

THE PEOPLE'S ADVOCATE

An Organ of Fundamental Democracy

Policy: FREE LAND, FREE TRADE, and PROPORTIONAL REPRESENTATION

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PROTECTION DIMINISHES THE WAGES OF LABOR

There has never been the slightest evidence produced to prove that a protective tariff adds one dollar to the wage-fund of America—not a single dollar! No one has attempted even to prove it with any argument that would be accepted as a demonstration by a rational brain.

No one, so far as I know, has ever taken the accepted principles of Political Economy and attempted to prove, to demonstrate, that a protective tariff benefits the wage-worker. The proof has never been given. And yet the statement that the tariff raises wages has been repeated over and over again so often, and so systematically, that people have assumed that somewhere, and at some time, it was proven and is now an established fact.

I am not contending that the tariff reduces the actual money-wage received by labor, though one could produce some excellent arguments looking in that direction. What I have contended, on the public platform and in the public press, is that the tariff does not increase the wages of labor. I mean the nominal rate of wages, the money-rate.

What I am here contending is that it diminishes the wages of labor—not the money-wage but the wealth-wage by DIMINISHING THEIR PURCHASING POWER. Assuming that it leaves the money-wages unchanged, at least does not increase them, it does diminish the actual wages of labor by diminishing the amount of wealth which these wages will buy. And this is the real test of wages. The question is not how much money you get for your labor, but how much of the necessities of life you can get for your labor.

So far as life is concerned, its needs are satisfied, not by the value but by the quantity of food, clothing and shelter obtained. In order to live at all men must have a certain quantity of food, a certain quantity of clothing, a certain quantity of fuel, and a certain quantity of shelter. No matter what their value, no matter what their cost, no matter how high their price; he must have certain quantities of these things—or perish. If he lives at all he must actually consume so many pounds of meat and bread, so many tons of coal, so many yards of clothing.

A splendid illustration of the truth that it is not the value of things, but their quantity that supports human life, is shown by the fact that as the quantity of human necessities decreases there is an actual increase in their value.

For instance, according to the Orange Judd Reports, during the last two years—ending Jan. 1, 1934—the number of hogs in the United States declined 10,000,000. During the last year alone the number declined 4,032,000. And yet the actual value of the diminished crop of hogs is \$48,191,000 more than last year. That is the American people paid out that much more for their pork and got that much less to eat. No matter what it costs, no matter how high the price, people must have a certain quantity of food—or starve.

And so the higher the price of these things, the more money it will take to support life. But a man's wages are always limited—extremely and unjustly limited. Hence, the higher the price of the necessities of life, the less he can get with his wages—that is the less he can get for his labor. And so the greater the cost of these things the laborer must buy, the less are his actual wages. Therefore, EVERY INCREASE IN THEIR PRICE WHICH THE TARIFF PRODUCES, DIMINISHES THE PURCHASING POWER OF THE WAGES OF LABOR. And since the tariff operates only by increasing the price of the things labor must buy, its only possible effect upon wages is to diminish them.

Now a protective tariff does not operate in the labor market. Therefore it does not, and cannot, increase the price of labor. It does not increase wages. It diminishes them. This is proved from the fact that it operates exclu-

sively in the goods market. And so its only possible effect is to increase the price of goods—goods the laborer himself must buy. The wage worker has no goods to sell! He has goods to buy. The only thing he has to sell is labor. But this is not sold in the goods market, but in the labor market, while the tariff is limited wholly to the goods market.

There is no tariff to prevent competition in the labor market. Commercially speaking, the wage worker is not a seller of products. He is a seller of labor. True it is that he produces products—all products. But they do not belong to him after he has produced them. They belong to his employer. In fact he himself is a buyer of the very products his own labor has produced. And so if the tariff increases the price 25%, 50%, or a 100%, it by so much diminishes the purchasing power of his wages.

And when the price of things becomes so high that labor can no longer buy that which labor itself has produced, then we have hard times, industrial depression, strikes, lock-outs, etc. This is their only cause.

There are two kinds of wages; a nominal wage and an actual wage. The nominal wage is the amount of money which the toiler gets for his labor. The actual wage is the amount of wealth which he is able to obtain for the money. The higher the cost of that wealth—that is, the higher its price—the less he will be able to get in return for the labor that he has performed. A protective tariff operates only by increasing the price of labor products—not labor, but labor products. Therefore when American laborers vote for a protective tariff, THEY VOTE TO DIMINISH THE PURCHASING POWER OF THEIR OWN WAGES!

The real test of wages is the length of time a man can live from a day's labor. But, if by his own vote, he has so increased the price of the necessities of life, that the money he receives for his daily wage will purchase only enough to support life for a single day, then has he become a veritable slave. But he has left the cheering consolation of knowing that he voted himself into slavery. The right to vote does not make people free. It is the use made of that right that determines their freedom.

And so the cure for the impoverishment of the tens of millions who live by toil is not to be found in a protective tariff. This is, and has been, one of the mighty factors in impoverishing them. It has no other purpose than the plunder of all who toil. In itself it is a form of monopoly. Its purpose is to establish a monopoly in the goods market. And it is monopoly that everywhere, in all lands, plunders labor.

