

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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A. R. Hutchinson, B.Sc., Editor.

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CURRENT COMMENTS

NEAR TAX BREAKING POINT

It is encouraging when a State Treasurer recognises and openly states that Australia is "perilously close to the breaking point in taxation." Very sound views were expressed by Mr. Hiley, Queensland State Treasurer, addressing the Queensland Taxpayers' Association as reported in "Age" (4/12/57).

Mr. Hiley said that any Government which thought it could put taxes up and up, and so tax the country into prosperity, was heading for disaster. Governments in recent times had been getting "hungry" and were trying to squeeze too much from the taxpayers. This led to widespread tax evasion.

He said he was undertaking a sweeping revision of the whole Queensland taxation field, which might lead to abolition of some taxes.

Mr. Hiley further stated: "People have not yet learnt the lesson that no Government creates wealth or produces anything. All the Government does is to transfer purchasing power or re-distribute wealth." This is a fundamental that must be taught in our schools."

This is very true and we look forward to the results of Mr. Hiley's review. As a further principle in reviewing taxation he should bear in mind that fundamentally all wealth comes from labor and capital applied to natural resources (i.e., land).

Taxes levied in proportion to the wealth actually produced from land tend to remove the incentive to produce wealth and hence tend to reduce the total stock of goods available to carve up among the citizens.

On the other hand taxes levied according to the potential wealth producing power of the land (as recorded in its site-value) do not tend to restrict production of wealth. Being a fixed charge to be paid irrespective of whether the resources are used or not they encourage wealth production at least enough to cover the tax and the owners know whatever they produce above this is free of taxation.

Taxes should therefore be switched to a wealth-potential (site-value) instead of wealth-produced basis.

TAX BURDENS AFFECT FIRMS

"Increased costs and reduced consumer demand caused the set-back suffered by Rootes (Aust.) Ltd., Hillman, Humber and Commer assemblers, in the year to July, 1957, directors stated in the Annual Report cited "Age" (21/11/57).

They say the effects of the Government's import restrictions and higher sales tax are reflected in the years results. Consolidated profit dropped from £398,726 to £46,672 and ordinary dividend was omitted.

Again in "Herald" (20/11/57) under the heading "Tax Effect Snowballs" we read that "the snowballing effects of the multitude of taxes all falling eventually on the purchaser was stressed by the chairman of Henderson's Industries Ltd. springmakers, by Mr. V. G. Henderson, at the Annual Meeting."

Profit after tax was £116,580 but total taxes collected by the Government from the company's activities were about £212,550. These included sales tax, payroll tax, land tax, company tax, employees' group tax, and an estimate of the double tax on shareholders' dividends.

A further pointer to the extent to which these taxes on production have the power to destroy is given in a report in "Age" (20/9/57) under the heading "Bus Owners Fear Taxes May Close Services."

The Road Passenger Service Operations Association had sought exemption from the 1/- diesel fuel tax imposed by the last budget. This was refused by Mr. Menzies.

The Association since reports that several private suburban bus operators are considering closing down their services and some country ones are also threatened.

The chairman said that if many of the privately owned bus services ceased the Government would lose more revenue from taxes than it was receiving from the tax increase.

It was pointed out that the sales tax of 16-2/3 per cent. on new vehicles, licence fees, seating taxes and the newly imposed diesel fuel tax of 1/- per gallon are cutting the profits of some operators to the point that they are considering closing.

That bus services have been progressively ceasing to pay due to taxes and restrictions and being discontinued is a matter of common observation. In my own area two bus services thrived pre-war for several years. They ran from Burke road to Ashburton and Oakleigh respectively. Both ceased although the population that would be served by them now would be probably triple that then. Their previous and potential customers have had to walk or buy their own cars. This was before the new tax but shows what has been happening in many districts.

Verily "taxation is the power to destroy" as said by Justice Marshall.

JUDGE "APPALLED" AT TAX POWERS

How despotic and dangerous are the powers wielded by the Taxation Department was seen in a case where a racehorse owner and former bookmaker, David Prince has been assessed by the Department for £189,817 alleged to be owing on income during the last 17 years. The case is reported in "Geelong Advertiser" (12/11/57).

Prince wanted to appeal against the assessment but the Department has claimed that he must lodge £75,000 security because his assets had grown so much that he must have under-stated his income for that period.

Prince's counsel told Mr. Justice Pape that the Tax Department wanted all but £10,000 of the amount they claimed Prince's assets had grown to. Prince said he could not possibly pay the amount demanded as security without first selling his very substantial assets at prices which would ruin him. His assets included interests in a block of flats, a share farm, many racehorses on lease, shares in public companies, and large sums of money lent to private borrowers.

