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HENRY GEORGE SOCIETY ANNUAL MEETING

The Annual Meeting of the Henry George Society will be held on Monday, April 15th, at 6.30 p. m. at Coles' Restaurant, 719 Yonge St., just south of Bloor. Dinner tickets, \$1.25. Members who do not find it convenient to attend the dinner should come not later than 8 p. m. for the subsequent proceedings.

SENATOR HON. ARTHUR W. ROEBUCK, K. C. will be the chief speaker. Senator Roebuck's official duties have prevented him from attending the Society's meetings for a number of years. His appearance on this occasion will gratify a long-felt wish on the part of the members.

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THE SQUARE DEAL

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TORONTO CLASSES IN FUNDAMENTAL ECONOMICS

The organization work reported in the last issue of THE SQUARE DEAL resulted in the opening of three classes on February 4th and 7th; led by Ernest Farmer, David Farmer and John Potts. Total enrollment was 28. The enrollment was undoubtedly limited by the length of time which has elapsed since the last class was held, as well as by the fact that most people are still more occupied than in normal times.

Among those enrolled are three men, Messrs. F. A. Bradley, John Kennedy and L. M. Kennedy, who had already some acquaintance with the Georgist philosophy but were not in touch with the movement in Toronto. These and others will doubtless give valuable support to the extension of the work.

Miss Walton expects to give further assistance in September towards organizing the next group of classes. It should be possible to secure a larger enrollment for these classes. There is abundant opportunity for all members of the Henry George Society to assist.

SCHOOL OF ECONOMIC SCIENCE ANNUAL MEETING

Due to conditions mentioned more than once in these columns, the School of Economic Science held no annual meetings of members from 1942-44, the sadly limited activities being carried on by authority of the same Directors holding office. The 1946 annual meeting was held on March 30th, with a majority of the members present in person or by proxy. The following Directors were elected: President, Ernest Farmer; Vice-President, John H. L. Patterson; Secretary-Treasurer, John Potts.

A resolution was passed appointing Mr. Wm. S. Hall as special organizer of classes.

POVERTY

Poverty, both urban and rural, is determined by special privilege in land ownership. If a land policy encourages speculation, if it is profitable to hold land idle waiting for a rise in price, if it thus pushes users of land to marginal sections, then a large portion of any population (whether technological or primitive) will be poor. The general level of wages is determined by the production on marginal land.

Most nations have a faulty land tenure system, including the United States as well as China, India, the Balkans and other "peasant" cultures. In most European countries (outside of Scandinavia) no more than 2% of the people own land. The rest are tenants. The same is true of Japan, India and China. But Denmark has moved to correct this situation. By community collection of the social value in land, she encourages land use and discourages absentee holdings. -- The Interpreter, March 15.

NOVEL SITUATION IN FAIRHOPE

In 1895 a few persons incorporated in Iowa as the Fairhope Industrial Association bought for \$771 135 acres of pine-scrub land in Baldwin County, Alabama. Their intention was, to found a colony in which the Association should own the land, collect the economic rent from all tenants, and from this rent pay tenants' taxes as far as possible, besides providing public services not otherwise arranged for; thus securing under corporate administration as much of the benefit of a single tax system as the State laws left possible. The site chosen was remote from railways and settlement; a determining factor in the choice was, that being on the shore of Mobile Bay the colony could not be so at the mercy of any railway corporation as many settlements have been.

Henry George did not favor the enterprise. In his opinion, there were such serious adverse conditions that the colony might probably fail, causing many to believe the single tax principle unsound. None the less, the colony was founded, and soon had troubles enough to show the reasonableness of George's attitude.

The founders, however, were able and tough-fibred enough to put their plan into effect. By 1901 the corporate land holdings had been enlarged to 1250 acres. The colony was reincorporated under Alabama law as the Fairhope Single Tax Corporation. Each member was required to pay \$100 on admission. The Corporation adopted a standard lease form which committed it to pay all county and state taxes (except taxes on monies) for the lessees and not to pay any of the rent money as dividends but to administer it as a trust fund for the benefit of the lessees. It was debarred from contracting debts. Thus while the control of the Corporation land (often called Colony land) was in the hands of a self-perpetuating oligarchic group, membership therein was made unattractive to self-seekers.

