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Subscription 50¢ a year

Single copies 50¢

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In entrusting arbitrary discretion to the State, the Socialist must assume that the ordinary organs of government are wise to the point of infallibility. In actual fact, even when composed of intelligent individuals, they are nearly always obtuse and obstructive.

In Canada, import control was handled by able, experienced men. Yet when the Government's own housing corporation wanted to import 10,000 sinks to finish 10,000 homes, the controllers blocked it -- because the importing firm had no previous import business, therefore no quota. By the time the red tape was untangled the 10,000 sinks had been bought by some uninhibited American. -- From an editorial in Maclean's magazine, August 15, 1949.

The trouble about planning is that nobody knows how to make a plan -- to stop planning! Each plan, looking so neat and self-contained on paper, invariably impinges on something not planned and throws it out of gear. The resulting confusion then seems to provide an excellent reason for another plan. -- Stephen King-Hall.

THE SQUARE DEAL

Authorized as second class mail
Post Office Department, Ottawa.

Published bi-monthly by the Henry George Society
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48 Fulton Ave., Toronto 6 Ont.

THE SITUATION IN PITTSBURGH

For over 30 years the general tax rate in Pittsburgh and Scranton, Pa., has applied to only 50 per cent of the building assessment. The exemption allowed in a modest one, as it does not apply to school or county taxes. Leading citizens of Pittsburgh have long advocated that the proportion of building value exempted be increased by stages to 99 per cent. Mr. Percy Williams, Executive Secretary of the Henry George Foundation of America, states the present situation in a letter to Mr. Oscar Boelens of Montreal:

"There was no graded tax legislation introduced at the 1947 session of the Pennsylvania Legislature, nor was there any bill of this nature before the 1949 session.

"But there is a good prospect that we shall have an organized movement well under way before the 1951 session, and if so there will be a serious effort made to obtain some favorable action at that session. At various times in the past bills had been introduced, and back in 1933 we were very successful in the passage of our two bills in the lower house of the Legislature. But we concluded that there was little to be gained by repeatedly introducing bills without building up substantial support in advance.

"In 1947 a bill was drafted that was intended to give the City Council of Pittsburgh power to extend the present graded tax plan, but as we did not find an influential sponsor from Pittsburgh among the majority members of the Legislature, it was decided not to take any further steps at this time. We have been exploring the situation in recent months and we may have some news of interest to you and other friends in the near future."

THE EDITOR EXCUSES HIMSELF

This number of THE SQUARE DEAL is sadly behind time, and also somewhat less in content than recent numbers. This is due to an illness which greatly hampered the Editor, who at the best can give only a limited amount of time to the paper. The next number is bound to be somewhat belated, but in all probability the May-June number will be on time. There is some excellent material already on hand.

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It would make all the difference in the world if historians would turn their attention to fundamental economics before they try such a trying task as that of finding other reasons for the fall of nations than that which Pliny discovered when he said: "Great estates ruined Italy." -- Francis Neilson, in "Man and the Liberal Arts."

HOW TO GET RICH WITHOUT WORKING!

S. Allan Johnson

It is a rogue that takes more than he earns, and a fool that takes less!

How to get rich without working is a problem which was solved by Captain Howey when in 1837 he bought two acres of bush land then being sold as part of the first land sale in Victoria, and for which he paid £120. (Report has it that he was intoxicated at the time of the sale. LL.)

We, the people of Victoria, have cleared and cultivated the country, made farms, built homes, established villages, towns and cities, and connected them all by roads, railways, etc., and the value of these and the many public utilities such as postal and telegraph connections, electricity, gas and water services, have given to those two acres a value now approaching £2,000,000 per acre, as they are in what is known as the centre of Melbourne today.

Henry Howey and his family were drowned at sea, but to their heirs in England we have sent \$10,000,000 worth of wheat, wool, etc., to get their permission to use the land values for which they have done nothing. (This statement, according to a pamphlet issued by Mr. E. J. Craigie, former M. P. for Flinders in the South Australian Parliament, must be literally true. The tenants of the sites have had to pay all the rates, and it is they who have put up all improvements. And yet we are told men must own land before they will improve intensively! --LL.)

Had those in power in 1837 the right to sell to Howey the privilege that his descendants for ever and ever should live in increasing luxury, without any service on their part?

God made all the land for all the people, and gave no mandate to some to charge others for the right to live.