Mr. Justice Pape said that some of the Commissioner's powers were appalling to anybody considering they had citizens' rights. Prince had the right to have the Commissioner's accuracy assessed by a higher court.

"Prince might have to pay a lot, nothing, or something in between. It horrifies me that he may be forced to sell assets at a discount to pay tax he may not ultimately owe," the Judge added.

What a Moloch the taxation power has become. Who can know when he is really free of the Tax Commissioner's clutches? How many people would be able to go back over such periods as 17 years and be able to prove whether the Tax Commissioner is wrong in presuming returns have been under-stated? Should citizens not rightly expect that if the Commissioner has accepted their returns and tax been paid as assessed their liability should end then and not leave them open to arbitrary demands over a long period of years based on assumption their returns were false though undetected before?

Basically these arbitrary powers are sought and used because income taxation is cumbrous, uncertain,

capricious. Income can be hidden to some extent by those not on fixed salaries. Hence when one error is found there is presumption of guilt in all previous returns.

Another case making headlines recently was that of John Quin assessed by the Commissioner for over £250,000 under-statement of income. This taxpayer is a real estate speculator on a very large scale. He was the largest holder of vacant land in Frankston and Keilor when the site-value rating polls were taken and a major if not the largest holder in Preston, Broadmeadows and many other areas. Probably there will be little sympathy with him if he has understated his income from land speculation as claimed. But with such arbitrary powers of the Commissioner to assume guilt who can feel certain that justice is done in any of these cases?

How much better would be a tax system based on the annual site-value apart from improvements. Land cannot be hidden. There can be no question of evasion and the value can be assessed far more certainly than can the value of other forms of property. The land charge once paid there could be no possibility of later bills for other sums being presented.

More important still is that such a tax system would be just for that site-value is a community-created value to which the individual has no rightful claim. Failure to draw upon it for public revenue results in Governments turning to robbery of individuals of the wealth they have produced and to which they have every moral claim.

HIGHER TARIFFS ON JAP. GOODS

There has been much pressure for higher tariffs on Japanese goods. The nationality is not the main point of the pressure. The aim of the selfish manufacturing interests within our midst is — higher tariffs on GOODS — the adjective is simply a stalking horse. Once the principle is accepted of excluding goods of one specified nationality the argument can be directed in turn to others.

We are glad to see there is strong opposition to these moves and that the Federal Government has not yet bowed to the pressure.

Mr. Frank Beavis was reported in "Advocate" (Tas.) (12/12/57) as giving evidence before the Tariff Board that Australians "would be biting the hand that feeds them if they impose higher tariffs on Japanese cotton. He added that the Australian wool sales would have been "disastrous" without Japanese support.

"Japan's support of the wool trade during the past few weeks has been of inestimable value to Australia, but unless she sells she cannot buy. The Australian economy is built upon wool, and there must be no obstacles in the way of selling the clip for high prices," Mr. Beavis said.

A very good letter by Boyd M. Lane appeared in "Herald" (6/12/57) on this subject; a very informative one by "Retailer" in "Age" (10/12/57); and another by J. Heckley in "Advocate" (T) (30/11/57).

TOYS OR SHEEP ?

An excellent article by the Herald Economist, John Eddy, appeared in "Herald" (7/12/57). It clearly states basic principles in the present pressure for restrictions on trade with Japan. We quote below:

"The visit here of Japan's Prime Minister coincided this week with one of the best-documented appeals so far by a local industry against Japanese competition.

The toy makers made the appeal. No better example could have cropped up. For it makes clear to us that we have to decide a vital question: Do we want a TOY economy or a WOOL economy?

Do we want to make everything for ourselves however costly?

Or do we want to use our limited resources to produce those things for which we have best advantages, and exchange them abroad for other goods we need but can't make cheaply?

This question is known to economists as the "law of comparative costs." Here is how it runs:—

Australia is good at growing wool and Japan at making toys. So if each country concentrates on its most efficient products and then exchanges them, the quantity of goods available for raising living standards should reach its highest.

But the proposition goes further.

Supposing a man can do TWO things better than the next man — say, one thing far better and the other a little better. It still pays him to concentrate on his No. 1 product rather than do both. And this applies to countries.

In 100 man-hours we can produce 10 bales of wool or 1000 toys. But what if Japan can give us MORE THAN 1000 toys for 10 bales of wool? Obviously, we would get more toys by putting our effort into wool, and trading, than by making the toys ourselves. And this applies even if we could make toys cheaper than Japan.

The Figures

Now for the facts: £25,000,000 worth of our wool was shipped to Japan in the four months to October 31. And the Federal director of the Associated Chambers of Manufactures, Mr. R. W. Anderson, complained that in those four months imports of toys from Japan were valued at £220,000 compared with £80,000 in the same period last year.

