

THE PEOPLE'S ADVOCATE

PROGRESS

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

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

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Current Comments

DECLINING PRODUCTION

Our politicians warn us of the need to increase production of all kinds, with particular emphasis on primary production. They point out that in a few years unless there be change in present trends we will be a food-importing instead of a food-producing country.

They exhort primary producers to plant more wheat and point out that we will go short ourselves unless such production be extended. We have already experienced the effects of curtailed production in the reduced milk supply.

The basic cause of this undeniably serious situation lies in the policies followed by the politicians themselves over the last few years. It lies in the fact that successive governments have removed the incentive to produce. They take in taxation so much of the earnings of those that produce that there is no incentive left to do more.

Do we realise how great is the exaction of government in taxation? Is it surprising to know that in this last financial year the Federal Government alone budgeted to take 52 per cent. of the total wealth produced in Australia? Then in addition there is the taxation of State and Local Governments out of the balance.

Not only the weight but the distribution of taxation discourages production. Taxation falls only upon those who are working and takes from them the major part of the results of their labor. But the person who merely holds land idle for speculative purposes entirely escapes income taxation on it even though his land is increasing in value all the time. He holds this increase free of tax as capital gains when sold.

The remedy for our problem of production should be clear. It is to shift the burden of taxes from those who produce wealth and spread it over those who merely hold land idle. Reduction of taxes on earned wealth and increase of taxes on 'potential' production would attack the problem at both ends. It would restore incentive to genuine producers by permitting them to retain most of their extra earnings. It would

encourage speculators to develop their holdings to make them at least earn their tax or sell them to others willing to use them.

RISING PRICES

Most of us are perturbed by the rising price levels. Yet how many of us realise that these high prices are the direct result of our Government taxation policy?

We remind you that the present Government elected on an election policy of putting value back into the pound. It was to achieve this by reducing direct and indirect. Instead it imposed further taxation burdens to reduce our purchasing power. When prices were increased directly and deliberately with taxes. The excuse given was that it would combat inflation. As inflation only expresses itself in the form of rising prices this plan gave us the effects of inflation in advance of the disease.

The facts are that the true remedy for high prices is to squeeze out the taxes hidden in the prices. The price level does not merely include the amount of tax collected by the Government but several times that amount by the time it reaches the consumer. The middleman and retailer must make their profit not merely on the original cost but upon the cost plus tax at each stage. The whole price structure would be deflated with the removal of these taxes included in price. Their removal would enable prices to be reduced drastically without reducing the margin of income of the producer. It would mean that by squeezing out these inflationary elements of taxes hidden in prices consumers could buy more goods and stimulate further production.

These indirect taxes which go into prices are the worst form of taxes for they inflate prices by several times the extent to which the Government revenue benefits. Direct taxation has at least the relative merit that it does not so greatly increase prices. When that direct taxation is on the rental or capital value of land it tends to make land available more cheaply to genuine users.

CONCENTRATION OF LAND OWNERSHIP

One sidelight on this problem of declining primary production is the aggregation of holdings into large

estates. This process has been going on steadily in Victoria since before the war. The smaller holders have been bought out and their holdings added to those of very large holders. Many of these large holders are only indifferent farmers or even speculators who are simply looking for a safe investment.

How extensive and serious the concentration of holdings has become can be seen from the Victorian Years Books for 1937/38 and 1948/49 in the Land Settlement Section. In the ten years between 1938 and 1948 the total area in holdings of less than 5,000 acres decreased by nearly 4½ million acres. The holdings of more than 5,000 acres increased by a little over 5 million acres. The major part of the whole increase was in the very largest holdings (those over 20,000 acres) which increased from a total of ¾ million up to 4½ million acres, a six fold increase.

Here again the remedy is simple. It is taxation of the value of the land apart from improvements. This remedy will discourage owners from holding more land than they are able to develop themselves. It will make it easier for willing producers to get access to the means of production. Until this remedy is adopted there will be no solution to this problem.

RECESSION DEEPENS

What we foreshadowed in previous issues is now and being closer. There is already a tightening of the Australian position. There have been extensive dismissals 29/1/1952.

Co-ordinator of there are no longer more jobs than men. or wise enough to point out that the policies embarked on by Huxley.

Wharf Cars of credits, the increased taxation designed have failed in t prices deliberately, were the first steps. managed t

All domestic import curtailments more recently were perhaps even more important in the development of the seeds of a major depression. The high prices for land form an element of the greatest danger in the whole situation. They guarantee that as soon as prices drop (and they are moving down now) the people who have bought to produce on land at these prices must fail. We have the likelihood of repetition of the depression of the thirties. This was preceded by the boom in land values and during a succession of years farmers who had bought land at too high price to enable them to remain in business walked off their blocks leaving their capital and blighted hopes behind them, and joined the ranks of those seeking employment in the cities. Up to 1927 there were some 27,000 of these farmers who relinquished their holdings which were added to those of other large holders.

