

THE PEOPLE'S ADVOCATE

PROGRESS

An Australian Journal to Advocate the Rights of the People in the Land

POLICY: 1. APPROPRIATION OF LAND VALUES OR GROUND RENT AS PUBLIC REVENUE.
2. THE ABOLITION OF TAXES NOW IMPOSED UPON LABOR AND LABOR PRODUCTS.
3. PROPORTIONAL REPRESENTATION FOR ALL ELECTIONS.

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HENRY GEORGE COMMEMORATION

FRIDAY, 31st AUGUST, 8 p.m.

at

WOMEN'S SERVICES' CLUB

53 Market Street, Melbourne

Oration to be given by

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Research Director, Land Values Research Group
Subscription 10/-

CURRENT COMMENTS

TARIFF PROBE

The press announced recently that the Federal Government is considering a "new general enquiry" into the Australian economy with special reference to the cost of Australia's protection and tariff policy. The Prime Minister, (it continues), said he had been considering such an investigation for some time.

The Tariff Board notified Parliament two years ago that wide-spread recent changes in the Australian economy meant that the result of earlier investigations on the tariff's effects probably were no longer valid and suggested a new enquiry be launched.

Meanwhile the Government is investigating the establishment of an export guarantee fund to finance secondary industries in developing export markets.

There can be no doubt that an impartial and exhaustive enquiry would reveal the staggering cost of maintaining Australia's high tariff wall. Neither can there be any doubt that if the Australian consumers' point of view was considered and set forth, some illuminating facts would be forthcoming. We look forward with much interest to the nature and scope of the projected enquiry.

—W.A.C.

THE IRON CURTAIN LIFTS ?

There is speculation on what is behind the switch in Soviet policy in denunciation of the Stalin cult and the atmosphere of fear in which citizens moved.

We don't profess to know what it all means, but are glad to see belated public recognition in that country of the principle that individuals have the right to freedom from that terrorist atmosphere. Russian leaders were credited by the press with stating their desire to correct their mistakes. We hope so.

At least recent events have paved the way for change in the previous Soviet attitude of isolation and suppression of individual freedom. It is this that formed the most objectionable feature about their system, and menaced the peace of the world.

Their land system falls far short of our policy of collecting public revenue from taxes on site-values in lieu of other taxes. But it has the merit of being free from land speculation as seen in this and Western countries.

RAIL-ROAD COMPETITION

We read, ("Age", 14/7) that the railways are fighting back with speed, science and service against the unfettered competition of road hauliers.

Not only has the drift from rail to road been halted, but the railways are now handling big tonnages of goods never previously carried.

Thousand ton steel trains are thundering between Melbourne and Sydney at a speed almost comparable with that of crack passenger expresses. Daily, twin 1500-horse-power diesel electric locomotives can be seen hauling trains of up to 75 vehicles weighing 1300 tons between Melbourne and Adelaide — the actual transit time being about 24 hours for the 500 mile run.

Various improvements designed to attract business are listed.

This is the railways response to the Privy Council decision that road hauliers on Inter-state routes could operate in full competition with rail services.

We are glad to see that the railways have responded but this simply shows how misguided were their previous attempts to prevent road competition by imposing prohibitive license fees on hauliers.

Their previous attempt to stop competition was the negative way of continuing with obsolete methods and plant instead of improving their service. Denied this means which would have with-held from the public the improved service to which it is entitled the railways have followed the positive course of giving the better service needed.

But it should never be forgotten that it was only the existence of that road competition that made the railways staff climb out of their comfortable little funk holes and get busy about the improvement.

Competition is good — monopoly is harmful, whether it be a public or private monopoly.

PAYING FOR HIGHWAYS

We are hearing a lot about how the Inter-state road hauliers are breaking up the roads with their heavy semi-trailers. We suspect a lot of this talk is part of the background to justify legislation to restrict road hauliers competing with rail services.

But to the extent that these heavy transports do accelerate break-up of roads it simply points to the fact that the main roads have not been constructed soundly enough to carry the traffic to which public needs are subjecting them. We need improved roads.

These improved roads will cost much more than those previously made and the tendency seems to be to look to the road hauliers to put up the cash to make them. That was the excuse given for the now illegal license fees for interstate transport. It is also the reason given for the recent license charges on hauliers within the state introduced by the Minister for Railways (Mr. Warner) and still operative.

But in looking to road hauliers to meet the costs of these roads there is bad thinking. Although road hauliers do make concentrated use of these roads they do not reap the main benefit from them, warranting special payment towards construction and maintenance.

