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HENRY GEORGE SCHOOL GRANTED QUEBEC CHARTER

(See page 3)

SCHOOL OF ECONOMIC SCIENCE FALL CLASSES:

TORONTO: Classes for the study of Progress and Poverty begin at 21 Withrow Ave. (Mr. Howard Hogg's residence) on Tuesday, October 6th; and at 991 Bay Street on Friday, October 9th.

A class for the study of Protection or Free Trade begins at 48 Fulton Ave. (Mr. Ernest Farmer's residence) on Monday, October 19th. (Six weeks' course.) All Toronto classes at 8,15 P. M.

HAMILTON: A class for the study of Progress and Poverty begins ar 80 Victoria Ave. S. (Mr. Robert Wynne's residence) on Friday, October 2nd, at 8 P. M. This class will continue from Oct, 9th on at the Unitarian Church, corner Main St. E. and Erie Ave.

Toronto and Hamilton readers please call the attention of possible students to these classes.

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THE SQUARE DEAL

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Ernest J. Farmer, Editor.

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LAND TAXATION AND WELFARE IN WESTERN CANADA -- I

To tax buildings, whether according to their selling value or according to the income from them, tends to repress the natural urge to erect, possess and use the best possible buildings. The same principle applies to the taxation and production of all commodities. To tax the unimproved value of land tends to discourage the holding of land out of use or in partial use, and thus weakens the chief force repressing production. It follows that to transfer the weight of taxation from labour products to land must tend to free productive forces and increase wealth; to transfer the weight of taxation from land to labour products must tend to repress production and lessen wealth.

So much is understood by everyone who has mastered the rudiments of economics. But for long it was impossible to make an reasonable estimate of the proportion between the amount of taxation transferred, and the resulting increase (or decrease) in production. From the organization of the four Western Provinces, however, these provinces have pursued an economic policy more favourable to production than that of the Maritimes, the Provinces most resembling them in economic advantages; and for20 years the Dominion Bureau of Statistics has published such comprehensive statistics of production and wealth that illuminating comparisons may be made. Without intending to make impossibly precise estimates, it can be shown that the advantage of taxing land rather than labour products under Canadian conditions is several times the amount of the taxation involved.

At Confederation, the Maritimes, with a population of over 750,000 were the richest section of the Dominion. The Western Provinces, with a population of less than 100,00 consisted of scattered settlements, possessing little beyond bare necessities. Fifty-five years later, in 1926, the D. B. S. made one of its estimates of per capita wealth in the various Provinces. This estimate is important, as 1926 was a year so free from abnormal features as to have been chosen as an index base for future calculations. Arranged for easy comparison, it is as follows:

B. C.	$3,844	Alta.	$3,608	Sask.	$3,559	Man.	$2,957
N. S.	$1,548	P. E. I.	$1,675	Que.	$2,598	N. B.	$1,777
			Ontario $2,902				

The rude frontier settlements had developed into the four richest settlements in the Dominion. The poorest of them excelled the richest of the Maritimes by $1,180 per capita. Their total wealth was $9,188 millions; had their per capita wealth merely equalled that of the Maritimes, it would have been $4,365 millions. As a first rough estimate one might hazard that the more liberal policies of the Western Provinces toward production had been worth to them in greater production due to their greater economic freedom, the difference between these sums; $4,823 millions. In subsequent articles it will be shown that this estimate is insufficient.

HENRY GEORGE SCHOOL GRANTEDQUEBEC CHARTER

(C. L. Huckabone, Correspondent)

Having been granted a charter by the Quebec Provincial Government, the Montreal Georgists are carrying on their educational work under the official name of the Henry George School of Social Science.

A class studying Max Hirsch's "Democracy versus Socialism" met through the summer, except in August, and has almost completed the course.

