

The Canadian Georgists lost one of their most faithful supporters on Sept. 26th when Urruhart Adams of Peace River passed away in his sleep. Urruhart Adams travelled in many countries and left behind him many faithful followers. In Alberta his two top students, Wilbur and son, Don Freeland will continue to be heard from.

This is the last issue of the Square Deal to be put out by the Alumni Group. In the future the publication will be handled by the School. Ernest Farmer remains as Editor and will contribute a large part of the contents. It will be sent to all paid up members of the Alumni, donators to the School and to anyone else who pays direct or through another extension, the sum of \$2.00 per year.

The Friday at 7 meetings will be resumed on the first Friday of every month starting Nov. 3rd at the Commercial Travellers Club, 17 Dundonald St. This year dinner will start sharp at 7 and the Speaker will go on promptly at 8:15. So come one and all and have an enjoyable evening.

There is still time and room for anyone to join the North Toronto Y. class this year. Class is held at 8 p.m. on Wednesdays and will be a 20 week course. If you know anyone who would like to join contact the Director of Studies.

Next issue of the Square Deal will be January, 1968.

THE SQUARE DEAL

THE MAN WHO
THINKS, BECOMES
A LIGHT AND A
POWER.

Editor-in-Chief:

Ernest J. Farmer
48 Fulton Avenue
Toronto 6, Ont.

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WILLIAM OGILVIE - - PIONEER OF LAND REFORM

William Ogilvie was a contemporary of both Spence and Paine. He was born in 1736, in Morayshire, the only son of James Ogilvie, Laird of Pittensear, and member of a distinguished Scottish family, the various branches of which possessed no less than three earldoms - those of Airlie, Findlater, and Seafield.*

At the age of nineteen, William Ogilvie entered the University of Aberdeen, graduating three years later. After one year as master of the grammar school at Cullen, he went to study at Glasgow University (where Adam Smith was Professor of Moral Philosophy) and then at Edinburgh. In 1761, at the age of twenty-five, he became Assistant Professor of Philosophy at the University of Aberdeen, and in 1764 succeeded to the professorship. The following year, in a general reorganization at the university, he exchanged Chairs with the Professor of Humanity, a post which he held until 1817 - a total of fifty-two years. He was also tutor to the fourth Duke of Gordon, and in this capacity travelled widely.

In 1772 Ogilvie sold the Pittensear estate, and the following year he bought some poor land near Aberdeen for 1,500 pounds. This he farmed at a very high standard and in 1808 sold it for 4,000 pounds.

In 1782 Ogilvie published, anonymously, and from London, an "Essay on Property in Land". The authorship was a closely guarded secret, and was only publicly revealed in 1891, when, after a visit to Scotland by Henry George, Ogilvie's book was republished.

Ogilvie had good reason to preserve his anonymity.

* The Hon. Angus Ogilvie, Princess Alexandra's husband, is the second son of the present Earl of Airlie. The present Countess of Seafield, Nina Caroline Ogilvie-Grant-Studley-Herbert, is the largest private land owner in Scotland.

In Scotland both church and state were firmly controlled by the landed interests. Such books as Paine's "Rights of Man" and "The Age of Reason" were banned, and anyone found in possession of a copy was likely to be banished. Ogilvie's book was even more dangerous to accepted thought than these, although his proposed remedies were mild compared with those of other land reformers.

It is possible that Ogilvie wrote a "History of Property in Land", and possibly many other works, but after his death his manuscripts were delivered to a nephew and their fate is unknown.

Ogilvie never married. His whole life was spent in the pursuit of knowledge. He was a man of great talent and one of the most elegant and accomplished scholars of his age. He died at Aberdeen in 1819.

Ogilvie believed that ignorance was the basic trouble. How could the people demand their rights if they did not know they had any?

"This title to an equal share of property in land is a birthright which every citizen still retains", he said. But, "It is necessary that the object to be aimed at and the means by which it may be obtained should be again and again stated to the public in a variety of speculative views, and so rendered familiar to the understanding of men."

"Internal convulsions have arisen in many countries by which the decisive power of the state has been thrown for a short while at least, into the hands of the collective body of the people. In these junctures they might have obtained a just re-establishment of their natural rights to independence of cultivation and to property in land had they been themselves aware of their title to such rights and had there been any leaders prepared to direct them in the mode of stating their just claims and supporting it with necessary firmness and becoming moderation.