It is not only that other private vehicles use the roads and help to break them up although this does apply and the far less wear imposed by a private car is somewhat compensated by their greater numbers than with heavier vehicles.

The forgotten factor is that these roads are the essential element in building and holding land values throughout the state at their present levels. It is the owners of sites for farms, business or residences that benefit exclusively from these roads.

Nor is it simply the land alongside the rural length of these main roads that benefits. That is simply a necessary link to the final result. It is rather at the terminal points in towns and above all the capital city that the benefit of the road adds most to site-values.

Nor is it simply the provision of the roads that gives the added site-values. No matter how much money were poured into making roads their effect on land values would be nil unless people used them. It is only because hauliers and private car owners do make use of the roads that land has its added

value. The fact that the service is there to enable a rural holder to work his holding leads to more demand for rural land.

Similarly, the existence of the operating transport service between country and city builds up land values in the terminal city to far more concentrated levels than in rural areas.

We should finance our roads by a rate or tax at a uniform level over all land holdings according to their value exclusive of buildings, cultivation or other improvement. This principle was followed to some extent in N.S.Wales which has a Main Roads Rate upon the unimproved capital value of all lands.

With this road hauliers centred in capital cities would pay a fair share towards road costs in their rate based on the value of their city and provincial depots. That rate would be substantial although far short of the crippling road tax now imposed upon them. Some educational work is needed with road transport users to get them to press for this change.

KILLING A LOCAL INDUSTRY

"Warrnambool Standard," (14/6/56) reports how a £1,000,000 local industry may have to close down because of export controls at a time we are being told we need to build up exports.

The industry is that of solidifying under pressure swarf (metal waste from machine turnings, milling and boring shops). These waste products were purchased at £6 per ton and after solidification exported overseas mainly to Japan and sold for £15 per ton.

Recent government regulations had been made to prohibit the firm obtaining swarf except outside a 50 mile radius of Melbourne, Ballarat, Geelong and Bendigo. Mr. J. E. Johnson, manager of Steel Pressings Pty. Ltd., said this left no industrial districts from which the waste could be collected. It would therefore effectively kill the industry. Orders of 16,000 tons recently obtained from overseas would have to be cancelled.

These waste turnings are usually dumped in rubbish tips. The industry had enabled many local firms to get a cash payment for this waste and so reduce their competitive costs. The firm performing the useful service was able to make a good return and build overseas credits which we profess to want.

Just what is behind such a stupid and wanton regulation?

A NEW MACHINE WITH AN OLD CATCH

Recently the head of the firm of Chartres Pty. Ltd. died and a director of the (American) Remington Rand Co. (of which General Douglas McArthur is the chief) came to Australia. One outcome of the visit was the announcement that it was proposed to manufacture the Remington typewriter in Australia.

It seems pretty certain that the scheme will follow very closely the well-defined lines which led to the birth of the "Australian" Holden Car — a reduced version of the Chevrolet. No doubt the scheme will be held up as an example of the Government's success in attracting American manufacturers to "open up in Australia."

The stage is set, so let us examine the steps which may be expected. Act I—Capital is placed in good quarters (this is a clever move to establish a strong tactical position for control and development). Act II—Factory is established to make an All-Australian typewriter — “made in Australia.” (A good selling point and one to appeal to the unthinking patriotic Australian.)

Now for a name. Since Australian cricketers appear as a kangaroo this projected typewriter could well be called “The Kanga,” as a piece of sporting camouflage to disguise the “catch” in scheme.

Act III—The “catch” is sprung. Tariff taxes on imported typewriters and import restrictions. Result, higher prices to the Australian users and lucrative profits to the shareholders who are well placed (through their directors) to safe-guard and direct their capital and profits.

In such a set-up, may we expect an advance in quality? Only a super-optimist would look for it. At present the users have a reasonably wide choice of machines, but with a field largely restricted to one, it would be “take it or leave it” with results that are too well-known when a shortage — artificial or otherwise — exists.

We do not feel like throwing our hats in the air at the prospect of tapping on a “Kanga” for “the catch” will be a source of constant irritation. The shareholders (who no doubt will not do the tapping) will, however, derive much satisfaction from the advent of an “All-Australian Machine.”

—W.A.C.

HIGH PRICES AND LOW QUALITY

Recently the Minister for Supply (Mr. Beale) referred to the low quality and high cost of some local manufactures. To Freetraders this does not come as news but is interesting as coming from a responsible Minister of a Government specially concerned with the administration of its high tariff policy.