The classroom has been as busy as a beehive with many volunteer workers calling in to help. Several thousand notices have been sent out, and a number of classes in the course in Fundamental Economics are opening the week of September 28th. A class in International Trade is also beginning work. Miss Strethel Walton with Misses Rogers and MacDonald visitedthe New York School during the summer, and has been kep extremely busy. Mr. Jerry Walsh expects to find time, in spite of his onerous duties on the War Time Prices and Trade Board, to take a place on the teaching staff once more.

The monthly meetings of adherents of Henry George's philosophy resumed on Sept. 18th in the Y. W. C. A.

Miss Bateman spent a few weeks' vacation at her home, and returned in good time to her duties in New York.

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In order to grow a city must have its land put to use, preferably in small parcels. The land must be exchanged, bequeathed, devised, given way, sold, or somehow placed in the hands of those who will use it. No city has become large and no local corner in any city has grown and prospered where the original owners held valuable corners out of use waiting for a rise in prices. Nor can a community grow by a continual business of selling vacant lots. It can prosper only by the production of wealth, the exchange of goods and services, and in no other way. "Strong hands" holding vacant lots have often proved "strangle hands." --George C. Olcott.

WAGES: -- Naturally the full product of labour. Actually, the residue after deduction of excessive rent and excessive costs of living, due to consumer taxes. -- State Courier, Hackensack, N.J.

LAND NATIONALIZATION AND THE C. C. F.

A. J. M. Poole
(A letter to the Winnipeg Free Press)

In your issue of Aug. 29 is a letter by Mrs. Evelyn Hall of Kimberley, B. C., in which she expresses disgust at learning the C. C. F. policy for farmers is on the basis of private ownership. Mrs. Hall wants the land nationalized. Evidently the C. C. F. do not consider the time opportune for a policy of land nationalization. For, as Miss Agnes Macpahil said at the national convention of the C. C. F. on July 28th: "Never in the world will you get a C. C. F. government if you talk about the nationalization of land."

In my judgment there is a solution to this question of land policy, but we do not seem to be ready for it. Canadians under our present framework pay out of the national income one billion dollars a year for the privilege of using land. We pay in addition according to the figures of the Sirois Report (1937) in peace time 995.2 millions of dollars for the costs of essential services and interest on public debt. That is to say the total wealth required for the land and public services is $1,995,200,000, or about two billions of dollars.

A sound land policy would be to nationalize the economic rent of land, not just agricultural land. In this way the $1,000,000,000 now paid by Canadians for the use of land would be diverted to the public treasury where it rightly belongs. If this were done more than half the present taxes, which are nuisance taxes levied on the production of labour, would not be required and could be added to wages.

In addition nationalizing the rent of land would put an end to land speculation. It would make land common property, removing it from the category of a commodity. It is the basic reform without which other reforms are ineffective. It would solve the land policy without in any way interfering with private ownership.

(At the close of an address by Dr. Sherwood Eddy, the eminent Socialist leader, the S. D. editor put to him this question: "What definite, concrete reform, if any, would you put before the socialization of urban land rent through taxation?" Dr. Eddy's reply was: "It would be a great step in advance.")

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A little group with which I was associated in Portland in 1912 got from every county in Oregon the figures of the assessed value of land, and found that twelve business blocks in our city contained half the land values of the state.--Douglas Lawson.

IMPORTANT RESOLUTION INTRODUCED IN CONGRESS

On July 27th Mr. Voorhis of California introduced in Congress the following joint resoution, which was referred to the Committee on the Judiciary:

Proposing an amendment to the Constitution of the United States to provide for revenue for the Government of the United States by taxing the socially creat-d value of land, including all natural resources and intangible franchise rights.

Whereas the value of land, including all natural resources and intangible franchises relating thereto, exclusive of improvements, is created by the activities of the people as a whole; and

Whereas the United States of America are engaged in a war for the defense of the freedom of their land; and

Whereas the value of the land has been tremendously augmented by the intensified demand for materials for the prosecution of the war itself; Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each house concurring therein), That the following be proposed as an amendment to the Constitution of the United States, which shall be a valid part of said Constitution when ratified by the legislatures of three-fourths of the States, to wit:

"Each person shall have equal right to use the earth and to enjoy the full product of his labour. To secure these rights, Congress shall have power to enact legislation levying taxes upon socially created land values, to provide for the collection of such taxes in co-operation with local governmental authorities, to apportion the revenue derived therefrom among local, state and Federal Government units, and to require the reduction or removal of taxes on improvements on land." -- The Freeman.