Money and Debt

Professor Frederick Soddy, F. R. S., says: --

"When we see the net economic results of war, we see the cause of war. In war, wealth, along with the flower of the nation's manhood, is destroyed as rapidly as modern

engines of war can destroy it. The dead do not return, but the wealth destroyed sheds its corruptible body and takes on an incorruptible. It is the national debt!"

The most humiliating spectacle of the age is that the best minds are devoted, not to building up a nobler civilization, but to a chimera -- how to convert the wealth that perishes into debts that endure and bear interest."

That happens because some money can be invested in land values and draw perpetual rent, so all money must also draw perpetual money rent.

Interest is Unnatural

The accumulation of wealth is natural. Interest is unnatural. We are entitled to save for future need, but we cannot be entitled to more than we save. If so, who would be entitled to produce that more for us?

If I save wheat, it is costly to store. It deteriorates, and it gets less as I use it. But if I sell the wheat I can live on the money interest without reducing the capital. Why is money everlasting, while the wheat it represents is perishable? If we took land rent for revenue, and no more investment values was then possible, all money would have to be invested in "produced wealth which decays." Then money interest would be as perishable as the goods it represents. £110 is now paid in interest by the workers of Australia per minute on the National Debt out of their wages, and it is mostly on decayed wealth.

For us to consume borrowed wealth in our day, leaving posterity to pay perpetual interest is, as Dr. Kirkwood says, "pawning the kids," and we shall need to breed many and docile ones if they are not to be branded as repudiationists.

So much capital is being put out at tribute, that soon all we produce will be taken to pay interest and rent (economic rent -- LL), and we shall starve amidst the plenty we produce. HOW MUCH LONGER IS THE WORLD TO BE STARVED BY A FALSE ECONOMIC SYSTEM?

The Liberation Re-Purchase Plan restores to the site-owner the value put into the purchase. -- The Liberal Leader (Matamata, N. Z.) May-June, 1949. Notes (LL) by the Editor of the Liberal Leader.

TORONTO ASSESSMENTS

Ernest J. Farmer

Several years ago a former member of the Toronto City Council warned local Georgists that a scheme was afoot to

promote a new assessment which should increase the burden upon homeowners, and in particular to nullify the small advantage many enjoy by reason of the partial exemption of small dwellings in force since 1922.

Not long afterwards came word of the appointment of Mr. A. J. B. Gray as Assessment Commissioner, with provision of funds for the making of a new assessment. As some favorable reports as to Mr. Gray's qualifications had been received, hope for a more equitable assessment had been aroused.

Assessment reform was long overdue. The Ontario Assessment Act requires that land be assessed for municipal taxation at its actual value, and that buildings be assessed at the amount which they add to the value of the land. But few Ontario assessors have made any attempt to comply with the Act; the great majority do not even pretend to. In not a few Ontario cities and towns total land assessments have for years been less than 25% of actual values. Building assessments have also been low, but proportionately from two to three times as high as land assessments. Such low assessments commonly make it impossible for those who pay as much as two or three times their fair share of taxes to obtain redress, since their assessments are still below actual value.

Early in the present century Toronto's assessments were among the best. From 1912 to 1924 the land assessment was more than 50% of the real estate assessment. But from 1918 on land assessments were not raised in accordance with rapidly increasing values, while building assessments were constantly increased, with only trifling allowance for depreciation. Property-owners who appealed against excessive building assessments but not against land assessments which were already too low, were often granted unasked for reductions on the land and refused the reductions on buildings which equity demanded.

The depression of the 30's lowered values sharply. Assessments on land were lowered considerably; those on buildings a little. In 1938 Toronto's land assessment was 370.8 millions, 41.6 of all real estate, \$574 per capita,

probably between 65 and 70 per cent of value. There was some distress selling at prices below the assessments, but the few who were inclined to risk building operations found little land for sale at any such price. Building assessment was 494.2 millions.

The deterioration of Toronto assessments continued. Values were rising even before 1938. The war brought a depreciation of the dollar, a rapid increase of population, fantastic increases in rents and in consequence an enormous increase in land values, with a smaller increase in building values. But by 1948 land assessments were down to 336.7 millions, about \$488 per capita, and only 39.5% of real estate assessments. It is impossible to state, except within wide limits, what proportion these assessments bore to actual values. In 1930 the Manufacturer's Appraisal Co., the foremost authority on real estate valuations in the United States, accepted \$1000 per capita for land and \$1200 for buildings as a normal valuation for a prosperous American city. This norm would be much too high for many cities in the Southern States, and too high for Toronto in 1930, but is undoubtedly much too low for Toronto at the present time, especially as regards land values. But even judged by that insufficient standard the city's assessments were but 48.8% of value for land and 60% for buildings.