One feels disposed to ask Mr. Beale what does he expect when local manufacturers are highly protected from the effect of competition from overseas.

The unfortunate effect is that Australian consumers have to contend with the double-barreled result about which Mr. Beale rightly complains. He is one of a large number of Australian citizens and, incidentally, taxpayers who have to foot the bill.

GERALDTON, W.A.

Town Clerk stated this Municipality has adopted unimproved capital values for rating purposes as from 1/11/1952. At present rates are being levied on 1954 values as provided by Dept.

This basis was adopted in lieu of Annual Rental Value, as it was considered that U.C.V. basis was more equitable from the point of the Municipality and affords a better all round result.

FOR HOUSEHOLD AND OTHER INSURANCE!

Contact Henry George Justice Party for renewal through their Agency.

SOUTH AUSTRALIAN NOTES

ENCOUNTER BAY RATING POLL

A rating poll was held in the Encounter Bay area on 7th July. A petition had been lodged with the Council asking that the poll be granted. On 2nd July a public meeting was held in the Victor Harbour Town Hall, when Mr. E. J. Craigie addressed an audience of about 200 on the benefits to be derived from a change from annual rental values to unimproved land values.

This large audience came from many miles around, despite the fact that it was a very cold and wet night. Ex-Councillor F. C. Keen presided over the gathering which lasted for more than two hours. Great enthusiasm was shown and many questions asked and answered.

The voting at the poll was as follows:—

Polling Place	For Land Values	Against	Informal
District Office	118	68	4
Amscol	60	17	—
Hindmarsh Valley	12	14	1
Hindmarsh Tiers	24	6	—
Yielka	25	26	—
Lower Inman	60	12	2
Waitpinga	13	4	—
Callawanga	23	5	—
Postal Votes	62	136	4
TOTALS	397	288	11

Although a majority of landowners declared in favour of land values rating, the poll was lost by 14 votes because the three-fifths majority required under the Act was not obtained. Once again the absentee land speculators who polled 136 votes against the change have triumphed over the resident-owners owing to the unjust provisions of the Local Government Act.

Our sincere thanks are tendered to ex-Councillor F. C. Keen and Cr. Stephens, who rendered splendid service in getting the signatures to the petition, sending out cards and literature, and also to those who cast their votes in favour of the just system of rating. Though defeated on this occasion, another effort will be made to remove the unjust burden of rates upon improvements.

VICTOR HARBOUR SIDELIGHT

The town area, Victor Harbor, adopted the modern land values system in 1952 when Mr. Vernon Shepherd, so well known as an opponent of land values rating, told the public, “It is all right for Mr. Craigie to tell you that if you are not satisfied you have the right to return to the annual values system in two years’ time. He knows, as well as I do, that once you have the land values system the people will not go back, as too many benefit under this system.”

No doubt Mr. Shepherd said this in an unguarded minute, but it was nevertheless a statement of fact.

NEW ZEALAND

“Henry George News” reports N.Z. now have permanent headquarters. Congratulations.

SITE-VALUE RATING CAMPAIGNS

New Pamphlet Gives Question and Answers

The General Council for Rating Reform has brought out a new pamphlet giving questions and answers on site-value rating. This has been prepared primarily for distribution in the districts in which polls are forthcoming in August, but is suitable for use as a general information pamphlet elsewhere. It is available at 10/- per hundred plus postage from the Secretary, Mr. L. W. Brown, G.P.O. Box 955 G, Melbourne.

THE CASE FOR SITE-VALUE RATING

Although citizens will be asked to express their views at a poll next August on the proposed change to Site-Value rating, many seem unaware of the real case for this change.

There is a tendency to think it is advocated simply to curb land speculation and enable home-seekers to get sites more easily and cheaply.

It does undoubtedly have that effect because speculative holders of such lots are more inclined to sell or develop them when required to pay about three times the nominal sums charged under nett annual value.

But this is an incidental result of the changed rating rather than its objective.

The real case for site-value rating against the nett annual value system is bluntly that the latter takes money under false pretences from the citizens.

Their rates are supposed to be a payment to the council to cover their share of the costs incurred by the council to give them services. Site-value rating advocates point out that rates charged under nett annual value basis bear no relation to those costs.

