

THE PEOPLE'S ADVOCATE

An Organ of Fundamental Democracy

Policy: FREE LAND, FREE TRADE, and PROPORTIONAL REPRESENTATION

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ADELAIDE: AUGUST 21, 1937

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HENRY GEORGE AND HIS PHILOSOPHY

Bury the noble dead!
No blood-stained fields were his.
His sword—his mighty pen;
His victories—Freedom, Peace.

He sought not fame nor power,
Yet his are power and fame.
He moved the world this hour,
And millions bless his name.

The millions yet to be
Shall see the truth he taught;
Their great prosperity
Shall by that truth be brought.

He saw, where sages failed,
Men's equal rights on earth
Are with their right to life
By virtue of their birth.

He taught the rights of men,
He taught men more. He taught
How right must be obtained.
How justice must be wrought.

His great, warm heart beat true
For earth's oppressed and poor;
His glad evangel lives
Deliverance to ensure.

Bury the noble dead!
Upon his honored grave
The tears of millions shed
Attest his power to save.

Bury the noble dead!
His doctrine will endure,
Earth's golden age shall dawn—
There shall be no more poor!

Once more this planet has swung through space, and once again Georgians throughout the world are commemorating the birth of the greatest economist of modern times. Henry George was born at Philadelphia on September 2, 1839. Starting life as an office boy, he, at the age of sixteen, shipped as a sailor before the mast. After making a trip to Australia, he learned the printer's trade in Philadelphia, and then went to sea again. In 1858 he joined a gold-seeking expedition for the Frazer River, but the party was not successful, so George returned to San Francisco, where he soon afterwards married, where all his children were born and where his career as a prophet began. For a time he endured galling poverty. Its severity may be judged by an incident he related to a friend a long time after its occurrence. His second child had just been born. The prostrate mother was literally starving. So was the new-born babe. Every resource seems to have failed, and George was pushed by his affections to the very verge of despair. In this frame of mind he walked out upon the street, determined to get money from the first man whose appearance indicated that he had it to spare. He stopped a stranger and asked for five dollars. The stranger enquired what it was for. "I told him," said George, "that my wife was confined and that I had nothing to give her to eat. He gave me the money. If he had not, I think I was desperate enough to have killed him." George's poverty could not be charged to indolence or thriftlessness. He was a hard worker, was given to no vices, and was extremely sensitive to all his responsibilities. He only happened to be one of the unfortunate multitude who suffered privation in San Francisco when times were hard. It was the poverty of disordered social and industrial conditions. As George began to use his pen, however, his circumstances improved. George had been a great reader, and was a keen student. The extremes of wealth and poverty arrested his attention. He wondered how the producing class could remain the poor class as productive power increased and material progress went on. That was George's problem. It was not the bare problem of poverty, as some have supposed, but the problem of persistent poverty of the great mass of the producing classes in the midst of abundant products and in spite of advancing productive power. Nor was this problem altogether a material one. "For poverty," as George subsequently wrote, "is not merely deprivation; it means shame, degradation; the searing of the most sensitive part of our moral and mental nature as with hot irons; the denial of the strongest impulses and the sweetest affections; the wrenching of the most vital nerves. You love your wife, you love your children; but would

it not be easier to see them die than to see them reduced to the pinch of want in which large classes of every civilized community live?" The awful poverty George witnessed in New York stirred and awakened the prophet in the man. "When I first realised the squalid misery of a great city," he writes, "it appalled and tormented me, and would not let me rest, for thinking of what caused it and how could it be cured." Thenceforth he devoted his life to a systematic study, that he might solve the problem, and, when he had solved it and given his solution its logical demonstra-



tion in an attractive literary setting, he dedicated the remainder of his life—come good times or evil times to himself—to impressing the verity of his conclusions upon the public mind. "What, when our times comes, does it matter," he asks, "whether we have fared daintily or not, whether we leave a great fortune or nothing at all, whether we shall have reaped honours or been despised, have been counted learned or ignorant—as compared with how we may have used that talent which has been entrusted to us for the Master's service? What shall it matter, when eyeballs glaze and ears grow dull, if out of the darkness may stretch a hand, and into the silence may come a voice: 'Well done, thou good and faithful servant.'" With such a consecration in his life, Henry George became, if you please, "the prophet of San Francisco."