"Such was the revolution of 1688, at which time surely an article declarative of the natural right of

property in land might have been inserted in the Bill of Rights had the people at large been beforehand taught to understand that they were possessed of any such claim. Such also was the late convulsion in America (1776), the favorable opportunities of which are not yet exhausted."

It was this ignorance of natural rights that had to be attacked. Ogilvie did not attack the land owners as such. "It were unjust," he said, "to censure the proprietors of land for retaining and exercising, as they do, a right whose foundations have not been inquired into and whose extent no one has yet controverted."

QUOTES ABOUT TAXES

A reader asks in the Financial Times, Oct. 27, "The house adjoining mine is in a deplorable and semi-ruinous condition, which is reducing the value of my property. Would I be in order in applying for a reduction in rateable value?"

The answer given is: "In the circumstances we consider you would do well to make an application for a reduction in your rateable assessment."

There we have it. Allowing one's property to fall into decay results not in lower rates for oneself but also qualifies one's neighbors for a reduction. -- Land and Liberty, December, 1962.

There has been far too little creative thinking about taxes below the federal level. The property tax system, financial pillar of local government, is a notorious boondoggle; underassessment of land not only allows revenue to sliver away, but wreaks havoc with land-use planning. -- Life, Dec. 18, 1964.

Want to know what is the most permanent thing in the world? A temporary tax. -- The Gargoyle.

- EDITORIAL -

WHY MARX WAS A MARXIST

Ernest J. Farmer.

Most of our readers have a fair idea of what it means to be a Marxist. A Marxist is a person with some excellent qualities: a deep sympathy with the poor and oppressed, considerable sense of justice and often a good deal of courage. He is capable of quite a bit of independent thought. He also has serious limitations: lack of understanding of economic fundamentals, especially of the vital difference between land and capital; and a naive belief that a dictator or group of dictators chosen by the proletariat will, once the purpose for which they are chosen has been attained, relinquish their power and give way to a "classless society". While of fairly active mentality, the Marxist is prone to the acceptance of a dogma without sufficient evidence and of holding to it despite proof to the contrary.

Karl Marx's social philosophy was developed mainly during the decade 1830-40: he was born in 1818. His schooling was in Bonn and Berlin, both Prussian cities. Prussia and Austria were among the most completely landlord-dominated countries in the world. The landlord class used their control of the schools and colleges to the limit to inculcate ideas favorable to the retention and enlargement of their privileges. Students were led to look upon land as a kind of property, in the main of the same kind as wealth produced by the owner's own effort, but entitling its possessor to particular deference. In the teaching of economics, the distinction between land and capital was ignored. Britain was about equally landlord-dominated, but there was a little more tolerance: jurists insisted upon the fact that the land of the kingdom was not privately owned but was held of the King, subject to such dues as the King and Parliament might decree. Adam Smith and other economists, while not explicitly defining

the difference between land and capital, took it as self-evident; Smith declared that the tax on "the ordinary rent of land and ground-rent in cities" was the best possible tax.

The distinction between land and capital is no minor matter: it is as vital as that between rights and privileges, another distinction which the privileged classes prefer to deny. This distinction becomes of even greater moment as rent and taxes take an increasing share of production. Taxes on capital limit production and so increase prices while lessening employment and wages. Taxes on land limit the holding of land idle or poorly used; so long as there is idle labor they have an effect in increasing production. Taxes on capital afflict most grievously the poor. Taxes on land take nothing from the really poor and little from those in moderate circumstances. They do not deprive the rich of any luxury, except that of being able to dominate the poor; in fact, substituting taxes on land for taxes on production increases production to such an extent that in most cases the incomes of the rich are higher than ever. (There is a limit to this effect; no doubt; but it has not been reached in practice.)

The academic confusion between land and capital gave the directive to Marx's whole philosophy. In his time most of the people of Europe were in a state of abject poverty. Possessing no land and little equipment of any kind, they were obliged to work for such wage as those in a position to give employment chose to pay. This was generally less than the subsistence allowed a slave in the parts of America in which slavery was in force. To Marx as to others who lumped together land and capital proper under the head of "capital" or "the means of production" the only logical conclusion was, that the sole hope for the workers lay in the workers (or the government on their behalf) taking over the "means of production" and utilizing them primarily for the benefit of the laboring masses. Marx became a Marxist for the same

reasons that a multitude of others have done so - because he had an urgent desire to see the masses enjoy some of the amenities of life beyond a bare subsistence, and because he did not understand that land and capital are essentially different.