To support this they compare the rate payments on adjoining built and vacant lots of equal frontage. To these the municipal services offered (and council costs) are identical. Yet the N.A.V. system charges the houseowner usually between 10 to 30 times as much as to that adjoining vacant lot.

Such a disparity in payments for identical service is indefensible. Under N.A.V. houses pay more than their fair share and vacant or undeveloped sites less than their fair share.

Site-value rating simply corrects the injustice and puts both on an equal footing. It charges vacant lots about three times the amount they would pay under N.A.V. and reduces the rates on houses and other improved holdings. That is why about 75 per cent. of homes carry lower rates under the site-value basis.—L. W. BROWN, Secretary, Gen. Council Rating Reform.

REMINDER

Accounts have been rendered to all subscribers not up to date. Prompt compliance will be appreciated.

Mulgrave

The valuation is well advanced and preparations made by the Mulgrave Rating Reform League for their campaign which can now be expected to build in intensity.

Morwell

There has been a fair amount of press publicity here and the information pamphlet from the General Council for Rating Reform is in circulation. A meeting of the Morwell Chamber of Commerce was addressed by Mr. A. R. Hutchinson on 11th July.

Broadmeadows

A meeting called by Oak Park Progress Association on 15th July was addressed by Mr. L. J. Hutchinson for site-value rating and Cr. Rayner for N.A.V. Further plans are being prepared by the local progress associations to press the campaign.

Mildura

The valuation is nearing completion and comparative rate statements should be distributed shortly. A survey has been made by the Land Values Research Group of the shopping centre compared to places on site-value rating. The Question and Answer pamphlet mentioned above is in course of distribution.

Ararat

Although we have not heard of presentation of a demand for a poll here it is known that a valuation has been made and comparative statements distributed to ratepayers. It is possible that a move for change has been carried by resolution but we have not yet confirmation on this.

Daylesford

A survey of properties in the business centre has been made by the Chamber of Commerce in association with the Land Values Research Group. This shows that Daylesford is much behind the normal development of business buildings in areas rating site-value. Exemption of buildings and other improvements should stimulate re-development there.

SITE VALUE RATING AT AVON

The merits of unimproved or site value rating against nett annual value were considered when the Sale Irrigators met at Cobain's Hall on Thursday night. The league will seek further details before taking any action.

The president (Mr. J. Arnup), welcomed Mr. Harold Williamson, president of the Rosedale Property Owners and Ratepayers' Association.

Mr. Williamson, outlining the two plans, said that in his opinion unimproved or site value rating was fairer than nett annual value. He detailed how improvements had been carried out to properties and how the rate bill had increased as a result. This was under nett annual value.

An example of the effective system of unimproved value was provided in the Nambrok-Denison soldier

settlement district. Those settlers were paying considerably less than they would have paid under nett annual value.

Moving a vote of thanks, Mr. F. Counahan said it was evident that nett annual value rating system penalised the progressive farmer.

Members decided that it would be in the interests of the association to fully investigate the system.

Replying to a question, it was stated that a poll of ratepayers could be demanded from a council if 10 per cent. or more of the ratepayers concerned sought that poll.—"Gippsland Times," 8/6/56.

SITE-VALUE RATING STIMULATES BUILDING

Provincial municipalities which have changed to Site-Value Rating since the war show great development.

Surveys made over the twenty-year period 1922 to 1942 showed that the municipalities of Greater Melbourne operating under site-value rating showed building construction activity more than double that in their counterparts still rating nett annual value.

Check of the building construction records for the provincial centres making this change shows that the stimulation to the building construction industry has been about a doubling within the first two years as with the metropolitan area.

Building construction records for provincial centres are not so readily obtainable as with the urban where they are published regularly, but we have succeeded in getting them.

ECHUCA BOROUGH

Annual Average

Municipality & Period	Rating System	No.	New Houses Value	Value of Other Bldgs. & Alterations	Value of Total Bldg. Construction
July '46 to Dec. '48	N.A.V.	20	£24,600	£1,000	£25,600
Year 1949	U.C.V.	45	£66,236	£10,815	£77,051

Housing construction has since averaged 60 per annum of value £136,000. Value of other building activity not available for later years.

HAMILTON TOWN (NOW CITY)

Annual Average					
1937-42 (incl.)	N.A.V.	23	†	†	†
1942-45—No bldg. under war controls.					
July-Dec. '46	U.C.V.	38	£44,942	£3,293	£48,235
Year 1947	U.C.V.	53	£74,154	£7,927	£82,081
Year 1948	U.C.V.	50	£75,208	£5,728	£80,936
July 1949	U.C.V.	80	£141,870	£34,500	£176,370

Housing construction has since averaged 85 annually of value £214,000. Value of other building construction not available for later years.