And what is the essence of Henry George's philosophy. He believed, with all his soul believed, that he had found the way, and the only way, to rid civilization of its cancer—its extremes of wealth and want, that leads some to the madness and destruction of vanity, and multitudes into the suffering and brutishness of poverty. He believed the remedy lay in making all men equal before Nature by the simple process of letting any who would, hold land, but compelling them to pay its entire rent into the public treasury. Each paying the full value of all the land he held, there would be no object in holding land not at once to be used, or in not using land to its highest capacity. On the contrary, all land in possession, whether used or unused, being compelled to yield to the State its full annual value, the man who held valuable land idle would find he had to pay as heavily on it as if he had put the land to its highest use, since the value of the land itself, not its produce, would be the thing to be taxed. Taking land rent would discourage—would kill—land monopoly. Enormous quantities of land—in cities, towns and villages, in agricultural, timber, mining, and grazing regions—would be thrown open to users. That is, land—good, accessible, valuable land—now held out of use in the expectation that increasing population will be compelled to pay a large advance for it, would become cheaper and easier to get. And since all men are land users in some form, this would be a common benefit. Land being at the base of all production, all production would be wonderfully stimulated; and doubly stimulated

when, the revenue received from ground rents being sufficient to satisfy the needs of government, all other taxes could be remitted. This would remove a mountain of taxation from the shoulders of Labor. It would concentrate the revenue on the rent of land. It would, in effect, give to the producer the full measure of what he produced; while he that would not work, neither should he eat. Then there would be no spectacle of some men rioting in superabundance, and other men—willing and anxious to work—unable to find opportunity to work. Then some would not be landlords and others landless. Then all would be equal before Nature—all would have the same right to land. Present titles could remain, but the rent would be shared by all. Such as possessed land, having any advantage, would pay the equivalent of the advantage in the shape of rent into the common coffer. This order of things would bring forth a race of free, independent, self-respecting, and high-spirited men, who would advance to new and undreamed heights of civilization. With greater and greater ease they would satisfy the animal wants, and give more and more play to the development of the mental and moral natures. This was the great idea that filled the soul of Henry George. It was the redemption of the world from involuntary poverty and from its grim daughters, suffering and sin. He had, he believed, pointed the way of salvation, and he was confident that the world would sooner or later come to believe with him. And with this conviction, after a strenuous campaign for justice and righteousness in connection with the mayoral election of New York, he, on October 28, 1897, went to his death.

On Sunday, October 31, 1897, police in outlying streets had to restrain the throng desiring to enter the Grand Central Palace. From an early hour in the morning two continuous columns of people moved through the main entrance, up the wide staircase, into the great hall of the building, and slowly passed a bier. The bier was simple, low and black-draped. In front of the foliage and looking down upon the bier was a bronze bust of the dead man. At least 100,000 persons passed before his bier, and another 100,000 were prevented from doing so only by the impossibility of getting near it. Unconsciously they vindicated over his dead body the truth of the great idea to which his life was devoted—the brotherhood of man. In the afternoon the doors of the Grand Central Palace were closed. As the choir from Plymouth Church opened the public services with a simple hymn, a hush fell upon the multitude that crowded the great hall to its utmost. Then the service of the Episcopal Church was read by the Rev. R. Heber Newton, the boyhood and manhood friend. Next the Rev. Lyman Abbott and Rabbi Gottheil in order recounted the peerless courage and the ancient wisdom of the man at whose bier they stood. And after them rose Dr. McGlynn, who had suffered years of excommunication from the Catholic Church for the cause of which Henry George had died, and yet who had steadily gone on preaching the great truth until in the end he was reinstated and justified, with the ban lifted from his teachings. The clergymen preceding had spoken with earnestness, eloquence, and power. To these qualities the priest added such a moving passion of faith and hope the great audience swayed with feeling. It cast off all funeral restraint and gave vent to emotion in applause. Nor did the applause cease when Dr. McGlynn had finished and John S. Crosby, a brother-at-arms in the campaign, arose and extolled the civic virtues of the dead man. Seldom have men spoken as these men spoke; seldom has there been such inspiration; seldom has a funeral gathering applauded with hope instead of weeping into the cries and lamentations of grief. And this coming week whilst people in all parts of the world are assembling to do homage to this man, we can say:—

Truly, the soul of the dead goes marching on!

"The People's Advocate"

ADELAIDE: AUGUST 21, 1937

OPENING OF STATE PARLIAMENT

The final session of the present Parliament was opened by His Excellency the Governor (Sir Winston Dugan) on July 27. The Governor's speech, which gives an indication of the intentions of the Government in regard to the session, contained nothing of a spectacular nature. Ministers "rejoice that the session opens in an atmosphere of increased prosperity," but one is justified in asking wherein there is cause for rejoicing. It is true that the season's prospects are better owing to the recent rains and the increased prices for primary products. It is to be hoped the prices will hold firm until farmers have produce to sell. If we consider the financial position of the State there is no special cause for rejoicing. It is not likely there will be much relief so far as the burden of taxation is concerned, neither are we likely to have any reduction in the national debt. As a matter of fact the indications are that the debt will be increased. When we remember that nearly 44 per cent. of our total revenue goes to pay the interest on the State debt, electors may be excused if they do not get enthusiastic about the alleged prosperity of the State.