By 1908 the Corporation controlled 3933 acres, of which 2000 acres was a present from Joseph Fels. The rent collected was \$3195. The success of the Colony had attracted considerable settlement on adjoining, privately held land, and in that year the town of Fairhope was incorporated: area, 1100 acres, of which about 440 acres was Colony land. Town and Colony thus overlap, but are independent. In accordance with its principles, the Corporation paid town taxes for its town lessees, as well as those provided for in the leases.

Since on principle the rents are never above the economic rent of the bare land, and as the latter increases constantly, there is commonly some margin between the economic rent and the rent charged. Some sublessors, or lessees transferring their leases,

have tried to capitalize this margin by charging an excessive price for their improvements. In 1915 a lessee brought suit in the Chancery Court to dissolve the Corporation, making the claim (among others) that on this account the Corporation was failing to exemplify the Single Tax as required by its constitution. It was shown, however, that the Corporation was keeping this abuse within narrow limits and soon afterwards increased precautions in the control of subleases and assignments were effected, which have kept it to a minimum.

No great provision has been made for land purchases, beyond the \$100 fee paid by members on joining the Corporation. Until 1944, however, the Corporation always had some land, both town and country, available for newcomers. In 1944 however the last of the country land was leased and applications for such land were refused. Most of the leased land is in a high state of cultivation. At present there is some unleased land in town, but none supplied with town services. One section is cut off by an undeveloped privately held area, which would make it unduly expensive to develop at present.

In 1945 the Corporation had revenue of nearly \$41,000 from ordinary rents, and \$4000 from oil, gas, mineral and turpentine leases. 68 per cent of these rents went for the corporation's own taxes and taxes paid for lessees, including such items as taxes on cars and trucks, and poll taxes. A general 6 per cent increase in rents was put into effect in 1945, with no serious protests. During the year 60 new leases were approved, and 132 transfers. Only \$175 was spent in land purchase.

The present Corporation council faces problems remote from those of the pioneers. The Fairhope enterprise had opened the way of opportunity to many good citizens, and the council openly expressed regret that it must refuse applications for a share in this opportunity. Money has never been so plentiful; in 1945 the Corporation added \$13,000 to its reserves in U. S. bonds, and is making no general increases in rents for 1946, although values are increasing. The opinion of the council is, however, that at present both land prices and costs of installing public services are so high that a somewhat cautious policy is to be preferred to one of spending money merely because they have it. Expenditure of \$5000 or more to make more town lots available is in early prospect.

Fully to demonstrate the advantages of the single tax policy would require that it be applied as fully as in Fairhope to a city of much larger population. Fairhope has however reached a size at which the advantages of this policy are clearly apparent. The revenues and resources of the Colony are increasing rapidly and will continue to do so. Perhaps it will soon add materially to its area and again be able to open its gates to newcomers in country as well as in town.

WORD FROM NEW WESTMINSTER

The following statement has been received from New Westminster, B. C. --

The Royal City of New Westminster has operated on the Single Tax system since 1911. From 1911 to 1944:

Assessed value of land increased	70%
Assessed value of improvements increased	357%
Tax rate increased	134%
Population increased	80%

The above figures show the steady growth of New Westminster.

Eighty-six per cent of our householders own their own property, which, we believe, is the highest percentage in Canada. Land speculation has entirely disappeared; unproductive or vacant property is rapidly diminishing; also a negligible amount is reverting to the City for non-payment of taxes.

Our citizens have no hesitation about improving their property, knowing this will not increase their annual taxes. This is evident to anyone paying a visit to our City. In every part can be found lovely homes surrounded by charming gardens where can be seen a profusion of flowers only to be found in a contented city.

