

THE PEOPLE'S ADVOCATE

An Organ of Fundamental Democracy

Policy: FREE LAND, FREE TRADE, and PROPORTIONAL REPRESENTATION

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Coming Events

On Wednesday, June 27, there will be a public debate in the A.N.A. Hall, Flinders Street, Adelaide, at 8 p.m. The subject will be "Single Tax v. Douglas Social Credit." Mr. E. J. Craigie, M.P., will state the case for the Single Tax, and Mr. F. E. Blake, of Melbourne, will speak for Social Credit. Principal Keik will preside. Admission 6d. Tickets may be obtained at League office.

On Thursday, June 28, Mr. Craigie will speak on "The Democracy of the Future," under the auspices of the Proportional Representation Group.

Monthly meeting of League members, Tuesday, June 26, at 8 p.m.

THE OPEN FORUM

Question. It has been said that if the rental value of land was the sole source of revenue it would not be sufficient to defray the cost of government. In support of this contention reference is made to the amount of rate levied in local government areas where land value rating is in operation, and it is claimed that local bodies absorb so much of the annual rent of land that sufficient is not left to pay the cost of other governmental services. What are your views on this matter?

Answer: Thomas Shearman deals fully with this question in his book: "Natural Taxation." He states: "Nor can the average annual cost of necessary government for any community ever be greater than the average annual value of its land. To say that it can, is a contradiction in terms. How can any government be NECESSARY which costs more than the privilege of living under it is worth? And what is the cost of the privilege of living in any particular place, except the ground rent of that place?" A landlord cannot, however, fix his asking price for rent upon a computation of his tenant's personal property. If the price thus fixed is less than the market value of the land, the tenant will gladly pay it, and bless the stars which gave him a fool for a landlord. If it is more, the tenant will move away, and the landlord will get nothing. The State can do no more. No one will pay more taxes than the privilege of residing within the jurisdiction of the State is worth. If any one pays less, he is better off than people who live in another place and pay full value. The difference is so much natural rent; which he puts in his own pocket or is compelled to pay to a private landlord. Ground rent, therefore, is invariably sufficient to meet all the expenses of necessary government. But as government never exists where society does not exist, and as society offers many advantages in addition to the mere benefits of government, the privilege of living in society is worth much more than the mere cost of government. This privilege is dependent upon the privilege of living within a tract of land in which society exists. Outside of such land, there is other land, with no society and no government. The difference between the value or no-value of the right to live in solitude and the value of the right to live in society is so much economic rent. Rent, therefore, will at all times, in all places and in all circumstances, exceed the entire cost of necessary government."

This statement by Shearman is very conclusive evidence that the rent of land will be sufficient. Although local rates may appear to absorb an undue share of that rent, it will be generally found upon investigation that the rate is levied upon a low assessed value. Again, people when considering this question usually make their calculation on the present system of government. When the rent of land is taken for public purposes and taxes upon industry abolished, government costs will be considerably reduced by the abolition of unnecessary departments. However, the question whether the rent of land will be sufficient is of no immediate importance. If all public revenue ought to be collected from land values there is no justification for land values remaining as the private possession of a privileged few. Until the land rent fund is exhausted there is no just reason why taxation should be imposed upon industry or business in any form.

Meetings Addressed

Three additional meetings were addressed in the Woorroora district by the League secretary at the end of May. The first was held at Point Pass on May 23. Mr. K. Potter occupied the chair, and there was a good attendance. Information was placed before the meeting showing how the burden of taxation was restricting production and fleecing the wealth producers, and it was made clear that only by the abolition of taxation and the collection of the rental value of land for public purposes that production could be placed on a profitable basis. The address was followed with a great deal of interest, and at the end more than one hour was occupied in answering questions. Mr. Pfeiffer moved, and Mr. Feurkert seconded. A hearty vote of thanks.

On May 24 Roberstown was visited, and a meeting held in the Institute. Mr. G. E. Pfizner was in the chair, and there was a fine attendance. One and a half hours was occupied in delivering the address, and a further 75 minutes in answering questions. The vote of thanks was moved by Mr. A. W. Farley, who complimented the speaker on the speech, and said the facts presented had not been placed before the electors by the party representatives. He was of the opinion the principles were worthy of further investigation. Mr. C. Hood seconded the motion, which was carried unanimously. When literature was offered for sale one man purchased one of every book and pamphlet offered (9/6), and intimated his intention of loaning them to other people so that Georgian principles could be investigated.

The next meeting was at Australia Plains on May 26. This is a small centre, and it was thought that the attendance would be small, judging by the small audiences that greet the other parties. Mr. C. A. Brooks occupied the chair, and there was an attendance of 34, a record for the district. At the close of the address, contrary to the usual experience, a number of questions were asked, the people showing a keen interest in our doctrine. Great disappointment was expressed at each of these meetings at the inability of the orthodox political parties to show a way out of the present trouble. The wish was expressed that Henry George candidates would contest the district. A vote of thanks was tendered the speaker on a motion by Mr. Lindner, seconded by Mr. Wittwer.

Our sincere thanks are due to Mr. Brooks and the other friends who so kindly assisted with the arrangements for the meetings, and to Mrs. Brooks for hospitality extended during the visit.

On Monday, June 11, the League secretary visited Riverton and gave an address on "Current Politics." Mr. Daly occupied the chair, and there was a fair attendance. The various proposals suggested for placing production on a profitable basis were examined, and it was shown that they did not touch the cause of the trouble. A number of questions were asked and answered to the satisfaction of the audience. A vote of thanks was tendered the speaker.

On June 12 Mr. Craigie spoke at Saddleworth. Mr. Marat being in the chair. The evil effect of the present taxation policy was made clear, and it was proved that no social betterment was possible until the rent of land was taken for public purposes and the burden lifted from industry. Many questions were asked, and a vote of thanks was moved by Mr. Fred Coleman and seconded by Mr. Bagshaw.