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For the state to appropriate in taxation most or all of the annual rental value of natural resources and sites certainly does not weaken the motive to saving. It certainly does not cause savings to be invested in other jurisdictions or areas. It certainly has not the least tendency to weaken the motive to efficiency. Such taxation merely takes for the use of all of us a value for which none of us--nor any small group of us--is individually responsible; a value which none of us individually produced or can produce.

--Harry Gunnison Brown, Professor of Economics in the University of Missouri, in The Freeman.

WHY NOT A CEILING ON LAND VALUES?

A. J. M. Poole

An editorial "Inflation and the Farmer" in the Free Press for Aug. 18 is timely.

I learn from a New York paper that the Alexander Hamilton Institute sheds some light on the matter of war time wages and inflation. It points out that wage increases are only partly responsible for advances in commodity prices. The Institute states that since war began wages have increased 20%, while raw material prices have risen 43%. While wage addition will partly account for increased raw material costs, yet it is evident that ground rent is raising its ugly head.

Somehow the price fixers apparently do not understand that land is a factor in production. Wages are placed under a ceiling to protect the worker from the evils of inflation. What he does receive is subject to income tax. He is urged to buy war bonds. It is all carefully planned so as to leave the worker with just enough for a given standard of living to avoid inflation. But the architects of the planning have overlooked one important ceiling. That on land values is left out.

While attempts are made to keep wages and prices at fixed levels, costs, it seems, are mounting at the source of wealth. Retailers operating under ceiling prices, blind to the fact that goods sold to-day were manufactured when the rent line and raw material prices were lower, will not understand what is wrong when wholesale prices overreach the legal ceilings.

In time, perhaps, the idea will permeate that rent is a factor in the value of consumer commodities. --Winnipeg Free Press.

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In a boradcast last night the President begged of the farmers to keep down prices of their products. He could have sent across the street and secured a copy of a pamphlet by the Secretary of the Treasury, Henry Morgenthau Jr., wherein he states that Canada has a surplus of 498,000,000 bushels of wheat on hand. By a little hard thinking he could put two and two toegether and come to a conclusion that here is a good way to keep prices of wheat down -- pull down the fence and let the Canadian wheat in. -- Geo. C. Olcott.

Price fixing of commodities by government regulation is based upon pure fallacies which, if adhered to, will not only destroy our way of life, but of necessity end our freedom and reduce us to the level of communistic slaves.--G. W. Shadle in "New York Sun," July 7, 1941.

PLENTY OR STARVATION?

By Ernest J. Farmer

Production in this country has increased by 70 per cent. in three years. In spite of the enrollment of 600,000 of our most energetic men and women in the armed forces, it is still increasing. Mr. Ilsley foresees a total production before the end of the war, double that of 1939; one-half or more being for war purposes. When the war ends, as we utterly trust it will, with the United Nations victorious --what shall we do with a productive power well beyond the best with which this nation has yet been blessed?

A million and a half persons, in the armed forces and the industries supplying them, will have to re-adjust themselves. For a time all will seem well. Peacetime industry will expand as fast as is physically possible. Munitions plants will be remodelled and retooled; new plants will be built. Veterans and those formerly in war industries will be taken into employment by the thousands. War-depleted stocks will be replenished, and the spending of such monies as soldiers' bonuses will create what seems to be an insatiable demand. The building of dwellings, shops and factories will create a brisk demand for land, with rising prices. Some thousands of persons will acquire some millions of easy dollars through land speculation, and think themselves important in consequence.

So much is as certain as anything so far in the future can be. It is not certain, but it is probable that what follows these developments will be much less pleasant.