In other words, for every £1's worth of toys we bought from Japan she bought £100 worth of wool from us. Japan has passed France as the second best bidder after Britain in our wool auctions, and Japan's bidding helps to force the other buyers up.

If we want Japan to take our wool, what can we get from her in exchange?

It would be nice if Japan could pay in American dollars. But Japan has an adverse balance of payments and is short of international currency.

The Commonwealth Government has rejected the request for banning Japanese toy imports. The Chairman of the Victorian Toy Manufacturers' Association, Mr. T. Hore, says that a Japanese toy costing only 8/- competes with an Australian one costing £1 or more.

Many parents might welcome the opportunity of getting £1 toys for 8/-."

MUNICIPAL SERVICES

In a letter to the "Kerang Times" (18/10/57), Mr. J. McMurtrie of Stawell wrote:

"Councillors supply certain services, the same as shop-keepers supply certain goods. Whoever heard of a shop-keeper saying to a customer, 'You need not pay for these goods unless you use them'?

Yet that is exactly what councillors say to their customers. But they (shop-keepers) say, 'It is alright, we will make the ones who do make use of them pay a bit more instead.'

Why ratepayers have allowed councillors to get away with this robbery for so long is beyond comprehension."

Mr. McMurtrie's way of exposing the absurdity of net annual value rating is to be commended, and worthy of emulation.

MONOPOLY IN SPACE *

In a recent newspaper two reports appeared. First, that the United Nations may soon be asked to draw up rules for the control of celestial bodies, and second, that Japanese were queueing up outside an estate agent's office to buy plots of land on Mars.

It is thrilling to think that space travel may soon be here. Who will land on the Moon first? What nation will plant its flag first on Mars? Certainly, when travel to other planets really becomes a fact we shall have to work out some plan of law and order. Imagine the chaos as all our eager earth people join in a rush to find the best pieces of the new planet — maybe there will be a special scramble for a location stated to have "beautiful views of Earth" as it spins along out there in space. That is, if we don't find our claims disputed by previous inhabitants who may have other ideas — who knows?

But the question of possession is a very relevant one. Most people feel instinctively that it would be an intolerable thing for a newly settled planet to be owned by a few, a mere handful of people. It does not require much mental effort to realise that in that event those few would literally be able to dictate the terms of life to all others who wished to share in the new venture. Sounds ridiculous doesn't it? A mere handful owing the whole planet. But ridiculous or not — it is happening now and here — we don't have to go to Mars to see this injustice. We have it right here on our own planet Earth.

In the case of a new unsettled planet such a state of affairs would immediately be perceived. But because conditions of civilisation are more complex here we do not always see the true state of things. But whether there is a simple primitive state of society, or whether it is a highly complex one, the basic fact remains that a few are holding the land and the many have to pay them for permission to live and work.

If you think for a minute you will see that all of us — no matter what our calling in life — use land in the process of living and making a living. A farmer's job is obvious in its use of land, but the city business man must have a site for his business, the manufacturer must have a site for his factory, the typist, the housewife, they work and live in buildings standing on land. Our means of life in all its aspects is traced eventually back to the earth; all must have access, directly or indirectly, to the earth; they must either own a piece or a site, or must pay rent to someone else who owns one.

All agree that we all have an equal right to live. It follows we all have an equal right to our share in the earth. How to achieve this? Obviously we don't all actually want a piece of ground, and it would be impracticable to divide up the planet that way. But we can all share equally in the value of the earth.

There is a value attaching to land that is created by the presence and activity of the whole community, called ground rent. This is not produced by the owner; it would disappear if all the people were suddenly to leave the country — yet at present this value is almost entirely being collected by the few owners.

But if the Government collected this publicly created value into the public Treasury we would have a public fund for national services and works of all kinds. Through this ground rent fund we would achieve the aim that all would then have an equal inheritance in this planet.

Parallel with this, taxes on personal earnings would be abolished as unnecessary and indeed unjust. What a heavy burden this would lift from industry and the wage earner. And also from the landowner himself, because all his true personal earnings would remain to him intact. Then we'd see some value coming back into the poor old pound!

Let's put our own planet in order, otherwise we'll only transfer our troubles to another one. Basic injustice no matter where will always produce the same poverty and human unrest. If a thing is wrong it is wrong on Mars, the Moon, the Earth or in Timbuctoo. You can't escape cause and effect by jumping on a space ship! The land problem is basic. If we settle that, we shall have a firm foundation on which to build society.

*Radio broadcast by Mrs. M. Hutchinson.

