

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

TARIFFS HIT HIGHER EDUCATION

Severe tariff duties on equipment used in higher education belies the Government's professed intentions to help education at the tertiary level.

Australian universities now have to pay 47 per cent. duty on equipment which was formerly duty free, and university departments needing certain special scientific equipment from overseas would now be compelled to pay large amounts of duty that they could not afford, or else do without the equipment owing to the resultant excessive price.

Professor Moorhouse of the Melbourne University remarked that the tightening up of the customs regulations would mean more work for the universities and longer delays in obtaining equipment.

The senior lecturer in electrical engineering at Sydney University, Mr. R. Acheson, stated that the change in Government policy would hamper universities in training more scientists and stepping up scientific research.

The bewildering vagaries of the bureaucratic mentality are illustrated by the fact that calculating machines are now excluded from the "scientific" classification.

The harmful effects of such restrictive tariffs cannot be over-emphasized, but it must be realised that tertiary education is only one of many sections of the community that are exploited by these legal privileges which enrich the few at the expense of the many.

—Data from "Age," 9/1/58.

MISLEADING ELECTORAL RESULTS

Last year at the Canadian general elections the Liberals, after a long period in office, were defeated. It seems that their over-confidence contributed, to a substantial extent, to their defeat, an over-confidence, moreover, which existed despite the fact that they had lost votes at the previous election and that they had then polled less than half the votes.

Thanks to the absurdities of the single-member electorate system, the Liberals were regarded as suffering overwhelming defeat although they polled two per cent. more votes than the Conservatives who displaced them from power.

The story of the Canadian Liberals illustrates a not altogether unfamiliar sequence: an inflated majority; excessive (and unwarranted) confidence; extreme measures; consequent unpopularity with the public; and finally rejection.

The need for proportional representation to ensure the functioning of genuine democracy is obvious. This is important not only from the viewpoint of the actual parties, but especially from the viewpoint of the citizens. After all, if the strength of the parties in Parliament misrepresents the wishes of the citizens, can it be sincerely said that there is democracy?

SHIRES AGAINST "PEPPERCORN" RATING

The Municipal Association is to be asked by the Mornington Municipalities Association to consider supporting a move for a £1 minimum rating for shire properties, according to the report in "Southern Peninsula Gazette" (6/3/58).

The matter was raised by Cr. Butler (Mornington) who contended that in many cases, as was prevalent in the Shire of Flinders, where there were hundreds of blocks at present rated at a minimum of 5/-, administrative collection costs when analyzed would easily absorb this amount and would thus make no contribution to municipal funds.

Comment was that there are a number of municipalities that are completely fed up with this peppercorn rating fixed many years ago and which is now entirely out of date.

(This is encouraging in that the stupidity of the present rating system in its treatment of vacant lots is beginning to dawn on councillors. But the remedy is change to site-value rating which will charge these vacant lots three times as much as the nominal rates under nett annual value rating).

EXEMPTIONS FOR CHURCH SCHOOLS

Claims by church schools for exemption from rates as charitable institutions, could cost metropolitan councils £40,000 a year, the Secretary of the Municipal Association, Mr. J. D. Fagan was reported as saying in "Sun" (6/2/58).

The money would have to be found by increasing rates on private homes, he said. Last October a Municipal Association deputation told the Local Govern-

ment Minister (Sir Thomas Maitby) that exemptions to charitable institutions were then costing councils at least £100,000 a year.

Mr. Fagan said that impetus for the exemption claims came from decisions from the High Court in 1953, and the Victorian Supreme Court in 1956, on interpretation of clauses in the Victorian Local Government Act."

(The present trend for exemptions we regard as unjust. All bodies and individuals who hold property should be required to pay rates for the upkeep of the municipal and other public services offered to them. This should apply equally to Federal, State and Local Government bodies.

None of these bodies should be removed from the normal play of economic forces. It would be preferable for rates to be paid even though it means increased charges or direct grants towards the expense of the charitable institutions. Otherwise there is no incentive to the bodies concerned to put their sites to full economic development.)

ENGLAND'S LARGEST ESTATE

"Age" (10/4/58) contains an article how probate taxes are now breaking up the estate of the late Duke of Westminster, who died five years ago.