Not a few professors of economics on this continent have said that they were teaching the "Austrian" system - which is more Prussian than Austrian. This doubtless explains how Professor J. K. Galbraith could say that "many economists doubt whether there is much difference between land and capital, since both are used in production", or how a brilliant third-year student at Victoria College could say that "Toronto University is turning out graduates in Honor Political Economy of whom 50 per cent are Marxists, 10 per cent confirmed reactionaries, and the other 40 per cent have not the slightest idea of what it is all about." It also makes understandable the tolerably well-known fact that there are proportionately more Marxists among university graduates than among the people generally, and more among those majoring in economics than among those majoring in other subjects.

A young lady of the writer's acquaintance took a course in economics designed for high school girls, and taught by a woman graduate in Honor Political Economy of Toronto University. The teacher repeatedly warned the class of the fallacies and dangers of socialism. After the course had ended, the girls all met together to talk things over, and came to the unanimous conclusion that since there was certainly much in our economy which was seriously wrong, and since the teacher had suggested no alternative, the only thing left was to give socialism a try. Recent university graduates in Honor Political Economy with whom the writer has spoken have said that most graduates in Honor Political Economy had come to believe that the only possible system for Canada is one of "modified socialism."

What we now have in Canada, of course, is not free enterprise and is not capitalism; it is modified

landlordism - landlordism modified by socialism. Much to be preferred to the landlordism unlimited in force in Russia, France, Britain and especially Ireland in Adam Smith's time.

Marx was not of the Bolsheviks: he was averse to violence, believing that socialism could be brought about by constitutional means. This aversion was not shared by his antagonists: the Rheinische Zeitung, of which he became editor at the age of 24 was forcibly suppressed a year later. Making his way to Paris, Marx was before long expelled from that city, and was later expelled from Cologne. At the age of 30 he went to London, where there was more tolerance. If in London he made much acquaintance with British economists, this came too late to be of much effect. Possibly the British influence prompted him to state finally that the exploitation of the workers began with their separation from the land. This statement occurs in Vol. III of "Capital" (Das Kapital). As this volume was published only after his death, and few of his followers have read so far, it has had little influence on current thought.

In one respect many university economists have out-Marxed Marx. Vladimir Ulanov, more widely known under the name of Nikolai Lenin, declared that an important step on the road to communism was the destruction of the purchasing power of the currency. A large number of economic professors, somewhat distorting the teachings of J. M. Keynes, have argued that the only way to forestall widespread unemployment is through the continual debasement of the money supply. While this argument is fallacious, patently so to anyone who understands economic fundamentals, it has strongly influenced governmental policies - the more so as it is pleasanter and easier for politicians to spend money than to raise it. There are persons still living who remember when the salary of the President of Toronto University, expressed in current dollars, was less than the present wage of a subway laborer. But still, the subway laborer has little if any hope of ever owning a home of his own. Of course, professors'

salaries have risen, though not in the same proportion, but while a neophyte professor may reasonably expect to own his own home in time, for him to do so is much more difficult than it was for his predecessor of half a century ago.

However, much or little attention governmental officials pay directly to university teachings, these do in one way or another influence policy. In recent years the government of the USSR has gradually been allowing a little more and a little more of something resembling free enterprise. Our own government has been becoming more and more socialistic and bureaucratic. Unless present tendencies are materially changed, the time will come - not so very far in the future - when the difference between Communism and what is ironically called "free enterprise" in this country will not be worth fighting over - or even arguing about.

WHY THE WAR IN VIET NAM DRAGS ON

"The basic question that bothers me", said a U. S. Army Major, an advisor to a Vietnamese unit, "is this. You can take two brothers, one drafted into the VC, the other into the Army.

"The brother who goes into the VC will fight like a fiend; the other won't fight at all. How come?"

It seems that the "revolutionary atmosphere", an illusion of better things to come, is the property of the Communists. To most Vietnamese, the Saigon government cannot offer even an illusion of hope. - Robert Regully, in "Vietnam Today: war of stalemate and pessimism." Toronto Daily Star, July 22, 1967.