Reference is made to the fact that under the Primary Producer's Debt Act no less than \$670,000 of liabilities have been written off. While this may be a cause for satisfaction on the part of those who have received the benefit, it cannot be overlooked that some people have suffered to that extent. The need for such writing off indicates that our economic policy needs alteration. It is directly responsible for the unfortunate position in which many producers find themselves at the present time. They are victims of a taxation policy which has exploited them over a long period of years.

The Speech also informs us that the Ministry is taking a keen interest in the problem of housing. It will be remembered that during the last session a Bill was passed providing for the creation of a Housing Trust. This body was empowered to build homes for the working class, and \$25,000 was made available for that purpose. Government experience with the housing question has not been very cheering, and we are informed that \$189,000 was written off State Bank homes. Under the Advances for Homes Act no less than \$5,747,473 has been advanced for the building of homes. Up to June 30, 1936, there were 10,172 current accounts, and of this number 5,222 were in arrears to the extent of \$638,479. The reason for this is the general depression we have experienced. Many people have been out of employment for a long period, and as they had no income it was impossible for them to continue the repayment of the advances made on their homes. We have repeatedly pointed out that it is not the function of Government to build homes for the people. The solution of the problem lies in collecting the rent of land for public purposes, thus making sites available to home builders merely on the payment of the annual rent into the Treasury. All taxes must be removed from building material and from the finished home, and when this is done people will be able to build homes without any assistance from the Government.

The Speech indicates that a Royal Commission will be appointed to deal with the transport problem. The time is long overdue for an alteration in our transport control, as motor vehicles for hire are being legislated off the road. This is done so as to try and make the railways pay. The trouble with the railways is they have been constructed on an unsound economic basis. Tariff taxes on plant and equipment have very materially increased the constructional and operating costs. Further, railway users are expected to pay the interest on capital cost as well as for service rendered. This is wrong. The construction of railways increases the rent of land, both in country and metropolitan areas. This rent should be taken into the public treasury to pay the interest on capital cost, and not allowed to be appropriated by landholders as at present. If a change along this line was made, freights and fares could be reduced at least one-third, and there would then be no need to restrict motor transport as is done today.

Reference is also made to the road policy

of the Government, and it will be generally admitted that the making of good arterial roads is a step in the right direction. It opens up the country areas and provide decent transport facilities to those who are responsible for production. The proposed expenditure on the Anzac Highway cannot at present be justified. There is a splendid road between Adelaide and Glenelg at the present time, and this should suffice for many years to come. The proposal to put down a new highway is due to the fact that some irresponsible motorists are speed demons, and a number of accidents have occurred as a result. If these people are dealt with in a proper manner there will be no complaint about the dangerous nature of the present highway.

Bulk handling of wheat is also proposed in the Speech, and it is understood a start will be made at Wallaroo. This question will need serious consideration, as there is a possibility that a monopoly may be created that will not be in the interest of wheat growers. Further comments will be made when the Bill is before the House.

The Government intend moving in the direction of closer settlement, and with that in view it is negotiating with lessees in the County of Cardwell for 1,045 square miles of country, and it has already purchased 32,844 acres of undeveloped land in the Hundreds of Short and Killanoola in the South East. We are strongly opposed to any repurchase schemes. When it is known that the Government is in the market to buy land the price is usually advanced. Moreover, as this is undeveloped land the question may be asked: "Why should these people now in possession be permitted to hold land out of use that is needed for settlement?" If they were asked to pay the annual rent into the Treasury they would be forced to loosen the stranglehold they at present have, and legitimate settlers could get it without being burdened with a purchase price, as they will be under the present scheme.

The Five Year Parliament Bill will again be introduced to make that term permanent. It is understood there will be more opposition to the proposal than on the former occasion. Although it is claimed the Government had a mandate for this measure the facts are that 60,000 voters cast their votes for the Liberal and Country League policy at the 1933 election, whereas 118,000 votes were cast against it. Members should be prepared to give an account of their stewardship every three years, and it is to be hoped the Bill will be defeated.

The estimates of revenue and expenditure reveal a growing tendency. This year it is anticipated that the revenue will produce \$11,739,000, and that the expenditure will be \$11,600,000. If we compare the population and expenditure of today with that of 1901, the first year after Federation, we find that the population has increased by 58 per cent., whereas expenditure has gone up by no less than 282 per cent. This indicates the ever-increasing burden of cost of government.

Reference is also made to the question of afforestation, and in view of the finding of the Royal Commission on the question, the Government should meet some severe criticism concerning its agreement with Australian Paper Manufacturers Limited in regard to wood pulp.