First instalment paid in tax was £4,500,000. Since 1953 a staff of tax officers, executors and valuers has been working full time on the estate evaluating holdings which spread from Mayfair to Melbourne, from Shropshire to South Africa, from Canada to Kenya.

The £4,500,000 just paid is no more than a token. Estimates of the Inland Revenue Commissioners are that the total estate value is between £20 million and £50 million.

To meet the "token" demand executors have spent the last two years selling off vast tracts of land. Several were in England but the most recent sales in Melbourne and Perth were included in the Duke's £500,000 worth of Australian holdings.

Over the next decade or so more will go, and slowly but inevitably the greatest estate in England, founded in 1690, will disintegrate.

Some details of the estate's history are given. It was built around the 600 acres of "rich farming land" in Westminster which became the property of Sir Robert Grosvenor when he married an heiress named Mary Davies. Robert himself owned an estate in Cheshire.

Adjoining the Palace of Whitehall, a couple of miles outside the walls of the city of London, Westminster was rapidly transformed from a suburb of small farms into 18th century London's wealthiest and most fashionable residential area.

From this starting point in property the Grosvenor fortunes increased steadily. The incomes from their growing rents were too large to spend in consumer goods and were invested in buying more properties.

With their growing acres their social prestige mounted and they became barons, viscounts, earls and marquesses. They bought up lands in a dozen English counties, in Scotland, Wales and Ireland. Finally, in 1874 Hugh Grosvenor, the third Marquess of Westminster became the last non-royal dukedom to be created in England.

The last duke produced no heir though married several times. Whoever his successors may finally be are expected between them to get only about £3½ million from the estate after payment of probate taxes.

Few will feel sympathy for the successors at the fact that the major part of the estate will go in probate duties instead of to a few lucky individuals. Many will feel that in some way it is just that the community which has produced yet been deprived of these ground rents for so long should at last get a large slice of the spoils.

Yet the probate system is not a substitute for justice. This property empire is socially a bad thing which could not have existed had the ground rents (or even a substantial part of them) been taken into the public treasury over the years in lieu of taxes on earned wealth.

This case illustrates clearly how land monopoly becomes the mother of other monopolies through investment of the ground rents. The system is equally objectionable with small as large estates. The only real remedy is that we propose of drawing public revenue from taxes on land values.

SITE-VALUE FOR M.&M.B.W. RATES

Campaign to be Initiated

The General Council for Rating Reform has called a meeting of representatives of organizations and individuals prepared to help launch a campaign for change in the Board of Works rating system from the nett annual value to the site-value basis.

The meeting is to be on Thursday, 29th May at 8 p.m., at Kelvin Hall, 55 Collins Place, Melbourne, in the Library on the second floor.

Those prepared to work for this change should attend and bring the meeting to the attention of others.

PROPORTIONAL REPRESENTATION

FINDINGS OF TASMANIAN SELECT COMMITTEE ON ELECTORAL REFORM, 1956

"After careful consideration of the evidence, the Committee reached the conclusion that the merits of the Hare-Clark system are overwhelming and its disadvantages very slight. It is superior to the single-electorate system and since its adoption in Tasmania it has achieved most of the purposes of democratic elections with extraordinary success. Indubitably it has provided the Tasmanian elector with a wider freedom of choice and a more effective vote than any other method of Parliamentary election in the world.

However the Committee is convinced that the successful operation of the electoral mechanism of the Hare-Clark system depends upon the return of odd numbers within electorates. This alone would ensure democratic results and a proper functioning of the system."

Sumatra.—Padang counter-government has cut down tariff taxes on imports and exports imposed by Jakarta Indonesian government. Traders said the reduction was so much that it was worth while for Singapore merchants to take the risk and run the blockade arranged by Jakarta government navy.—Straits Times, Singapore, 24/2/58.

(Ed. Note.—Once again tariff taxes have provoked dissension and fomented war. Freedom for Trade is an instinctive right of citizens.)

METROPOLITAN BOARD OF WORKS RATES

By A. R. Hutchinson, B.Sc., A.M.I.E.Aust.