But the main point which made the depression of the thirties so serious and a major event in the lifetime of most of us was its intensity. This was caused by the tying up of world trade due to the various nations each trying to adopt policies of exporting without importing. That cut the volume of world trade to a fraction of its normal level. It precipitated the collapse in all countries and the resultant misery paved the way for the rise of Hitler and other demagogues.

The same policy is now being followed, led by our own country. The stupidity of Mr. Menzies' action in initiating the trade cuts should now be apparent. If

it was believed that such an action on the part of our country would end there it was simply wishful thinking. Immediately, it provoked similar action in other countries all trying to cut their imports and expand their exports.

The situation has already been reached where the Governor of the Bank of Canada, Mr. Graham Towers, says that import restrictions are contributing to a serious weakening of the economic structure of the free world. (Herald, 14/6/52.)

COMMONWEALTH LAND TAX AMENDMENT

The Bill to amend the Commonwealth Land Tax to extend the exemption from the previous £5,000 to the new figure of £8,750, having passed in the House of Representatives as recorded in our last issue, went to the Senate. This extension of the exemption was strongly opposed by the Labor Party members in the Lower House.

When brought before the Senate the Labor Party members introduced an amendment that land tax assessments should not be based on a value of more than double the previously pegged value of land on which previous assessments had been based.

This amendment would have the direct result of watering down still further the taxation on land owners. It was therefore directly opposed to the attitude of their fellow party members in the Lower House. As the exemption had already been raised in the lower house they were proposing to add to it still further.

In this they were supported by five Liberal-Country Senators from Tasmania and the amendment was carried. However, when the Bill returned to the Lower House the amendment was rejected on Party lines, Labor in the Lower House supporting the amendment. The Liberal members in the Senate did not press the amendment on return to the Senate.

Japan Fears Competition

From the "Age" of 17/5/52 we learn that in Tokio it is announced that Japanese producers fear foreign competition, especially from British light motor cars and Australian and New Zealand butter.

This fear is held despite protective tariffs and taxes up to 60 per cent. Producers want more protection but the Government view is they must increase efficiency.

Australian and New Zealand butter, even with a 35 per cent. import duty, can be sold in Japan for about 320 yen (roughly 6/5 sterling) a pound. Locally produced high grade butter retails at 400 to 420 yen (up to 8/5 sterling). British light medium cars are available from 810,000 to 950,000 yen. Japanese manufacturers, selling a type of vehicle much criticised for poor design and construction, require 1,000,000 yen and more.

It would be hard to better this news item as an exposure of the clap-trap that is handed out by our protectionists. We are told that we cannot compete with the low wage countries like Japan, India, China,

etc. Our people have been fed on this propaganda for years by those with an axe to grind.

Yet it is evident from the facts in this news item that it is the high paid labor with superior efficiency and "know-how" that is best able to compete. We don't have to fear competition of these other countries in high grade lines. The competition comes only in a relatively small number of lower grade lines in which they specialise, e.g. toys. It is uneconomic and a misuse of our superior productive forces for us to engage in such lines as these.

It should be equally apparent from this news item what an unholy brotherhood of vested interests there is in manufacturers throughout the world. Our manufacturers seek to keep out competition in order to permit them to charge more for their goods than they otherwise could get out of their fellow Australian citizens. They therefore try to create a bias against the products of the other nations (witness the free supplements to the School Paper urging children to Buy Australian Made).

The manufacturers in other nations at lower standards howl for tariffs to keep out the high wage products of our and other countries. They want to charge their citizens more than they could get under open competition.

Bastiat, the eminent French economist, said truly that the interests of manufacturers and producers are essentially selfish and opposed to the common interest. Their interests are served by scarcity which gives high price for little in return. The interests of consumers are in securing abundance and therefore in maintaining as much competition as possible.

The Wimmera's Idle Acres

"The Age," 13/6/52, contains a very informative leading article from the Special Representative of the paper following his visit to see farming conditions in the Wimmera division, one of the best farming areas of Victoria. This contribution has set a finger on the true position and its remedy. From this we quote portion headed as above.

"Those farmers I have mentioned are honest, hard-working men who will produce what they can. But there are other farmers in the Wimmera who are little more than landholders.

There are regrettably many large holdings in the Wimmera where the land is farmed far below its potential productivity. The idle acres of the Wimmera run into many hundreds of square miles.