SOUTH BARWON SHIRE

Annual Average					
1951-53 (incl.)	N.A.V.	321	†	†	£802,326
Year 1954	U.C.V.	383	†	†	£1,072,644
Year 1955	U.C.V.	378	†	†	£1,219,242

SALE CITY

Municipal					
Year 1954	N.A.V.	41	£99,670	£36,281	£135,951
Year 1955	U.C.V.	35	£108,351	£149,925	£258,276

WARRNAMBOOL CITY

Municipal					
Year 1954	N.A.V.	80	£224,760	£106,354	£331,114
Year 1955	U.C.V.	81	£232,905	£215,298	£448,203

In all cases above Housing Commission building is excluded.
†Means not available

A NEW PAMPHLET

A Tale of Two Cities, Brisbane and Sydney, is the latest pamphlet dealing with the practical operation of land-value rating to be added to the literature of the movement by Mr. E. J. Craigie, the honorary secretary of the South Australian Land-Values Rating Central Committee and former president of our International Union.

Wider in scope than the title may suggest, the pamphlet deals with land-value rating throughout the States of Queensland and New South Wales, as well as in their two Capital Cities. A section is devoted to local government debt and rating systems, roundly and interestingly rebutting the inference by a notable opponent in South Australia that there is a casual relationship between the two, so that where buildings and improvements are exempt from taxation, local government indebtedness is greatest. Investigation reveals that in South Australia sixteen local authorities had between them incurred the greater part of the local debt in that State. The eight councils which rate land values owe approximately only 24 per cent. of the debt, whereas the other eight, which rate on the composite value of land and buildings owe approximately 76 per cent. Very convincing is the letter from the under-secretary to the N.S.W. Department of Local Government from which Mr. Craigie is able to quote, part of which reads as follows: "The department will be interested to learn the arguments advanced to show a relationship between capital indebtedness and the basis of rating. The department is of the opinion that the prime, if not the only, reason why the local government debt in New South Wales is higher than that in South Australia, is that the local government structure is very much more powerful and, as you say, New South Wales councils render many important services not provided by South Australia councils." The debt argument is killed stone dead by that authoritative statement, and opponents will have to seek some other fallacy or misrepresentation.

(This pamphlet reviewed above in "Land and Liberty" is obtainable this office, price 6d.)

Printed Paper Money decline in value is illustrated by a Sydney property 128-130 Pitt St., between Martin Pl. and King St., which sold about 1952 at £80,000, and again in 1955 for £166,000. i.e.: Price doubled in about two years, because the standard "unit of account" (called money) has been largely contracted by Canberra government policy.

Moreland.—Vacant block and business site at 59 Sydney Rd., Coburg, sold at £59/10/- a ft. on frontage of 21 ft.—"Argus," 9/11/51.

[Ed. Note.—Site-value is "opportunity value," conferred by citizens on land in certain situations and looted from them.]

Brighton.—Vacant building block adj. 38 Union St., 55 ft. x 213 ft. sold at £2,250, or £41 a ft.—"Argus," 23/9/55.

[Ed. Note.—Lying vacant for 80 years, but as soon as the owner builds a fine structure the antiquated Councillors will levy penalty rates on the man who develops their town.]

NEW HOUSES COMMENCED

ELTHAM SHIRE					
		Metro No.	Portion Value	Rural No.	Portion Value
Municipal					
Year 1954	N.A.V.	130	£304,000	16	£28,000
Year 1955	U.C.V.	131	£344,000	30	£54,000

TO CITIZENS OF VICTORIA

MESSAGE ON INCOME TAX

Victoria has suffered severely under the dis-uniform refunds to States from the Federal Income Tax pool. This penalty on progress arises from the frugal and prudent management of Victoria's finances up to date 1942 being enshrined in an artificial formula which favours the prodigal States. Victoria has been deprived of £80 million of its earnings so that Canberra could play "rich uncle" to Queensland and others.

As Mr. Bolte, the Premier, said at Canberra, (Herald, 23/6/55), "Victoria for years had been suffering a great disadvantage under the tax reimbursement formula."

"Victoria," he said, "was fully prepared to accept the Prime Minister's offer three years ago to return taxing powers." Mr. Bolte continued: "If we could get our taxing rights back, loan money could be used for development, instead of maintenance and replacements."