After a year or two the Government will take steps to check the continual expansion of the national debt. People will realize that the outpouring of Government money is coming to and end. At the same time builders and other requiring land will be finding the ever-increasing speculative prices more and more onerous; projects will be postponed or abandoned. The cancellation of one order will lead to the cancellation of others; the closing of one plant to the closing of others. It has happened again and again in the past -- a period of brisk development leads to rising land prices, this rise to speculation which forces land prices to dizzy heights; these prices finally make any increase in production impossible and there comes a collapse. From this there is no recovery until, slowly and painfully, the water is squeezed out of the speculative prices, largely through the medium of tax sales. Production will drop to the minimum on which people can exist. This means, since production per worker has so greatly increased, that we shall have not 820,000 unemployed as in 1933, but a million and a quarter to a million and a half. Political leaders, who never learn from history, will as Bennett did in 1931, enforce the most effective known means of prolonging and intensifying these conditions. Overburdened relief agencies will in places break down and conditions such as existed a few years ago in Cleveland (in which city some thousands of people received only three pOunds of flour and two of apples for a week's subsistence) will be widespread.

At present it seems that this sequence of events is more likely to occur than not. But it is by no means inevitable. Churchill, Wallace, King, Roebuck, a thousand less notable leaders clearly understand that the principle of land taxation, applied in adequate proportion, is sufficient to prevent it--at least in countries which avoid serious monetary contraction. Roosevelt has never succeeded in clarifying his economic ideas, but he is surrounded by men, including a majority of his National Resources Committee, who are clear-minded enough, and he is sympathetic enough to have spoken highly of Henry George. Most of these leaders are seriously determined after this war to free their countryes' workers as far as is humanly possible.

These men will be fought by all foul means by the powerful quasi-criminal groups who hate everything of an equalizing tendency and the Georgist ideology above all. Many of their attempts will fail. But they will receive support impossible at an earlier time. There has been an awakening. Once the landlord class could claim openly that it was right and proper for the workers to be kept half-starved and in subjection, so that their so-called "betters" might enjoy a position of authority; now they must clothe their claims in ambiguous language about the "sacred rights of property." Cacotheistic churchmen who proclaim that the eighth commandment means "thou shalt not prevent those who have been stealing for a sufficiently long time from continuing and amplifying their stealings" no longer escape challenge and contradiction.

The number of convinced Georgists is increasing as never before. The action of the American Classics Club in March resulted in over 40,000 persons acquiring copies of Progress and Poverty; of these well over a thousand have enrolled for serious study of the book. In Montreal, long considered the citadel of reaction in Canada, the number of Georgists has increased a hundredfold in a few years.

The Ontario Government is seriously considering plans for accomplishing an honest land assessment in the Province, and so destroying one great bulwark of the exploiting classes. If this is carried through, it will no longer be possible for a nominal 48-mill rate to mean only 6 to 7 mills on the actual value of land (and one mill or less on favoured speculatively held property) as, for instance, in Sudbury. In Milk River, Alta., land is already taxed 20 per cent. on the assessment. If the assessments actually correspond to the price at which land could be bought for use, this tax amounts to about 80 per cent. of the economic rent.

It may well be that the Dominion Government (more probably one of the Provinces) will impose a land tax which, with the existing municipal taxes will amount to 50 mills on an honest assessment. Such a tax will take about one-half of the economic rent. It will not abolish speculation, but will prevent land from being held idle over long periods. The chief obstacle to continued high production being lessened, production will remain at a high level and unemployment remain within manageable limits.

If this step should be taken in one Province only, the results will be so conspicuous as to lead to a demand which the antisocial groups will find it hard to combat. On page 2 some idea is given of the results of land taxation which in most cases amounted to less than 30 per cent. of the economic rent. These results were considerable, but the Western Provinces are so isolated from the Eastern ones that the antisocial interests were able, through continued large-scale misrepresentation, to prevent their being attained elsewhere. Indeed, the people of the Western Provinces have been so little conscious of their good fortune and the reasons therefor that the antisocial forces have been able to filch away from them a large part of their advantage.