Labor's one and only hope lies in EQUALITY OF OPPORTUNITY for the production of wealth. If, as the Declaration of Independence says, "All men are created equal" in respect of their rights, then laborers must declare that they are equal in their right to the use and enjoyment of the planet called EARTH. Somewhere in that direction lies the hope of labor—AND IT IS THE ONLY HOPE."

The foregoing extract from the writings of Lee Francis Lybarger's great work: "The Tariff—What it is, How it works, Whom it benefits," demands the serious attention not only of all who labor, but more particularly of Labor leaders in the Federal Parliament. It shows in clear and definite language that the idea that a tariff benefits those who toil is a great illusion and superstition. It does not require much capacity for reasoning to realise that if a protective tariff adds to the price of commodities, the laborers must of necessity suffer. Mr. Lybarger stresses a point we have frequently emphasised, namely, that a worker does not sell GOODS, therefore, does not get the advantage and benefit of a tariff imposed upon goods. Protection is merely a cunning device for robbing the workers by an indirect method, which makes it difficult for them to see just how they are exploited. Many of them have not had an opportunity of studying economic principles. They have allowed their representatives to do their thinking for them.

And the surprising thing in Australian politics is that the Labor representatives have been keener to give protective privileges than the members of the National Party. Why this is so is very difficult to understand.

Within a few months there will be an election for the Federal Parliament. Candidates will be seeking the suffrages of the electors. The future welfare of the people is in the hands of the people themselves. They can make or mar their future destiny. Throughout the world at the present time there is a strong swing in the direction of freedom of trade. It is becoming more commonly recognised that restrictions to trade are detrimental to the human race, which lives by trade, and a body of earnest men in every country are striving to remove the barriers with a view to establishing peace. The electors of Australia have an opportunity to participate in the great fight for economic freedom. They should insist that the unjust taxes now imposed upon the necessities of life shall be abolished forthwith, that those who labor shall enjoy the results of their toil, and by the collection of the rent of land for public purposes all shall have equal use and enjoyment of the earth. The clarion calls. Will the people respond and insist upon justice being done?

The Pacific Pact

It is many years since free trade figured so largely in the headlines of the press as in the past few weeks. America, under the guidance of President Roosevelt and Mr. Cordell Hull, a life-long freetrader, is forcing the issue, knowing that there can be no peace while the suicidal policy of self-sufficiency or economic nationalism—so dear to the hearts of many Australian politicians—persists. We look forward to the day when Australian statesmen will be courageous enough to declare, as Mr. Hull did recently, that if we do not destroy war it will destroy us, and that there can be no peace until the causes of war are removed. The chief causes of war are the alienation of rapidly expanding populations from natural resources adequate to properly sustain them, the continued imposition of hostile tariffs, and the great armaments ramp, and if Australia is in earnest about this Pacific Pact it must be prepared to make its rightful contribution by sweeping away the trade barriers erected against its neighbors in the Pacific, thus allowing trade to once more flow in its natural channels. Let us ever be mindful of the fact that it is better to build friendships than battleships, and that tariff reform, like every other reform, should always begin at home.

HENRY GEORGE LEAGUE OF SOUTH AUSTRALIA

The monthly meeting of members was held at George Parade on Tuesday, June 29. The president (Mr. M. H. McDonough) occupied the chair, and there was a good attendance of members. Minutes of previous meeting read and confirmed. There was the usual interesting budget of correspondence from overseas, interstate and local writers, and this was read and received. The secretary's report dealt with the address before the Master Printers' Association, his recent visit to the River district, 3 D.B. heckle hour debate, and the coming Henry George commemoration. Financial statement for six weeks read and adopted, and accounts passed for payment. Mr. F. P. Drymlak reported that good meetings were being held at the Botanic Park. Mr. A. S. Bayly (Secretary of the Study Circle) reported that great interest was being shown by those attending, and it was anticipated that the first course would be completed during the coming month. There was also a prospect of a class being established at Port Adelaide. Two new members were admitted to the league. There was an interesting discussion regarding the form the next Henry George commemoration should take, and it was resolved that instead of holding a social or similar line to the past, a dinner be arranged for at the Covent Garden Cafe, King William Street, Adelaide. This will be on Thursday, September 2, and the price will be 2/-. Members are respectfully asked to bear this date in mind, and make a special effort to be present. The question of appointing speakers for the dinner was adjourned until next meeting in July. There was a very interesting discussion regarding the working of the Stamp Duty Act, and it was felt that the imposition, in common with others of a similar type, was very unjust.

NEXT MEETING, TUESDAY, JULY 27, AT 8 P.M.

BIRTH NOTICE

LINDSAY—On the 17th June, at Ceduna, Thevenard Hospital, to the wife of R. W. R. Lindsay, of Thevenard, a son. Both well.

Henry George Society Ltd.