Today we have 84 manufacturing plants established in our City, with a capital investment of \$20,000,000. They produce a gross annual value of products amounting to \$39 millions, providing gainful employment for 8,500 people. The manufacturers and business men are in an enviable position, as they can and do make improvements to their plants without the fear of increased taxation, a deterrant to all businesses desiring to expand. Further, from a competitive standpoint, our manufacturers are favored over those who must pay taxes on improvements. In addition, our Council is authorized to submit a by-law to the ratepayers and upon obtaining a three-fifths affirmative majority to grant the affected industry a fixed assessment on land for a period not exceeding ten years.

The financial condition of New Westminster compares quite favorably with any city in North America for low per capita tax rates. We also have one of the highest percentages of tax collections. We feel very confident that the abolition of taxes on the products of labour has been of material assistance in building up our City to the position of third ranking city in British Columbia. Buildings may come and buildings may go. but land is with us forever.

Editorial Note: It is an exaggeration to say that New Westminster is on a Single Tax system. The taxes, little over \$25 per capita, fall considerably short of taking the full economic rent. Besides, the City overcharges its consumers of electricity and water, showing a surplus of about \$12.50 per capita on these items. It also collects \$40,000 annually in licenses and fees. But it is nearer the Single Tax system than any other in Canada, and an admirable city.

GI JOE SPEAKS ON LAND PRICES

Dear Yank: Looking forward a bit towards the post-war period, I looked at a goodly number of pieces of property. I am looking for a 5- to 10-acre plot within five or six miles of town, so that I can work in town and use my spare time in subsistence farming.

Now as to the properties I looked at. By mail, they were praised to the high heavens as being fine pieces of land, with lovely views. Well, sir, what I saw were mostly terribly run-down places, very poor land, badly washed gullies and other features which are not conducive to selling one on the idea of buying these places. However, what burned me up was the prices asked: \$200 to \$275 an acre for land not worth \$10 an acre.

Apparently word had gotten round to the land sharks and speculators that the government was going to stake servicemen to the extent of securing a homestead after the war. This has made the land sharks and speculators stark raving mad with greed. As a matter of fact, they have gone boom- and land-crazy. Believe me, brother, I'll sit it out before I'll ever pay such outrageous hold-up prices for land.

Henry George had the right idea when he advocated the collection of ground rents. The collection of ground rents would remove land speculation and land booms, and would permit all of those who so desired to secure a piece of land for their own use. The way it is now, many returning GI's and I will just have to sit it out. -- Sgt. Alex J. Duris, in "Yank, The Army Weekly."

TAXATION

With over half the (California) State revenue collected by the abominable sales tax we have a surplus of some \$235,000,000. City and County Rent-Permits propose to grab \$90,000,000 of this fund for public construction and service. San Francisco Chronicle quoted Golden Gate Bridge General Manager Alan MacDonald: "The Golden Gate Bridge will increase property (i. e. Land) values more than sufficient to pay for its cost." It is proposed to take \$90,000,000 of sales tax money to produce \$90,000,000 of tax free Land values -- a \$90,000,000 debt Labor must pay to Monopoly. We are informed California Constitution provides that the Legislature "shall have no power" to make a money gift to any municipal corporation. But what's the Constitution among thieves? -- George Cartwright, in "Our Gr undhog World", Farmer-Labor News, Modesto.

A Toronto newspaper reporting the Dominion Provincial Conference: "A spirit of give and take was evident in the proceedings. In less genteel circles this is usually known as sharing the swag. -- S. P. Tyler, in Toronto Saturday Night.

Land values have always been regarded by the local Labour Party as the only equitable basis of local rating. -- From the Manifesto of the Portsmouth Labour Party, quoted in "Land and Liberty", Nov. '45

CRIME IS NOT A PROBLEM

Ernest J. Farmer

J. Edgar Hoover, in the American Magazine for March, states that there are about six million criminals in the United States. Such a proportion, more than one in twenty-five of the population, indicates a serious degree of social demoralization. Canada has always been a comparatively law-abiding country, but since in this Dominion crime has been increasing some five times as fast as population, we must face the possibility of equal or greater demoralization. Indeed, Mr. C. F. Neelands, Deputy Provincial Secretary of Ontario, recently forecast a considerable crime wave during the next few years.