The recent extension of functions of the Metropolitan Board to include main roads, bridges, foreshore development and other town planning activities has already had unpleasant results for some ratepayers and the Board.

To carry out these additional functions the Board must have substantial additional funds beyond those available to it for the specific purposes of water supply, sewerage and river improvement.

As the main roads for which the Board is now responsible have till now been constructed and maintained by local municipal councils who will be relieved of this responsibility, it could reasonably be expected that part of the rate revenue of those councils would be diverted to the Board.

Metropolitan "Improvement" Rate

The Act extending its functions does not provide for this but requires the Board to levy a "Metropolitan Improvement Rate" upon property owners for its revenue. The maximum for this is set at 4d. in the £ of Nett Annual Value of rateable property over the whole area.

This is a very low rating limit and its yield will not go far towards cost of the new functions expected from the Board. Already within two years of passage of the Act, this rate has risen to 3d. in the £ before any of the works requiring the major expense have commenced practical operation.

If the Board is to carry out in fact the functions assigned to it on paper it is only a matter of a short time before the 4d. rating limit must be extended to be commensurate with that of the Board's water and sewerage rates.

Ratepayers are Unhappy

Some ratepayers see the writing on the wall in the recent increases and are not happy about their future prospects. True, the assumption by the Board of construction and maintenance of main roads would relieve the local councils of substantial costs and this should mean lower municipal rates.

Many ratepayers will get no relief from this and are particularly unhappy about use of the Nett Annual Value as the basis for the Metropolitan "Improvement" Rate.

They point out that this charges the ratepayer in proportion to the value of his OWN BUILDINGS AND OTHER IMPROVEMENTS instead of according to the value given to his property by the Board's "improvements." They contend that the value of the site itself reflects the value of the Board's activities and should be the rating basis.

Central Area Escapes

Another major source of dissatisfaction in the Board's use of Nett Annual Value as the rating basis is that this imposes relatively low charges on ratepayers in central Melbourne where its improvements are concentrated and high charges on suburban ratepayers receiving few of the "improvements."

Melbourne City with its "golden mile" contributes only about 16 per cent. of the total yield of the "improvement" rate at present whereas under the site-value basis it would contribute approximately 30 per cent. of the total, with substantial relief to suburban ratepayers.

Majority Rule Should Apply

A strong demand has arisen for change to the site-value basis not only for the Board's "improvement" rate but for its Water and Sewerage Rates also. The main claim is that the system used by the Board should be that desired by the majority of its ratepayers. It is pointed out that as the result of ratepayers own choice at polls a substantial majority of councils within the Board's territory have now changed to the site-value rating basis. These embrace substantial majorities of the homes liable to water and sewerage rates and of the area under Board control.

Rating Systems Within M.M.B.W. Area

Area Subject to Board's:	Item Compared	Municipal Rating Basis	
		U.C.V.	N.A.V.
"Improvement Rate"	Nos. of Councils	23 (55%)	19 (45%)
Water Rate	Nos. of Councils	21 (55%)	17 (45%)
Sewerage Rate	Nos. of Councils	18 (56%)	14 (44%)
"Improvement Rate"	Area in acres	266,640 (62%)	161,375 (38%)
Water Rate	Nos. buildings	255,102 (59%)	174,016 (41%)
Sewerage Rate	Nos. buildings liable	201,636 (56%)	158,971 (44%)

Annual-Value Inflates Board Costs

It is claimed that the costs of Board operations and the resultant burdens on ratepayers are being inflated by continued usage of annual value rating. This is because a high proportion of properties in parts of central Melbourne, Collingwood, Fitzroy, Richmond are substandard and contribute very little in rates although a major part of the Board's costs are incurred in these areas. A high proportion of the water and sewerage mains are of the largest size in these inner areas while suburban areas more generally use the smallest reticulation mains. As large feeder mains for water cost approximately 10 times and for sewerage 20 times as much as for reticulation mains the rate contribution of these central areas is inadequate to meet costs while that of suburban areas is excessive.

As a side-light there are about 10,000 homes mainly in inner areas which have sewerage facilities available but whose owners will not incur the expense of connection to the Board sewers. These properties have low rental values and now pay nominal rates only. Under the site-value basis they would be called on to pay the same as neighbours using the Board's services.

