



Mr. and Mrs. James Ramsay, Barry Holmes and Peter VanMeggelen.

Research and Action Growing

WORDS are labels, said John Tetley, at the first luncheon talk at the 19th annual conference of the Henry George School at Victoria University, Toronto, and the word for the 1963 conference is Canadian. If this is a label, it surely carries the seal of quality. Toronto was a city of cool sunshine and Canadian courtesy, from the first smile of the customs inspector right through fine smooth, unhurried conference days. Each school conference is unique, and the last is always the best. The Henry George family seems to grow in maturity and understanding—or perhaps the atmosphere of pleasure and harmony which pervaded the meetings was the result of the delightful quality of trust and acceptance so natural to our Canadian hosts.

Although Toronto has an enthusiastic and responsive Alumni Group, most of the responsibility was carried by its director, James (Jim) Ramsay, and his wife, Elinore, assisted at various points by their daughters Bonnie Helen and Heather Ray.

Jack Bea, group treasurer, was in charge of the tape recorder. Stan Chester kept the literature table stocked with helpful reprints. Among others who helped make the visit pleasant were Shirley Pennie, Isobel Mackie,

Neil Walker, Laurie Mannell, George Rogers, Vic Wilcox, Dirk Nieuwlaat, Mr. and Mrs. Harold Nesbitt, Mr. and Mrs. Tom Hindle, Mr. and Mrs. Bill Phillips and others.

Toronto Georgists are doers. Tom Hindle, for instance, works on *The Square Deal*, the Alumni Group publication. Barry Holmes, was another who helped on *The Square Deal*, as well as in organization of classes. He is now employed on a weekly paper in nearby Cobourg, Ontario, where he hopes to write on the tax question the next time the assessor raises the local homeowners' taxes. Many others are active in a variety of ways.

The first meeting of new arrivals took place at the Salada Tea House at Canada's National Exhibition Park. There a delightfully unrehearsed and impromptu program was informally M-C'd by Harry Marquis. An amusing skit was presented by Robert Clancy, George Collins, Gilbert Herman and Dorothy Sara, all of New York. Lancaster M. Greene, also of New York, a member of the Williams College Glee Club, sang and encouraged group participation. Games and dancing rounded out the evening.

Jim Ramsay of Toronto presided at the opening luncheon on July 4th and pointed out with suave reasonableness,

that a number of countries abroad had been taken over by larger ones, and since this seemed to have become an accepted pattern, and since Canada was larger than the United States in square miles, he welcomed the opportunity, on our special Independence Day, of inviting the United States to unite with Canada.

John T. Tetley, director of the New Jersey Henry George School (his name reminiscent of a certain historic Boston party) proposed a toast, recalling that July first was Canada's Dominion Day, to the "continuation of the friendship of the people of the two great nations of the North American continent: Canada and the United States."

Suggesting that the true Americans were the American Indians, he said all persons of the Western Hemisphere: North America, South America, Central America, Mexico, Brazil, Canada, were, properly speaking, Americans. His talk was entitled "The Use and Misuse of 'American' Concepts," and he urged precision in using the American label, recalling that Aristotle said "many a debate could have been deflated into a single paragraph if the disputants had dared to define their terms."

Official welcomes were brief and genuine. First from Alderman Thomas Wardle in the absence of the Mayor, next from Dr. A. G. Clark senior tutor of Victoria University. This is part of the University of Toronto. Murray Johnson of the Central YMCA added an enthusiastic endorsement to the work of the school.

After the luncheon all delegates and visitors walked across the quiet campus situated in the heart of the city beside Queens Park. Harry Marquis, a Toronto accountant, presided at this session, as a number of speakers presented a program packed with valuable statistics.

The first was Mitchell S. Lurio, director of the Boston extension, who

in his business capacity is the president of Walter E. Heller & Company of New England, Inc., a subsidiary of one of the largest national commercial finance companies in the United States. He gave sound examples showing that increased taxes on buildings discouraged building, whereas increased taxes on land values encouraged building and discouraged speculation in land.