The remarkable success of the Montreal Georgists places it within the bounds of possibility that Quebec may be the Province to lead the way. Should this be the case, the success of the Georgist principle will be so conspicuous and undeniable that it will undoubtedly lead to a general advance all through Canada.

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It seems to me that we have been handed a whole system of propaganda by the recent utterances of Donald M. Nelson, Chairman of the Production Board, to the University of Missouri. He does not declare for the Single Tax, but he does declare for plenty --world plenty -- as a fact, as soon as we cease destruction as a world activity. This endorses George's argument that private monopoly of rent is a form of destruction by barring out labour from the land. It surely is plain that, unless we free the land the end of the war -- and after -- will only be a renewal, or continuance of present condition -- Progress and Poverty. -- A. C. Campbell, in a letter to the Secretary of the Henry George Society.

There is every reason to believe, if England's ships survive and England has the grace to return to its glorious record of free trade, which, a few years ago, was so ruthlessly thrown over, World War No. 3 may be avoided. And if the U. S. A. had led in this phase of democracy, there is little reason to think we should have had either War 1 or 2. -- Chas. Ingersoll, in "democracy."

In the process of our working and fighting for victory we must never permit ourselves to forget the goal that is beyond victory. The defeat of Hitlerism is necessary so that there may be freedom; but this war, like the last war, will produce nothing but destruction unless we prepare for the future now. We plan now for the better world that we aim to build. -- President Roosevelt.

PROTECTION AND EMPLOYMENT IN AUSTRALIA

It is frequently asserted that Protection is the "settled policy" of Australia. It would be nearer the truth to say that Protection has "nearly settled" Australia. It has brought disaster to many homes. A large number of producers, who have laboured for more than a quarter of a century, have finally been driven from their homes in a bankrupt condition, and have been forced to start life afresh in some new industry.

It is asserted by those who advocate a protective tariff that the importation of goods into Australia has the effect of causing less labour to be employed in the Australian factories. We have frequently shown this contention to be wrong, and now publish a comparative table giving the value of imports over a long period of time, and the number of employees in Australian factories during the same period. (Canadian figures to right; imports in millions)

Year	Imports	Employees	Year	Imports	Employees
1926-7	£164.7	452,184	1926	$ 937.3	559,161
1929-30	£129.5	419,194	1929	$1,265.7	666,531
1930-31	£ 61.0	338,843	1930	$1,248.3	614,696
1931-2	£ 44.7	335,658	1931	$ 906.6	528,640
1932-3	£ 58.0	370.727	1932	$ 578.5	466,833
1933-4	£ 60.7	405,909	1933	$ 406.2	468,658
1934-5	£ 74.1	449,598	1934	$ 433.8	519,813
1938-9	£102.1	565,106	1938	$ 677.5	642,016

It is interesting to notice the effect of the high Customs duties introduced by the Scullin Government. From April 1930 to July 1931, special duties equal to about 50 per cent. were imposed. On April 4, 1930, a proclamation was issued under which 78 classes of goods were prohibited from entering Australia. The special Customs were gradually reduced from May, 1932 to February, 1935; and the proclamation against certain goods was removed by 1933.. A study of the above ta table will show that with the increase in Customs duties and the prohibitions against imports there was a falling off in the imports into Australia. Although protectionists claim that this would make for more employment in Australian factories, the official figures reveal that a lesser number were employed.

The Bennett high tariffs, aggravated by fictitious valuations, were introduced late in the year 1931.

(Quotations from the People's Advocate, Adelaide, for July)

"It is obvious that the Protectionist, instead of creating a new industry, has simply taken one industry and set it as a para site to live on another. A protected factory is not a producing industry. It is a consuming industry. If a factory is, as the Protectionist alleges, a triumph for the tariff, then it is not producing, it is consuming." Prof. Sumner in "Protectionism."

George Cady Olcott

The death is announced of George Cady Olcott of Chicago, publisher since 1900 of Olcott's Blue Book of Land Values.