In view of the fact that the general election will be held next year it is expected that all members will take part in the Address-in-Reply debate, and during the session some interesting revelations may be expected.

Meeting Addressed

On Wednesday, August 11, Mr. E. J. Craigie, M.P., addressed the members of the South Australian Allgemeiner Deutscher Verein Inc., the subject being "The Problem of Taxation."

The president occupied the chair. The address was followed with great interest, and a number of questions were submitted at its close. A vote of thanks was tendered on a motion by the president.

Study Circle

On Tuesday, August 24, at 8 p.m. the class will commence a ten-weeks study of Henry George's "Progress and Poverty." The English Social Science Manual by F. C. R. Douglas, M.A., will be used.

A cordial invitation is extended to members and their friends to attend this class.

Henry George Commemoration Dinner

At COVENT GARDEN CAFE

King William Street, Adelaide

on

THURSDAY, SEPTEMBER 2, at 7 p.m.

Commemorative Address - Mr. A. S. Bayly

(Leader of the Study Circle)

Toasts:

"The Henry George League of South Australia"

Proposed by Mr. W. J. L. Kelly.

(who for many years has rendered faithful service to the cause of economic freedom)

Response by Mr. M. H. McDonough.

(President of the League)

"Kindred Societies,"

Proposed by Mr. E. J. Craigie, M.P.

Response by Mr. Henry S. Denman, of Lovelady.

(who will contest the Chaffey District at the State elections)

Tickets for the Dinner—Price Two Shillings—are available at the League Office.

It is particularly requested that those intending to be present notify the office not later than Thursday, August 26, so that the caterers may know the number to be catered for. Will members and friends please be prompt in sending in their replies? It is anticipated there will be a big attendance, and everyone is asked to co-operate with a view to making the dinner a great success.

A Noted Danish Visitor

Mr. Anders Vedel (Principal of the Folk High School at Krabbesholm, Denmark) is visiting Australia for the purpose of taking part in conferences in different capitals under the auspices of the New Education Fellowship and the Australian Council of Educational Research. He will be in Adelaide early in September. He has had considerable experience in the system of adult education of young farmers known as the Folk High Schools. Mr. Vedel will speak at two of the Adelaide sessions, and his subjects will be "Rural Education in Denmark" and "The Folk High School." Mr. Vedel is a graduate of the University of Copenhagen, and he has been Principal of the Krabbesholm Folk High School for about twelve years. He has been a writer and lecturer on historical and economic subjects, and has studied social conditions in England.

The visit of Mr. Vedel is of great interest to followers of Henry George, owing to the fact that this distinguished visitor is connected with the International Henry George movement. At the 1929 Conference in Edinburgh he presented a paper, "War and the Land Question," which dealt with the subject in an illuminating manner. In clear language Mr. Vedel showed that war was due to restrictions imposed on trade and to the monopoly of natural resources. He stated:—

It is obvious that this development will ultimately have fatal results. Obstacles to commerce in the colonies have their root in protectionist notions at home. Once protection commands the position at home, it will sooner or later spread to the colonies. And protection has everywhere evil effects: it fosters enmity between the peoples; it enriches some persons at the expense of general industry. It is therefore of no use to stop at half measures. The aim must be: down with all tariff barriers and a free course for the products of the land all over the earth, so that the nations of the world can get together in common association, a goal towards which they move spontaneously if only they are not obstructed.

Dealing further with the problem, Mr. Vedel went on to state:—

The only way out is to make an end to special privilege by enacting that the community-created value of natural resources shall not be taken by financiers, but shall go to the whole community, to whom the natural resources rightly belong. . . . This idea that individuals have the right to appropriate the value of land must be uprooted in both theory and practice. The dominion of landlords, junkers, coal barons and financiers over those values, which the community creates has given them dominion over the growing populations of the world, with which they can deal riotously at their pleasure, putting them in hovels or crowding them in tenements, and sending them to the trenches as cannon fodder. "He who owns the land owns the people." When the dominion over land values passes into the hands of the people—by collecting these values in taxation into the exchequer—the ground will be taken from under the feet of the exploiters in a very literal sense. All the people will obtain the free and easy access to the sources of wealth, which is essential if labor is to have its full reward.

On behalf of the Henry George movement in South Australia we tender a very hearty welcome to our co-worker from Denmark, and trust that his sojourn in this State will be a pleasant one.

An invitation has been sent to Mr. Vedel, and it is anticipated that he will be present at the Commemoration Dinner on September 2.

