
S. E. S. NEWS-Letter

Internal Communications Medium of
THE SCHOOL OF ECONOMIC SCIENCE
 and Social Philosophy
 411 Blackthorn Road N.E. (Ph. 274-8842)
 Calgary, Alberta, Canada

August, 1973

CALGARY & DISTRICT MEMBERS ...
INVITATIONAL OPEN!!

Each and every member is invited to bring their acquaintances and friends to an open information night. The meeting will be conducted by Jim Ramsay, who will answer any questions you or your friends may have regarding this year's classes.

The meeting will be held at the Central YMCA, 332 - 6th Avenue S.W. (Sir George Williams Room), on September 3rd at 7:30 p.m. Remember, that is Monday, September 3rd, Labor Day...a day of rest, when everyone will be refreshed to participate in an evening program.

Bring everyone - their wives, girl friends, husbands, mothers, fathers, sons, daughters and anyone else I missed. Three invitation cards are enclosed in this News-Letter ... if you need more, call Jim Ramsay at 274-8842.

* * * * *

CHIVALRY DEFINED: a man's inclination to defend a woman against every other man but himself.

School of Economic Science
 411 Blackthorn Road N.E.
 Calgary, Alberta

Yes, the school will be conducting classes again, and at the same prices as last year. Below is a list of locations and registration dates for Calgary and district:

Viscount Bennett School Mon., Sept. 10
2519 Richmond Road S.W.

Central Y.M.C.A. Mon., Sept. 10
332 - 6th Avenue S.W.

William Aberhart School Tues., Sept. 11
Morley Trail & 23a Street N.W.

South Family Y.M.C.A. Tues., Sept. 11
11, Haddon Road S.W.

Ernest Manning School Wed., Sept. 12
16th Avenue & 5th Street S.W.

North Family Y.M.C.A. Wed., Sept. 12
635 Northmount Drive N.W.

Central Y.M.C.A. Thurs., Sept. 13
332 - 6th Avenue S.W.

Henry Wise Wood School Fri., Sept. 14
75th Avenue & Elbow Drive S.W.

North Family Y.M.C.A. Fri., Sept. 14
635 Northmount Drive N.W.

Another class will be held in the Bonaville area. The registration date is Thursday, Sept. 13th. Watch the Calgary Herald for the exact location.

For information concerning classes in

Edmonton, please call Harry Hyde at 452-6230.

DOING BEATS STEWING

valuation and many preferred to have the cabins eliminated than to have to pay the rates. The Poor Law Guardians, who were of course landlords, admitted families to the work-house and took advantage of their absence to have their cabins levelled. Many of the poor clung to their holdings despite the utmost privation or even death, rather than relinquish their homes. This was partly due to the fact that some landlords, to clear their estates of tenants, helped them to emigrate and if the tenants left the holdings to obtain relief, the landlord had no further interest in paying their passage to America or Australia.

In the eight months between November 1847 and June 1848, one thousand houses were levelled in one Union (Kilrush) alone, and six thousand notices to quit were served on the tenants. In 1845 there were in all Ireland 310,375 tenancies of 1 to 5 acres—ten years later there were 88,083. This means that 222,292 cottages were "tumbled", as the expression was, and levelled by crowbar brigades often under military protection.

The prime motive for these evictions was to lessen the impact of the Poor Rate. Had the rates been on land values alone, (or as we call it in New Zealand, the Unimproved Value) and improvements have been exempted from rates, these measures would have been pointless, and the rate would probably have directed these frantic efforts into increasing production to the maximum possible degree, and as quickly as possible, as the only protection from the severe impact of the rates.

This phenomenon of destroying buildings to minimize rates is observed today in many modern American cities. Acres of car parks around the city hall bear witness to the same economic consequence of destructive taxation.

Milk River (cont'd)

bank for the additional funds, but the loan was denied on the grounds that the Village did not have sufficient revenues. An appeal was made to the Provincial Government to underwrite the loan. The Council was told that the Province would be happy to underwrite the loan, but they would have to change their taxation system to include improvements in the assessment.

On April 26, 1949, a plebiscite was held in Milk River to change the taxation system to include improvements in the assessment. This enabled the Village to borrow sufficient funds, based on their new combined assessments, to proceed with the water and sewer installations.

The flaw in the system was that the Village did not assess the value of the land high enough to meet their future needs. It became evident when the lots were selling higher than their assessed value at 100%.