Under a wholesome social system, crime would be a rarity. One of the keenest of human desires is, to be of good repute. The average man is not keenly sensitive about anti-social behavior. He would not greatly mind being seen in the company of a company director or known to have bribed public officials, for, although such bribery is actually a crime it is one for which the perpetrators are seldom brought to punishment. But he has a horror of "falshirts" -- he would not like to be seen with one who had served 30 days for an offence much less serious than bribery. Still less would he risk such a sentence. There are indeed rare cases of persons who appear to be born with a perverted psychological make-up, showing itself in childhood, which prompts them not only to anti-social actions but to a defiance of authority, or more often to a belief in their own ability to escape detection. But allowing for such cases, it more than two or three persons in a thousand become criminals, it shows a serious defect in the social organization.

All laws limit people's actions in a way which may be irksome. Their only justification is, that they limit anti-social actions while promoting those which are generally beneficial. But governments have in countless cases acted perversely, making crimes of beneficial actions. At one time it was in several States of the Union a crime, punishable by two years' imprisonment, to teach a colored person to read, or to have in possession printed matter advocating the abolition of slavery. As regards this particular crime, the criminals were better men than the ones who prosecuted and punished them.

Almost a century ago Patrick Edward Dove wrote, in his "Theory of Human Progression": "The act of transport in which the smuggler is engaged is one of the most legitimate modes of exercising the human powers. First, it is profitable to the foreign seller. Second, it is profitable to the merchant. Third, it is profitable to the carrier. Fourth, it is profitable to the home consumer; for if the goods were not more highly esteemed by him than the money, he would

not purchase them at the price. And fifth, it is injurious to no one. The first three are money profits; the fourth, a profit of convenience and gratification. But the moral effects are no less beneficial. First, the man who is engaged in lawful trading is well employed, and likely to be a peaceful and good citizen. Second, the fact of purchasing from a foreigner gives the trader an interest in that foreigner, and eminently tends to break down those national antipathies which have descended from the darker ages. The buyer and the seller are a step farther from war every bargain they conclude in honest dealing; and the iniquitous doctrine, that "a Frenchman in the natural enemy of an Englishman" must every day find its practical refutation in the substantial benefits of trade. First, then, the liberty law sacrifices all these benefits, and the law of restriction diminishes them to the full extent of its restriction. But what takes place? The contractor and trader is created by the prospect of gain arising from the increase of price. The increase of price, instead of being a benefit to the legal trader, is his curse. It is neither more nor less than a premium held out to the smuggler to evade the custom and to undersell the legal trader, thereby tending constantly to reduce his profit as well as to diminish his sale. But this is not all. It is a premium to the reckless to break the law; and the man who lives in the breach of the law soon becomes a ruined character and a ruined man. There are, perhaps, few courses of life that end in ruin so certainly as the smuggler's; and yet, barring the law, the acts in which he is engaged are perfectly innocent and perfectly legitimate."

The great evil of the tariff, however, is not that it makes criminals of a comparative few who are engaged in what is properly legitimate business, but that it contributes to the unemployment, the frustration, which overcomes the natural repugnance to crime and makes criminals of normal human beings.

The great fault of our social system, however, is that it artificially makes the most important anti-social practices profitable. Many persons in this country maintain slum dwellings -- dwellings so overcrowded and unsanitary that the inhabitants die off at twice the normal rate. The material and spiritual harm done each year by this practice is many times greater than that done by any of the practices punishable under the criminal code. Under a wholesome social system this practice would be unprofitable -- there would be nobody to pay rent for slum dwellings. But our system keeps many in such a condition of poverty that they are compelled to inhabit such places. It further encourages the slum landlord by supplying public services to his holdings at a quarter or less of the cost, while compelling the owners of sound properties to make up the difference. The result is that the slum landlord's profits per acre are several times those of the decent landlord's.