This is very true, and fortunately the Federal Government has vacated the Land Tax field so that Victorian Treasury in the financial year now ending (30th June has received under this head £2.6 million.

Canberra Taxing Schedule

On Federal Returns of Income for "Uniform" (?) Income Tax and the Compulsory Contribution to Social Services for 1955 we note that:—

Form "A", Section 37. Deductions:— "Land tax for which taxpayer is personally liable" is completely exempt from Income Tax and Social Services contribution.

Example A. A citizen with a taxable income of £1,200 who pays State Land Tax of £40 may be assessed for Federal Income Tax and contribution combined at £164. Tax rate on £1200 taxable income was 5/- in £.

Suppose the State Land Tax were reduced by £10 to £30, he loses the exemption for income tax on £10. Then Canberra taxes would rise by 5/- on £10, or £2/10/-, and net reduction for citizen would only be £7/10/-.

Conversely, (1) if State Land Tax were increased to £50, then Canberra taxes would be reduced (because of the complete exemption) by 5/- in £1 on this £10, i.e., £2/10/-, while the Victorian citizen would pay £7/10/- only of the £10 gain to Victorian Treasury. (2) Thus a gain to Treasury of £20 State Land Tax would cost the citizen £15 and cost the Canberra Treasury £5.

Form "B", Section 19. Business Deductions:— "Land taxes paid in connection with the business, trade, or profession, including primary production" receives complete exemption from Federal Income Tax. Further, by Section 78, State Land Tax paid on property from which income is NOT derived is totally exempt from Federal Income Tax. This exemption covers the residential land

of the home of the citizen and also any vacant land held as an investment.

It may be noted also that when such land, if not originally acquired for the purpose of profit-making by sale, is later sold at an enhanced figure, then the "capital gain," sometimes called "the unearned increment," is also totally exempt from Federal Income Tax.

Example B. Proprietor of a motor garage on a corner block of high site value pays £160 a year State Land Tax. With an assessed income of £2,400 he pays income tax at the rate of 7/8 on every further £1 of income. Suppose that State Land Tax were reduced by £40 a year, then he loses Income Tax exemption of £40 and pays extra at 7/8 in £1 on £40, which is £15. So the net saving to this citizen would be £40 — £15 = £25 only. But Canberra would secure that £15 at the expense of Victorian Treasury (part of £40).

Conversely, if State Land Tax were increased by £40, then exemption would be larger and Canberra taxes would be reduced by £15. Thus £40 increase to Victorian Treasury would cost this citizen only £25 and Canberra would lose that £15 to the Victorian Treasury. Good work!

Form "C" is the Company Return and listed with the expenses, item 2, is "Land Tax." This is a deduction from the earnings before "taxable income" is determined.

Example in Public Finance

Consider a public company, with taxable income £10,000, running a factory on a block of suburban land with State Land Tax of £160 yearly. Such a public company is assessed for Canberra imposts (income tax + compulsory contribution) at 7/- in £1 of taxable income. After that, shareholders are again taxed on the dividends paid from the remaining 13/-.

Suppose Mr. Henry Bolte reduces State Land Tax by one-quarter, i.e., to £120. Then Victorian Treasury loses £40, but the Canberra taxes move in as Mr. Bolte moves out, to secure £14, i.e., 7/- on £40, so the company retains £26 only. Perhaps Mr. Bolte is not able to understand this.

But, as the company accountants see clearly, if State Land Tax rises by one-quarter to be £200, then they can claim a larger deduction and on the reduced taxable income Federal Income Tax declines by 7/- on that £40, viz., £14. Hence the company pays only £26 extra to benefit Victorian Treasury by £40. The other £14 is forfeited by Canberra.

Mr. Henry Bolte has said that "Victoria for years had been suffering a great disadvantage under the formula for reimbursement of Income Tax." Here then is an open door for Mr. Bolte to improve Victoria's position.

Mr. Henry Bolte also asked for Victoria to get back State taxing rights. The same request was made three years ago. Canberra granted this request in part when it vacated the Land Tax field! Here is another door for Mr. Bolte to benefit Victoria. But, does he really wish to do so?

Further reflection will show that Treasury receipts of £2.6 million from State Land Tax has been, in part derived from Canberra funds. Owing to exemptions the Victorian Land Tax is mainly an impost on the larger holdings where Income Tax rates occur in the high brackets. Suppose the average rate in these cases is 7/6 in £1 arising from the Federal Income Tax exemption of this £2.6 million. Canberra foregoes (on the 7/6 rate) a sum of £820,000 in favour of Victorian citizens so their payments to the Victorian Treasury cost them (say) £1.8 million.