NOTICE is hereby given that the ANNUAL MEETING of Shareholders in the Henry George Society Limited will be held at George Parade, Adelaide, on TUESDAY, JULY 27, 1937.

Business

To receive Annual Report and Balance Sheet.
Election of Committee of Management for the ensuing term.
Any other business affecting the interest of the Society.

Nominations for Officers must be left at George Parade not later than Saturday, July 24.

E. J. CRAIGIE, Secretary.

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"The People's Advocate"

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FEDERAL FINANCE

The preliminary figures in relation to Federal finance have been liberated, and they show that the total revenue for the year ended June 30 was £23,096,136, and total expenditure was £31,813,499, showing a surplus for the year of £1,276,637. While a number of people may express appreciation in regard to this surplus, we cannot overlook the fact that in reality it means that more than £1,000,000 in excess of the amount necessary to defray the cost of government has been taken from the pockets of wealth producers. As usual the greater portion of taxation was collected indirectly by tariff and excise duties levied upon the necessities of life, the sum collected from this source being £12,993,032. The sales tax produced £3,093,427, and this also had the effect of adding to the cost of living. Although the amounts mentioned in regard to these forms of taxation went into the Federal Treasury, they do not represent the full amount taken from the pockets of the people. It must not be forgotten that a profit on the taxes is made by wholesaler and retailer, and this is ultimately paid by the consumers of the goods taxed. In addition to this burden, local manufacturers have a private taxing power conferred upon them by reason of the tariff restricting competition, and it may be safely asserted that this double profit on the taxes, coupled with the private taxing power mentioned, takes another £100,000,000 annually out of the wealth producers. Is it any wonder the cost of living is high when we raise revenue in such an unjust manner? Need we be surprised that many are complaining about reducing purchasing power when £1 will buy only 10/- worth of commodities?

In addition to the taxes mentioned, £3,556,013 was collected by means of the income tax, and £1,792,599 as estate duties. These are also taxes levied upon the earnings of labor and cannot morally be justified. Notwithstanding the many complaints heard from time to time regarding the Federal land tax, the total raised from this source was £1,435,463. We have frequently referred to the fact that this tax is not on a sound or just basis. It has an exemption of £5,000, and is on a graduated basis, and the result is that out of approximately £1,400,000,000 unimproved land values in the Commonwealth only £264,953,454 is assessed for Federal land tax. It will thus be seen that owing to the exemption clause a considerable amount of land value escapes contributing to revenue. The time is long overdue for revising the present Act by cutting out the exemptions and the graduations, and calling upon all landholders to contribute on an all round basis of value. This should be the only form of paying for expenses of government, and the taxes now levied upon industry should be abolished. The taxation burden is continually growing, and when it is remembered that in the first year of Federation the total Commonwealth taxation amounted to less than £9,000,000 and today it is nearly £63,000,000, we begin to realise the great robbery of the earnings of labor that is taking place at present. Can we wonder we have poverty in the midst of plenty while such an iniquitous system is allowed to remain?

Among the big items on the expenditure side we find that defence, excluding new works, cost £5,351,000, the new defence works entail-

ing an additional expenditure of £2,192,000. War pension payments amount to £7,910,000, and £9,730,699 was required to meet interest, sinking fund, and exchange in respect of war services. It will thus be seen that war is a very expensive luxury, and it is well for the people to ask what they get out of it apart from the burden that is a charge on production. Instead of squandering millions on defence we should establish an economic policy that would create goodwill and peace among the peoples of the earth, instead of erecting tariff barriers as we do today, thus promoting strife and discord and sowing the seeds for future wars.

Invalid and old age pensions required £13,993,793, and this charge is constantly increasing. No one objects to the aged and the sick receiving proper care and attention. However, if our economic policy was framed on right lines to give people what they earn, they would be able to make provision for old age and invalidity instead of becoming a charge on the taxpayers. Under the policy operating at the present time we give the aged and infirm a pension of 19/- per week, and then take one half of it back in taxation. Surely this is a hypocritical policy of the worst nature!

In regard to the total Commonwealth revenue and expenditure, it is interesting to compare the figures at the inception of Federation with present day totals.

	1901-2	1936-37
Commonwealth revenue ..	£11,296,885	£23,096,136
Commonwealth expenditure	5,932,746	31,813,499

Expressed at per head of population revenue has increased from £2 19/1 per head in 1901-2 to £12 7/7 in 1936-37; and expenditure has gone from £1 0/7 to £12 3/9 per head, a very big increase in such a short time in the life of a nation. When we add to this the additional amount levied for State purposes, it will be seen how heavy is the burden now imposed upon wealth producers.

The elections for the Federal Parliament will take place in the near future, and all candidates should be challenged in regard to this continual increase in Federal expenditure. Hundreds of thousands of pounds have been spent on useless but costly Royal Commissions and Committees, whose reports have been pigeon-holed and forgotten when received; Ministers have gone for joy rides; accompanied by a big staff of officers, and money has been squandered with a lavish hand. Everything associated with the Federal Government is carried out on a grand and expensive scale, and it is time the taxpayers called a halt in expenditure. They have their opportunity at the coming elections to voice their protest and make their power felt, and it is to be hoped party bias will be forgotten and attention given to the adoption of principles which will make for the betterment of mankind.