Another source of increased cost to ratepayers for Board services is linked with the numerous vacant lots within its territory. There are 113,252 vacant lots of which the last check in 1953 showed 40,000 already serviced with water mains. These vacant lots do not themselves use the Board's services as do houses, but

they inflate the capital and operative costs to the Board by forcing home-seekers to pass such lots to take inferior more distant ones at a lower price within their reach. Thus the Board's mains and reticulation systems are prematurely extended and costs increased.

The vacant lots already served are almost equal to the 41,216 tenements connected during the three years 1952-3 to 1954-55 inclusive. As extensions are now much more costly than pre-war these vacant lots account for a far greater proportion of the Board's increased costs than their mere numbers suggest. Had building been restricted to the already serviced lots the Board could have saved most of its capital expenditure on large mains and reticulations over that three year period in which such expenditure formed 20 per cent. of the total costs incurred for these items since the Board's establishment in 1853. The position is much the same for sewerage costs.

The rating system is an important factor in causing these inner fully serviced vacant lots to be bypassed. Under nett annual value rating vacant lots pay nominal rates only, generally less than one-tenth of those payable on homes adjoining, although the cost of Board sewers and water mains to each is the same for equal frontages.

Under the site-value basis the rate-yield from vacant lots would be tripled and the increased revenue from this source would lighten the burden on homes. At least 75 per cent. of homes would get rate relief under the site-value basis.

SKYSCRAPER PROJECTS FOR SYDNEY

"Building and Construction" (16/4/57) gives details of building projects valued at £4,500,000 to be carried out by Collings-Power Pty. Ltd., Sydney real estate consultants. These include four skyscraper buildings:

"An office block 204 feet high, alongside the nearly completed Caltex House, in Kent Street, on the south harbor bridge approach, to cost £1-million, and consisting of 22 floors to be let for commercial offices.

A £2-million block to serve as head offices for a major private concern will be more than 200 feet high and contain 23 floors, two of which will be reserved for parking.

A head-office block for Collings-Power, to cost £500,000 and to be built on the northern side of Caltex House. It will be 170 feet high and have 18 floors.

An office block more than 150 feet high, with 16 floors and to cost £1-million, in the heart of the city. The site of this will be announced shortly."

Pertinent Comment

There are some important observations to make on this information. These projects are announced some months after the adoption by N.S.Wales of a State Land Tax on the pattern of the now discontinued Federal land tax. The tax rates are progressive and have greatest effect on valuable city sites where the rate may reach 7d. in the £ of unimproved value.

This charge, additional to the municipal rates on the unimproved values of all properties, makes it uneconomic to hold valuable sites under-developed. Such development as now announced is only what could be expected.

Melbourne Also

It is significant that in the previous year with Melbourne using its already increased State land tax total value of building construction substantially ex-

ceeded that for Sydney City. Pre-war they were both subjected to the common Federal land tax but Sydney used site-value for local rating and exempted buildings. That city showed greater building activity than Melbourne.

These enormous projects show that with site-value taxation the necessary financing arrangements for development are evolved. There are other firms beside these with accumulated funds to permit development. It illustrates our case that as investment in under-developed land becomes less profitable investment is increasingly channelled into bricks and mortar.

TASMANIAN A.L.P. CONFERENCE

Urges Site-Value Rating

"The Advocate" (28/3/58) reporting on the Australian Labor Party annual conference at Devonport dealing with pre-selection of candidates and other policy decisions stated that conference had ended with only 38 of the 131 items on the agenda dealt with.

This makes all the more significant the fact that site-value rating was among the items discussed to finality. The report read:

"Only two items of importance were dealt with by Conference last night, and both affect municipal issues. Delegates agreed to ask the State Government to introduce site-value rating in municipalities throughout the State. They also urged preferential voting for all council elections."

THE EXCHANGE RATE

Re-iteration today by free traders, of the statement that the present rate of exchange constitutes an additional protection to Australian industry, accompanied by suggestions for a revaluation of the £A, requires some critical comment.