Citizens interested in "Sound Finance" should write to this office for a 10-page set of notes — price sixpence.

YES! WE TOO BELIEVE IN PRIVATE PROPERTY IN LAND

To the man in the street, Georgists would seem quite queer, if not even communist, if they seemed to deny the proper rights of landholding.

As always, Vox Populi-Vox Dei. Secure private tenure of land is essential for its best use. Men do not readily erect noble city structures, nor do they persist with plans for long term development of rural holdings if the reward for their efforts is not to be their own.

Therefore, with the man in the street, Georgists can honestly affirm a belief in private property in land. Of course, this MUST be accompanied by a display of our firm belief that the right to private use and occupation of land is always dependant on the landholder making proper annual payment to the community for the various services supplied by it to the site.

The right of landholding is thus made conditional upon payment for services rendered. The community, which must ensure private use and occupancy, must likewise ensure that communally created values attaching to the privilege are regularly paid for.

The two aspects of landholding are complementary. Neither can exist without the other. Community rights must be preserved if the private rights are to survive.

If there is anything upon which Georgists are insistent, it is upon the proper, clearly defined rights of the individual, both in his private capacity, and also as a member of the community.

—PRIVATE RIGHT.

England's Blots.—In this country thousands live in slums, thousands have no country, thousands go hungry every day, yet brass-hats and big-wigs have the nerve to tell us how lucky we are to be enjoying the freedom of the West.—Letter to the English "Picture Post," 9th April, 1955.

[Ed.'s Note.—Political freedom is a mockery without economic freedom, to attain which the social philosophy of Henry George is indispensable.]

The Great Superstition.—For the superstition has grown up in modern times, that the measures needed for the welfare of society must come from the political State . . . And if we pursue any further the road along which this superstition has started us, we shall set up all manner of institutions that, far from leading man

LITTLE INDIA OF THE PACIFIC

University of Chicago Press has published this monograph on Fiji. The breakdown of traditional Fijian customs by European influence is further complicated by the presence of a large, increasing and industrious Indian population. Introduced under an indenture system (1878-1916) to work on the sugar plantations, about 70% of Indians today were born on the islands.

Although, as yet, a relatively small area of land has been alienated from the Fijians, much of this constitutes their best land. The Colonial Sugar Refining Co. seems to have secured much of this. Terms of tenure are not stated. Justice demands the payment of its annual ground rent to the Government Treasury to be used in place of the present tariff taxes.

Indians have secured land from Fijian natives on short term leases, and then resorted to agricultural malpractice. So under the present system, land not required by the Fijians can be leased to Indians through the Government with security of tenure. Many of the Indians are, however, heavily in debt, and this militates against wise control of their land.

It would seem that security of tenure becomes collateral security for borrowing money — so easily spent — which is an aspect of Australian land tenure.

THE MEASURE OF WAGES

What "profit" hath he that worketh — in that wherein he labours? Such is the question raised in Bible philosophy in one of the lesser known essays of the Preacher. (Ecclesiastes 3.9.) For "I have seen the travail which God hath given to the sons of men." He goes on (3.13) Every man should eat and drink, and enjoy the good (result) of "all" his labour. It is the gift of God. It is his portion (5.18.) Here then from the Book of Wisdom is a true view of wages or the profit of work. The portion of the worker is the "good" of all his labour. Modern economics treat that "good" with less insight giving to sundry non-producers an un-earned income by legal legerdemain. Hence a portion has been deducted from the produce of labour and the labourer does not get "all" that he earns. The land holder seizes some.

"Theory of the Moral Sentiments" was Prof. Adam Smith's first volume. In this he treats of Ethics and then continues into Economics with "Wealth of Nations." Maybe his acquaintance with the scriptures quoted above may have influenced his clear perception of the nature of wages, viz. "the produce of labour constitutes the natural recompense or wages of labour" and of ground rent that "the landlords love to reap where they never sowed," i.e., unearned incomes. So it was the appropriation of land that had deprived the labourer of his natural due. Further than that Adam Smith did not go, but there is scope here for a thesis by a trained economist.

—SPONDOS.

to the goal towards which he is striving, will increasingly aggravate the oppressive conditions from which he is seeking to escape.—Rudolf Steiner, in "The Three-fold Commonwealth."