The Toronto of today is not however to be judged as a normal city. The city is the core of a metropolitan area of much larger population. In downtown Toronto land worth many millions is encumbered with buildings which, though assessed at nominal values, are actually worse than valueless, as time and money must be spent on their demolition before the land can be put to normal use. It is as certain as anything can be in this mad world that total land values in Toronto are considerably in excess of building values, and well over the \$1000 per capita accepted as normal in 1930.

The 1949 assessment increased land values by 28 millions to 365 millions -- about \$527 per capita and less by 5 millions than in 1938. Building assessments increased to 805 millions or \$1170 per capita. Land assessments are but 31.1% of all real estate assessments. The writer does not know of any land assessed at as much as 50% of the most conservative valuation.

The present assessment has undoubtedly removed many inequities in the assessment of buildings. A few years ago the writer learned that one house of a semi-detached pair near his own home was assessed \$1000 -- more than one-third -- higher than its twin. Without checking figures, it may be assumed that this particular injustice has been abolished. But the fundamental iniquity, the underassessment of land, has only been aggravated

by the more efficient assessment of buildings.

Toronto's revenue from real estate taxation in 1949 was just over 41 millions. If the Ontario Assessment Act had been literally enforced, something over half of this -- probably at least 22 millions -- would have been derived from land. But estimating only 50% of the total value to be land value, land should have paid 20½ millions. Actually land paid 12¾ millions, \$7,750,000 which according to the Act should have been paid by the landholders was paid by the workers. A steal of 7½ millions is not a big one as steals go now, but it is not inconsiderable.

These figures do not tell the whole story. Many dwellings formerly assessed at \$4000 or less have lost from 20 to 100 per cent of the partial exemption formerly enjoyed. This feature of the assessment has aroused widespread resentment, and as a sop to a considerable body of voters it has been proposed to increase the exempted values by 10%. This increase however will offset only a small part of the loss. In addition, the large increase in the assessment of commercial buildings adds largely to the business assessment, which of course means additional burdens upon the consumer.

It was the declared intention of the framers of the Ontario Assessment Act to place upon vacant or poorly used land sufficient tax burden to act as a check upon speculation. The new assessment more nearly approaches legality than the old, in that assessments of buildings are more nearly in accordance with actual values than formerly. On the whole, however, it is less equitable; it is still far from complying with the provisions of the Act, and still farther from complying with the intent of the Act. Readers of THE SQUARE DEAL will hardly need to have it explained that this assessment will favor the growth of slums, and aggravate social evils generally.

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I can understand it must be a hard job to teach the English people about the ideas of taxing land values, or better, collecting the land rent (land duty) for the benefit of the people instead of taxing incomes and commodities, but is it not more opportune now after many years of Socialist misgovernment? I think the English people are now feeling the results of the wrong politics just as the Danish people feel it now. More and more people in this country are now turning in this country are now turning to the Justice League; we have now six seats out of 150 in the House of Commons, but latest Gallup poll tells us that we now could obtain 10-15 per cent of the voters. -- Svend E. Hansen (Danish citizen)

LIBERTY AND LIBERTY

The world has never had a good definition of the word liberty, and the American people, just now, are much in want of one. We all declare for liberty; but in using the word we do not all mean the same thing.

With some the word liberty may mean for each man to do as he pleases with himself and the product of his labor; while with others the same word may mean for some men to do as they please with other men, and the product of other men's labor.

Here are two, not only different, but incompatible things, called by the same name, liberty. And it follows that each of the things is, by the respective parties, called by two different and incompatible names -- liberty and tyranny.

The shepherd drives the wolf from the sheep's throat, for which the sheep thanks the shepherd as his liberator, while the wolf denounces him for the same act, as the destroyer of liberty, especially as the sheep was a black one.

Plainly the sheep and the wolf are not agreed upon a definition of the word liberty; and precisely the same difference prevails today among us human creatures, even in the North, and all professing to love liberty. -- Abraham Lincoln, in an address at the Sanitary Fair at Baltimore, Md., April 18, 1864

More often than not the greatest enemies of free enterprise are those who talk most heatedly about its virtues. -- Randolph Paul, in Taxation for Prosperity.