On June 13 an address was given at Farrell's Flat under the auspices of the Institute Committee, the president (Mr. Benton) being in the chair. Owing to the stormy weather the audience was not as big as was anticipated. The subject of the address was "Proportional Representation." The injustice of the present electoral system was made clear by an analysis of the voting figures at the last election. A blackboard was used to show that the figures at the last voting for the Burra Burra district would, under Proportional Representation, have returned one Parliamentary Labor Party

candidate, one Official Labor and one Liberal and Country Party representative. Under the present unjust system the Liberal and Country Party secured the three seats with a minority of votes. Many questions were asked concerning the electoral system, and a hearty vote of thanks was accorded for the clear exposition of the proportional principle of voting.

On June 14 the final meeting of this tour was held at Manoora. Mr. Crawford, president of the Institute, occupied the chair. The speaker explained the injustice of the present method of collecting revenue, showed how it pressed with great severity upon the wealth producers, and offered a premium to those who held land out of use. Comparisons of city and rural land values were given and evidence produced to prove that all producers will benefit by a change over from our present revenue methods to the collection of the rent of land as the only source from which the revenue should be drawn. A very interesting discussion followed, and a vote of thanks was carried on a motion by Mr. Faggoter, seconded by Rev. Father Redden.

Sincere thanks are accorded to Messrs. Frank Kelly, of Riverton; Bagshaw and Fred Coleman, of Saddleworth; Mr. Fred Kelly, of Manoora; and Mr. H. P. Monaghan, of Farrells Flat for services rendered in connection with the arrangements for the meetings and for hospitality extended.

A nice lot of literature was sold at the meetings and a number of subscriptions for the "People's Advocate" received. Specimen copies of the paper were distributed at each meeting, as well as reprints of Mr. Craigie's speech on Proportional Representation. A great deal of interest is being manifested in our principles in the Woorroora and Burra Burra districts, and the wish has been expressed that Henry George candidates shall contest those districts at the next election.

HENRY GEORGE LEAGUE COUNTRY BRANCHES

BERRI BRANCH

Report presented by the president at the annual meeting held in the Berri Institute on Thursday, May 17, 1934:

It affords me great pleasure to present the third annual report of the Berri Henry George League. Although the past year may be regarded as the quietest in our history, some good work was accomplished in furthering the knowledge of members in the great principles advocated by Henry George. The following addresses and papers were given during the year: June 14, address by Mr. Sam Lindsay; July 12, address on the election campaign by Mr. Kunoth; August 9, address by Mr. Vogt on "Causes of Industrial Stagnation;" October 4, reading by Mr. Sharley of Mr. W. R. Lester's booklet, "The Rights of Property;" November 1, address by Mr. Kunoth on the "Life of Henry George;" November 29, "Gems from Henry George," selected by Mr. Sharley; January 24, 1934, reading by Mr. Sharley of Mr. Lester's booklet, "Unemployment and the Land." A feature of all the meetings was the animated discussion which followed the addresses, when a great deal of additional information was exchanged between speakers and critics.

Two delegates attended the league conference in Adelaide, Messrs. Kunoth (vice-president) and Clarke (secretary) being the honored representatives.

The early termination of the appointment of the organiser (Mr. Frick) came as a big surprise to all members, who were hoping that the appointment of a full-time organiser would have proved the turning point in the history of the league in the State, there being undoubtedly a good field for soliciting new members in many country districts. It is to be hoped that another organiser will shortly be appointed, or steps taken to release Mr. Craigie for this work on a more extensive scale.

The financial statement reveals that many members have not yet paid their subscriptions for the year just closed, and the question as to whether such members are to be regarded as unfinancial or struck off the list is one for the branch to decide.

(Continued on page 6)

The Case for the Single Tax

(Continued from our April issue.)

Land Titles Not Interfered With.

One point needs to be emphasised in connection with this reform. It is not proposed to interfere with existing land titles. The present holder retains his freehold title to land. He has absolute security of possession. That is indispensable, otherwise no person would make any improvements upon land. Under the Henry George principles all landholders can will and bequeath their holdings as at present. What is proposed is merely an alteration in the method of collecting revenue. Instead of having a multiplicity of taxes levied upon the industry of the individual it is proposed to ABOLISH ALL TAXES WHICH FALL UPON THE EARNINGS OF LABOR AND COLLECT REVENUE SOLELY FROM THE UNIMPROVED VALUE OF LAND. Such a change will prove of great advantage to every LAND USER, and the only ones who will not appreciate it are those who hold land out of use in anticipation of a rise in value.

Improvements Exempt From Taxation.

Under the Henry George principle all improvements are EXEMPT FROM TAXATION. If a man takes up a block of land, fences, clears, drains, cultivates or in any way improves it; that value arises because of the expenditure of Capital and Labor and is an IMPROVED value, and is exempt from taxation under our proposal. Under the present system the harder a man works to improve his property the more he is taxed. This is manifestly unjust, and it is surprising that producers have for so long a period tolerated such an unfair system of collecting revenue.

It has been claimed that under the Single Tax system of collecting the rent of land for public purposes no person would erect improvements. Such a contention is exploded in view of what is taking place in the Federal Capital Territory. It is a well known fact that all land in the Federal Territory is let on a ninety-nine years' lease. The land is offered at public auction, and five per cent. of the price bid is regarded as the annual value. Say, for example, a man bid £1,000 for a block of land. He would be £50 per annum. He would be compelled to erect improvements to the satisfaction of the Federal Capital Commission, keep them in good order and repair, and at the end of the ninety-nine years those improvements become the property of the Commonwealth. We find banking and insurance companies, as well as business men and private individuals taking up land on these terms, yet a certain section of the community do not hesitate to assert that the Single Tax policy, which leaves all improvements the property of the owner for ALL TIME, would destroy confidence, and shake our financial institutions to their foundations. The facts relating to the Federal Capital Territory show how false is such an assertion. If people will pay five per cent. of the capital value of land IN ADDITION TO ALL THE EXISTING TAXES NOW LEVIED UPON THEIR INDUSTRY, surely they have everything to gain when those BURDENSOME TAXES ARE ALL ABOLISHED, and the ANNUAL RENTAL VALUE OF LAND IS THE ONLY PAYMENT they will have to make.

Justice of the Land Value Principle.