Benjamin F. Smith, a consulting engineer of Grand Rapids, Michigan, next explained "How we can compute land values." He made his findings understandable by the use of a visual method suggested by his wife, who was present and who had helped him prepare this material. (See HGN next month for more on this).

Value Formulae

Julian Hickok, founder of the Philadelphia extension, represented that beloved school of which Joseph A. Stockman is director. Unable to attend because of illness, Joe's jovial presence was greatly missed and his early recovery is the earnest wish of all.

Mr. Hickok presented two algebraic formulae to show the effect of tax rates on land values. One, covering increases in tax rate on land only, demonstrated that, "as the tax rate is increased and approaches infinity as a limit, land value (price) decreases and approaches zero as a limit, and tax revenue increases, approaching the full economic rent as a limit." He referred to a statement by Henry George that we already collect some rent by taxation and should collect more by the existing machinery.

A graph showing the effects of varying rates of taxation on the percentage of rent taken as public revenue, was a straight line up to about a 90 per cent tax rate, followed by a sharp curve for 95 per cent of rent at 100 per cent tax rate, with a nearly straight line reaching to 100 per cent at in-

finity. As Henry George recommended leaving a small percentage of rent to the landlord to avoid the evils of public administration, it was indicated that the maximum tax rate should be about 100 per cent and that this rate should be approached gradually over a number of years to allow the market to adjust prices to the increased tax rates and avoid jar and shock to the economy.

The second formula covered the increases in tax rate in land together with decreases in rate on improvements. In this it was demonstrated that the increase in tax rate on land must be in inverse ratio to rate of exemptions as land value is to improvement value, for stabilization of tax revenue as well as land value. If, however, the ratio of tax increase to tax exemption is less than the ratio of improvement value to land value, there will be an increase in land value and a decrease in public revenue, definitely defeating the purpose of land value taxation. Conversely, if the ratio of tax increase to tax exemption is greater than the ratio of improvement value to land value, there will be a decrease in land value and an increase in public revenue, which is the objective of land value taxation.

After dinner on this "Glorious Fourth" all cheerfully reassembled to hear a report by W. Wylie Young on the Erie story which was introduced so effectively last July at the conference in Pittsburgh.

Residents of Erie, Pennsylvania have been subjected to a steady barrage of facts and theories, and land value taxation is a phrase that most of them have at least heard. Erie is the largest of the third class cities, and since it is not boxed in by hills, as most Pennsylvania cities are, it presents a wonderful opportunity to prove what a land based tax can do for a sprawling city. Until the basic principles are understood, however, there is no likelihood



**Bertram A. Wilson and
W. Wylie Young.**

that the permissive legislation will ever be given form, Mr. Young said.

Most readers of HGN will recall that the interest in Erie began as a result of a conviction on the part of Gilbert M. Tucker of Albany, and several prominent members of the Henry George Foundation, that an attempt should be made to get one city in Pennsylvania to adopt and test land value taxation. Both Harry Gunnison Brown and Mr. Young began by making talks in Erie, but it was not until Mr. Young organized a six-lesson course based on *Progress and Poverty* that members of the Junior Chamber of Commerce responded with understanding and enthusiasm.

Following their report to the Henry George School conference last summer in Pittsburgh, the association president, William Walker "walked in deeper," and turned over a building he owned for use as headquarters for ELTA, the land value association. This is at 2217 Peninsula Drive, Erie, and provides office and residence space for staff workers.

Mr. Young introduced the new president, Bertram A. Wilson, president of the Wilson Research Corporation, who said his sudden call to this office was a shock, but on thinking it over, being a business man, he granted there was an objective and a job to be done, and therefore agreed to "give it a year."

Mr. Wilson said it is quite obvious

that intelligent reassessment must take place in Erie, Pennsylvania, and he believes strongly that the people of a community should be made very aware of the amount of their assessment and that of their neighbors—not on a map at city hall, but distributed where anybody can see the figures. In his opinion the critical period is the next six months when the newly appointed tax study committee will presumably report to the City Council either affirmatively or negatively.