If a tenth of the energy and ingenuity that goes into side-stepping the tax inspector went into export we'd have no trade problem. - - Harold Wilson.

DON'T KILL THE GOOSE

BY Don M. McPherson, President,
McPherson & Thom Ltd.

(Condensed from an address following acceptance of the 1966 SASKATCHEWAN SALESMAN OF THE YEAR AWARD, presented on behalf of the Sales & Marketing Executives Club of Regina.)

FREE COMPETITIVE ENTERPRISE has been the goose laying the golden eggs which has produced the means to support an "expanding Canadian economy".

Out of the profits earned by enterprising firms and individuals and out of wages and income have come the tax money to pay for a multitude of social and welfare services. Kill free enterprise and we will be left without the golden eggs to pay for these services.

What is Free Enterprise? Perhaps it can be identified in this way: "If you want your father to take care of you, that's paternalism. . . ." "If you want your mother to take care of you, that's maternalism. . . ." "If you want the Government to take care of you, that's Socialism. . . ." "If you want your comrades to take care of you, that's Communism. . . ." "BUT IF YOU WANT TO TAKE CARE OF YOURSELF, that's FREE ENTERPRISE."

Salesmanship and Marketing are, above everything else, the two most important requirements needed to sustain a thriving market economy based on the concept of FREE COMPETITIVE ENTERPRISE. Production is a necessary function of all economic systems be they Socialism, Communism, Free Enterprise, or what have you. The cost of production depends to a large degree on the effectiveness of the distribution of the goods and services being produced.

Efficient Salesmanship and Marketing coupled with a free competitive enterprise system has, so far, never been surpassed by any other economic system as a means of equitably distributing the greatest amount of goods

and services to the greatest number of people at the lowest possible cost.

Hundreds of hard working, efficient salesmen across this country have helped to build an economy which supports the many social and welfare services which some of our politicians claim they are giving to our people.

YES - honest pride can be taken in our abilities as salesmen when it comes to Selling and Marketing goods and services. But can we take the same pride in the job we are doing when it comes to Selling and Marketing our free competitive enterprise system? Perhaps the very fact that it has produced so abundantly for us, has lulled us into a false sense of security and we take it for granted.

Despite any inherent faults within our free enterprise system, Canadians still have more freedom of choice and are better off than those people living under socialism or communism. Indicators coming out of those countries which have tried the socialistic approach within the span of our own lifetimes, and found them unworkable, should strengthen our own wills to guard and maintain our free competitive enterprise system.

Nothing has a social usefulness unless it pays off. Our system IS paying off.

It has not only made us the best fed, best clothed, and best housed people anywhere, but it has also helped save millions of people in other parts of the world from starvation and destruction.

THERE IS NO WORKING MODEL OF ANY PLANNED ECONOMY ANYWHERE IN THE WORLD - NOR HAS THERE EVER BEEN IN ANY PAST CIVILIZATION - THAT HAS DONE SO MUCH FOR SO MANY MEN AS FREE COMPETITIVE ENTERPRISE HAS DONE DESPITE ITS FAULTS.

No matter what anyone may say in favor of any form of collectivism, let him first show what long term good it has done for anyone, anywhere, at any time.

Let him prove that any other system has worked as well as our free competitive enterprise way of life has worked over any sustained length of time.

If we fail to maintain our free competitive enterprise system we will wake up some day and find ourselves in the position of a worker who was handed a pay envelope which, in error, contained a blank cheque. The astonished fellow looked at it and moaned: "I knew it would happen eventually! My deductions have at last caught up with my salary!"

We hear a lot today being said about "declaring War on Poverty". I suggest we would be making a lot more sense if we were to declare War on the CAUSE of Poverty. There will always be some people mentally, morally, physically unable to earn a living. They should be under expert care or in institutions. Others don't want to work - they find living off the taxpayer is too easy. If "relief" were reduced to necessities, we'd be surprised at the number of people who would sprout ambition. But by far the most of the poor don't know how to win their war - and they are the only ones who can win it. They need skill more than money.

The inflexible rule (which all the laws in the world can never change) is that you are paid out of what you produce, either by your labour or through investment of your capital. So, to earn more, you must produce more. And, to do this, you either work harder or invest more capital.

Let's stop telling people we can give them something for nothing! No one can! Let's help them understand that they must produce more, and then help them do it!