Granted that we require a free exchange rate determined by the buyer and seller operating in an open market and not one pegged by some bureaucrats in Canberra and granted also that the Australian pound was grossly under-valued in the years 1949-51 when revaluation was a reasonably sound proposition even with a pegged exchange rate (I argued in favour of revaluation and a free exchange rate at Victorian Country Party Conference in 1950 and 1951.)

It seems very doubtful now, in view of the degree of inflation in this country from 1951 on in particular together with the falling prices of primary products, whether the £A, is still under-valued. Indeed I feel that it is more likely slightly over-valued.

Let us demand free trade and a free exchange rate by all means within our power, but for goodness sake let us avoid the risk of making ourselves look foolish by demanding return of the £A to parity with sterling.

—IAN H. LEYS.

Dictator-Democrat.—I have personally used this excellent booklet at conclusion of class term and find that it makes a convincing summary and application of the theories we have studied in Social Science. Assigning to a student one of the characters in the book the students read the speeches, so that it is somewhat of a dramatization.—From Director, Henry George School, San Diego, California.

(Ed. Note.—Send ninepence stamps to this office for a copy of this booklet, and let young folk dramatize the dialogues.)

ONE CENTURY IS PAST!

Its Lesson Not Yet Learned

George Higinbotham is recognised as one of the more liberal leaders of the newly separated colony of Victoria. He was influenced by J. S. Mill's writings and book on "Political Economy."

Intending to go to the gold diggings he reached Melbourne in 1854 and settled at South Melbourne (later Brighton) but practised as a barrister in the courts. For three years beginning in 1856 he was editor of the "Argus."

At that time the surface "diggings" with easily-won gold were exhausted. The very large increase of population was soon dis-employed. "Eureka" had been a flop. Squatters had engrossed large areas of the best country lands for sheep runs but did not hire labor for cultivation. By 1857 large numbers of men were both unemployed and destitute.

Higinbotham writing leaders for the "Argus" in 1858 stated that "the painful fact of the present existence of much actual and severe destitution must be dealt with, it cannot brook delay. The Government must not suffer such a reproach to continue. It is not with alms that we would supply these homeless and destitute men; neither destroy their self-respect nor recognise pauperism as one of the normal conditions of any industrious section of the community." The proprietor of the paper, Edward Wilson, made the slogan—

"Unlock the Lands"

Higinbotham urged "the adoption of legislative measures for encouraging the settlement of population on the soil and for converting idle consumers into active producers." How is this to be done? Higinbotham continues to expound the Land Policy — "it lies in a general tax on alienated land, whether cultivated or not cultivated. The man who lives upon the produce of his land can afford to pay a small annual charge upon it, whilst the man who merely occupies, and whose occupation actually constitutes a barrier against cultivation, deserves to pay it." Later in 1861 he said "let the squatters go into a court of law and prove their 'rights.' There ought to be security of tenure. The runs ought to be let by tender."

Monopoly modifies Morals

Cockney Edward Wilson was by his upbringing a liberal and remained so for some years after he acquired a large sheep run at Dandenong. Its profits enabled him to buy up two other newspapers and amalgamate these with the "Argus." But the rapid increase of his unearned income, his opulent tours in new lands, then twelve months residence in Kent as a "country gentleman" marked a change to the Tory camp. Higinbotham, as his editor, had to go.

The "Argus" became the mouth-piece of land monopoly and hence declined. Its slogan "Unlock the Lands" was taken over by David Syme for his up-and-coming paper, the "Age." But the squatter members, and the town members of the upper House of "privilege" remained adamant in their hostility to a Land tax as a means to relieve the dis-employment. So a swing over to "protection" followed and by 1866 the existing tariff taxes for revenue were given a "protective" bias.

Competition benefits Consumers

Higinbotham turned to public exposition. When elected for Brighton (1861) he said "I am a free trader. It means trade freed, not from those necessary duties which are raised only for the purpose of revenue, but trade freed from all charges or duties that arise either from an ignorant jealousy of other countries or from an equally foolish impression that it is our interest to foster unnatural productions in our own country rather than receive them from other countries. The principle of free trade is beneficial to the country at large." That lesson is still unlearned.

Higinbotham battled on but in 1871 was defeated by Thomas Bent, demagogue, land speculator, and trade constrictor.