Notes From Various Sources

Merwell.—Four miles south of this boom town Herbertson's grazing property of 58 acres sold by auction at £67 acre for £3,886. There are no buildings.—"Age," 27/7/55.

[Ed. Note.—Ready sale of milk at nearby town gives a site value which means more than Ricardo's "fertility factor" so beloved by the backward, modern economists.]

Bentleigh East.—Vacant shop site, 18 ft. frontage to Centre Rd. by 120 ft. deep sold at £2,170, or £120/10/- per ft.—"Age," 11/7/55.

[Ed. Note.—Moorabbin Council may now re-value this locality and hence secure more revenue to meet cost of roads to hundreds of new settlers whose cash purchases are boosting land values in nearby shopping area.]

St. Kilda Rd.—Block of flats will be built on site of No. 608 St. Kilda Rd., west side near Union St., where an old brick house occupies a block 100 ft. frontage by 250 ft. deep, which sold for £13,285.—"Argus," 26/8/54.

[Ed. Note.—Vendor has sold the benefit of electric tram, nearby park, proximity to city, electricity, gas, water, sewerage and telephone services provided by other citizens for £11,640 per sq. chn. Tenants of the new flats must then pay again in higher rentals for same services.]

Portable Electric Tools of the Black & Decker type already carry a tariff burden of 30 per cent. which is passed along to the home builder as an added cost. Now the Collingwood factions want to make houses still more costly by making the tariff burden 57½ per cent.

[Ed. Note.—Has Mr. Robbin Boyd ever mustered courage enough to stimulate Architects toward the "contemporary" and "exciting" "new" "techniques" of building with materials and tools which are tax-free?]

Melbourne Sewerage: There are about 10,000 houses (mostly in the industrialised areas) for which the Board has constructed the sewers but the owners have failed to arrange the drains for connection (and still use the pan system). Cost of the plumbing is about £200. Metropolis Report.

[Ed. Note: Richmond, Collingwood, Fitzroy, South Melbourne seem to be indicated (with others). These Councils levy extra municipal taxes on all such improvements as sewerage, on rental value basis.]

Fishing Nets: There is now a very solid trade balance in London. Reporters say they could procure all the netting needed—if they were allowed. Fish netting is part of our tools of trade as fishermen. Would it be too much to ask the Federal Government to lift the import restrictions on these goods altogether?—Letters to Press.

[Ed. Note: Once again tariff "protection" reduces production.]

Welfare State: Men born to freedom are naturally alert to repel invasion of their liberty by "evil-minded" rulers. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning, but without understanding. Experience should teach us to be most on our guard to protect liberty when the government's purposes are beneficent. — Justice Brandeis, U.S.A., 1928.

Mulgrave Shire: Glen Waverley district — 13 miles from G.P.O., is forging ahead. An improved electric train service during last year has had a marked influence on land values. Estate agent, Mr. N. R. Reid, states that increases have been highest in the areas bounded by High St. and Waverley Rds. within half a mile of electric train line. — "Herald," 29/6/56.

[Ed. Note: See rail freight and fare petition in "Progress," July, 1956.]

No Answer: Mr. D. R. Dooley, LL.B., asks that compensation be paid to owners whose land values will be reduced by the Melbourne Master Plan.

So Mr. J. M. Atkinson enquired: Will he also agree that it will be equally just to collect the increased land values that will arise through the works built and costs incurred under this vast plan?

Planned Economy: Colac clothing factory, which employs 124 people, may have to close down because import restrictions advocated by trained economists have limited supply of cloth linings—a necessary material. — "Age" report, 24/4/56.

[Ed. Note: Finished product of one factory is the essential material supply of next factory.]

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Three Economists advise citizens: "Manufacturing industry will be able to export only if it can compete in overseas markets, and it is unlikely that it will be able to do so if it is working behind a wall of protection. — From Canterbury (N.Z.) University College.

Elsternwick. — Vacant building block in Gordon st. being lot 8, Ripponlea Garden Estate, 60 ft. frontage by 125 ft., sold at £1,920 or £32 ft.—"Argus," 27/6/54.

[Ed. Note.—When such a purchaser borrows say £1,000 to buy an opportunity to build then there is another thousand "locked-up" in monopoly value and hence not available as loan to "shortage of funds for loans."]

Planned Economy. — Protection diverts Labour from more profitable to less profitable employment, R. B. Wise, M.A.

[Ed. Note.—That is true from the national and patriotic standpoint.]

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