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Never yet in the history of man has great power been entrusted to a number of men, but that that power was exercised, not benevolently, but for the benefit of those who exercised it. No body of men was or ever will be fit to exercise absolute power. Therefore the members of the socialistic bureaucracy must use their power, as men with even less power have used it in the past, for their own advantage. They hold in their hands the whole of the wealth of the country.

They will sooner or later appropriate more and more of that wealth for their own use. The "equality of distribution", the "equal reward of labor", will remain as regards the educated masses, the subject people; but in ways open or concealed the officials will inevitably secure for themselves an ever greater share of that wealth. The officials will live in Roman luxury, marked off in startling ways from the correspondingly increased poverty of the rest of the people. -- Max Hirsch, in an address in Melbourne, 1904; republished in The Standard (Sydney), March 1949.

MONTREAL NEWS

Strethel Walton

The HGSSS started the New Year with a social evening on Tuesday, January 10th, at the School. This was a very pleasant affair, with a good attendance. Informal talks were given by Mrs. Helen Russell and Mr. James Turner, followed by open discussion and a question period.

Three classes studying Progress and Poverty started in January, with an enrollment of 88. A class studying Protection or Free Trade started January 18th.

Mr. Thomas James, one of our teachers, addressed the Gyro Club during December on Public and Private Income.

DUTY FREE "SEA LIFT"

Mr. C. E. Atkinson, a well-known Darwin waterfront identity, has been granted permission to unload cargo free of customs duty from two American freighters sunk in the Darwin blitz on 19th February, 1942.

Mr. Atkinson, who is a diving expert, bought the two vessels -- the Meigs (12,500 tons) and the Mauna Loa (9000 tons) -- from the Commonwealth Disposals Commission after the war.

The two vessels were part of a convoy which was to leave Darwin for Timor to reinforce the Timor garrison when the ships were bombed and sunk during the first Japanese air raid. They have jeeps, trucks, cars and spare parts aboard.

Mr. Atkinson started work to lift the cargo from the Meigs in 1946, but was told by Darwin customs authorities that he would have to pay full customs duty for vehicles and all other goods landed on the shore.

He took out two vehicles, but had to dump them back into the sea on account of the duty.

All his representations to the authorities for three years failed until Senator C. A. Lamp and Mr. D. McLeod, M. P., who were in Darwin recently, made representations to the Minister for Trade and Customs (Senator Courtice), who gave approval for the cargo to be landed duty free.

We drew attention three years ago to the absurdity evident in this case. It is a poor commentary on our official wisdom to think that it took three years to convince officials that goods were better on shore and in use than rusting in the sea bed even at cost of waiving the tariff but they still don't see that plenty is better than deprivation. -- Progress (Melbourne) July, 1949.

GOD'S TITLE TO THE EARTH

Herbert T. Owens

LET'S ACT NOW is the title of a book by Richard Terrill Baker, recently published by the Friendship Press. This 124-page book is a stimulating pep talk to Christians, and will be widely used by church study groups this season. The author tells us that a capitalist believes that individuals own the wealth of the world; that socialists believe that the commonwealth owns it; while a theist believes that God owns it. In support of the thirs category he quotes the Psalmist: "The earth is the Lord's and the fullness thereof." (p.59.)

In books of this type it is the fashion . . . theological writers to quote the Psalmist, but they have as little notion as to how to transfer the earth from the landlords back to the Lord as the vast majority. They seem to rely upon moral suasion to motivate land-owning men and women to do what is right. Says Dr. Baker: The Christian believes that all the riches of the earth are of God and man is their custodian. Wealth, the starting process of the whole economic process, begins with God. . . A theist has no trouble in understanding that the economic processes of mankind should be as holy as the Lord's supper." Our author is confused in his economics here. While this reviewer agrees that the earth is the Lord's, wealth is the result of the application of labor to natural resources, and it is certainly the property of its human producers. Not so the land, which is not made by human labor. To rely upon moral suasion alone to cure our economic ills is reasoning like the Italian Foreign Minister, Count Sforza, who told Ottawa reporters that if the "stupid" capitalists in Italy and the "stupid" landowners in the south of Italy would only mend their ways, all would be well in that sunny land. But it's not so simple as Count Sforza imagines.