Proportional Representation For the Senate

A deputation arranged by Mrs. Jeanne F. Young (president of the Proportional Representation Group) met the Prime Minister (Hon. J. A. Lyons) at the Adelaide Railway Station on his return from England, on Friday, July 2. Owing to the limited time between the arrival and departure of the trains it was not possible to fully present the case. The request was for the adoption of Proportional Representation as the voting system for the coming Federal Senate elections. Representatives of the Proportional Representation Group, Women's Non-Party Association, Federation of Women Voters, Effective Voting League, and Henry George League were present, as well as a number of unattached supporters. The deputation was introduced by Mr. A. W. Christian, M.P., who deputised for Mr. A. G. Cameron, M.H.R., and the speakers were Mrs. Jeanne F. Young, Miss Elinor Walker, Hon. W. Hannaford, M.L.C., and Mr. E. J. Craigie, M.P. Other speakers were present but were unable to present their case. The Prime Minister asked that each organisation put its views in writing so that he could present them to the Federal Cabinet at an early date. These letters have been sent to Mr. Lyons. The following letter sent on behalf of the Henry George League will be of interest to our readers, as it contains the result of the last Federal elections in 1934.

Right Hon. J. A. Lyons, P.C.,
Sydney, New South Wales.

July 24, 1937.

Dear Sir,

In conformity with your wish expressed when the deputation waited on you at Adelaide on Saturday evening, we now present the views of members of the Henry George League in relation to Proportional Representation for the Senate.

We are very definitely of the opinion that Parliament should be a true reflex of the will of ALL the people. As indicated in the brief address on Friday night, it cannot be claimed that the Senate as at present constituted represents public opinion. An analysis of the Senate voting at the 1934 elections shows as under:

State.	Votes Cast For Members Elected.	Votes Polled Against Elected Members.
New South Wales	683,058	569,662
Victoria	387,586	550,436
Queensland	232,137	257,140
South Australia	150,311	142,957
Western Australia	97,878	92,009
Tasmania	27,577	76,141
Total	1,558,527	1,742,404

These figures show that in three States Senators were elected on a minority vote. Taking the Commonwealth as a whole you will see there were a greater number of electors left without representation than the number whose votes were effective.

With reference to the point you raised at the deputation that it is necessary to go beyond the first preferences, we are well aware of that fact. It must, however, be admitted that the first preference votes clearly indicate the desires of the electors. In the figures given above the first preferences reveal the party strength, and under the present system, the votes are merely transferred to the No. 2 and 3 choices, and are counted THREE times. Manifestly this is unjust. Moreover, there is a compulsory marking of preferences which cannot be justified. Under such a method electors are forced to indicate a preference for a candidate they have no desire to see elected. Without this element of compulsion the present system would be unworkable. Under the Proportional system the elector has only ONE effective vote, and he or she is free to mark as many or as few preferences as they please. Each voter assists in the return of only ONE Senator, whereas under the present system the voter assists in electing THREE Senators.

The result of the present system is to give a monopoly of representation to the party securing a majority of votes, and to leave all other voters without representation. This cannot be termed democratic government. The franchise is only of value to an elector when it is combined with a system that enables him to choose a member of Parliament, and when it enables the real judgment and opinion of the electorate to be ascertained. Democracy is incomplete and lop-sided until it is representative of the whole of the people, and not merely of one section. We cannot expect to get perfect democracy until the whole of the people play their part. All sections of the community

are expected to abide by the laws which are enacted and to pay the taxes imposed upon them. Justice decrees that ALL who are expected to undertake the responsibility of citizenship shall also have a voice in determining the laws which shall be placed upon the Statute Book and the method of collecting revenue. A big section of the community do not enjoy this RIGHT under the present system, and in our opinion Proportional Representation is the only known system of voting to establish a true democracy.

Since 1919, when the present hybrid system was enacted, at each election held in South Australia there has been a swing of the political pendulum to the disadvantage of a big number of electors. In 1919 the National or Liberal Party secured ALL the Senate seats and all other electors were left without representation. At the following election the Labor Party enjoyed the same monopoly, and this has been the result at each succeeding election until 1934.

We have no objection to any party securing representation according to its numerical strength, as we believe in representation of the people. However, we feel we are justified in entering an emphatic protest against the continuance of a system which gives a monopoly to one section to the disadvantage of all other sections of political thought in the Commonwealth.

Proportional Representation has proved a great success in your own State of Tasmania over a long period of time. It has also been successful in other countries where it has been adopted. So successful has it been in the Irish Free State for State and Municipal purposes that the new Constitution provides for its use at elections for both Houses.

The Senate is a Chamber created essentially for the benefit of the States, therefore it should reflect the opinion of all the people—not merely one section as at present.

We respectfully ask that you will present our views to Cabinet, and emphasise the justice of the claims put forth by the deputation that waited upon you. You will thus be doing your part to place government on a sound democratic basis, and will earn the gratitude of a long-suffering body of electors who are convinced that only by the adoption of Proportional Representation as the method for election of the Senate is it possible for all shades of political thought to secure that measure of representation it is entitled to.