Behind the slum landlord is the still greater social offender who makes slums profitable -- the land speculator. Holding land idle when it is needed for use is a most wasteful practice. Under a sane

social system the loss occasioned would fall upon the person responsible, so that land would be held wastefully idle only through miscalculation, for short periods. But our unnatural and illogical system allows this evil practice to be profitable. It has become not only a greater social evil than any one of the practices punishable as crimes, but greater than all such put together.

And so the victims of these evil practices come to be in such a parlous state that they desperately revolt and create a so-called "problem". Crime is not a problem. It is an evil which perhaps can not be entirely eradicated, but which can be reduced to a twentieth, a fiftieth or less of its present proportions by known means. The real problem is, how to overcome the opposition of the "respectable" but dangerously anti-social persons who profit by the social misdeeds which produce criminals.

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Unsanitary housing and working conditions, unemployment, wages inadequate to maintain a human standard of living, inevitably produce the crushed or distorted bodies and minds from which the army of crime is recruited. -- Chicago Commission on Crime.

A native who was known to be living by crime was reported some time ago, when he was offered a job if he would give up his criminal ways, to have replied: -- "Why should I? I should have to work hard for £4 or £5 a month with no chance of anything better. Now for one night's trouble I can get £70 or £80. If I am caught I go to gaol for six months where I don't have to work very hard and I am sure of food, clothing and housing! What argument can be advanced against that? The choice is between hard work, during a life of struggle and anxiety, for an inadequate wage, and a life of adventure, ease and plenty, with a risk that seems well worth taking..... Can we blame anyone for choosing the latter? -- The Free People (Johannisburg) January '46.

The industrial slavery of modern times is not near as obvious to us as chattel slavery was to our ancestors of a couple of generations ago, while to the laborer, the results of the present industrial slavery are much more harsh and cruel and morally degrading than was chattel slavery at any period of its existence. -- Surgeon-General W. C. Gorgas.

Professor Patten of the University of Pennsylvania once asked the members of a seminar to write on a piece of paper what they thought was the chief criterion by which to judge the efficiency and liveliness of a church.... Prof. Patten, after reading each of the replies and asking why the writer had chosen that particular one, said that he did not agree with any of them. He said that the chief criterion was the death rate and the morbidity rate of the community. -- Gillin Dittmer Colbert, in "Social Problems", 3rd. ed. p. 347.

F. W. DAVEY

The following letter has been received from Mr. H. H. Hollins, Secretary of the Henry George Club in Victoria, B. C.: --

It is my sad task to inform you of the death on January 12th last of the president of our Club, Mr. F. W. Davey. You will remember that he was full of plans up till the last of pressing the work of the Georgists here.

Like Mr. Alexander Hamilton, our previous president who died a few years ago, he felt that in spite of increasing years and discouragements it was one of the few things worth the doing.

He was 75 years of age; for 47 years a collector of customs for Canada and retired from Government service since 1935. Was born in England but had resided in Victoria for 65 years. He is survived by his wife, four sons (one a K. C., one with a doctor's degree in Davis, Calif., two in responsible positions in Canada), two daughters, three grandchildren.

FELIX ARTHUR BELCHER

Felix Arthur Belcher died at his Toronto home on February 27th in his eighty-fifth year. Though not active during the last five years, Mr. Belcher was a Georgist of many years' standing, having been for a time President of the Single Tax Association.

FLORENCE MACDONALD

Miss Florence Macdonald died on March 28th after suffering for several months from a rare, disabling though not painful, form of neuritis. A teacher in a business college, she studied "Progress and Poverty" with one of the groups led by ~~Mr. Jones~~; she became a member of the Executive of the Henry George Society and gave as much support to ~~the~~ movement as her exacting professional work permitted.

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From the Lettees of Missive of King Edward the Sixth: --

O God of Heaven and Earth, That provided greatly for mankind and wouldest not that all things should be found in one region, to the end that one should have need of another: we beseech Thee to bring it to pass that by friendly means and passage of trade, searching and carrying both over the land and the sea, friendship may be established among all men, and everyone seek to gratify all, to their own mutual benefits and peace and to Thy glory, which never shall have an end. Through Jesus Christ our Lord, Amen.