STATE FINANCE

The Acting-Treasurer has made available the figures for the financial year which ended on June 30, 1937. The details of taxes collected are as under:—

Probate and Succession Duties ..	800,000
Land Tax ..	302,000
Income Tax ..	1,677,000
Stamp Duties ..	474,000
Motor Taxes ..	636,000
Other Licences, including Betting Tax ..	162,000
	3,541,000

These figures indicate the great growth in State taxation since the inception of Federation. Although it was claimed that the transfer of certain State functions to the Federal sphere would have the effect of reducing taxation and the cost of government, there has been a continual increase. The following figures will show the nature of the increase that has taken place:—

State Taxation	1901	1936-37
Total collected ..	£245,127	£3,541,000
Per head of population ..	14/8	approx. £5 0/2

When it is remembered that this payment is in addition to the heavy burden imposed by the Federal Government, it will be realised how governmental costs are rising. The total revenue and expenditure figures also show a big increase during the same period:—

	1901	1936-37
Total Revenue collected ..	£2,386,854	£13,739,000
Revenue per head ..	47 19/10	£10 18/4
Total Expenditure ..	£3,997,964	£13,600,599
Expenditure per head ..	£5 6/5	£10 13/8

The figures of revenue and expenditure for the year 1901 include the Northern Territory, whereas the later figures deal only with South Australia.

During the period since Federation the State indebtedness has very considerably increased as the following figures show:—

	1901-2	June 30, 1936
South Australian Debt ..	£27,272,545	£107,532,230
Debt per head ..	£75 2/10	£183 6/8
Total Interest Paid ..	£1,042,291	£4,493,144
Interest per head ..	£2 17/8	£7 12/8

The above figures will indicate the drift in State finance, and both political parties must take their share of the blame for the unfortunate position the State is in at the present time. Approximately 40 per cent. of total revenue is needed for the payment of interest on the State debt. This phase of the State's position should be of great interest to those who are now offering their services as Independent candidates at the next State election, and it will be interesting to hear their views for placing the finances on a more satisfactory basis. We shall await their declarations with interest in view of their criticism of the party system. They have a splendid opportunity for supporting right principles in regard to government finance, and we trust they will not follow the old bad ways of collecting revenue, but will insist that the rent of land which arises as a result of the presence and activities of the people shall be taken for public purposes, and the taxation burden removed from industry. If they are not prepared to work along this line they will be of no more use to the long-suffering body of taxpayers than the party men they now condemn.

Proportional Representation

We acknowledge receipt of the annual report of the Proportional Representation Society of Great Britain. Detailed information is given relating to the various elections held throughout the year in many parts of the world. A striking comparison is the result of the London County Council election and the election of the City Corporation in Dublin. In London the Labor Party with 424,548 votes secured 50 seats, while the Municipal Reform party with 215,920 votes did not get a single seat, thus leaving the minority unrepresented. The proportional system of voting was used in Dublin, with the following result:—

Party	Votes	Councillors
United Ireland Party ..	3,319	4
Finanza Fail ..	8,618	3
Labor ..	2,346	1
Others ..	1,236	0

It will thus be seen that no party secured a monopoly, but that the representation was fair.

The result of the last Tasmanian election under P.R. is dealt with, and, as announced in our columns, it was a splendid testimony to the justice of Proportional Representation. Mr. Dwyer-Gray, the Acting Premier of Tasmania, in an editorial comment in the "Voice," a Tasmanian Labor weekly, declared that:—

Tasmania should be proud of its electoral system and of the fact that democracies of long standing, such as Switzerland, Denmark and Belgium have long recognised the desirability and equity of proportional representation. In the end this system must win through everywhere if democracy is to endure and become undeniably stable and secure.

An item of special interest at the moment is the remarks on the Spanish Chamber of Deputies election in 1936. Although it has been asserted that P.R. was in operation in Spain, such is not the case as the following figures indicate:—

Party	Votes	Seats
Popular Front ..	4,500,000	265
Right Coalition ..	4,300,000	191

The system in operation is a majority system which gives practically a monopoly to the party securing a majority of votes, and is one to be shunned and not adopted.

The elections in many other countries are dealt with, and P.R. has been proved to be most satisfactory where it has been in operation.

Reference is made to the new Irish Free State Constitution. As our readers know, P.R. has been in operation there for a considerable period, and under the new Constitution it is included as the means of electing members to both Houses. This should be sufficient evidence to prove that Proportional Representation has given satisfaction to all parties in the past, and that the nation recognises that just representation is an essential part of democratic government.

The report indicates that the society has had a very busy time during the year, and taken advantage of every opportunity for educating the people as to the need for an equitable system of representation. We desire to congratulate our British co-workers on the very fine work that has been accomplished, and wish them continued success in their efforts to secure electoral justice.