For there are still land speculators in these parts; there are men who buy land and more land, not to produce, but to hold as personal insurance in a time of economic uncertainty.

These are the men who could well heed the Government's appeal to grow more wheat, but there is little likelihood that they will.

Few of these landholders employ the labor that will allow them to work the great holdings. They complain vociferously about the difficulties of getting labor, but make little effort to find it.

Perhaps the Government could persuade them into productivity by a levy on unimproved land values. There

are many small hard-working farmers in the Wimmera who are suggesting this remedy.

It is hard to say how extensive are these idle acres of the Wimmera. But the extent is reflected in the steady stream of emigrants from the Wimmera to the cities.

Stawell Shire, which is typical of most Wimmera shires, has seen its population decline from 4000 people in 1935 to fewer than 2000 today. And mechanisation of farming is not the only reason."

Most farmers complain that they would like to put their sons on the land, but are barred by the high price of land. How to wed these potential producers to the land now idle presents a problem.

Subdividing of large holdings would certainly increase the productivity of the land and be a splendid national investment."

Starting a New Post-War Business

From an address by Ernest Marples, M.P., to the Industrial Co-Partnership Association, London, July 24, 1951, quoted in the Economic Digest, September, 1951.

New businesses are necessary. Also it is a condition for the healthy existence of our economy to have a constant flow of small businesses, as distinct from large ones. Small firms play a greater part than most people think. In number 91.3% of firms in Britain are assessed for Schedule "D" Income Tax purposes at £1,000 a year or less. In amount they account for 58.1% of the profits of all companies. Firms with profits under £2,000 represent 97% by number and 75% by value of our business activity.

The two aspects of the financial problems of a new business are first, the raising of risk capital, and secondly the repaying of capital out of the profits, or the building up of capital out of profits.

When I undertook one of my first contracts (in a business as Civil Engineer, launched in December, 1948) it was necessary to obtain a guarantee for an overdraft of £30,000. Suppose one of the few millionaires left in this country was thinking of supporting me. He would get 5% on his £30,000 for his guarantee and he would pay 19/6 in the £ as tax and surtax. Therefore on his gross return of £1,500 he would get a net return of £37/10/. On the other hand, if my contract failed and he were called upon to repay the bank, he would have to pay out £30,000. His answer must be NO.

Here is an interesting example which illustrates my point. Ski-ers will have heard of the Gomme Ski, which makes ski-ing relatively easy. Gomme, who invented these skis, was only able to bring his invention to a successful conclusion because his parents owned a furniture factory at Wycombe. The expenses of the development of the ski could be charged against the profits of the firm. If he had not had the advantage of an existing firm he could not have raised money to develop his Gomme ski. So it seems clear that established businesses have a stranglehold on new inventions. New firms are at a disadvantage because taxation is a major factor today.

The prospects of repaying capital are no better. To make a small addition to assets each year from revenue—and it is the only way to run a successful business—it is necessary to earn very much more now than in the old days. Take the case of the individual trader who, between 1910 and 1913 made a small addition of £100 to his assets. That same trader today would have to earn £800 to make that same addition; that is eight times as much.

A limited company must make £500 today as compared with £100 in 1910 to make the same addition to its net assets. And that does not take into account the rising cost of raw materials. The rise of 10% this year makes matters even worse, because 16% more profit is required to replace the assets. In such adverse circumstances capital cannot be repaid from income. Nor is it possible to accumulate capital out of net profits. It does not pay to venture into a new business today.

"Difficulties caused by outside circumstances" are particularly if not wholly the result of Government policy. My greatest difficulty in civil engineering has been to get the raw materials because I was not in business in 1938-39. Every time I am asked, "What was your quota in 1939?" But in 1939 I was in the Army—a Regimental Sergeant Major.

But these difficulties pale into insignificance before the difficulty of getting a plant yard. I have still not secured and I have been trying for five years to secure, a plant yard. The old Ministry of Town and Country Planning, the Ministry of Labour, the Ministry of Works, the Ministry of Supply, the Board of Trade and the local authority are all concerned in this matter.

All six had to agree that it was desirable to put the plant yard down in a certain spot. I managed to secure the agreement of four of them, and just as I was getting the fifth, the first one said, "Your time limit has expired; you cannot build." My only course was to buy an existing business, jettison its normal activities, appropriate the plant yard, and reorganise it. But the authorities then said: "You cannot expand it." The answer is that I am expanding it without permission. If they care to prosecute they can prosecute.