In determining a method of collecting revenue it must be JUST if it is to give satisfaction to all. Is it just to take the rental value of land for public purposes? Before answering that question it is necessary to ascertain how land value arises. In the early days of a State population is sparse and very little in the way of public services is provided. As population increases there arises the need for roads, railways, jetties, wharves, lighting, sewer and water services. In the localities where there is the greatest number of people there will be found the highest expenditure of public money, and also the highest land values. This high value arises because of the operation of a natural law which automatically provides a sufficient fund to meet the cost of all necessary public services. When this is taken to meet the cost of government there is no need for any taxation of industry. Unfortunately, those entrusted with the reins of government have allowed this community created land value to be appropriated by private individuals, and then have added insult to injury by taxing industry to meet the cost of government. Is it any wonder with such an unjust system we have the present inequitable distribution of

wealth? So long as our present taxation system remains in existence there is no hope of social betterment. Whilst we continue to raise revenue by present methods we shall do a great injustice to the LAND USER. We penalise the man who puts his land to its best use, and on the other hand we offer a special premium to those who hold land out of use in expectation of a rise in value. By refraining from collecting the rent of land for public purposes we make it easy for speculators to get rich. The result is they can forestall the real farmer, and bleed him in fictitiously high prices for the land he needs for purposes of production. Surely those who engage in production should receive more consideration at the hands of the governing authority than the mere land speculator, yet today the position is just the reverse. How much longer will the wealth producers tamely submit to the robbery of their earnings?

How Land Values Have Increased.

It is interesting to note the increment of land values since the inception of the State. When it was proposed to establish the colony of South Australia, land orders were sold in Great Britain for £81 each. Those who purchased these orders were entitled to 80 acres of country land and one acre in the City of Adelaide, for each one bought. Land orders to the number of 437 were sold, and in March, 1837, the holders or their agents made their selection of city acres. The balance of the land in the city was then sold by public auction, the highest price for any acre being £14 14/- paid by Mr. W. H. Gray, for Block 60, Hindley Street west. The whole site of the City of Adelaide, 1042 acres, realised £3,504, and today the unimproved value for State land tax purposes is approximately £11,000,000. The following shows a comparison of certain city acres in 1837, with the latest value for land tax purposes:

	Present Price Unimproved Paid. Land Value.
Lot 46, Corner Rundle and King William Streets (north side) ..	£1 235,114
Lot 79, Corner Rundle and King William Streets (south side) ..	£1 232,752
Lot 41, Rundle Street ..	£7 14/- 143,904
Lot 42, Rundle Street ..	£1 198,970
Lot 43, Rundle Street ..	£1 178,054
Lot 44, Rundle Street ..	£1 198,290
Lot 78, Corner Rundle and Hindley Streets (south side) ..	£1 188,488
Lot 108, Corner Grenfell and King Streets (Imperial corner) ..	£1 226,688
Lot 202, Corner King William and Wymouth Streets ("Advertiser" corner) ..	£1 129,118

Soaring Land Values in Melbourne.

Land sales were held in Melbourne during June and November, 1837. The lots then sold realised very low prices. The land disposed of at those sales was the blocks situated between Lonsdale and Flinders Streets, and between William and Swanston Streets. Another block sold during the same period was between King and William Streets and Collins and Flinders Streets. The total area of these blocks of land was 92½ acres, apart from the area set aside as reserves, and the total sum realised at the land sales was £6,770. The unimproved value of that same land today is £22,314,850. These are values which have been created by the collective presence and enterprise of the people, yet a few privileged individuals are enjoying the benefit. Debts have been contracted by governmental authorities to provide public utilities in this area, but under our present unsound economic system we allow the wealth producers to carry the interest on that debt, and the landholders to enjoy the advantage accruing from this expenditure of public money. Justice declares that the unimproved land values created by the community shall be collected for the benefit of the community, and then the burden of taxation that is now oppressing industry could be abolished. That is the policy Single Taxers urge as the solution for the present unjust distribution of wealth.

HOW TO GET RICH WITHOUT WORKING.

The Thorngate Estate.

I have shown the great increase that has taken place in the value of land in the Cities of Adelaide and Melbourne. The point of special interest is that although this increment in value is due entirely to the presence of the people, the increased value has not gone into the public treasury for the benefit of the community that created it. Under our present system of collecting revenue the greater portion has gone into the pockets of a privileged few. Let me give two typical examples of this appropriation, one from each State.

In 1837, John Batley Thorngate, of Sussex, England, purchased four of the land orders previously referred to. For these he paid £324. The payment of this amount entitled him to 320 acres of country land, and four acres in the City of Adelaide. During July, 1928, the firm of Edmonds purchased a piece of land in Rundle Street, Adelaide, as a business site. The price paid was £1,450 per foot frontage. The area of this piece of land was 84 feet 10 inches by 196 feet 10 inches, therefore the total price paid by Edmonds was £123,009 3/4. This was portion of City Acre No. 43 secured by Thorngate for £1. A search of the records in the Land Titles office, Adelaide, show that for an initial expenditure of £324, the family of John Batley Thorngate received up to July, 1928, no less than £747,596 as rent for land leased, and cash for land sold, and still had land to the value of approximately £260,000 standing in their name in the books of the Land Tax Department. It will be of further interest to the readers to know that not one member of that family has set foot on South Australian soil. Where land has been leased the lessee has been compelled to erect buildings at his own expense, maintain them in good order and repair, pay all rates, taxes and charges during the tenure of the lease, and at its expiration hand back the land with all the improvements free of cost to the Thorngate family. It will thus be seen that for an expenditure of £324, this absentee family has been able to appropriate values to the extent of £1,000,000. It should be apparent to every one that if these people could get that amount of value without contributing to its production, then some people have produced it and been robbed of the results of their labor.

The Howey Estate.

The Howey Estate, in Melbourne, provides another illustration of reaping without sowing. During May, 1837, Henry Howey purchased two acres of land between Collins and Little Collins Streets and Swanston Street, Melbourne. The total price paid was £140. The blocks between Little Collins and Collins Streets, facing Swanston Street, brought £46 and £45 respectively. The latest unimproved value of these two blocks was £310,350 and £378,400. The blocks at the rear brought £20 and £29, and the latest unimproved value of these was £121,500 and £121,500. It will be seen that the two acres originally purchased for £140 are assessed today for land tax purposes at £1,051,750. I have not as yet been able to search the records to ascertain just how much the Howey family has been able to take from the people of Victoria through their holding of this land, but if the estate is compared with the Thorngate cited above, a much greater sum than one million pounds must have left Victoria to keep these people in idleness in the old land.