WORLD WIDE ACTIVITY

It is always stimulating to have news of other groups of people in different parts of the world who are working for the same objects and ideas as ourselves. We see new viewpoints and learn valuable hints from each other through the exchange of our various publications.

We are sure readers will be interested to know of some of these journals received in Melbourne, as shown in the following list:—

AUSTRALIA—

"The Standard" (Sydney). News of School of Social Science and other Georgist activities in New South Wales.

UNITED KINGDOM—

"Land and Liberty" (London). Published by the United Committee for the Taxation of Land Values. Chief organ of Georgist movement in the United Kingdom. Also gives good coverage of activities in many other parts of the world.

"Henry George School Magazine" (London). Primarily for students and graduates of the Henry George School in Britain. Cogent comments on current affairs, and articles from Georgist angle.

"The Free Trader" (London). Published by the Free Trade Union and Cobden Club. Entirely devoted to free trade advocacy. News and articles from many countries.

AMERICA—

"Henry George News" (New York). News of Henry George School and allied activities throughout the United States.

"Henry George Herald" (Los Angeles, California). Journal of Henry George School in Los Angeles.

"St. Louis Georgist" (St. Louis, Missouri). Published by Henry George Women's Club. News of St. Louis School.

"Economic Liberty" (Oakland, California). Not specifically stated to be a Henry George journal, but from issue received by us appears to advocate substantially the same principles as Georgists. Correspondents in all parts of world.

"Wrong Source Public Revenue" (St. Louis, Missouri). Journal of the Public Revenue Education Council — devoted to Georgist principle of public revenue from land rent.

"National Decentralist Institute" publications. Office of distribution Easton, Pennsylvania. Deals with application of Georgist principles to various specific public issues.

CANADA—

"The Square Deal" (Toronto). News of Georgist work in Canada.

FRANCE—

"Terre et Liberte"—Published by the French Henry George movement — quarterly.

DENMARK—

"Grundskyld" — Published in Danish by Georgist movement of Denmark.

CONSTRUCTIVE TAXATION FOR FREE ENTERPRISE

By JOHN R. FUCHS, (Judge of the 22nd Judicial
District of Texas since 1945)

That taxes levied upon land values, or, to use the politico-economic term, taxes levied upon ground rent, do not fall upon the user of land as user and cannot be transferred by the landlord to the tenant, is affirmed by all economists of reputation, however much they may dispute other things. Whatever flimsy reason any of them may have deemed it expedient to give why the tax on ground rent should not be used, they all admit that the taxation of rent merely diminishes the profits of holding land and cannot be shifted to the user of land, cannot add to prices nor check production of wealth.

The reason of this will be clear to everyone who has grasped the accepted theory of rent—that theory to which the name of Ricardo has been given, and which, as John Stuart Mill says, has but to be understood to be proved. And it will be clear to everyone who will consider a moment, even if he has never before thought of the cause and nature of rent.

The rent of land represents a return to ownership over and above the return which is sufficient to induce use—it is a premium paid for permission to use. To take, in taxation, a part or the whole of this premium in no way affects the incentive to use or the return to use, in no way diminishes the amount of land there is to use, or makes it more difficult to obtain it for use. Thus there is no way in which a tax upon rent or land values can be transferred to the user. Whatever the state may demand of this premium simply diminishes the net amount which ownership can get for the use of land, or the price it can demand as purchase money, which is, of course, rent or the expectation of rent capitalized.

The general principle which determines the incidence of taxation is this: A tax upon anything or upon the methods or means of production of anything, the price of which is kept down by the ability to produce increased supplies, will, by increasing the cost of production, check supply, and thus add to the price of that thing, and ultimately will fall on the consumer. But a tax upon anything of which the supply is fixed or monopolised, and of which the cost of production is not therefore a determining element, since it has no effect in checking supply, does not increase prices; instead, the tax falls entirely on the owner.

In view of the efforts that are made to befog the popular mind on this point, I have deemed it worth while to show why taxes on land values cannot be shifted by landlords upon their tenants. But the fact that such a tax cannot be so shifted is realized well enough by landowners. Our national experience, like the experience of every other country, proves that those who are called on to pay a tax that can be shifted upon others seldom or ever oppose it, but frequently favor it; and when it is imposed, they generally resist its abolition. But did anyone ever hear of landlords welcoming a tax on land values, or opposing the abolition of such a tax?

SITE - VALUE RATING

FURTHER DISTRICTS SEEK ADOPTION

The demand for site-value rating is becoming much more clamant now as the steamroller gets into motion. Pre-war there were only 14 districts in Victoria rating site-values, of which nine were suburban cities and five rural areas. Since the war 27 have changed over comprising seven suburban cities and 20 rural, including eight shires.