Thanking you in anticipation of a favorable reply,

Yours faithfully,

M. H. McDONOUGH, President.
E. J. CRAIGIE, Secretary.

HENRY GEORGE LEAGUE OF SOUTH AUSTRALIA

The monthly meeting of the above was held at George Parade, on Tuesday, July 27. The president (Mr. M. H. McDONOUGH) in the chair, and there was a good attendance of members. Minutes of previous meeting read and confirmed. There was an interesting budget of correspondence read and received. The secretary's report dealt with the recent deputation to the Prime Minister in regard to Proportional Representation for the Senate, letters to the country press, the opening of Parliament, the Henry George Commemorative Dinner, and an address on "The Problem of Taxation" to be given at the German Club on August 11. Mr. R. M. Smyth reported on the meetings at the Botanic Park, and stated that a great deal of interest was shown by those attending. Mr. Bayly dealt with the Study Circle, and said the first course in connection with the Henry George Social Science School had been completed and that members had enjoyed the meetings very much. The next two nights would be devoted to answering questions on important points, then it was proposed to use the English Manual for another course of lessons. A cordial invitation is extended to any reader to be present at these classes, which are free. They afford an excellent opportunity for securing a good grounding in the principles of political economy. Financial statement presented and adopted and accounts passed for payment. One new member was admitted to the league. Matters relating to the Commemorative dinner were then discussed, and these are dealt with in another part of this issue. A letter from the Democratic Women's Association was read, and it was resolved that the league give support to Proportional Representation and oppose the Five-Year Parliament. Further information is sought concerning other objects of the Association. It was resolved that 3,000 copies of each of the following leaflets, viz. "The Religion of Joseph Fels" and "The Cause of Business Depression" by Henry George, be printed. Reference was made to an essay competition: "A Programme of Constructive Peace Action," the first prize for which is £20, and the second prize \$5; and any reader desiring to compete for these prizes can obtain further information from the league office. Matters of general interest were discussed.

NEXT MEETING, TUESDAY, AUGUST 31, 8 P.M.

Obituary

It was with sincere regret that we read of the passing of Mr. R. E. White, of Kalamunda, Western Australia. Mr. White was president of the Liberation League in Western Australia, and editor of the "Liberator." For many years he has been in indifferent health, but has strenuously fought for the principles which he believed to be right. In addition to editing the "Liberator," the late Mr. White was a frequent contributor to many newspapers published in the Western State, and he has done a lot of platform work for Henry George principles. He was tireless and unceasing in his efforts to make this world a better place for all to live in, and his death leaves a breach in the ranks of reformers that will be hard to fill. To Mrs. White and members of the family we tender our sincere sympathy in the hour of their sad bereavement.

On August 1, Mr. William Baird, of Talia, West Coast, passed away at his home. For many years he has been an enthusiastic supporter of Henry George principles, and rendered valuable service in the district in regard to the arrangement of meetings and by the distribution of literature. Our late friend had not enjoyed good health for some time, but it was not thought the end was near. He was highly respected by a large circle of friends. He will be missed in the district.

Henry George Society Ltd.

The annual meeting of shareholders in the above Society was held at George Parade, Adelaide, on Tuesday, July 27. The chairman of the board of management (Mr. A. Chappel) presided. The secretary presented the annual report and financial statement, and these were adopted on a motion by the chairman, seconded by Mr. F. P. Drymalik. The auditor's account was passed for payment. The following will constitute the board of management for the ensuing term: Messdames Penny and Craigie, Messrs. A. Chappel, H. F. Penny, A. S. Bayly, F. P. Drymalik, and E. J. Craigie.

ANNUAL REPORT

Ladies and Gentlemen,

The year just ended has not shown much improvement on the previous period so far as properties are concerned. The rent of the two cottages has been regularly paid, but at the lower rate ruling since the depression. Repairs have been effected where necessary. During the ensuing year the City Council is insisting on the remaking of the road adjacent to our land, and this will involve shareholders in a share of the cost. The total cost will be apportioned among the holders of the land abutting the roadway, and as our land faces the road the whole length, we shall have to pay one half of the total amount.

Although rates and taxes have been somewhat lower during the past year, they still take an unfair proportion of the income of the society. If the City Council levied its rates on the unimproved value of land, as is done in Sydney and Brisbane, we could give consideration to the erection of new buildings. Under the existing system a further burden would be imposed on the shareholders in proportion to the value of the improvements made, consequently the present buildings must remain until such time as additional share capital can be obtained.