Taxation Paid by Producers, Not by Parasites.

These are merely isolated examples taken from South Australia and Victoria. So long as this NATURAL REVENUE is allowed to flow into private pockets, so long will it be necessary for Governments to tax industry to pay for public services. It may be claimed that these families have contributed in taxation to the cost of government, but an examination of this contention will show it is erroneous. Certainly the Thorngates and Howeys have nominally contributed under the Income Tax Act. Actually the contribution was made by the people from whom the rent of land was taken, or from those who purchased land from those estates. The payment made by income tax by these families was merely a deduction from the amount which they took from producers in South Australia for permitting them to use Labor and Capital upon land which Nature intended for the free use of every individual. How much longer will the wealth producers of the Commonwealth consent to this robbery of their earnings?

(To be continued in our next issue)

Literature on Single Tax

Owing to the generosity of the Henry George Foundation (Australia) we now have a good supply of Henry George's celebrated pamphlets. These have been reprinted in Australia by the Foundation. There are six titles, viz:

- The Kingdom Come,
- Then Shall Not Steal,
- Moses,
- Scotlaid and Scotsmen,
- The Crime of Poverty,
- Justice the Object, Taxation the Means.

These pamphlets are available at one penny each, postage one penny, or the SIX post free for eight pence. Readers are strongly recommended to send for this valuable set, which is splendid value for the small amount charged for them.

PROFESSOR COPLAND AND THE TARIFF

A Change of Horses Necessary.

Professor Copland, who is Dean of the Faculty of Commerce in the Melbourne University, has contributed a series of four articles to the "Advertiser" dealing with "Australia's Tariff under the Spotlight." In these articles the Professor is revealed as a special pleader for the protectionist element in Australia. At times he appears to realise that a tariff policy is detrimental to society, and then strays from the path of economic virtue in the manner of orthodox economists by indicating that the tariff is beneficial to the people. The articles constitute a splendid example of the YES-NO attitude on an important public question, and after reading them we can quite understand why so few people have faith in University professors of economics as guides in a time of national crisis. The Professor opened his articles with the statement that "it is an old but very sound maxim that one should not attempt to change horses in mid-stream." All the circumstances would have to be taken into consideration before one could determine whether such a maxim is sound. If a person was riding a horse that did not have the same strength to resist the "torrent running at full flood," then it would be good policy to change from the weak horse to one with greater strength so that a safe landing could be made. We are faced with the flood of depression, and have been riding the old decrepit horse called "Protection" for a considerable period, and it does not appear to be able to land us on the bank of national prosperity. We have the other horse, Free Trade, ready to take us to safety, and it would be foolish policy not to make the change.

We are informed that "at the moment of greatest danger we united our forces in a grand effort. We were successful at that time beyond our most extravagant expectations, and our plan of common sacrifice has earned almost universal commendation abroad." The "common sacrifice" the Professor mentions needs some qualification. Take for example the sugar interests he refers to on several occasions. What sacrifice did they make in the time of danger? Then there is the landholding class who contribute nothing to production. It is not on record that they were in this alleged sacrifice. It cannot be gainsaid that the wealth producers made enormous sacrifices, but the recipients of special privilege worked on the principle "when you are on a good thing stick to it."

Overseas Markets Lost.

It is interesting to note that when dealing with the depression still with us, the Professor states: "The fault lies less in us, on this occasion than in other countries, which formerly bought freely from us, but have for one reason or another closed their markets against food-stuffs and raw material of nearly every kind." Surely the Professor knows why the markets have been closed against our produce! Has he not heard of the privilege enjoyed by the glass combine which was the means of destroying our barley market in Belgium? Is he not aware of the fact that owing to the neglect of our Federal Government to give a definite reply to Italy we have lost markets in that country for wheat and wool? Can he deny that the Federal Government and its supporters by its high tariff policy have interfered with the natural flow of trade, and thus ruined many of our overseas markets? Surely the Professor must know these facts, which are known by the man in the street who is not a specialist!

The Professor would have his readers believe it is "economic nationalism in the old world" that has been responsible for our troubles. He refers to the "trade barriers of all kinds, exchange restrictions, quotas, prohibitive duties," which have been "imposed upon imports in a desperate effort to preserve the domestic market for home producers." Can the Professor deny that Australian politicians set an example to the other countries in this regard? We have done everything the Professor charges the other countries with doing, and he must not complain at the boomerang effect of such unsound legislation.

Contracting Spiral of World Trade.

Professor Copland refers to the "contracting spiral of world trade," and says if it is continued "spells destruction for nations who depend exclusively upon export production." This contraction in world trade has as its main cause the efforts of foolish parliamentary representatives in each country, why try by

means of a "protective tariff" to be "self-contained." Such a policy followed to its logical end will bring the nations back to barbarism. The remedy for such a position is to remove all restrictions from trade and allow commerce to flow along natural channels. However, our Dean of the Faculty of Commerce thinks we should persist in our tariff policy, and yet expects relief.

We are informed we must "endeavour to maintain our efficient export production, to hold markets we now have, to win back those we have lost, and to explore the possibility of new markets." All very good advice, but we are not told how we can accomplish any of these things, but have the assurance "it is no easy task." To take advantage of these better times when they do arise, "we must maintain our export production at its old efficiency, and even raise its efficiency, but we cannot expect to get immediate relief by concentrating our energies upon export production." It would have been more to the point if the Professor had informed us how our export industries can be kept at their old standard of efficiency, and even improve upon it, so long as they have to suffer the disabilities of our present tariff policy. Although the Professor may not be aware of the fact, it is true that the machinery needed for export production is rapidly becoming unfit for use on many farms, and the producers are unable to buy new plant which alone can make for efficiency. Owing to the policy supported by Professor Copland, the purchasing power of those engaged in export production has been so sadly depleted that a big number cannot get the necessities of life. Until the taxation burden is removed from production there can be no permanent improvement in the position of the man on the land.

Professor Thinks Tariff Beneficial.