Mr.Olcott, who was born January 29, 1858, was induced to read Progress and Poverty shortly after its publication by a plumber who had come to his home to make repairs.

Surviving members of his family are supporters of the Henry George School of Social Science in Chicago.

Brief notes sent the Square Deal by Mr. Olcott not long before his death appear on pages 3 and 6.

NEWS ITEMS

CHICAGO, ILL.: HGSSS classes opened the week of September 21st. Enrollment totals are not yet available, but it is hoped that the objective of 1000 set by the organization committee will be approached if not exceeded.

NEWARK, N.J.: On August 18th appeared the first number of "Your School," a four-page news sheet devoted to the activities of the HGSSS of New Jersey.

NEW YORK, N.Y.: Courses in Progress and Poverty over Station WHA, University of Wisconsin College of the Air, are seen as a not remote possibility, as a result of vigorous promotional work on the part of Margaret Bateman, Jean Lackey and others of the New York School.

PHILADELPHIA, PA.: Sanford Wise, formerly of New York will be conducting classes in Philadelphia beginning early in October. Ten classes in Fundamental Economics and two others are scheduled.

ST. LOUIS: 39 students graduated at the end of the spring term. A series of alumni meetings were held during the summer. At least six classes were scheduled to begin the week of Sept. 21.

PERSONALIA

Mr. Donald Hamon of Hamilton is now a happy married man. Mrs. Hamon, formerly Lenora Jeanne Anderson, is also a student of Progress and Poverty and an enthusiastic Georgist.

Mr. Robert Wynne, besides contributing to the Hamilton and Toronto papers, has written articles in Welsh for a leading national journal. Several of these have been featured and have received editorial comment.

Mr.Sydenham Thompson, for a number of years Secretary of the Single Tax Association, has made a couple of visits to Hamilton Georgists recently.

Toronto Georgists greatly regret the capture during the Dieppe operations of Brigadier W. W. Southam, who at times was helpful to the Single Tax Association.

FARMERS AND LOW PRICES

F. E. Lucas

In a pamphlet styled "Agriculture and the Economic Depression", Mr. Arthur R. McDougal, a farmer in Great Britain, deals with the argument that low prices are the cause of agricultural distress. He contends that this argument cannot bear close examination. In support of this he writes:

"History shows here that as prices rise in a period of prosperity, then rents and land values and other costs rise also, and then when the slump comes the farmer finds himself tied to high costs, some of which are fixed for a period, such as rents and interest on mortgages. It is these fixed charges which he undertook in the boom that cause his ruin in the slump.

"In Great Britain prior to the Napoleonic Wars, the British farmer throve well enough with wheat at 53s in, say, 1797, but was ruined with wheat at 74s in 1815. Why?

"The answer is simple. Wheat rose 40 per cent. Poor rates rose from 50 per cent to 100 per cent or more, while rents rose from 250 per cent to 1,000 per cent. In the period between 1797 and 1815 when peace came wheat had often been as high as 120s per quarter, and it was the enormous increase in land values caused by the belief that wheat and other prices would remain at high levels like that which caused the ruin in 1815 and subsequently.

Exactly the same thing has worked out in recent years. A high price draws out bigger supplies and in fixing and holding the world wheat prices artificially at too high a level, the boards or pools caused (1) an artificially increased supply (2) a monstrous rise in land values with accompanying orgies of excessive mortgaging and expenditure.

The result is, of course, eventually slump and ruin."

Is not that what happened here after the last war? Is not that how our farming industry was brought to its parlous state in the 1930's? The high prices which the Government is now guarenteeing for many farm products will merely mean high land values and and debts and ruin soon after this war is over. That can be prevented only by breaking land monopoly and enabling the farmer to work without having to cripple himself by being made to buy land at a high price before he can farm. -- The Free People (Johannisburg)

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Our soldiers are fighting for "their"country; but when they return they will find that "their" country is locked up against them in the ever-increasing prices demanded for land. -- The Free People.