UPWARD TO CHAOS

During the six months ended 30/12/51, the Commonwealth Government's efficient tax-extracting apparatus drew a revenue of £356,400,000, compared with £263,300,000 for the corresponding six months of 1950. At the same time as the Canberra politicians are urging citizens to produce more, income tax totalled £124,600,000 for the half-year ended 31/12/51, compared with £90,000,000 for the half-year ended 31/12/50. Promises to restore value to the pound are accompanied by an increase in sales tax from £24,700,000 to £41,900,000 for the two half-year periods under consideration, and corresponding figures for customs revenue are £43,000,000 to £58,000,000, and for excise duties are £36,200,000 to £46,900,000. Obviously the Federal Government believes it knows how to spend the wealth of this country better than do the producers despite its professed anti-socialist principles.

THE "ABILITY TO PAY" OBSESSION.

In many circles today it is a readily accepted principle that taxation should be in accordance with "ability to pay." The following points are taken from a pamphlet on this subject by Professor Harry Gunnison Brown, of Missouri University.

Advocates of this canon of taxation are obsessed with the idea of taxing large incomes, irrespective of how these are gained. They are disturbed that some people have large incomes, but whether these are purely exploitative, as when derived by charging others for permission to work and live on the earth, or whether they are obtained in return for equivalent service, does not seem to matter. The former alternative apparently occasions no concern in these people at all.

This myopic attitude is parallel to that which demands charity for the poor but ignores justice. It does not appear to be realized that if incomes were based on services rendered and not on privilege, the need for charity would vastly diminish.

Actually there are two somewhat different versions of the "ability" theory. One is that taxation should be levied so as to impose "equality of sacrifice" on different taxpayers, while the other is that taxes should be such as to impose the least aggregate or total sacrifice.

As to the first, it requires little perspicacity to perceive that "equality of sacrifice" is an empty slogan incapable of being given a precise connotation. There is no valid reason why the word "equal" should not be applied to the percentage of income taken or to the amount of income left for individual spending, rather than to the vague word "sacrifice" which however, does have an imposing ethical ring about it.

Regarding the second version, it is easy to see that this logically reduces to the communistic goal of equal incomes for all. According to this version, £2,000 is taken from a £10,000 income, and more revenue is required, then this should be taken from the £10,000 income before a £500 income is touched. Even if a further £7,500 were needed, the former income should be tapped for all this amount before disturbing the £500 income.

Such a scheme moreover, will obviously mitigate against efficiency. It is difficult to imagine that a person will exert more effort or fit himself for greater competence if he realizes that his extra income is to be distributed by the government among the community at large.

Another effect of the "ability to pay" obsession is the influence on saving and therefore on the available total of capital. Inadequate capital means, inter alia, lower productiveness of labour, and therefore lower wages. Heavy taxation of capital obviously weakens the motive for saving. Moreover, it increases the risks of borrowing for long-range investment because it absorbs profits which would act as a buffer against subsequent losses.

Then again the disciples of John Maynard Keynes explain the advent of business depressions in terms of low returns on capital which cause men to hold idle (i.e. hoard) funds which they would otherwise invest

and so stimulate business activity. Yet illogically enough Keynesians advocate heavy taxation of capital as a means of transferring purchasing power to the poorer sections of the community. At the same time they maintain a strange silence about a levy on community created and geologically produced land values. Such a levy would not reduce the net return on capital, nor remove the incentive to accumulate. It would also obviate the need to impose taxes on capital.

In fact the "ability" theory glosses over speculation in land values, or rather condones it. The speculator isn't making much on his land, it is said, so he has little ability to pay. It is obvious that proponents of this theory have never realized that revenue could and should be raised in accordance with service provided by the community.

William Graham Sumner, a sociologist, once remarked: "The educated classes are victims of the phrase. Phrases are rhetorical flourishes. They are artifices of suggestion. They are the same old tricks of the medicine man adapted to an age of literature and common schools."

The "ability to pay" theory, together with its corollaries of "equality of sacrifice" and the like, stands condemned, not only because of its unscientific basis but also because of its harmful consequences. When compared to a levy on land values as a method of raising revenue, its deficiencies are even more glaring.

The Power To Destroy

Now that the era of full employment has ended and we have the satisfaction of hearing the news broadcaster announce that 13 people applied for a job as a cleaner—now that a large section of people engaged in the building industry has been diverted by economic conditions to other more important works—it is timely that we should examine the methods adopted by our Federal Government to produce these results.

The 1951-52 Federal Budget discloses that the Government proposed to take £957 millions or 60% of the nation's production for the year 1951 in taxation. The greatest increases are in those items which bear directly on industry and labour—

Sales Tax has been doubled from 57 million to 117 million.

Income Tax has been doubled from 267 million to 554 million.

Pay Roll Tax from 28 million to 40 million.