Among the items given by the Professor when he was recounting a "few of the elements of our greater strength," he states we "have temporarily stabilised our currency at a rate that gives great relief to primary producers, and we are getting down fixed costs like transport." In our last issue we dealt with the currency question, and showed it was a two-edged sword. Producers received payment for their produce in a greater number of depreciated tokens, but they also had to hand out more of these tokens when they purchased commodities. There was the other aspect of the increased taxation necessary to pay exchange on our overseas commitments, and this cancels out any advantage which the export producers are alleged to enjoy. Transport costs may be "getting down" elsewhere, but they certainly are not in South Australia. If the Professor would give consideration to the effect of his beloved tariff policy in increasing transport costs he might get a great surprise.

It is refreshing to know from the Professor: "For many years I have argued that Protection in Australia has benefits for the country as a whole, but like every other measure of national policy, it must be pursued with moderation." Just fancy! Apparently moderate taxation on the machines of production, upon building material and general necessities of life are beneficial to the whole of the people who have to pay the higher prices, but if the taxation becomes too high then the benefit becomes a curse. It is a pity the Professor did not indicate what he considered the line of demarcation between a "moderate" tariff and one that brings disaster in its train. It is rather unfortunate he did not give us some detailed evidence of the benefits we are alleged to have received. Most people can be excused for not having realised that these benefits had been thrust upon them. Perhaps in the next series of articles this information will be forthcoming. It does not help us much to know that "a committee of five economists who reported on the Australian tariff at the request of Mr. Bruce" reached the same "conclusion" on this question of benefits. That statement merely indicates that it is possible for five economists to have weird ideas of the operation of economic laws.

All Duties are Harmful.

We are informed that the tariff is "not primarily a question of town versus country, of primary industry versus secondary industry. For both primary and secondary industry fall directly within the scope of the tariff, and both are subject to indirect effects." The article goes on to state "There is a duty on butter and one on foreign wirenetting, there is another on sugar and one on steel. Can we say that one

is bad and the other good?" Apparently we can if we can trust the protectionists, for have they not argued that a duty on agricultural implements has the effect of making implements cheaper in Australia than they are in New Zealand, whereas sugar is much cheaper in New Zealand because of the lower rate of taxation there. They would have us believe that economic law operates in opposite directions, depending upon the locality and the commodity concerned.

Throughout the series of articles the Professor has made a special effort to show that primary industries enjoy as much benefit from the tariff as the secondary. To try and make good this idea he has frequently referred to the Customs duties on sugar, butter, dried fruits, and such like articles. He knows these lines constitute a very small percentage of primary production, and the taxation levied for the special benefit of those industries is to be condemned as strongly as that levied upon secondary production. Protection is bad in theory and in practice, and irrespective of the particular lines to which it is applied.

We are asked: "Have we seriously attempted to ascertain the principles on which we have administered our tariff?" Yes, we have, but have never been able to see any principle associated with its imposition. It seems to depend upon the amount of noise made by the interested parties seeking favors, and those who promise to "find the most employment" appear to secure the greatest amount of special privilege.

Admits Tariff Raises Costs.

In the second article the Professor states that the committee he was associated with in 1929 found that the tariff raised costs. He states: "Without the tariff all these products—secondary and primary—could have been obtained at lower prices. The difference between these prices and the higher local prices we may call the cost of the tariff." It would be interesting to hear the Professor attempt to reconcile this statement with his other contention that "protection in Australia has benefits for the country as a whole." To us it appears that the Professor is inconsistent and contradictory in these two statements. Surely he would not contend that any policy which raised costs in both primary and secondary industries is beneficial to society as a whole!

Professor Copland is of the opinion the "critics of the tariff exaggerate its costs." We are of the opinion that the Professors are prone to underestimate. Sufficient is not allowed for the extra cost of locally manufactured goods. By reason of the tariff a private taxing power is placed in the hands of local manufacturers, and it is not exaggeration to say that for every pound that goes into the public treasury under our tariff policy at least four pounds comes out of the pockets of the people.

It is stated that "The benefits for Australia are to be found in the establishment and maintenance of certain industries which would otherwise not exist. These industries provide means of increasing national income and absorbing population in profitable employment." Here again a little evidence in support of the bald assertion would have been much more satisfactory. We would like the names of these industries which are alleged to have increased the national income. It is true that certain industries have been established as a result of the tariff, but it would have been a better proposition to have provided a pension for the workers engaged in them, rather than to have been compelled to pay the additional price for the commodities produced. It is rather late in the day for the Professor to bring out the old chestnut about the tariff absorbing people in profitable employment. The figures of unemployment for the years when the highest tariff operated show the reverse. On the Professor's own admission, and that of his four economist colleagues on the 1929 committee, a tariff raises costs. Increased costs mean dearer commodities. Dearer commodities mean lower purchasing power, and lower purchasing power is followed by a reduced demand for goods. If there is a reduced demand for goods, less labor is required to produce goods, so it will be seen that the only effect protection can produce is to add to the number out of employment.

Judicious Encouragement of Industry.

Dealing with economic changes needed, the Professor states: "We have on our hands un-

profitable marginal areas from which it may be necessary to transfer farmers to other types of farming or to other occupations." Apparently it has not occurred to the Professor that there would be no need for the Government to transfer these farmers to other occupations if such occupations were available. No person remains on marginal land, and suffers all the disabilities associated with such a life, merely for the fun they get out of it. They are on those areas because better land is locked against them. The Professor makes no suggestion for making land now held out of use available to these settlers, and also seems unaware of the fact that the tariff which he claims as a benefit, has, by increasing costs, made the lot of the men on the margin unduly hard. Under free trade it would be possible for marginal land to be worked at a profit, but it is impossible under protection.

We are told that "The protection of agriculture is usually very costly," and in proof of this assertion the Professor states that "in Australia our most costly protected industries are certainly sugar and butter." He is surely hard driven when he uses these industries as types of agriculture which receive the benefit of protection. As previously indicated, the principal agricultural industries do not get any benefit from the tariff, but are considerably penalised by it.