THE OPEN FORUM

A correspondent forwards the following questions for answer in our columns.

Question.—In a recent discussion in this neighbourhood it was claimed that labor-saving machinery has a lot to do with unemployment. How do these labor-saving devices affect land values, and what is their effect on employment?

A.—Although it has been frequently asserted that labor-saving machinery is the cause of unemployment, that claim will not bear logical examination. If we take one particular industry and confine our thoughts to that, there may be some ground for the contention that unemployment is caused by the introduction of machinery. Take for example the motor industry. It has been pointed out that as a result of the development of the motor engine, labor has been displaced in the saddlery, chaff growing and cutting industries, horse drivers have been removed from the roads, and carriage builders and blacksmiths have lost their jobs. This is true, but it must also be admitted that whilst men have not been required in those industries to the same extent as formerly, thousands are now needed for motor building and repairs, for petrol stations, and many other avocations that were not formerly in existence. The trouble is not with the machine. Rightly used it would prove a blessing to mankind, inasmuch as it enables the good things of life to be produced with less exertion and at a lower cost. If we lived under sound economic conditions, with goods being produced at a lower cost through the introduction of machinery, people would be able to satisfy desires that at present cannot be considered. And while there are desires to be satisfied there should not be any unemployment. The trouble is that machinery can only be used on land, and with its aid production is increased. To increase production is to make land more valuable. Inventions increase the value of mineral and agricultural land, and in consequence that class of land is increased in value. It enables us to erect massive buildings in our city areas, with the result that land acquires an extremely high value. And as machinery cannot be used apart from land, those in possession have been able to take the advantages of invention and discovery in increased rent for permission to use the earth. Professor Thorold Rogers, dealing with this point in his great work, "Six Centuries of Work and Wages," says:—

Every permanent improvement of the soil, every railway and road, every bettering of the general condition of society, every facility given for production, every stimulus applied to consumption, raises RENT. The landlord sleeps, but thrives. He alone, among all the recipients in the distribution of products, owes everything to the labor of others, contributing nothing of his own.

Instead of labor-saving machinery increasing wages and improving the conditions of wealth producers the advantage has gone to the landlord class in increased rent. The consuming public has not received the benefit of lower cost of production in reduced prices for commodities, consequently cannot buy as many goods as they wish, with the result that labor is unemployed. Over 30 years ago, a boot-maker, making boots by hand, would make a pair to order for 10/6, first quality leather. Today with the boot machine people pay 30/- for a boot that is no better and probably not as good. It is only when the rent of land is taken for public purposes, and returned to the public in public services, that wages will rise to the full earnings of labor, and labor-saving machinery will prove the blessing it was expected to be, instead of the curse so many associate with it at the present moment. We would advise our correspondent to read the chapter on "The Effect of Machinery," in "Social Problems," by Henry George, which will give him a clear understanding of the position.

Question.—It is claimed that at a meeting in the Botanic Park you at one time made a statement to the effect that the Single Tax doctrine was similar to communism. Is this correct? Is there any similarity in these two doctrines?

A.—There is no truth in the assertion that such a statement was made at the Botanic Park or at any other meeting. There is a vast difference between the two doctrines. Communism is a state of society where it is proposed private property shall be abolished and all things held in common, that each shall get in proportion to his needs, irrespective as to whether he has produced those things or not. Under what is known as the Single Tax it is recognised that all wealth is created by the application of labor to land, and that all who produce wealth have the right of private possession and ownership of that wealth. It

also recognises that certain values arise by reason of the collective presence and activities of the community, therefore it is right that these values shall be collected into the public treasury for the benefit of the community. The communist desires that ALL things shall be held in common. The Single Taxer definitely states that only RENT shall be held in common, and that individuals shall have the right of private ownership of all things which their labor creates. It will thus be seen there is a great difference between the two doctrines. Communism simply means changing the present system of injustice and tyranny and replacing it with another equally as bad.

SHELTERED INDUSTRIES

The Colonial Sugar Refining Co. Ltd.

The accounts for the Colonial Sugar Refining Co. Ltd. for the half year ended March 31 are to hand. They indicate the benefits of protection. The net profit for the half year was £546,916, making the profit for the year £1,036,336. After paying the half yearly dividend of 7½ per cent, which absorbed £438,750, the surplus for the half year amounted to £108,166. The reserve fund now stands at £1,201,623, excluding replacement and depreciation fund, which stood at £3,509,057 on March 31. The assets of the Company are shown at £21,853,746, while sundry creditors are set down at £2,525,289. This company has maintained an annual dividend of 12½ per cent. for a long period, and from the recent distribution it may be assumed it is now going to the 15 per cent. mark. When one remembers the watering of stock that has taken place in regard to this company it will be seen it is one of the best investments possible for those who got in on the ground floor. In September, 1934, the company doubled its capital by issuing £5,850,000 of £20 shares FREE to its fortunate shareholders on the basis of one free share for each then held, and readers will be interested to know that for those shares GIVEN AWAY in 1934 buyers are offering about £48 on the stock exchange at the present time. Although it is claimed by the sugar interests that the C.S.R. does not receive any benefit as a result of the sugar embargo, it is significant that these huge profits go to the shareholders, whilst in Queensland 4,000 out of the 7,000 cane growers have liens on their crops. From this it is apparent the benefit does not go to the growers, as is so frequently alleged by vested interests.