This build up of knowledge particularly in rural areas relatively starved for information before is having effects in making more ready to change by their own resolution.

We now have most of the major centres in North and North-Western Victoria over or moving. Already on site-value are Albury, Echuca, Swan Hill, Mildura, Wodonga and Wangaratta. Ararat, Kerang and Benalla figure in our reports below.

Ararat City

Ararat carried a resolution to change to site-value last year but the valuation was not complete till last October. Comparative rate-statements went out to ratepayers then and as a demand for a poll was not sought by dissident ratepayers this council will strike its rates on the site-value basis next October without having to take a poll.

Wonthaggi Borough

Here Cr. J. McLeod before Xmas announced his intention to promote a demand for a poll as Council had not honored its promise of last year to give the ratepayers a poll then. That was an unofficial one since it had not been demanded by the terms of the Act.

Cr. McLeod had taken out an analysis of the site-value and annual value figures for all properties and found 87 per cent. of homes would benefit in lower rates under site-value.

On going to press it is not known whether the signatures have been obtained and presented before.

Benalla Borough

Here the General Council for Rating Reform convened a public meeting to bring ratepayers interested in forming a Benalla Rating Reform League together. Arrangements were made through the Benalla Chamber of Commerce whose President (Mr. J. Lester) chaired the meeting.

It was attended by over 70 persons determined that it would come this time. Meeting was addressed by Messrs. A. R. Hutchinson and L. W. Brown on the merits of the change and steps needed. Volunteers were then taken for a widely representative committee of 13 ratepayers and others signed the register of members. Petition forms were distributed to those present willing to help.

Within ten days' canvass 412 signatures were obtained, this being more than 20 per cent. of the total on the roll and double the statutory number. The petition was presented to council but in the meantime

the Borough Council had been impressed with the magnitude of the meeting and the singleness of purpose evident in favor of change. It had tabled a motion to make the change by its own resolution and this was carried before the petition came before it. There will now be no poll unless one is later demanded by those opposed to site-value rating within a month of receiving the comparative rate statements.

Council has indicated that Water and Sewerage Rates will also go over to site-value in accordance with its resolution. A demand for these was also included on the petition.

Council decision in favor of site-value was 6 to 2. The principles and advantages of site-value were capably pressed by Cr. Kerr Taylor and attacked by Cr. F. Harrison, the decision being a full dress line-up of support.

Kerang Shire

A petition here is fully signed but was withheld till 20th January to give council a chance to carry a resolution to make the change without need for a poll. If not carried by then petition will be presented.

Bairnsdale and Maffra

In both these Shires petitions are in circulation but on going to press the stage reached is not known.

ANSWER TO TOWN CLERK OF SALE

Just prior to the rating poll last August the Town Clerk of Sale, Mr. J. R. Ray, gave a paper to the East Gippsland Group of the Institute of Municipal Administration in which he attacked site-value rating.

It is considered by the General Council for Rating Reform that this was intended to influence the result of the Traralgon poll. The report was printed in full in "Traralgon Journal & Record," "Maffra Spectator," "Gippsland Times" and "Bairnsdale Advertiser" and probably others not drawn to attention.

A reply by General Council for Rating Reform was sent to these journals and printed by most. This has been reprinted and copies are available on application. It is too long to give fully here but most important points are below:

"But there is one new attack made by Mr. Ray designed to discredit rating reformers to which we must ask for an opportunity of reply, through your columns. This is the section repeated below so that we cannot be charged with misquoting him. The section appeared in blacker type than the rest in your report and was therefore regarded as most important:—

"The Rating Reform League published an article which stated that building operations in Sale had greatly increased as a result of the introduction of unimproved value rating. This article or pamphlet included building permit figures for two large sized halls and the services block at the Gippsland Base Hospital amounting to somewhere about £400,000."

"The only pamphlet we have published to which this refers is one showing the values of new houses, other buildings and

alterations, and of total building construction for each of six municipalities adopting site-value rating in provincial areas since the war. They showed the values for the year immediately before and the year after change to site-value rating. Sale was one of the six.

"In order that your readers can judge the facts for themselves we repeat these figures (see below) and add in the next year following under site-value rating now available so far as Sale is concerned.

Mun. Year	Rating System	New Houses No.	Value	Other Bldgs. & Alterations Value	Ttl. Bldgs Constr. Value
1954	N.A.V.	41	£99,670	£36,281	£135,951
1955	U.C.V.	35	£108,351	£149,925	£258,276
1956	U.C.V.	33	£107,963	£53,277	£161,240

"It will be evident from the above figures that the claim made by Mr. Ray that the value of the three buildings referred to was "somewhere about £400,000" is simply fantastic. This sum is nearly twice the total value of the whole building construction in Sale in 1955.

