. They parted, but only as those who agree to disagree. Subsequent events showed that their regard for one another was unshaken.

Henry George died suddenly at the climax of his second campaign for the mayoralty of New York, October 28, 1897. Dr. McGlynn was a speaker at the public funeral. In that speech he used the memorable words, "There was a man sent of God whose name was Henry George", words which shattered the funereal silence with the ecstatic applause of the people who saw in this death not only the passing of the great and loved leader but also the triumph of the martyred prophet.

Two years later Dr. McGlynn died. His funeral was less spectacular than that of George, but it called out an immense assembly of people of all religions and of none.

It is not true, as was currently reported in those days, and is sometimes repeated even now, that Dr. McGlynn withdrew anything of what he had said about plenty, or about Henry George's plan for the distribution of that plenty. He did withdraw words unduly harsh which he had used in the course of the controversy which had so saddened his life. Mr. Bell makes this perfectly clear. He quotes unexceptionable authority to prove that there is nothing in the George philosophy that is contrary to the teaching of the Roman Catholic church.

FROM OUR CONTEMPORARIES

The January-February issue of "Land and Freedom" states that: "Governor Hugh L. White of Mississippi startled the Legislature with a recommendation that all homesteads be exempted completely from state, county, district and municipal taxes. The recommendation was greeted with a roar of applause from members. To bring about the proposed exemption, a constitutional amendment will be necessary."

We would be interested to know whether the Governor's proposal refers to the exemption of houses only, or whether it includes the land upon which the houses stand.

* * *

"I believe land values taxation to be the salvation, and the only salvation, of the South."—Dr. Booker T. Washington, quoted in "Land and Freedom."

"All the country needs is a new and sincere thought in politics; coherently, distinctly, and boldly uttered by men who are sure of their ground. The power of men like Henry George seems to me to mean that."—Woodrow Wilson, in "Land and Freedom."