Australian Glass Manufacturers Co. Ltd.

The Australian Glass Manufacturers Co. Ltd. is another of the highly protected industries of Australia. For the year ended March 31, the net profit was £281,199. Of this amount £15,750 was needed to pay the 9 per cent. dividend on the preference shares and £139,571 to pay the 15 per cent. dividend on the ordinary shares. This left a surplus for the year of £75,878, bringing the total reserves to £696,056. Since 1930 the ordinary shareholders have received an average of 10½ per cent. in dividends, and during the last two years they have been fortunate in getting 15 per cent. The assets of the company now stand at £2,288,303, and in view of the strong position enjoyed by this monopoly it is no wonder that at time of writing the £1 shares are quoted at £4 12/6 buyers and £4 13/6 sellers. This company is so well situated as regards finance that it has recently been able to purchase a big interest in the Associated Paper and Pulp Mills, Ltd., a new company floated for the purpose of making paper pulp in Tasmania. It was owing to the monopoly granted to this glass company that we suffered the loss of the market for barley in Belgium, and it is doubtful if that market will ever be fully recovered.

When one studies the balance sheets of some of these protected monopolies they are forced to wonder why members of the Federal Parliament grant such privileges as are now enjoyed by these interests. It seems as if the consumers are not worthy of consideration. Of course they cannot maintain lobbies at the Federal Parliament, but we have a right to expect that members should have some consideration for the masses they claim to represent. With a Federal election looming in October all candidates should be questioned as to their attitude to such monopolies, and it should be made clear to them that action must be taken to abolish the privilege now enjoyed, and to place the industries on a free trade basis.

"A landlord of straw can grind to powder a tenant of steel."—Lord Clarke.

HENRY GEORGE COMMEMORATION DINNER

At the last meeting of members of the Henry George League it was decided that the commemoration this year should take the form of a dinner. This will be at the Covent Garden Cafe, King William Street, Adelaide, on Thursday, September 2. The price of the tickets will be 2/-. It is proposed that certain toasts will be honored, the main one being: "Henry George: the Man and His Work." Further details as to the speakers and the time of the dinner will be announced in our next issue. This gathering provides a splendid opportunity for members and sympathisers to gather together to honor the memory of the greatest economist the world has produced, and to receive fresh inspiration to assist them in the fight against special privilege of every kind. We trust they will make this event widely known, and endeavor to secure as big an attendance as possible. Reserve September 2 for this function.

United Committee for the Taxation of Land Values

We acknowledge receipt of the 1936 report of the work carried on by the United Committee for the Taxation of Land Values, London. It gives a comprehensive report of the work done by the affiliated organisations. During the year the publication department had a very busy time in getting out new productions and reissuing editions of other works. The total number of books and pamphlets published since 1929 number 328,000. Of this number, 109,000 represent books by Henry George, 71,000 penny pamphlets containing addresses by Henry George, 13,000 books by other authors, and 135,000 booklets and pamphlets by various authors, all dealing with the land and trade questions. Of these publications, no less than 227,900 copies have been sold, including 74,820 copies of books by Henry George. The circulation of this quantity of literature must have a fine educational effect on current thought.

Another field for propaganda was the insertion of special advertisements in prominent weekly journals, in two campaigns extending over six weeks. Column spaces were taken, and selected passages from the writings of Henry George were published. Shorter advertisements were placed on the leading article pages of three London and four English provincial daily papers. There were twenty-three insertions and the total circulation of these papers is about 5,000,000. In addition to this method of propaganda, circulars and pamphlets were sent to recommended lists of addresses, with beneficial results so far as the sale of literature is concerned. This class of work was made possible owing to the endowment creating the Henry George Foundation.

Reference is also made to the work done by the International Union and the conferences that have been held under its auspices, as well as to the powerful lead given to the municipal demand for land value rating, in recent years supported by 230 British local authorities, when the London County Council at its meeting on July 14, 1936, adopted a report by its finance committee on the rating of site values, expressed the opinion "that the present system is inequitable in its incidence, that site value is a subject peculiarly suited to local taxation by reason of its arising from community influences including local expenditure," and urged the Government "to introduce legislation at an early date to empower local authorities to levy a rate on site values." The enquiry into the rating question was undertaken as a result of a motion moved by Councillor F. C. R. Douglas, who is assistant secretary to the United Committee.

In common with the movement in various parts of the world, Henry George Schools of Social Science have been established in London and other parts of Great Britain. These provide an excellent opportunity for people to become acquainted with economic science, and it is pleasing to read of the result "achieved in this branch of educational work. "Land and Liberty," the official organ of the movement, is still maintained at its usual high level, and in addition to dealing with affairs related to the movement in Great Britain keeps readers in touch with the international work, thus it is of special benefit to the world movement in general. We congratulate Mr. Madsen and his staff on the very valuable work performed during the past year, and wish them continued success in their effort to establish economic freedom.