We don't help them by cutting the work week "to spread the work". (All that does is to spread poverty by raising costs and prices.) We don't help by emphasizing minimum wages, but we can help by emphasizing productive earnings. We don't help by teaching hatred of the prosperous, but we can help by stimulating ambition to join them.

The countries that have been most successful in reducing poverty amongst their citizens are not those whose governments have planned and directed their economies. The successful countries have been those whose people have been free to take the market for their guide, to produce the goods and services the market wants and to sell them at the price the market will pay.

We must never forget that it is the entrepreneur, the inventor, the skilful manager, the designer of new and improved products, the creator of better services and those who sell them who are essential to the wealth-producing and job-making process.

The darkest spot on Canada's economic horizon today is the growing tendency amongst Canadians to expect the Government to provide more and more of the needs which they, as responsible human beings, should be proud to provide for themselves. The weakest spot in our economic lives is our readiness to submit to whatever authority governments assume over us for the purpose of providing these needs.

Our young people are actually being urged and trained to cultivate the art of petitioning governments for assistance in practically everything they undertake. They are losing the spirit of enterprise. They are being trained to ignore opportunity when it presents itself.

Too many Canadians are like an army that has lost its nerve and is afraid to face even its weakest foes. In effect they are saying to their governments: "Make us your slaves but save us from all uncertainties of life. Give us social security and we will submit to your authority in all things."

Free people have allowed their politicians to play on the fear of the future until people have become afraid of their own shadows. There is the fear of old age, of unemployment, of any change in the nature of their employment, of every disease, of every change in environment, and of every misfortune that can befall them.

Fears are paralysing the power of men and women to think and act for themselves. They are becoming progressively more dependent on the politicians whose nostrums are undermining morale and rapidly conditioning the citizenry for totalitarian government.

This is the way to create poverty - not abolish it! Poverty can never be abolished by encouraging everyone to live at the taxpayers' expense. Sooner or later we reach the point where we will all be attempting to live on our own tax money.

To free themselves from poverty the people of a country must be free to engage in any lawful occupations of which they are capable; to own whatever property they may honestly acquire; to buy or to sell in a free market without being exposed to the infliction of excessive and discriminatory taxation.

When you hear people denouncing profits generated by the free competitive enterprise system, they are also denouncing jobs, opportunities and security. More people should be encouraged to invest to make a profit. The profit-earner is a contributor to the national welfare. PROFITS are the drops of oil that make the economic machinery run smoothly. Profits should be applauded - not frowned upon. Is it a crime to be a man who owns a plant and has worked up from the bottom? Is it a crime to reach for the top? Let us give these men the credit they deserve.

Free Competitive Enterprise is the freedom to produce and sell; the freedom to buy and consume; and the consumer, as well as the producer, is an integral part of such a system. As an economic system free enterprise is characterized by competition, open markets, private ownership and private initiative. Producers take production initiative on the basis of price and profit-and-loss signals essentially given by consumers.

Thus on the firing line of open competitive production is the business firm - an individual or a group of individuals. The firm pools the savings and plans of investors and the talents and energies of employees with the hope of earning a profit for the owners.

Private enterprise is open to all comers. Anybody with an idea for an enterprise and having the requisite capital is free to start a business. Many people, some with only an idea and very little capital, if any, have succeeded and built sound and successful companies.

Let us not trade our principles for a mass of old worn-out socialistic ideas dug up from the ruins of past civilizations, and given new and fancy labels. If our system should fail it will be because we developed something more deadly than a hydrogen bomb, and that is a philosophy - an idea which says that the individual is no longer economically responsible for his own welfare or morally responsible for his own conduct.

We will never win a War on Poverty by destroying the individual initiative of our people. The choice is between keeping Free Competitive Enterprise or, killing the goose that lays the golden eggs.

Freedom is not free and it must not be taken for granted. It was won through sacrifice and will be maintained only through sacrifice. It can be lost - just as surely, just as completely, and just as permanently - tax by tax, subsidy by subsidy and regulation, as it can be lost bullet by bullet, bomb by bomb, or missile by missile. - - Ed. W. Hiles, quoted in The Freeman, March, 1964.

A tribe of cannibals was captured and the chief said that he had attended college in the United States. "Do you mean" he was asked "that you were educated in a civilized country and you still eat human beings?" "Sure" he replied "but now I use a knife and fork."