OTTAWA NOTES

H. T. Owens

The study group in "Progress and Poverty" concluded in March, and members of this group and others are now taking the course in "Protection or Free Trade" under the leadership of H. G. Barber.

The junior city council of the Ottawa Junior Board of Trade was addressed by Mr. H. T. Owens recently. Much interesting discussion followed the critique of municipal taxation which was the topic of the address.

Already the project to make Ottawa and its neighboring city of Hull more worthy of being the national capital is having an effect on land values. The eminent town-planner from France, Mr. Jacques Greber, who is planning both cities as well as the whole federal district of some 900 square miles, told a meeting of the Ottawa-Hull Industrial Development Committee that land values in Eastview would rise considerably. The beautification of Hull particularly means the removal of some of its heavy industries from that municipality and a number of large concerns are seeking sites farther down the river with the result that farms are exchanging at high values, one 50-acre property being sold for \$75,000. The government has notified a number of owners in Hull that their properties will be required, and some being dissatisfied with the prices offered cases are now being heard in the Exchequer Court. In short, the inception of this project, which is to be Canada's war memorial, means that landowners throughout the area affected will benefit enormously from the expenditure of federal money both from the acquisition of any land needed and from the enhancement of land values generally. As the federal authority levies no taxes on land values, and neither the provinces nor the cities tax site values exclusively the project will prove to be a killing for landowners unless departure from previous practice takes place.

NEWS FROM CHICAGO

Seventy classes, with 347 enrollments, opened in January and February for study of Fundamental Economics. Youngest student was Richard Freeman, 12, who has appeared on the "Quiz Kids" radio program and who passed his entrance examinations to the University of Chicago at the age of 11. 175 students in 25 classes are studying the principles of international trade.

J. Orlando Smith, ex-president of the Malta Trades Union council and member of the Maltese Parliament, has sent an order for 40 copies of "Progress and Poverty".

MONTREAL CLASSES

Two new classes have been started at the Henry George School in Montreal: one in "Progress and Poverty" and one in Public Speaking. The Public Speaking class is a ten weeks course and at the end of that time the members will be asked to join the Public Speaking Club started just a year ago. A public meeting is to be held in Emmanuel Church the week of March 25th, the programme to be arranged by the Public Speaking Club.

NEWS FROM HAMILTON

A number of showings to small groups of the film "Millions of Jobs" were made in February.

Mr. Robert Wynne has received a letter from Gwilym R. R. Jones, Editor of the important Welsh-language newspaper, "The Banner of Wales", to which Mr. Wynne has contributed a number of articles. In this Mr. Jones says: "You have thoroughly convinced me and several of my colleagues of the justice and practicability of the taxation of land as a solution of many of our economic troubles. Thank you for your many articles on the subject. I wish you would send all you can in the way of directions as to how to organize a campaign in Wales. I am on the Executive Committee of the Economic Development Association of Wales and a senior alderman of the town of Denbigh. I hope to have ample opportunity to advance your plan and I am resolved to do it. I require literature -- simple, precise and to the point if available."

BIRMINGHAM PRESSES FOR REFORM

At the meeting of the Birmingham City Council on October 9, 1945 it was unanimously resolved on the recommendation of the Reconstruction Committee:

"That the General Purpose Committee be requested to make representations to the Association of Municipal Corporations for the consideration of alternative and/or additional methods of providing money for meeting the requirements of local authorities by (a) the rating of site values, and (b) the rating of vacant sites and void premises, and otherwise as indicated in the foregoing Report, with a view to petitioning His Majesty's Government for amending legislation." -- Land and Liberty, Nov. '46.

The "foregoing Report" referred to is that of the Reconstruction Committee. In it the following quotation, among others, is made from the Report of the Finance Committee:

"It would seem abundantly clear that all research on the subject leads to a levy on land values in one form or another, and the Finance Committee is of the opinion that a rate on site values is the method which should be adopted."