Desiring with the encouragement of secondary industries, we are informed that "as industries become more firmly established behind the tariff and obtain a greater proportion of the domestic market their costs tend to fall. Thus the judicious encouragement of secondary industry in a country like Australia will prove economically beneficial." He could have added that the benefit of this reduction in costs was not usually passed on to the consumers in lower prices. Advantage was taken of the tariff protection to get the highest profit possible. Like the Professor we believe in the "judicious encouragement of secondary industry in Australia," but we would work on different lines to secure that desired result. We would make factory sites cheap by taking the rent of land for public purposes. We would remove the tariff taxes from the material needed to construct the factory, and from the machinery and raw material. All taxation would be removed from the product of the factory, thus giving those engaged in production all they earn. We believe this form of encouragement is superior to the proposals of the Professor, and the experience of New South Wales, in pre-Federal days, supports our contention.

Relief is in Our Own Hands.

In his concluding article the Professor asserts that "The difficulties of the primary producer are in the main caused by forces over which Australia has little control. By reducing costs, raising exchange, and providing credit, the difficulties of the primary producers have been to some extent relieved." We freely admit that Australia has no control over world prices for primary products, and the low level now ruling has accentuated the troubles of producers. We do not agree that "in the main difficulties are caused by forces over which Australia has little control." One of the troubles which afflicts a number of farmers is the heavy interest payments they have to make. This is due to buying land at fictitious prices when prices of primary produce was at a high level. We could have prevented this by collecting the rent of land for public purposes, and thus debarred "go-getters" from capitalising it and selling it to farmers. We could have removed the Customs duties from farm machinery, fencing wire, netting, galvanized iron, and many things the producers need. With a sound economic policy we could have provided essential services at a much lower rate than we do at the present time. We could have abolished the taxes imposed upon the earnings of the producer, and thus allowed him to establish a reserve to tide over the years of adversity. All these things were "forces over which we had control," therefore, it will be seen that the Professor's contention will not stand logical investigation.

The Professor admits: "No one will disguise the fact that the tariff, like other elements of national economic policy, has blemishes." It would not be possible to "disguise" this fact, as the "blemishes" are of such an outstanding nature. Again, we ask the Professor, how is it possible for the tariff to be a "benefit to the whole of Australia" if it has BLEMISHES in it?

Professor Copland says the tariff problem is

"complicated by the needs of revenue, and part of the so-called tariff costs are really costs imposed by Customs duties that go into ordinary revenue." Quite so. A tariff for revenue has always been a favorite device of the representatives of privilege. It permits them to secure a big amount of revenue without the people knowing exactly the amount they pay. When revenue is raised by taxation levied upon the necessities of life the people with the biggest families pay an undue share of revenue into the treasury. Because of its indirect incidence very little complaint is made, because many are unaware of the robbery committed.

The Professor need not fear any complications if the tariff taxes are abolished. The rental value of land will provide a sufficient fund to meet the cost of all necessary government. That fund is at present going mainly into private pockets, and when diverted to the public treasury will enable a long-overdue reduction in the cost of government to take place. We know the Professor is acquainted with political economy, therefore, he will know that the rent of land is a communal product, consequently it should not be appropriated by a few to the detriment of the many.

A Final Word to the Professor.

We must confess to a feeling of disappointment occasioned by the reading of these four special articles. We are living in very serious times, and the chief industries of the Commonwealth are in a parlous condition. Profitable production is impossible under our present economic policy. All kinds of palliatives are being suggested as a way out of the trouble, but these all involve taking from one section to give relief to another. This cannot continue indefinitely. Governments DO NOT PRODUCE WEALTH, therefore, cannot give to any individual or industry except by taking it from some other individual or industry. We have reached our present position by following this policy in the past. The primary industries have been drawn upon to such an extent that they have broken down under the strain. As all other industries depend on the primary industries for their well-being, naturally we have reached the dead end. There is only one practical way out of our difficulties, and that is to work in accordance with economic law. The taxation burden must be lifted from industry, and the cost of production thus reduced; and the rental values of land must be taken to defray the cost of government. This policy may be too simple for some people who love something complicated which they cannot understand, and thus think is must be effective. But we expect a Professor of Economics to see some virtue in a policy of this kind, as he is supposed to be conversant with the laws governing the production and distribution of wealth. With all due humility we present these views for the Professor's serious consideration.

HUGE SUGAR PROFITS

That the reduction in the price of sugar by one-halfpenny per pound has not vitally affected the profits of the Colonial Sugar Refining Coy. is made manifest by the latest statement of accounts issued. The net profit for 1934 was \$963,501, which is \$171,087 more than was made in 1933. The usual 12½ per cent dividend was paid, probably as an indication of the "equality of sacrifice" we hear so much about these days. The amount placed to reserves was \$381,048, and this fund now stands at the fine sum of \$4,770,968. A further sum of \$120,113 was placed to the suspense account, which is largely in the nature of another reserve, and this suspense account is now increased to \$3,220,287. The company is in a strong financial position, cash, etc., being \$3,467,045; and stocks of sugar and balance due by the Queensland Government amounting to \$2,756,886. The liabilities of the company have been reduced during the year by \$59,231, and now stand at \$1,603,484. The surplus assets over liabilities increased by \$366,727, to \$6,771,411, which is equal to £23 3/- for each £20 fully-paid share issued. The latest quotation for these £20 shares was buyers \$66 5/-, sellers \$66 15/-. This high premium is not to be wondered at when it is realised that the net assets for each £20 share are valued at \$36 6/2 per share, and in addition the value of the suspense account it equal to £11 0/2 per share. These high profits are possible because the people lamely submit to paying approximately four times the natural price for the sugar they need.

Tariff on Motor Vehicles

HOLE IN EXHAUST PIPE MISSED BY CANBERRA

Mr. J. Strong, secretary in Australia for the Society of Motor Manufacturers and Traders (Eng.), has issued a book of 28 pages, filled with a list of the duties payable on a motor vehicle and its spare parts.

The motor industry is the only one in connection with which a book is required to explain the tariff upon it.

A visitor came along to consult the Editor. He wanted to import a motor car.

We handed him Mr. Strong's book that had arrived the day before. We sat him in an easy chair and left him with the book.

About an hour later he began to make funny noises, like someone attempting to gangle. He hurried into the Editor's room and excitedly remarked, "My God! they've missed it."

"Missed what?"

"Taxing the hole in the exhaust pipe."

"Are you going to put the show away, or will you remain silent?"

"It is my duty, sir, to inform the ex-Labor Party Minister, Mr. Forde."

"Are you advocating a preferential duty on the hole?"