"Mr. Ray should know better than anyone else the correctness of these figures since he is responsible for them. They are those supplied by him to the Government Statist and published in the Victorian Year Books section on Local Government.

We don't know what particular buildings these figures refer to in Sale any more than we know the corresponding figures published for other municipalities. We simply quoted Sale figures since the change to site-value as conforming to the general pattern of stepped-up building construction following exemption of buildings from local taxation.

"The figures may well include two halls and a services block as he says but it is clear that the value in them is only a fraction of that he states.

"It is amazing that a municipal official should go to such lengths to prepare a very long paper to read at a Public Administration Conference attacking site-value rating and yet not check his basic facts. The "somewhere about £400,000" is obviously drawn from his head when simple reference to records available only to himself and councillors would have at least prevented a mistake affecting his own credit and that of rating reformers.

"It could be that he made a mistake and that the real figure was one-tenth his recollection. But this same article was printed in "Gippsland Times," "Traralgon Journal and Record," and "Maffra Spectator" and the figures in each is the same. This excludes possibility of a press misprint.

"The use made of this statement by Mr. Ray was such that it would have done great harm to the rating reform cause if not corrected.

"We think the gem of the report was your final paragraph in which it was stated that asked were Sale ratepayers satisfied with U.C.V., Mr. Ray said he thought the majority of ratepayers were satisfied with the system purely in the interests of their own pockets."

DEMOCRATIC LABOR PARTY

Supports Site-Value Rating and L.V. Tax

The Conference of the D.L.P. at Traralgon once affirmed the traditional Labor Policy of Unimproved Value Rating.

It congratulated the members of the Traralgon branch of the Party who were claimed to be mainly responsible for Unimproved Value Rating being adopted by Traralgon ratepayers. It was said:

"The Party is concerned with those least able to fight for themselves. The Housing Commission tenants in particular were getting a raw deal through high rentals. Unimproved Value Rating would help to reduce rents."

Above appeared in "Traralgon Journal" (5/12/57). At its Hamilton Conference the following resolutions

even more in line with our principles were carried:

"The following changes should be made in the method of collecting Government revenue:—

Income and company tax reduced;

Land tax levied at a flat rate on all property to make up the lost revenue. Because city land values are high and country values low, provincial industries will have a tax advantage to compensate for transport costs and other disabilities."

(We are glad to see this further evidence that our principles are accepted by all parties. Similar motions have been carried by Country Party Conferences and remain policy though little is done for their implementation. The Australian Labor Party also holds Site-Value Rating on its platform. In some districts the initial drive for this reform has come from the Australian Labor Party Branches and in others from the Democratic Labor Party. We are interested in securing the reform by whoever it be achieved. Part XI of the Local Government Act giving powers to adopt site-value rating was enacted by the Nationalist Government (precursors of the present Liberal-Country Party) hence this is truly an "all party" reform. But not all members of these parties are well informed and in some personal interest may affect their attitude. Hence it will be found that members of one party or another may take the initiative in a particular place.—Ed.).

CONGRATULATIONS TO :

Mr. L. R. East.

The Institution of Engineers, Australia, has awarded the Peter Nicol Russell Memorial Medal for 1957 to Mr. L. R. East, who is chairman of the Water Commission.

Mr. East has directed the design and construction of many major irrigation and water conservation projects in Victoria, and has been associated, in a responsible capacity, with many national projects, including the Snowy Mountains scheme.

The medal, which is the highest award within the gift of the institution, is awarded annually to a member who has made a notable contribution to the science and practice of engineering in the Commonwealth.

This is the first time that professional prize has been awarded for the development of irrigation.

Mr. East is the author of the booklet published by Melbourne University, "The Financing of Developmental Works."

Mr. A. F. Halkyard.

One of our younger members on his recent engagement. We understand the happy day is set for March 1st.

Mr. W. H. Pitt.

The Film Script competition for a Henry George film conducted by Schalkenbach Foundation of New York had a "best single idea" category where honorable mention was secured by the contribution of W. H. Pitt, Bayswater, Victoria.

HAVE YOU RENEWED YOUR SUB.?

PICNIC AT SEAFORD

Bring Your Family and Friends

Another informal picnic will be held at Seaford on Labor Day Holiday, Monday, 10th March. Have an enjoyable day at the beach with your family and meet other friends of our movement.

Color Photographs

Color photographs of those present are to be taken and shown later on screen at a Members' Evening in the rooms.

Where to Meet?

We will be located on the beach alongside Seaford Jetty from about 11 a.m. onwards. Bring your picnic basket.

Transport?

Will those with cars able to take more passengers please let us know as soon as possible? Those without cars but willing to go please contact us to see if we can arrange transport. For others handy to rail Seaford is on the Frankston Line.