This rate of taxation is staggering, however viewed, but the Government, unappalled by its efforts in this direction, proceeds on a rake's progress from one borrowing binge to another, adding to our national debt, now totalling over £3,000 million pounds, which means that every man, woman and child in the Commonwealth is in pawn to the bond holders to the extent of £363 per head. The total interest payment last year was £86 million or £10/5/0 per head of population.

It is apparent that taxation has been worked to the point where industry is collapsing under the burden and refuses to deliver the goods for fear of the penal demands which will be made upon it.

On the fundamental question of raising revenue there is little to choose between Liberal, Labour or Country Party—they all stand for land and trade monopolies. They all support restrictions and controls. The idea of freedom is anathema to them. Their idea is that the State should be supreme. The rights of the individual receive no consideration.

This policy of heaping burdens on the industrious with increasing severity in proportion as they produce is obviously the biggest deterrent to production imaginable.

If we substitute the word "fine" for "Tax" we see the lesson clearer:—

No production, no fine.

Large production, large fine.

It is necessary for us to change this method if we wish to encourage industry—if we want more goods. Freedom from fines—security in the products of one's labour, is the best incentive to production.

How, then, shall we raise our revenue? There is a moral aspect as between citizen and the Government in the matter of revenue. That is, that the citizen shall pay to the Government in proportion as he receives from the Government. The capacity to pay or assumed capacity to pay has no moral foundation whatever—this is the policy that leads to 16/6d. in the £ taxation—he's got it, well make him pay.

All that portion of our national debt and of our annual revenue which is used or has been used for railways, irrigation projects, electricity, harbours, road-works and like developmental works has had the effect of creating enormous increases in land values, both adjacent to these works and to a greater extent in the cities which are fed by them. The population itself, unassisted by these works, produces land values, high where population is dense, low where population is sparse.

These land values are created by the community and community expenditure, and rightly should be used by the community.

The only honest thing for our Government to do—the only just thing to do, is to collect revenue from community created land values. By so doing the taxes on industry as such can be reduced, and the holding of industry to ransom by land speculators who produce nothing but want to cash in on the activity, growth and sweat of the community will at the same time be effectively curbed.

The Henry George Justice Party invites the support of all in throwing off the fetters of taxation which grimly menace our national life.

(—Radio Talk from Station 3DB by Mr. L. J. Hutchinson, in Henry George Justice Party Session, 22/6/52.)

ON SELLING "PROGRESS" SUBSCRIPTIONS

We can increase the effectiveness of our organisation. Next time, every time, in discussion with your friend, test the sincerity of his hostility to the taxing machine by asking him to subscribe to our paper. Two shillings will put his name on the mailing list for 12 months.

RABBITS' BEST FRIEND IS SALES TAX

An all out war on rabbits is impossible because of the almost prohibitive price of .22 rifle and 12-gauge shotgun ammunition. This was indicated at a meeting of Kentish Council (Tas.) and reported in The Advocate, 8/4/52.

Cr. Francombe said that the ammunition most commonly used against rabbits was classified under sporting goods and tax and surcharges were consequently very high—in vicinity of 33 1-3 per cent.

Cr. Smith said at present costs a shot from a 12-gauge gun cost the farmer 1/1. It was practically impossible for a farmer to shoot rabbits on his property at such an excessive cost.

HEIDELBERG RATE COLLECTIONS

The Town Clerk announced that the percentage of rate collections this year at April 10th was 85.7 as compared with 86.2 at the same date last year. The amount collected was £178,969 this year (from a total assessment of £208,856) as compared with £159,135 last year (of £179,708).

The Town Clerk said he was not worried about the small drop in percentage of collections. In point of fact he was surprised it remained so high, as it had been anticipated on account of the change in rating system (to the site-value basis as result of poll last year), that a greater amount would be left owing by absentees, who were more highly rated under the new system.

—"Heidelberg News," 18/4/52.

OBITUARY

Mr. Harry Thomas

We learn with deep regret of the passing of Mr. Harry Thomas, who for many years was a most valued member of this League and for many years served on the Executive until the war. He was an impressive speaker and addressed many public meetings. He also took part in the debating teams entered by the Henry George League in the competitions of the Debaters' Association pre-war.

He had not enjoyed the best of health recently on his return from a trip abroad. We are indeed sorry to hear of his passing and extend our deepest sympathy to his son and daughter.

Mr. T. E. McMillan

We learn from Mr. C. H. Nightingale of New Zealand of the passing of one of our valued co-workers there, Mr. T. E. McMillan, editor and publisher of the "Liberal Leader," Matamata.