"It is the policy of this country, sir to give preference to British holes."

"But surely you will not advocate that holes be allowed in from U.K. free to compete with Australian holes? What will our bowers do?"

"My dear sir, holes in the exhaust pipe should be imported closed or with a prohibitive tariff against U.S.A. holes and perhaps a 20 per cent. preference for holes made in U.K. Australia can make holes equal to the best holes, and they should enjoy protection with all other Australian manufactures."

"Why do Australian holes need protection? Has not Australia made millions of post holes in competition with the world, so why raise the cost of holes to the primary producer?"

"Why? Because it is the policy to protect our industries. Are we to allow the Country Party to have post holes imported free?"

"You were talking about the hole in the exhaust pipe, not post holes."

"I know, sir, but holes are holes, and if you admit one on your exhaust pipe, and you will be using exhaust holes for post holes and vice versa. Exhaust pipes, sir, should be imported solid and bored out here. Why give the foreign hole makers preferential treatment? Goodness, man, can't you smell corruption? Everything about a car has been tariff taxed but the hole. Can't you see the pull U.S.A. is getting in this country, when American holes come in free, putting Empire holes off the market in spite of Ottawa."

"Well, what are you planning to do about it?"

"Do? Do? Float a company, my dear sir, for boring holes, and go to Canberra and get protection to keep imported holes out. You may be in the pay of foreign manufacturers' holes, or you may not, but with the Sydney Chamber of Manufacturers behind me, sir, let me tell you the foreign hole is doomed, and we will start a new industry."

"Plugged, you mean. But what about holes in your pants?"

"You may scoff, but it was a sad mistake publishing this book—bad for the foreign manufacturer. It has drawn attention to the failure of the Government to protect Australian holes."

"Well, don't get excited, and mind the hole in the floor as you walk out."

"Sir, I refuse to be tripped up with what is probably an imported hole, and I refuse to buy a car with a tariff-free exhaust hole; and that reminds me, sir, these darned foreign holes are exported here full of foreign air."

"Well, go along and put an Australian hole through your hat."

Raising his arm, he hurled the book of the tariff on motors against a book case, and made an Australian hole in a piece of Australian glass, passed out and went down the lift hole, muttering, "The only thing not protected by the tariff is an 'ole'."

("The Australian Motorist," May 1, 1934.)

"The Standard"

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HENRY GEORGE LEAGUE OF SOUTH AUSTRALIA Incorporated.

The annual meeting of the above League was held at George Parade on May 29. There was a fine attendance of members, presided over by Mr. A. Chappel, president of the League. Minutes of previous meeting read and confirmed. The secretary presented the Annual Report and Balance Sheet dealing with the activities of the league during the past twelve months and showing the financial statement. In moving the adoption of the report the president said although some people were of the opinion that the movement was dead, the review just presented was evidence that it was a very lively corpse. Despite the very serious depression the State was experiencing the subscriptions had gone back only £8 during the year, whilst the "Advocate" subscriptions had increased by £6. They were all very grateful to the Foundation for the generous assistance given. He looked forward to a very busy year's work in behalf of our principles. Mr. H. McDonough in seconding the motion for the adoption of the report said it was an excellent production and proved that good work was being accomplished in many parts of the State. Mr. J. A. Hogan said the report was very encouraging to members. The literature that had been sold and distributed in the past was still doing good work, going from hand to hand. Many good letters had appeared in the newspapers, and he hoped this correspondence would be continued. The movement in Victoria in regard to the Country Party was very gratifying. He thought the country people more energetic than the city. Very few people today advocated Protection, and it was generally realised the tariff was mainly responsible for our troubles. Mr. A. S. Bayly said we could not always measure our progress, but that did not matter much so long as we see the truth and keep on reiterating it. He was pleased with the excellent report. Mr. D. Hudson said that good progress was being made and a bigger number were realising that our principles were right. Motion for adoption carried unanimously.

Mr. H. M. McDonough was appointed returning officer for the purpose of the election of officers and declared the following elected for the ensuing term: president, Mr. A. Chappel; vice-president, Mr. D. Hudson; secretary and treasurer, Mr. E. J. Craigie; minute secretary, Mr. T. E. Craigie. All officers thanked members for the confidence shown in their re-election.

A very interesting budget of correspondence was read and received. One new member was admitted to the League. It was decided that arrangements for securing the hall for the forthcoming commemoration social be left in the hands of the Executive. Mr. R. M. Smythe moved. Mr. H. M. McDonough seconded a motion that a committee be appointed to arrange a social and dance. Carried. Messrs. R. M. Smythe, D. Hudson and N. L. Jarvis to constitute the committee.

The secretary reported on the incidents associated with his recent visit to the Woorora district, and outlined meetings to be addressed in the future. Meeting declared closed.

ANNUAL REPORT.

Ladies and Gentlemen,

Another year has passed and we present the annual report dealing with the main features of our work during that period. The depression is still with us, notwithstanding the assertions made by a number of public men that we have "definitely turned the corner." There is no justification for the optimism manifested by these people. Apart from the slightly better price realised for wool there has been no development which would indicate that we are going to enjoy better social conditions. The taxation burden is still heavy, in this State the total State taxation levied is approximately one and a half million pounds short of the amount required for the payment of the interest on the South Australian debt. There can be no real prosperity while our finances are in this position. There must be a complete change in our system of public finance before better conditions can be hoped for. Our work consists in educating the public mind to the need for the burden to be lifted from industry, and the revenue collected from its natural source—the rental value of land.

Correspondence.

It is pleasing to note from the increased volume of correspondence which reaches our office that a greater number of persons are

taking a keen interest in the principles of Henry George. Many who have to take part in literary society debates and others who give addresses send to the office for facts and figures to support their case, and this is evidence of the keener interest shown in our principles. The discussion in these societies must be productive of good and assist a big number of people to see the justice of our proposals.

Study Circle.

Meetings of the Study Circle were held during the year under the leadership of Mr. A. S. Bayly. Mr. Bayly is well equipped for the office he holds, as he has an excellent understanding of political economy. There has been many interesting discussions on various economic subjects during the past year, and those who have attended must have received great educational advantage and knowledge concerning the laws governing the production and distribution of wealth. The class has again resumed, and an invitation is extended to readers and their friends to attend and take part in the discussions. "The Science of Political Economy," by Henry George, is the text book now being considered, and a study of this fine work should be of great educational advantage to all. Our sincere thanks are tendered Mr. Bayly for the fine service rendered in connection with the Study Circle.