ROYDEN POWELL

Members will regret to learn that Royden E. Powell passed away on January 13th last, after a long illness. He was a very active and capable supporter of our principles. Born in Adelaide in 1884 he came to Melbourne about 50 years ago, having been active on rating reform there and continuing the work here.

He took a leading part in polls at Camberwell, Hawthorn, Sandringham, Nunawading and others. He was the moving spirit and honorary secretary in Box Hill where success was delayed until the fourth poll in 1946 crowning his persistence. His advice was sought in the framing of the original amending Act of 1920 which gave the optional powers for site-value rating now enjoyed in Victoria.

He established the Proportional Representation Society of Victoria in conjunction with the late Sir James Barrett and was honorary secretary for nearly 40 years, until ill-health forced his retirement 10 years ago.

He was editor of "Progress" for some years and was also a member of the Executive. More recently he assisted with the broadcasting arrangements for the "Justice Party" Radio session.

It was owing to his efforts that the Georgian movement owns its own premises in Melbourne. He prevailed on others to associate with him to form the Henry George Club to purchase 18 George Parade. Despite his illness towards the end he retained a keen interest in our advancement and would be on the phone on polling dates anxious to hear the results of rating polls.

We extend our sympathy to his widow and family and hope his example of loyal adherence to right principles may serve as an inspiration to others.

THE PUBLIC FORUM

Resumes Friday, 14th February

The meetings of the "Public Forum" will resume on Friday, 14th February, at 8 p.m. in the League Rooms, 18 George Parade (off 113 Collins Street).

Subject will be Trade Restrictions and it is hoped that Mr. Burgess of the Rayon and Weavers' Association will be one of the speakers.

Make a point of being present and giving your views in the discussion period. Invite others to these informative meetings.

SECTION 92

It is customary with those who declaim against Section 92 of the Federal Constitution to say it was "fit for horse and buggy days." True it is that horses and buggies were in vogue at the foundation of the Commonwealth but the connection is historical only. Human beings traded even before the advent of pack animals just as they have continued up to the present when mechanical aids are in use.

A moment's reflection will show that the horse and buggy attack is a palpable "red herring." Others, as a way out of our difficulties, claim "we only need more production." The limitations of that proposal are apparent if we ask: "Where is the benefit if it is not accompanied by freer distribution?"

A recent issue of "The Freeman" contains an illuminating article by Dr. Glenn E. Hoover entitled "Our Free Economy — Reality or Cliche." After touching on the economic history of U.S.A., he notes:—

"The economists whom I respect believe that our relative prosperity is chiefly due to the fact that our economy operates within the largest free trade area in the world.

Goods move freely from any part of the United States to any other part, without tariffs, currency controls, or any sort of governmental interference. This enables production to be concentrated where conditions are most favourable. A free market of continental proportions has brought forth our mass production industries in which the division of labor can be carried further than in any other country, and for this reason the per capita productivity of our workers is the highest in the world.

"What even a limited freedom can do for a nation's economy has been clearly demonstrated here and in Canada for several generations and, more recently, in Western Germany. With such examples on both sides of the Atlantic, it would seem that the underdeveloped and over-socialised countries could make an easy choice between free enterprise and collectivism. However, the uncommitted peoples will be confused as long as we attribute our economic achievements to our "Know How," of the unusual diligence of our workers, instead of to our free market, free enterprise system."

The two paragraphs quoted should be sufficient to convince any doubtful elector as to the futility of tinkering with Section 92 which declares trade between the States shall be "absolutely free." Likewise the "more production" advocates will find it difficult to hold their argument.

—W.A.C.

Alberta Plan.—From Canada comes the pleasant news that the Province of Alberta will make taxpayers' dreams come true this year by giving each citizen a 22 dollar oil-royalty as dividend out of revenues collected from these natural resources. But it won't all be gravy; the dividend is "taxable income."

(Ed. Note.—Texas has a lot to learn about revenue from natural resources in oil.)

Sound Sense.—Before World War II the number of notes on issue by the Commonwealth Bank of Australia in 1939 was £40 million or less. Today, in 1955, the note-issue of the Commonwealth Bank is over £366 million and this amount is likely to be greatly increased — unless Government expenditure is curtailed.

It is of no benefit to the wage-earner to give him a fistful of paper-money for wages, if it doesn't buy food, clothing and shelter. Those are his real wages, not paper money.

—E.J.S. Bulletin, 23/11/55.

Birthplace.—Henry George was born in a little brick house in Philadelphia, which is still standing on the east side of Tenth st. south of Pine; it might be called another Independence Hall, for here originated important resolutions toward liberty, economic liberty instead of political, and perhaps of greater consequence for that reason.