No holder of a vested interest will yield it willingly. It needs more than moral suasion. As St. Paul wrote, "the law is a schoolmaster to bring them to Christ." The best way to cure the kind of stupidity that Count Sforza referred to, or to make the earth the Lord's, is to raise the public revenues by a tax on land values. But our legislatures will not provide the laws until the public demands them. Ad the public will not demand them until individuals are convinced that there is no other way.

I do not claim that George's remedy is a panacea that will cure by itself all ailments. But I do claim that we cannot get rid of our basic troubles without it. -- John Dewey.

THE HIGHER ART OF STEALING

Jerome Joachim

I have often pointed out that the function of government is to prevent one man from stealing what another man produces. Today, in America to some degree and in Europe to a much greater degree, government's principal function is to take from the best producers and distribute to those who are unable or unwilling to work. To the extent that this is done by government, will our civilization become more and more decadent. In the early days of government, those in power could keep that power by dividing what they stole in taxes with a few of the lords and barons who were in key places. By so doing government made it unnecessary for the most capable people to work at all.

Later, as the democratic idea broadened, it was necessary to divide the "loot" with an increasingly larger group. Today in America we have the spectacle of a government which steals from the people for the benefit of organized groups numbering into the millions. While the thief in the beginning kept only the lords and barons idle, present day government aims seem to be to give millions the idea that their welfare lies not in greater effort but in looking to government to help them steal from their fellow man. All of Europe is convinced that their salvation lies in that direction. Apparently a majority of Americans are convinced of the same thing. -- In "Is This True About Business?", Henry George News, January 1949.

Justice is the means of peace betwixt the Government and the people, and one man and company and another. It prevents strife, and at last ends it. Peace is maintained by justice. -- William Penn (1693)

Standing outside the courtroom of a notoriously incapable, semi-illiterate judge, I heard a reporter say, "If the people who elected him would only take the trouble to visit this court once, he'd never hold office another term. -- Morton Sonthheimer, in "Our Reeking Halls of Justice", Collier's Magazine, Apr. 9, 1949.

To secure to each laborer the whole product of his labor, as nearly as possible, is a worthy object of any government. -- Abraham Lincoln.

The country is not made great by the number of square miles it contains but by the number of square people it contains. -- ShelBee News.

The three partners in production are Labor, Capital and the Public. Labor earned the wages, Capital earned the interest, and the Public earned the rent. But, unfortunately, the Public did not get the rent. -- L. D. Beckwith, in a quiz broadcast.

A PAGE ABOUT TARIFFS

In all lands the interest of the great majority is in free trade, and unless and until this interest is satisfied there will be strife and wars without end. The Atlantic Charter implies as much, when it urges for all nations "access on equal terms to the trade and raw materials of the world" and calls for "the fullest collaboration of all nations in the economic field", -- The Cooperative Builder.

I believe myself that Protective tariffs wherever they have been introduced have done harm. I believe they have warped and restricted the growth of the industries of the nations which have adopted them. I believe that they have been unfairly injurious to the poorer classes. I believe that these tariffs tend to the corruption of public life and of public men; that they make every town and every part of the country send a member to the Legislature not to consider the generous and broad interests of the whole country, but to push the particular line of goods and of manufacture in the place from which he comes. -- Winston Churchill, in The People's Rights.

The Free Trade doctrine is admittedly based upon enlightened self-interest, but those who expound it believe it to be not only sound business but sound ethics as well. -- Deryck Abel, in The Free Trader, London July-August 1947.

The farmers of Australia are stretching out their hands to the workers and producers of Great Britain. In fact, the peoples of all the world are stretching out their hands to one another. Only the power and corruption of Governments hold them apart. -- George Winder in The Free Trader, June-July 1945.

How many times must it be repeated that the causes of the last depression were : (1) Tariff madness which restricted purchasing power in every country of the world; (2) Inflation of land values which made the working of the land, which is the source of all wealth, uneconomic. -- A. O. Henderson in the Goulborn Evening Post, Sept. 30, '47.

A school boy howler on tram tickets reads: "We are still confronted with the choice between Free Trade and Detection." However, when one considers the elaborate policing system with which Protection is enforced, and the ways in which individual affairs are pried into it becomes apparent that this sentence contains considerable truth. -- Progress (Melbourne), June 1949.