Press Correspondence.

The columns of the daily and weekly press provide an excellent means of propagating our principles. Although writers may not be successful in getting their letter published, or it may be that letters are cut down, good work for the cause can be done by attempting to secure the insertion of as many letters as possible. The wider the field of correspondents, the better chance for publication of letters. During the past year letters have appeared over the names of Mesdames A. Ellis and Florence Hutchens, Messrs. Doug. Hudson, J. A. Hodgson, J. Rogers, C. Rogers, J. H. Groth, C. Newling, J. P. Moore, Fred C. Keen, Alan Clark, J. C. Stone, G. V. Birks, W. A. Wornum, H. M. McDonough, W. Hocking, A. N. Morgan, R. F. Kelly, W. H. Turley, T. E. Craigie and the secretary. Our thanks are due to all who have assisted in spreading the Georgian principles in this manner, and we invite all readers who can send a letter to the press to do so during the present year.

Henry George Commemoration.

The Henry George Commemoration Social was held at the Caledonian Hall, Adelaide, on September 14. There was a fine attendance presided over by Mr. A. Chappel, president of the Henry George League. The address was given by Hon. J. Anderson, M.L.C., and he dealt in an instructive manner with the life and teachings of Henry George. Miss Isabel Penny, L.A.B., L.T.C.L., arranged the programme, which was much appreciated. The ladies provided refreshments, and our sincere thanks are due to all who assisted in any way to assure such a successful function.

Annual Conference.

A conference of League members was held at the A.N.A. Hall, Adelaide, on September 12. Mr. A. Chappel occupied the chair, and members were present from Berri, Gawler, Kimba, Uterah, Sandalwood, and the city and suburbs. Matters relating to an alteration of the constitution, the organising of country districts, election contests and the national debt were discussed, and recommendations made for the future work of the League.

Organiser.

In the early part of this year it was decided to temporarily appoint an organiser to visit the country districts with a view to extending the activities of the League. Mr. H. E. Frick was appointed and sent to the Woorora district. He was five weeks in the field, but the results obtained were not deemed sufficient to warrant retaining his services. Since then the secretary has visited the Woorora district and addressed a number of meetings, and arrangements will be made for continuing the work in the country areas.

Meetings Addressed.

The usual open air meetings have been held at the Botanic Park on Sunday afternoons. Those who have assisted with these meetings, and also on the Parade, Norwood, are Messrs. Doug. Hudson, J. A. Hodgson, W. A. Wornum, W. D. McLean, A. N. Morgan, C. Newling, T. H. Jones, G. V. Birks, W. J. Kelly, A. S. Cattermole, H. M. McDonough, Alan Clark, and J. J.

Flaherty. A fair amount of interest has been manifested in our principles, and the work must bear good fruit.

In addition to the outdoor meetings the secretary addressed meetings as under: Maitland, September 29; Urania, September 30; Commercial Travellers' Association Luncheon, October 27; Victor Harbor, November 1; Grassmere and Glandore Progress Association, March 28; Ascot Park Unemployed Association, April 9; Kapunda, April 16; Eudunda, April 17; Freeling, April 18; Farrelis Flat, May 2; Hamley Bridge, May 10; Point Pass, May 23; Robertstown, May 24; Australia Plains, May 25.

At each of these meetings free literature and copies of "The People's Advocate" were distributed, and Henry George literature offered for sale. These meetings have been the means of spreading our work out into new areas, and it is pleasing to report that our doctrine was favorably received, the country press giving good publicity to the addresses.

Victorian Country Party and Single Tax.

The Victorian Country Party, at its 1933 Conference, appointed a special committee of six of its members to investigate the Single Tax principles. Advertisements were inserted in its official organ: "THE COUNTRYMAN," inviting evidence for and against our proposals. Representatives from the Victorian Henry George League attended and gave evidence, and last November your secretary also appeared before the committee. As a result of the evidence tendered an invitation was given to be present at the annual conference of the party which assembled at Daylesford from March 13 to 16. A special 32-page pamphlet, "The Case for the Single Tax," was prepared and a copy presented to each of the 500 delegates who assembled. Your secretary was invited to speak at the public meeting in the Daylesford Town Hall on "The Tariff and its Effect upon Industry." A special pre-session meeting of delegates was also arranged for the purpose of presenting the full case for the Single Tax. Our principles were well received, and many delegates expressed a wish to know more about them. The special committee of the Country Party presented an interim report to the conference containing the following statement:

This committee is of the unanimous opinion that the principles underlying the proposal of Henry George to collect unimproved land values rental as the only national income are economically sound and would benefit the primary producers. The difficulties of application to be considered by the committee during the ensuing year.

The committee also recommended that for the purpose of enlightening members of the party, the papers submitted to the committee be published in "THE COUNTRYMAN," and the recommendation was carried.

The publicity the Georgian movement will secure as the result of this investigation and the publication of the views of those who appeared before the committee should be the means of stimulating thought on right lines, and it is confidently predicted that at the 1935 conference Henry George principles will receive great support.

Literature Sales.

The sales of literature this year are below that of the preceding term. This is due mainly to the fact that during last year's election campaign in the Flinders district about £30 worth of books were sold. The sales at the Botanic Park were also better last year than this. We are living in very depressed times and money is scarce with a big number of people, consequently they are unable to purchase books.

During the year two new pamphlets have been published, viz., "The Relation of Land to the Labor Problem," 12 pages, and "The Case for the Single Tax," 32 pages. In addition to these there was a reprint of "What is the Single Tax?" by Henry George, 8 pages; 3,000 of each of these pamphlets being printed. A fair amount of free literature has been distributed as well as free copies of "THE PEOPLE'S ADVOCATE." With additional meetings in the country areas during the coming year it is anticipated there will be an increase in the amount of literature sold.

Henry George Foundation (Australia).

We again desire to tender our thanks to the Trustees of the Henry George Foundation for the very generous assistance rendered during the past year. The Foundation was established in 1928, and since that date has rendered invaluable service to the movement throughout

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