He was a very capable journalist and a sound Georgian and the movement in N.Z. has suffered a severe loss in his passing. He had been ill for some time and the Liberal Leader had not published since December last for this reason. It is unlikely that it will now continue.

Mr. McMillan was a veteran of the first World War which left him quite deaf. His efforts greatly helped in the successful campaign to win Matamata over to site-value rating a few years ago. To our N.Z. co-workers we extend our regret at the loss the movement there has suffered and hope that the publication of his journal can continue.

Site Value Rating Activity

Wangaratta Borough

Activity continues to be intense in the rating reform field in Wangaratta. The "Wangaratta Chronicle," which appears thrice weekly, contains considerable matter in almost each issue for or against the proposed change.

The local Ratepayers' Protection League formed to oppose the change to site-value rating arranged with the paper to print a weekly series of questions and answers from people who were invited to write to their office. The first series duly appeared but the General Council for Rating Reform wrote to the paper pointing out that the questions and answers were slanted; only initials were given so that it could not be verified they were bonafide; those questions for which answers would favor site-value rating could be withheld; the system would permit the league to simply write up questions in their office to suit the answers they wanted to give.

Suggestions were made for it to be converted into a genuine question/answer column with the questions sent to the paper and both sides answering them. It was pointed out that there was grave need for such alteration as the "information given in the first set of 'answers' was quite untrue in that it stated the Wangaratta council would not be permitted under site-value rating to raise more revenue than in the previous year of Nett Annual Value-rating." It was pointed out that Heidelberg increased its revenue in the first year of site-value rating by 18 per cent.

In the second week only one question was answered and none further have appeared since. It appears now that this session is dead.

The letter of the General Council published in full provoked a long statement from the president of the Ratepayers' Protection League, declaring that the General Council was a thin veneer for the theories of Henry George and that it was sponsored by the Henry George League. It had "plenty of funds" which it would spend in the campaign.

The attack on the Henry George League was ably answered by Mr. N. S. Payne and the General Council pointed out that the H.G. League was only one of 35 responsible bodies whose delegates comprised the Council and had contributed only the normal 5/- affiliation fee to it. The Council for its revenue was reliant on the generosity of the local rating reform bodies which usually donated any surplus funds remaining after their successful campaigns. All officers gave their services in an honorary capacity.

It was pointed out by contrast that the local Ratepayers' Protection League only came into existence because the Wangaratta Council proposed to adopt site-value rating. Its members had no principle to fight for, its opposition arising simply because its members would pay more in rates under that system. It was not concerned with the fact that at least 70 per cent. of those with homes on their holdings had been paying more than their fair share of rates for years. If its members were being called on to pay more due to the very high value of the business sites they were fortunate enough to own they were being asked to pay, not for

their own outlay on improvements (which were exempt from rates under site-value) but for the value which other citizens, their customers, had brought around them.

The Henry George League also sent an official letter answering the suggestions made that it stood for land nationalisation; pointing out that it stood for the taxation of land values instead of taxing the results of the individuals' labor.

A local rating reform committee has yet to be formed in Wangaratta. Cr. N. Stewart (leader of the movement there) being convalescent following an operation. It is expected that action will be taken shortly in this direction.

Woorayl Shire

The valuation of this shire is now almost complete and it is certain that a poll will be taken this August. The petition went in two years ago but owing to illness of the valuer the Act could not be complied with and an amending Bill permitted the postponement of the poll.

Bellarine Shire

The valuation in Bellarine Shire is in an advanced stage. The valuer is Mr. G. V. English whose valuation last year in Ringwood was regarded by that Council as unsatisfactory resulting in their conduct of a revaluation this year. Mr. English appears to have a bias against unimproved value rating. After revaluing Rosedale two years ago he urged the Council to change to N.A.V. Again, we hear that he is proposing to address a meeting at West Moolap in Bellarine Shire, in opposition to site-value rating. In view of the dissatisfaction about his Ringwood valuation he would be better advised to devote his time to giving a good valuation rather than addressing partisan meetings.

One of the reasons why less highly qualified valuers prefer N.A.V. to value under is that mistakes and inconsistencies are less readily picked up under that system than under site-value. Houses may look the same but if different valuations are given them under N.A.V. there are various differences in minor improvements that make comparisons less conclusive. It is very easy too where large properties are tenanted to simply take the rent being paid as a basis. But under site-value it is immediately apparent as inconsistency if there is wide variation in the per foot valuations of adjoining properties.

Warrnambool City

Warrnambool City Council wrote to the General Council for Rating Reform advising that they were interested in the merits of a change to site-value rating. A valuation was made in 1949 covering unimproved values, capital improved value, and nett annual value but no use was made of the site-value figures.