—Prof. Broadus Mitchell, "A Preface to Economics."

(Ed. Note.—This birthplace building has recently been acquired as a museum and headquarters of the Henry George School of Social Science.)

Aspiration.—Man, in Russia and China and all the world over, is an adventurous little animal. His deepest need, when his need of food has been satisfied, is his need of freedom. Not the freedom to suppress everybody else's freedom if you can, but freedom governed by the common will and limited by the idea of the common good. Freedom! — in a world that has been made fit for freedom.

—Prof. W. Murdoch, M.A., "Herald," 26/7/56.

West German Lower House (Bundestag) has 497 single-member constituencies and deputies are elected by a combination of proportional representation (party list system) and direct election. Chancellor Adenauer's parties polled 50.2 per cent. of the votes and secured 270 seats. (55 per cent.).

(Ed. Note.—Adenauer Government opposes nationalization, and encourages free competition in interests of the consumers.)

Payroll Tax.—What sort of a crazy financial system has this country reached when the Government pays grants to the States on one side while you rake back some of it to the tune of £5.5 million in payroll tax?

—Mr. F. Crean, M.H.R. (Melb. Ports).

American Prosperity is chiefly due to the fact that our economy operates within the largest free trade area in the world. Goods move freely from any part of the United States to any other part, without tariffs, currency controls or government interference. This enables production to be concentrated where conditions are most favorable.—Prof. G. E. Hoover.

Sales Tax v. Land Tax.—New booklet by E. J. Craigie. Mr. Clyde Cameron writes: "I read the booklet and must compliment you upon its clarity and forcefulness."

(Ed. Note.—Send to this office for a copy. Price four pence, plus postage.)

Welfare State — the assertion of the superiority of the mediocre. One-third of British college students — the class with the greatest talent and skills — want to leave their homeland. They seek to escape the crushing taxation caused by the Welfare State. "Voting with their feet" they protest against the fact that, as soon as any man makes a real advance in his profession in Great Britain, the tax collector steps in to skim off his earnings.

—C. Brogan, British Writer.

(Ed. Note.—Mr. Brogan should go further and specify what is to take the place of these taxes — namely, ground rents, collected by the Treasury.)

Balance of Payments Problem.—The Indonesian Government announced the temporary removal of all export duties and the reduction of special import duties for the purpose of improving the country's foreign exchange position.

—News Item. June 21st, 1957.

Debasement. In the old days when gold guineas were in circulation, a man who was caught clipping a bit off the gold was hanged. That is the same crime of which the post-war Governments are guilty: they do not hang themselves; they vote themselves bigger salaries! — Dr. Nathaniel Micklem, in presidential address to the United Kingdom Liberal Party, referring to the debasement of the currency by indiscriminate printing of paper notes.

In a Nutshell. What this country needs is equal opportunity for all to work and to exchange freely the products of their labour, to be able to buy cheaply and sell dearly, and a stable currency. In brief: land value taxation, free trade, and sound money.—Land and Liberty, Oct., 1957.

Radio Broadcast Session

Conducted twice weekly by speakers of the Henry George "Justice" Party from

RADIO STATIONS 3DB & 3LK

Every Sunday at noon.

Every Wednesday at 10.15 p.m.

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Donations to the Broadcast Fund are invited

HENRY GEORGE LEAGUE

18 George Parade, (off 113 Collins Street, near Russell Street), Melbourne, C.I. Telephone: MF4635. Office Supervisor, Mrs. Kerferd.

The Henry George League is a non-political educational body of men and women advocating that public revenues be drawn from public charges upon the site-value of land and taxes upon labor and capital be correspondingly abolished.

If your view accords with this you are invited to join. Annual Membership Fee is a minimum of £1 which includes cost of the Journal "Progress" posted.

Subscription for "Progress" alone is 2/- per annum posted (for which stamps will be acceptable). This is nominal only to extend our message to new contacts who we hope will later become members. If you appreciate the journal you are invited to obtain new subscribers.

MEETINGS

Next Executive Meeting, Tuesday, 4th February, at 6.45 p.m.

Annual General Meeting, Tuesday, 18th February, at 8 p.m.

"Public Forum," Friday, 14th February, at 8 p.m. and second Friday in the month thereafter.

ANNUAL GENERAL MEETING

The Annual General Meeting of members and election of officers will be held on Tuesday, 18th February, at 8 p.m. in the League Rooms. All financial members are invited to attend.

Nominations for Executive

Nominations are invited for the Executive to be lodged with the Secretary by Tuesday, 4th February, 1958. Nominations should be seconded and endorsed with consent of the person nominated. Election of the Executive will be by Proportional Representation.