COAL ROYALTIES

Some time ago a tribunal was appointed by the British Government to assess the amount to be paid by the Government if it should decide to buy out the owners of coal royalties. "Land & Liberty" in its May issue gives some interesting details in regard to this proposal. It is stated that the amount fixed by the tribunal is \$66,450,000. This figure will cover all the coal whether being worked or unworked. The Government has announced its intention of proceeding with the introduction of the necessary legislation.

According to press reports, in the negotiations the Mineral Owners Joint Committee had asked for a sum of £150,000,000 and the Government had offered £75,000,000, which had been refused. The present income of the royalty owners was agreed by both parties to be £4,480,000. The sum payable is, therefore, 15 years' purchase of this income. Provision will be made for apportioning the purchase money between the mineral owners, of whom there are said to be about 4,800.

Interesting figures taken from the "Manchester Guardian" indicate how some of the owners will be treated under the scheme. They are as under:—

Owner	Royalties £	Price £
Duke of Hamilton	113,793	1,706,895
Marquis of Bute	100,277	1,504,155
Lord Tredegar	74,927	1,024,655
Duke of Northumberland	69,194	1,037,916
Lord Dunraven	58,254	882,810
Lord Durham	35,620	534,300
Lord Ellesmere	26,709	400,635
Ecclesiastical Commissioners	370,000	5,550,000

From the above figures it will be seen that these cases alone account for nearly one-fifth of the compensation to be paid. The question naturally arises: Why should these men receive compensation? The payment of compensation is regarded as payment for some injury or disablement suffered by the person receiving the money. Is any injury done to these landlords by preventing them from collecting royalties on coal in the future? They did not put the coal into the earth, neither do they provide the labor and capital for bringing it to the surface. The mining companies provide the plant and the equipment, and the workers provide the labor power, and these alleged OWNERS levy tribute on every ton of coal extracted from what they are pleased to call THEIR land. They do not render any service, yet they have been able to levy tribute to the extent of the huge sums indicated. Surely it is a monstrous proposition that the taxpayers—those who produce—should be saddled with the payment of this \$66,450,000 to a parasitical section of the community! It is surprising that any Government would be guilty of such action, and that the public should give it support.

The Ecclesiastical Commissioners are the representatives of the Church of England. These men and the Church they represent claim to believe in the Bible, which teaches that "The Earth hath He given to the children of men." If they believe in this teaching, how can they claim the right to levy tribute on society for the benefit of a few? How comes it that the coal which was manifestly intended for the use of all is regarded as the property of the Ecclesiastical Commissioners? To hand over to that body a sum in excess of over five and a half million pounds, without receiving any service in return, is a distinct violation of the moral law. It is surprising to find the Church participating in such a gigantic robbery of the earnings of the people. To pay compensation as proposed is merely continuing the evil in another form. These recipients of privilege will collect as interest what they formerly collected as coal royalties. Coal royalties, which in reality, are merely ground rent, should be taken into the public treasury for the use of all the people, and that would be done under the Henry George principles. The proposal to buy out the coal land holders is contrary to the principles of justice, and should be strenuously resisted by all who believe in community created land values being taken for the community.

"The Standard"

An Australian Journal to advocate the rights of the people in the land, abolish taxes upon trade and industry, and tax land values.

Subscription, 2/- per annum, post free.

A. G. HUIE, Editor and Manager.

The Function of Government

THE PRIMARY FUNCTION OF GOVERNMENT IS TO SECURE TO ALL ITS PEOPLE THEIR NATURAL RIGHTS.

It is a perversion and abuse of government if it perform other functions other than in subordination to that primary function, or if it make and enforce laws which abridge or deny those natural rights.

In illustration of the rights of men, and the function of government, we may quote the following extracts from famous "Declarations" solemnly made at great historical crises under somewhat similar circumstances, though in different ages and by different peoples.

1. From Magna Charta, A.D. 1215.

No freeman shall be deprived of his life, liberty or property, except by the law of the land and the judgment of his peers.

2. The Petition of Rights, A.D. 1628.

That no man hereafter be compelled to make or yield any gift, loan, benevolence, tax, or such like charge without common consent by Act of Parliament; and that no freeman be imprisoned or detained.

3. From the American Declaration of Independence, July 4, 1776.

We hold these truths to be self-evident; that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute a new government, laying its foundation on such principles, and organising its powers in such form as to them shall seem most likely to effect their safety and happiness.

4. From the French "Declaration of the Rights of Man and of Citizens," issued by the National Assembly, in 1789.

The representatives of the people of France, formed into a National Assembly, considering that ignorance, neglect, or contempt of human rights are the sole causes of public misfortunes and corruptions of government, have resolved to set forth, in a solemn declaration, those natural, imprescriptible and inalienable rights, and do recognize and declare, in the presence of the Supreme Being, and with the hope of His blessing, and favor the following sacred rights of men and of citizens:

(1) Men are born and always continue free and equal in respect of their rights. Civil distinctions, therefore, can only be founded on public ability.