A. CHAPPEL, Chairman.
E. J. CRAIGIE, Secretary.

Financial Statement for Year ended June 30, 1937

RECEIPTS		£	s.	d.
Cash in hand, brought forward		113	12	0
Donations A/c		39	0	0
Rent Received A/c		163	0	0
		225	12	0
EXPENDITURE		£	s.	d.
Rates and Taxes A/c		30	12	10
Repairs A/c		2	1	0
Postage and Duty Stamp A/c		0	17	0
Share Interest A/c		113	18	11
Auditor's Fee A/c		3	13	6
Miscellaneous A/c		8	3	2
		154	6	5
Cash at Bank		101	5	7
		225	12	0

Audited and found correct with vouchers, books and bank pass book produced.

(Signed) ERIC A. GIBSON,

Licensed Company Auditor.

July 10, 1937.

THE CAUSE OF BUSINESS DEPRESSION

The following essay was written by Henry George in 1894. Then, as now, the country was suffering from a serious business depression. Then, as now, an answer to the why of it was earnestly and anxiously sought.

This essay was Henry George's answer. In it he concentrated in brief space something of the essence of the economic philosophy which previously had been set out in detail, and with unanswerable logic, in his greatest book, "Progress and Poverty."

A World Wide Problem

Now, however, we are coming into collision with facts which there can be no mistaking. From all parts of the civilized world come complaints of industrial depression; of labor condemned to voluntary idleness; of capital massed and waiting; of pecuniary distress among business men; of want and suffering and anxiety among the working classes. All the dull, deadening pain, all the keen, maddening anguish that to great masses of men are involved in the words "hard times," afflict the world to-day. This state of things, common to communities differing so widely in situation, in political institutions, in fiscal and financial systems, in density of population and in social organisation, can hardly be accounted for by local causes.

(Written in 1879.)

I am asked by "Once a Week" to state what, in my opinion, are the causes of the existing business depression [1894]. It should be possible to do more. For the method that has fixed with certainty the causes of natural phenomena once left to varying opinion or wild fancy ought to enable us to bring into the region of ascertained facts the causes of social phenomena so clearly marked and so entirely within observation.

To ascertain the cause of failure or abnormal action in that complex machine, the human body, the first effort of the surgeon is to locate the difficulty. So the first step towards determining the causes of business depression is to see what business depression really is.

By business depression we mean a lessening in rapidity and volume of the exchanges by which, in our highly specialized industrial system, commodities pass into the hands of consumers. This lessening of exchange, which from the side of the merchant or manufacturer we call business depression, is evidently not due to any scarcity of the things that merchants or manufacturers have to exchange. From that point of view there seems, indeed, a plethora of such things. Nor is it due to any lessening in the desire of consumers for them. On the contrary, seasons of business depression are seasons of bitter want on the part of large numbers—of want so intense and general that charity is called on to prevent actual starvation from need of things that manufacturers and merchants have to sell.

It may seem, on first view, as if this lessening of exchanges came from some impediment in the machinery of exchange. Since tariffs have for their object the checking of certain exchanges, there is a superficial plausibility in looking to them for the cause. While, as money is the common measure of value and a common medium of exchange, in terms of which most exchanges are made, it is, perhaps, even more plausible to look to monetary regulations. But however important any tariff question or any money question may be, neither has sufficient importance to account for the phenomena. Protection carried to its furthest could only shut us off from the advantage of exchanging what we produce for what other countries produce. Free Trade carried to its furthest could only give us with the rest of the world that freedom of exchange that we already enjoy between our several States; while money, important as may be its office as a measure and flux of exchanges, is still but a mere counter. Seasons of business depression come and go without change in tariffs and monetary regulations, and exist in different countries under widely varying tariffs and monetary systems. The real cause must lie deeper.

That it does lie deeper is directly evident. The lessening of the exchanges by which commodities pass into the hands of consumers is clearly due not so much to increased difficulty in transferring these commodities as to decreased ability to pay for them. Every business man sees that business depression comes from lack of purchasing power on the part of would-be consumers, or, as our colloquial phrase

is, from their lack of money. But money is only an intermediary performing in exchanges the same office that poker chips do in a game. In the last analysis it is a labor certificate. The great mass of consumers obtain money by exchanging their labor or the proceeds of their labor for money, and with it purchasing commodities. Thus what they really pay for commodities with is labor. It is not merely true in the sense he meant it, that as Adam Smith says, "Labor was the first price, the original purchase money that was paid for all things." It is the final price that is paid for all things.

The lessening of "effective demand," which is the proximate cause of business depression, means, therefore, a lessening of the ability to convert labor into exchangeable forms—means what we call scarcity of employment. These two phases are, in fact, but different names for different aspects of one thing. What from the side of the business man is "business depression," is from the side of the workman, "scarcity of employment." The one always comes with the other and passes away with the other. They act on each other, and again react, as when the merchant or manufacturer discharges his employees on account of business depression, and thus adds to scarcity of employment. But in the primary causal relation scarcity of employment comes first. That is to say, scarcity of employment does not come from business depression, as is sometimes assumed, but business depression comes from scarcity of employment. For it is the effective demand for consumption that determines the extent and direction in which labor will be expended in producing commodities—not the supply of commodities that determines the demand.