* * * * *

Irish Famine (cont'd from p.7)

beyond.

The Poor Law system which existed in England from Tudor times was introduced to Ireland by the Irish Poor Law Act of 1838. The country was divided into Poor Law Unions, each with an elected board of guardians and each Union had a work-house and levied a poor rate on the Annual Rental Value of property.

When the famine struck, it became the very key stone of the British Government's policy that the Irish landlords should pay the full cost of relief and its administration. The poor rates were increased many times over. "Landlords were liable for all the rates on holdings and cabins of less than £4

THANK YOU

for your

LETTERS & SUGGESTIONS

In our last News-Letter we asked for suggestions from members. We received some excellent articles. The first is from a Vancouver daily, sent to us by J. W. Freeland; the second article, from Leo Ellert of Milk River, tells the story of Milk River and how it put land value taxation into practise.

We also received from Adele Buckalter, an interesting excerpt from "Rating in New Zealand" by Ronald O'Regan, and look forward to printing the review of this book in a subsequent issue.

* * * * *

FAREWELL

John Carten, a former member of our editorial staff, bids us farewell as he prepares his move to Halifax, N.S. He has been accepted as a student of law at Dalhousie University, and says his studies with S.E.S. influenced him in making this decision. We wish you well in your new endeavour, John.

* * * * *

Note from constituent to M.P.:

"Please Sir, don't improve my lot in life any further. I can't afford it."

Reprinted from a
Newspaper Column
by
ALLAN FOTHERINGHAM

ONE DOES NOT WISH TO MAKE too much

of this subject, but the case of Mason Gaffney continues to interest. Mason Gaffney is the highly-thought-of American economist who now has been confirmed by Resources Minister Bob Williams as director of a "B.C. Institute" think tank in Victoria that will provide some academic leadership for the NDP government. As such, Gaffney's philosophical point of view is of some importance.

Mason Gaffney is the leading U.S. exponent of what is known as the Henry George school of economics. Henry George is a fascinating story. He was an American journalist, economist and — a century ago — an international leader of protest and reform. He received an excellent preliminary education from his religious family in Philadelphia, but never went to university. Instead, he travelled the world. At one stage he headed for the Cariboo gold rush of 1860, but arrived too late.

* * *

GEORGE WROTE A EULOGY after the assassination of Abraham Lincoln that got him promoted from printer to reporter on a California paper. After that, he rose rapidly in journalism and edited three papers in California. In Oakland, observing the land speculation brought upon by a transcontinental railway, Henry George began to evolve his ideas that the rent of the land belongs to the people.

His major work, Progress and Poverty, came in 1879. The New York publishers brought it

the assessment, but were not granted relief by the Court, so immediately disposed of the lots.

In the years 1935-37, Mr. J. Ben Elliott, (father of Leo Elliott, a Director of this school) held well attended classes.

It is interesting to note that the value of land had dropped from \$84,000.00 in 1935 to \$28,775.00 in 1946. The mill rate in 1946 was 670 mills, 400 for the Village and 270 for the school. This was sufficient for all the needs of the village. It was even more than enough, because in 1946, the Village had \$4,397.00 reserve in the bank, as well as \$8,500 in bonds.

During this period of land value taxation, lots sold by the Village were at assessed values. Private sales were at higher prices, tending to prove that the assessed value was less than market value.

There were no uncollected taxes for the years 1942-45. "Very unusual", quoted the Provincial Inspector.

According to a survey made by Calgary Power Company (which supplied the Village with electrical services), the Village, in relation to its population, was the most compact of any in the Province.

During this period, the Village did not have a water and sewer system. Pressure was steadily being brought upon the Council to install these services—primarily for fire protection.

The Village already had 1/6 of the monies needed for the system. The Council applied to the

IT WORKED!!

Henry George's philosophy really works. It has worked right here in Alberta, in the Town of Milk River. This information comes from the files of the late Mr. Fred Pease.

Fred Pease came to Milk River from Minneapolis, Minn. in 1910, at the age of 21, bringing with him a strong and enthusiastic belief in the merits of land value taxation, derived from his early exposure to Progress and Poverty.

Through Mr. Pease's efforts, a Single Tax group was formed. This group was instrumental in changing the tax structure so that all revenues in Milk River were raised by a taxation on the value of land only — until 1928, when the Village Act of 1927 compelled taxing authorities to assess and tax improvements.