Delays arise even with the best of planning, but perhaps they have their place in the economy of providence, for Mayor S. James Clarkson's arrival in Toronto was halted by heavy traffic, but his entrance late in the evening was warmly welcomed. His success in Southfield, Michigan, a suburb adjoining Detroit, with a population of 38,000, is cheering to all who have followed the slow but steady interest of Georgist students and instructors in the field of local politics.

Ernest Bowser, sales manager for Barclay Distillery, Toronto, demonstrated skill and experience in presiding over this evening of surprises.

Friday was the day for a bus tour of Beautiful Toronto, and it was thoroughly enjoyed by all. Casa Loma is Toronto's stunning castle situated well within the city boundary, and incidentally a striking lesson in land values. Despite its grandeur the comparatively modern castle did not have a working elevator, and Georgists who filed up and down narrow winding stairs to the turrets had their full quota of exercise for the day.

By evening however, having had a preview of the city during the tour, they were ready to listen with interest to a panel discussion of Toronto's land problem. Helen Nesbitt, president of The Alumni Group, acted as moderator and introduced the following participants:

Neil Gough, president of the United

Steel Corporation, having completed the basic course as given by the Toronto School of Economic Science (27 weeks), has advocated land value taxation, especially for all municipal expenses, in many speeches he has been asked to give before civic and business groups.

Ian Evans of Hamilton, with the Electronics Division of Canada's Westinghouse, completed the same course and since then has been a tutor in the Niagara Peninsula.

William Phillips, an accountant with the YMCA, also finished the course and has since tutored in Toronto.

Fraser Kelly, a reporter for the Toronto Telegram's special squad organized recently to seek out and expose injustices, served as devil's advocate and asked questions which were answered by the panelists or the audience.

Toronto's Problems

Mr. Kelly opened the rather one-sided debate with a reference to the downtown cultural center which does not support itself but is built on a very high priced location. If land is to be put to its best use, he said, this cultural center would not be there, which would be a loss.

This was answered in a variety of ways—it was suggested that cultural needs are of no importance until the basic needs are met. Also that the art center, being in a large, expensive building in a locality of run-down buildings, was now paying more taxes than it would if the site were taxed. Such cultural centers are visited by people, and the surrounding locations become more valuable because of their increased interest—this would more than offset any loss to the cultural center, said another.

The rise of apartment buildings among one-story residences was deplored but could be clearly understood, for as homes are built and occupied,

the surrounding land becomes more valuable, eventually becoming so costly under the present system, that it cannot be used for private residences.

It was agreed that the very act of city expansion and building produces the forces that offset the expansion. The east-west subway now being built, having stimulated great speculation in land along the route, the entire cost of \$200 million could have been paid out of this increase if land values had been taxed. Thus this superb subway, a masterpiece of design and comfort and surely the most beautiful in America, could have been self-liquidating in a short time.

The effect of land value taxation on small business men was excitedly debated, and the charge that they would be unable to stay in their accustomed places was met with the suggestion that as tenants operating in the basement or ground floor of large buildings, they would be better able to develop a good business and serve their customers.

It was pointed out in conclusion that the basic aim must always be justice, and we must not think it will not work a little hardship—but it is going to work good for the community—and isn't our present system a hardship on many? When a new highway is built we should indeed be concerned about the little man, but in the end, under land value taxation, he would benefit—said the experts. In any case, most small business men do not usually own their premises and are paying rent, i.e. land value tax, to the landlord. A similar restraining argument could have been used 150 years ago when farmers owned Toronto's present urban locations.

Reports from related organizations are always heartening because they indicate that much more progress is being made than appears at first glance. Laurence Kobak, assistant director of the Henry George School in New

York, presiding at the Saturday afternoon session said, "we won't have to educate all the voters—just start blowing up the balloon. Things are beginning to happen now—the world is changing—we're getting successes."