The Council suggested that the General Council for Rating Reform might take a study as to how site value rating would affect Warrnambool and present a report to it based upon these valuations.

The General Council has agreed and has enlisted

the co-operation of the Land Values Research Group to make the study which is now in progress.

Stawell Borough

"Stawell Times" of 25/4/52 carried reports of discussions in the Borough Council on proposals to change to site-value rating. The matter was deferred for discussion at a later date but it indicates that more consideration is being given to the question.

Following this discussion Mr. J. A. McMurtrie had an extensive letter printed in the "Stawell News" supporting consideration being given to this change.

Nunawading City

The local Rating Reform League is quietly organising here in preparation to launch its campaign when the rate notices go out.

Phillip Island Shire

The valuation which should have been completed last July was not completed till January of this year and it is believed not to be acceptable to the Council as little increase has been made in the N.A. Valuations since the previous valuation five years ago. As the council is already on the maximum permissible rate of 4/- in the £ N.A.V. no appreciable increase in revenue would be possible under either system on this valuation. It is probable that a new valuation will be sought with postponement of the poll to next year.

Rosedale Shire Reversion Move

Rosedale Shire Council at its next meeting is to consider a resolution to revert to N.A.V. Rating. We understand that the first such resolution has been passed already and has to be confirmed at the forthcoming meeting.

An attempt at reversion was made in 1950 in this Council but was then defeated. We hope that the proposal will again be rejected by the Council itself. If not it will be up to the ratepayers to demand that the matter be submitted to a poll. Ten per cent. of those on the rolls, by signing a petition to that end, can secure a poll. We would be glad to know of any sympathisers within the Rosedale area who would be able to help get the necessary signatures if the council resolution is confirmed.

CENTENARY

A hundred years—a hundred years,
Engulfed by many hopes and fears;
The pioneers much hardship bore,
To wrest the riches of earth's store.
They laboured hard with toil and sweat,
Deserving all that they could get.
And varied stories have been told,
Of how they fared in search for gold.
For some had luck right from the start,
And some had luck to break the heart.
What sturdy men they must have been,
To dig such holes as can be seen;
With such crude tools as pick and spade,
They hoped their fortunes would be made.
Had we the spirit of these men,
To do our best with brawn or pen;
But then, you see, the land was free,
Not so today for you and me.
We've sung—'Britannia rules the waves,'
Yet on the land, we are but slaves.

—F.T.B.

Radio Broadcast Session

Conducted weekly by speakers of the Henry George Justice Party from
RADIO STATIONS 3DB & 3LK

Every Sunday at 10 minutes past noon.

LISTEN AND ASK YOUR FRIENDS TO LISTEN

Donations to the Broadcast Fund will be appreciated.

Notes from Various Sources

Cars.—Car bodies are taxed up to £95 each. The chassis is taxed, assembled or unassembled. Parts are also heavily taxed. Tyres are taxed. And so on. Such taxes are passed on to the buyer.

People are extraordinarily slow in perceiving that taxation to a great extent robs mankind of the fruits of progress.

Bertrand Russell says: The people we work with in Italy are those who obviously won't do what is necessary in the way of social reforms to help poor peasants. If I were in charge of American largesse I would only give it to people who adopted a sensible policy. — Herald, 19/1/52.

[Ed. Note.—A stiff levy on ground rents in place of Italian taxes would allow Italians to earn a living in their home land.]

Arbitration.—The main cause of the inflationary spiral is the "C" series index and, if this method of adjusting the basic wage is not abolished, an economic catastrophe is inevitable. Many industries that could not be classed as essential, breweries, gambling and amusements are booming at the expense of housing and other basic needs of life. How much further can the Australian pound be allowed to fall? — Hon. E. L. Kiernan, "Age," 29/1/1952.

Co-ordinators.—No man, nor any body of men, is good enough or wise enough to dispense with the tonic of criticism. — T. H. Huxley.

Wharf Cargo Delay.—Attempts to clear congested wharves have failed in the past because of the sheaves of documents demanded by the Customs Department before goods leave the docks. All decisions aimed at speeding cargo handling have broken on the Customs rock. — Herald, 10/1/52.

1928.—Copland Committee of four trained economists made an enquiry into working of the Australian protective tariff and assessed the added costs of production due to the tariff at 15 per cent. Since then tariff taxes have been raised enormously.

Fuel Prices.—In 1917 black coal was 35/- ton in Melbourne and firewood, delivered for 24/6 ton. Gold sovereigns circulated and volume of printed paper money was small.

Keilor.—Farm land in Military rd., sold by auction for £65
Keilor.—Farm land in Military rd., sold by auction for £65 an ac. — Argus, 18/12/51.