The Single Tax group applied pressure upon the Alberta Government to amend the Village Act to allow exemption of improvements. It wasn't until March, 1935, that the Village of Milk River was able to pass a by-law stating ". . . that the assessment shall be limited to an assessment based upon the ACTUAL VALUE of all lands in the Village, exclusive of the improvements thereon."

The taxation levy for the year 1935 was 100 mills.

The Canadian Pacific Railway owned 50 unimproved lots in Milk River when this taxation scheme went into effect. The C.P.R. appealed

out only after George paid the cost of having the type set himself in a San Francisco printer's and shipped the plates east. The book by the self-educated economist is now regarded as the most systematic work in the history of American reform. It sold two million copies, was widely praised in Europe, and at one time was the best-selling book in the world next to the Bible.

Henry George had no political ambition, but was so popular he received an independent nomination for mayor of New York and it took a coalition of the two stongest parties to defeat him. Even so, he finished ahead of a candidate by name of Theodore Roosevelt. His death in 1897 was followed by one of the greatest demonstrations of popular feeling and respect ever seen at a funeral of a private American citizen.

* * *

SO MUCH FOR LONG DEAD Henry. But his theory lingers on. Simply put, it is that the value of land be expropriated through taxation. George held the perfectly reasonable belief that private ownership of land has no more foundation in morality or reason than private ownership of air or sunlight. Therefore, when men pay excessive rent to a private landowner before they can work the land, they are being deprived of a natural right.

The way to strike off this fetter of economic rent is to require payment of a tax to the community which, by its own development, has produced the increase in the land value in the first place. George called this the Single Tax and it was what established his fame. The state should tax away all economic rent and therefore all other taxes could be abolished. (Landlords, by the way, would be left in undisturbed

possession and nominal ownership of the land, with a sufficient margin over the tax to induce them to collect their rents and pay the tax.)

This is putting it all rather crudely, as no doubt the Georgists will complain. At the time, George's book caught the spirit of discontent that continued to sweep a world just emerging from the great depression of 1873-78. John Dewey, the famous American educator, said that from Plato on down, fewer than 10 men in history ranked with Henry George as a social philosopher.

**

A 1960 ISSUE OF HOUSE & HOME (a Henry R. Luce magazine, by the way) features a study of land. The land price, land economics and land tax sections were done in collaboration with, for one, Mason Gaffney, described as one of America's foremost land economists. Henry George is ranked as an authority along with Adam Smith, Thomas Jefferson and John Stuart Mill. Winston Churchill is quoted as saying it much better and stronger 40 years ago: "Land monopoly is not the only monopoly, but it is by far the greatest of monopolies — it is a perpetual monopoly, and it is the mother of all other forms of monopoly."

One of the many books on Henry George discovered at the UBC library yesterday, was Steven B. Cord's Henry George: Dreamer or Realist? (It was donated to the library, ahem, by H.R. MacMillan.) In it, the author suggests that Mason Gaffney and other Georgists now unfortunately tend to downplay mention of the name Henry George with land value taxation (the new name for the Single

**

(Tax) for fear of stirring up "old emotions and half-forgotten antipathies."

ANOTHER DEFENDER OF LAND VALUE

taxation is the Vancouver land economist, Mary Rawson. Mary Rawson took her masters at University of North Carolina at the same time as Mason Gaffney was down the road at North Carolina State. She was a partner of Bob Williams when the resource minister was a planner in Vancouver and she has recently been appointed to the NDP's new B.C. Land Commission. She is, in case you're wondering, a Conservative.

Bob Williams is, through Mason Gaffney, a disciple of the land value tax, the theory that those allowed to use the land belonging to the public must be forced to pay a more equitable economic rent back to the state. We do have an interesting seven years ahead of us, we do, with the resources minister of the province and a leading land value taxation theorist bringing back to the forests of B.C. the ghost of the old man who missed the Cariboo gold rush.

Excerpt from RATING IN NEW ZEALAND
by Ronald O'Regan

THE IRISH FAMINE OF 1845—The Great Hunger

This might appear at first sight to be an unusual subject to refer to in such a work as this, but it does provide a commentary on the sort of effects which can follow from the taxation of improvements. The Irish famine was an appalling disaster. It followed the failure of the potato crop in 1845-47. It caused a million deaths from starvation and disease and scattered another million to the New World and (Cont'd. on p. 10)