What is employment? It is the expenditure of exertion in the production of commodities or satisfactions. It is what, in a phrase having clearer connotations, we term work. For the term employment is, for economic use, somewhat confused by our habitual distinction between employers and employees. This distinction only arises from the division of labor, and disappears when we consider first principles. I employ a man to black my boots. He expends his labor to give me the satisfaction of polished boots. What is the five cents I give him in return? It is a counter or chip through which he may obtain at will the expenditure of labor to that equivalent in any of various forms—food, shelter, newspapers, a street-car ride, and so on. In final analysis the transaction is the same as if I had employed him to black my boots and he had employed me to render him some of these other services; or as if I had blacked my own boots and he had performed these other services himself. Even in a narrow view there are only three ways by which man may live—by work, by beggary, and by theft; for the man who obtains work without giving work is, economically, only a beggar or thief. But on a larger view these three come down to one, for beggars and thieves can only live on workers. It is human labor that supplies all the wants of human life—as truly now, in all the complexities of modern civilization, as in the beginning, when the first man and first woman were the only human beings on the globe.

Now, employment or work is the expenditure of labor in the production of commodities or satisfactions. But on what? Manifestly on land, for land is to man the whole physical universe. Take any country as a whole, or the world as a whole. On what and from what does its whole population live? Despite our millions and our complex civilization, our extensions of exchanges and our inventions of machines, are we not all living as the first man did and the last man must, by the application of labor to land? Try a mental experiment: Picture, in imagination, the farmer at the plow, the miner in the ore vein, the railroad train on its rushing way, the steamer crossing the ocean, the great factory with its whirling wheels and thousand operatives, builders erecting a house, linemen stringing a telegraph wire, a salesman selling goods, a bookkeeper casting up accounts, a bootblack polishing the boots of a customer. Make any such picture in imagination and then by mental exclusion withdraw from it, item by item, all that belongs to land. What will be left?

Land is the source of all employment, the natural element indispensable to all work. Land and labor—these are the two primary factors that, by their union, produce all wealth and

bring about all material satisfactions. Given labor—that is to say, the ability to work and the willingness to work—and there never has and never can be any scarcity of employment so long as labor can obtain access to land. Were Adam and Eve bothered by "scarcity of employment?" Did the first settlers in this country or the men who afterwards settled those parts of the country where land was still easily had know anything of it? That the monopoly of land—the exclusion of labor from land by the high price demanded for it—is the cause of scarcity of employment and business depressions is as clear as the sun is at noonday. Wherever you may be that scarcity of employment is felt—whether in city or village, or mining district or agricultural section—how far will you have to go to find land that labor is anxious to use (for land has no value until labor will pay a price for the privilege of using it), but from which labor is debarred by the high prices demanded by some non-user? In the very heart of New York City, two minutes' walk from Union Square will bring you to three vacant lots. For permission to use the smallest and least valuable of these a rental of \$40,000 a year has been offered and refused. This is but an example of what may everywhere be seen, from the heart of the metropolis to the Cherokee Strip. Where labor is shut out from land it wastes. Desire may remain, but "effective demand" is gone. Is there any mystery in the cause of business depression? Let the whole earth be treated as these lots are treated and who of its teeming millions could find employment?

At the close of the last depression [1879], I made "An Examination of the Cause of Industrial Depression" in a book better known by its main title, "Progress and Poverty," to which I would refer the reader who would see the genesis and course of business depressions fully explained. But their cause is clear. Idle acres mean idle hands, and idle hands mean a lessening of purchasing power on the part of the great body of consumers that must bring depression to all business. Every great period of land speculation that has taken place in our history has been followed by a period of business depression, and it always must be so. Socialists, Populists and charity mongers—the people who would apply little remedies for a great evil—are all "barking up the wrong tree." The upas of our civilization is our treatment of land. It is that which is converting even the march of invention into a blight.

Charity and the giving of "charity work" may do a little to alleviate suffering, but they cannot cure business depression. For they merely transfer existing purchasing power. They do not increase the sum of "effective demand." There is but one cure for recurring business depression. There is no other. That is the Single Tax—the abolition of all taxes on the employment and products of labor and the taking of economic or ground rent for the use of the community by taxes levied on the value of land, irrespective of improvement. For that would make land speculation unprofitable, land monopoly impossible, and so open to the possessors of the power to labor the ability of converting it by exertion into wealth or purchasing power, that the very idea of a man able to work and yet suffering from want of the things that work produces would seem as preposterous on earth as it must seem in heaven.

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