News from coast to coast revealed activities by various groups associated with the school program but not a part of it. These varied according to the needs, the opportunities and the talents of the participants. Next month read what is being done by Toronto's Alumni Group, Chicago's Henry George Woman's Club, The Public Revenue Council of St. Louis, The League to Untax Buildings in Detroit, the Henry George Foundation of Pittsburgh, the Incentive Taxation Committee of California, the Robert Schalkenbach Foundation of New York, and AGLA—a Latin American organization in New York.

"From Wheat to Gum"

Most directors and visitors had heard of a "chalk talk" originated by Mrs. Henry West of Chicago, illustrating Henry George's "Story of the Savannah." It was therefore a rare privilege to have both Mr. and Mrs. West present and to observe the effectiveness of this joint effort sketched by Mrs. West and narrated by her husband who was himself a pioneer in New Brunswick, Canada.

Based on careful studies and statistics, Mrs. West showed the development of Chicago's lake front from the time of the arrival of the first covered wagon to the present with deft and skillful drawings. From the wheat fields and trading posts of the past to the soaring skyscrapers of the present a bewildering study in contrasts is suggested. Rapidly sketching in the tall building on the Wrigley site, Mrs. West remarked, "from wheat to gum in less than a hundred years!"

A Georgist "social hour" before dinner is just that—a modest and short

interlude before dining. Georgist conferences are in marked contrast to some of the more deplorable convention gatherings, and one of the distinguishing traits of these conference groups is their good behavior.

The banquet signals that the end is near, and it comes usually on a Saturday Evening. Senator A. W. Roebuck, who spoke at the annual conference last year in Pittsburgh, had hoped to be present again, but health and a heavy schedule prevented his attending. Though disappointed, all were willing to forego the pleasure of seeing and hearing him rather than impose an undue burden, since his contribution to Canada's public life is unique and invaluable. A message from Ashley Mitchell of England was read, paying tribute to Senator Roebuck who said Mr. Mitchell could have been Premier of Canada if he had been willing to compromise his principles.

Ernest Farmer, president of Toronto's School of Economic Science, was chairman at the banquet. He is better known outside Canada as the originator of *The Square Deal*, a bulletin which has for many years served as a barometer of Canada's economic welfare for readers abroad, and has now become the official organ of Toronto's Alumni Group.

Lex Schrag, a columnist on the Toronto *Globe and Mail* was the first speaker. Lancaster M. Greene, trustee of the Henry George School and a director of the Robert Schalkenbach



Bruce Michels, Los Angeles; J. R. Bea, Rexdale, Ontario; and George Menninger, Jr., Chicago.

Foundation, was asked to speak in the absence of Senator Roebuck. Ronald Young, president of Scot Young Ltd., Toronto, spoke briefly as a concluding speaker, pointing out the complexities of the Henry George idea, the many different approaches, and the need for practical research and action. These three addresses will be found elsewhere in this issue, in shortened form.

At the farewell luncheon on Sunday, George Menninger, Jr., member of the 101st Airborne Division and son of the director of the new Chicago extension, gave a report on the Commerce and Industry program being conducted by the Institute of Economic Inquiry in Chicago. Lucian T. Wilcox also spoke briefly on new developments in Fairhope, Alabama.

So from beginning to end the Toronto conference was a joy. Friends regretfully took leave of each other to reassemble next summer in New York City, where the school will hold the first international conference in the United States since 1939.

PLAN NOW

Attend the International Henry George Conference next year. It will be held at the Henry Hudson Hotel, New York, the week of August 30th to September 5th, 1964, and will be co-sponsored by the Henry George School of Social Science and the International Union for Land Value Taxation and Free Trade. Rates will be moderate. Besides talks and discussions, the conference will include, on September 2nd, celebration of the 125th birthday of Henry George and a visit to his birthplace in Philadelphia. A tour of the World's Fair is also scheduled. It is hoped that a large international delegation will be present, and programs in various languages have been planned.