[High price of milk and nearness to Melbourne market are thus capitalised to benefit vendor and burden the incoming farmer.—Ed.]

Parliament itself consists of parties, does not that make it easier for pressure groups? The most dangerous pressure groups in Australia today are the parties in politics. — J. Bourke, East Oakleigh.

[Proportional Representation is the remedy.—Ed.]

Kew.—Burke rd., No. 1231, cnr. Cotham rd., land 60 ft. frontage by 239 ft. with wooden buildings received bid of £30 a ft. — Age, 5/4/51.

[Ed. Note.—"Opportunity cost" is increased by owner's demand, or reserve price £35 ft. Land on crowded junctions is in short supply.]

SEND FOR THIS BROCHURE.

The Brochure of the Henry George "Justice Party" will be posted on application to the Secretary, Mr. L. F. Bawden, 18 George Parade, Melbourne, C.I. The Party will also be prepared to send speakers to address associations on invitation.

Wheat Growing.—High labor costs are mainly due to two factors — (1) over-development, very largely by excessive tariffs of luxury industries; (2) and wage awards which with the margins and conditions drag all labor to the towns and luxury industry. — Sir F. W. Eggleston, Age, 4/12/51.

Thrift Debunked.—A person would have to save £10,000 to retire on an income equal to the old age pension for husband and wife. — Sun, 13/12/51.

[Ed. Note.—Welfare State makes a mockery of the virtue of thrift.]

Arbitration.—Australian system concentrates too much attention on a legalised framework of wage regulation, and thereby enables both employers and employees to neglect the more positive gains available to them from a concerted effort to raise productivity. — Sydney Pix, 15/12/51.

Victoria.—Average cost of building a new house was £2384 in September, 1951. — Sun, 13/12/51.

Wisdom.—Wages should be in accordance with changes of productivity, not changes of prices. . . . The right way is not to appoint a fresh horde of price controllers, but to let competition have its beneficial effect, and to attack monopoly wherever it shows its head. Most Australian monopolies are dependent on some form of tariff or exchange control and could easily be broken up if we really set about the task.—Colin Clark, noted Queensland economist, in "Herald," 23rd January, 1952.

Warning.—Regimentation under the "welfare" state is the forerunner to a decadent state of society; competition is the best form of protection for consumers.—R. Rowe, Federal Secretary, Associated Chambers of Commerce, "Mercury" (Hobart), Dec. 13, 1951.

Troublemakers.—Indirect taxes, particularly payroll and sales tax, ignore the basic principles of taxation, because indiscriminately they increase the cost of living. In this way, they caused industrial unrest, greatly reduced production, and created an economy of scarcity and high prices, when there should be an economy of high production and low prices.—100th Annual Report of Hobart Chamber of Commerce.

Perplexity.—Hundreds of persons were leaving the Longford district (Tasmania) because a big industry had not been set up there, according to the Warden of Longford.—(Hobart "Mercury," Dec. 11, 1951).

[Ed.'s Note.—Once an industry is established at Longford, it would be saddled with heavy rates. Change the rating system to the value basis, and things would brighten up at Longford.]

How Site Values Arise.—Cr. Tatlow suggested that proximity to markets, port and railway, productivity of soil and rainfall might be used to classify land into groups for rating purposes.—Burnie Advocate, Dec. 15, 1951.

[Ed.'s Note.—Equality of access to natural resources can be achieved only by collecting community created site values, which are a reflection of such advantages as Cr. Tatlow mentions.]

Organized Welfare.—Another Federal extravagance is the free milk issue to children, the parents of whom are well able to feed them adequately.—Letter to Hobart "Mercury," Jan. 4, 1952.

[Ed.'s Note.—The influence of the State is increasing at an alarming rate.]

Better? High taxation, though instituted as a wartime measure, still remains Australia's most unpleasant bedfellow, and the present Government's attitude may well be summarised in Shylock's words:—"The villainy you teach me I will execute, and it shall go hard, but I will better the instruction."—N. T. Hannaford Schafer, "Age," March 1st.

HENRY GEORGE LEAGUE OF VICTORIA.

18 George Parade, (off 113 Collins Street, near Russell Street), Melbourne, C.I. Telephone: Central 8035. Secretary: Mr. R. N. Collison.

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Next Executive Meeting, Tuesday, July 1, 1952, at 8 p.m.

Next Members' Evening, July 15th, 1952, at 8 p.m.

HENRY GEORGE JUSTICE PARTY.

Next Executive Meeting, Friday, July 11th, at 7.30 p.m.

Broadcast Session 3DB each Sunday, 12.10 p.m.