(2) The end of all political associations is the preservation of the natural and imprescriptible rights of man, and these rights are liberty, property, security, and resistance of oppression.

It is regretted that these fine statements of principle are now honored more in the breach than in the observance. In all parts of the world very little respect is shown by Governments in regard to the rights of the people. Here in Australia there is interference with the liberty of the individual, and little regard is shown for the rights of the people. Special privileges are bestowed with a lavish hand upon a favored few, and the many are compelled to pay unjust taxes and suffer poverty. Our voting system denies the right of representation to a great number of citizens, so it is not to be wondered at that apathy is manifest in our midst. The people must be brought to realise that they have the power in their hands to change conditions if they will put principles before party. Until they are prepared to do this they must continue to suffer.

Obituary

The Henry George movement suffered a great loss on June 15, owing to the sudden death of Mr. W. B. Hirschfield of Yancee. The news of his passing came as a great shock to his many friends. For many years the late Mr. Hirschfield took an active part on the fight to place society on a sound basis. As the representative of an agricultural implement firm he travelled extensively through the West Coast, and never missed an opportunity of declaring for the principles of freedom. He was highly respected by all who knew him and will be missed by a wide circle of friends. Our late co-worker always rendered splendid service in connection with meetings in the district, and his death leaves a breach in our ranks that will be hard to fill. We tender our sincere sympathy to Mrs. Hirschfield in the hour of her sad bereavement.

"Many politicians of our time are in the habit of laying it down as a self-evident proposition that no people ought to be free till they are fit to use their freedom. The maxim is worthy of the fool in the old story who resolved not to go into the water until he had learnt to swim."—Lord Macaulay.

The True National Dividend

We now have stocks of "The True National Dividend, the Pros and Cons of Social Credit," by Mr. W. R. Lester, M.A. This is a brilliant examination of the Social Credit doctrine by one who thoroughly understands the working of economic law. Mr. Lester is regarded as one of the keenest thinkers in the Georgean movement, and he makes a critical examination of the proposals put forth by Major Douglas, and reveals their weakness. He shows where the only true national dividend can be secured. Everyone who is anxious to see both sides of the question presented in an attractive manner should send for a copy of this valuable pamphlet without delay. Price 3d. postage 1d. extra.

GREAT THOUGHTS FROM MASTER MINDS

"When Government and the people quarrel, Government is generally in the wrong."—Burke.

"The earth belongs in usufruct to the living. The dead have no rights over those who now exist."—Thomas Jefferson.

"Landlords are, perhaps, the only great body of men whose interests are diametrically opposed to the interest of the nation."—Thomas Buckle.

"Labor, therefore, is the only universal, as well as the only accurate measure of value, or the only standard by which we can compare the values of different commodities at all times and at all places."—Adam Smith.

"Protectionism is such an arrant piece of economic quackery, and it masquerades under such an affection of learning and philosophy, that it ought to be treated as other quackeries are treated—with scorn, contempt, satire, and ridicule."—Professor Sumner.

"To own the source of labor products is to own the labor of others; to own what you produce from that source is to own only your own labor. Nature furnishes gold mines, but men fashion gold rings; the right of ownership is radically different."—Louis F. Post.

"The man who monopolises land monopolises the concentrated values of human progress. If these lands were taken up by the public and expended for their common benefit, all progress, past and present, would inure to the benefit of the whole people."—John Z. White.

I contest the principle that you cannot fight hostile tariffs by free imports. I so totally dissent from that assumption that I maintain that the best way to compete with hostile tariffs is to encourage free imports. So far from thinking the principle of Protection a salutary principle, I maintain that the more widely you extend it, the greater the injury you inflict on the national wealth and the more you cripple the national industry.—Sir Robert Peel, 1849.

"We maintain that a man may be slain, enslaved, or defrauded, QUITE AS UNJUSTLY by a Government as by a private individual, and that such crimes on the part of a Government are usually incomparably more prejudicial to the great body of society than any amount of individual crime that could reasonably be expected to take place in a civilized country. No instance can be adduced of a country being brought to ruin and degradation by individual crime, whereas legislative crime has produced revolutions, persecutions, civil wars, anarchies, and decays innumerable."—Patrick Edward Dove.

"Take the case of any one of these vast masses of unemployed men, to whom, though he never heard of Malthus, it today seems that there are too many people in the world. In his own wants, in the needs of his anxious wife, in the demands for his half-cared for, perhaps even hungry and shivering children, there is demand enough for labor, Heaven knows! In his own willing hands is the supply. Put him on a solitary island, and, though shut off from all the enormous advantages which the co-operation, combination and machinery of a civilized community give to the productive powers of man, yet his two hands can fill the mouths and keep warm the backs that depend upon them. Yet where productive power is at its highest development, he cannot. Why? Is it not because in the one case he has access to the material and forces of nature, and in the other this access is denied?"—Henry George.

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