In a similar setting Henry George in San Francisco saw the decline of the "diggings" associated with monopolism of other natural resources bring brave men to destitution.

When his trenchant analysis of the causes of poverty, with his solution of the unsolved problems in Mill's treatise and his vibrant faith in men were published as "Progress and Poverty" and reached Melbourne in 1880 Higinbotham had been elevated to the Bench as Chief Justice. Thus he was required to be silent. So we shall never know what was the verdict on Henry George (H.G.) by the great Victorian liberal thinker George Higinbotham (G.H.).

"EXHORBITANT PRICES FOR HOME SITES"

Registrar's Annual Report

"The exorbitant prices paid for land by many members of co-operative Housing societies were criticised by the Registrar of Co-operative Housing Societies, Mr. E. T. Ebbels" as reported in "Age" (4/2/58).

The criticism was contained in the Registrar's annual report which was tabled in Parliament. Mr. Ebbels said it was distressing to see how many applicants for advances had paid prices for their land totally unrelated to its value. "This is most disturbing because it hits hardest the people with limited cash resources for whom the legislation is mainly intended," Mr. Ebbels said.

"Far too often one saw evidence of cases where a considerable amount of the member's hard-earned savings had been lost in paying an exorbitant price for his land."

Mr. Ebbels said, generally speaking a high standard of valuations was maintained by the societies' valuers. Valuers were not being influenced by the inflated prices being paid for building blocks, particularly in the metropolitan area. Mr. Ebbels said arrears of members had risen from £68,920 in 1955-56 to £124,257 last financial year.

(The interests of the whole community require that the price of home-sites be reduced substantially. This end requires more than lip-service — the only way to reduce the price of land is land value taxation. We must alter our economic set-up to transfer taxes from buildings and earned wealth and place them on the value of sites.)

PERSONALITIES IN OUR MOVEMENT

3. Mr. F. HOWDEN

Among the advocates of Henry George philosophy in Victoria the name of Frederick Howden has an honoured place. For many years Mr. Howden has worked consistently in the activities of the League and never misses an opportunity of presenting our ideas to people he meets in the ordinary contacts of life. Many a train traveller or chance met acquaintance has had the Howden charm turned upon him as he has been urged to consider the principles of the Georgist teaching.

As a lad in the country, son of a Congregational minister, the young Fred Howden and his brother attended a debating class at their church and began to take a keen interest in social problems. Dissatisfied with orthodox theology and views of life, he looked for some philosophy which would link the great moral teaching of Jesus with solving of the world's social problems. Henry Drummond's writings influenced him strongly during this period.

One night after a debate the land question was being discussed. It was during the great land boom and prices were leaping at such a rate that people were wondering just where it would all end. Fred Howden's elder brother remarked "I am inclined to agree with that man George of America who holds that the land is common property." Mr. Howden tells us "That remark altered my life!"

Soon afterwards Henry George came to Melbourne, and Fred Howden was taken by his father to hear him, an occasion which he remembers with keen pleasure. The young man eventually came to the conclusion that the philosophy of George was the answer to his questionings — that it was truly the practical application of the teaching of Jesus to social life, the harmonising of the spiritual and the material aspects of human life.

Settling permanently in Melbourne in middle life, Mr. Howden was able to join in fully with the League activities. He pays warm tribute to two friends at this time, Mr. Truebridge and Mr. Renwick, leaders in the movement who influenced him profoundly.

Mr. Howden has held the offices of President and Secretary of the League, and was a member of the Executive for many years. It is noteworthy that he was responsible for having the name of our street changed. This proposal had been first suggested by Mr. Royden Powell but it was not easy to gain the agreement of all the other tenants in the street. However, Mr. Howden personally canvassed each one of them and eventually the Georgists had the satisfaction of seeing the street named "George Parade."

Mr. Howden played a leading part in the Kew Rating Reform Campaign in 1947 with other keen workers including S. H. Mitchell, Ray Mignot, and Stan Garner. A hard fight was expected because the area included many large holdings. However the poll was won by 206 votes. In 1951 a reversion poll was taken, and after much hard work by the same group it resulted in a victory again for the rating reformers. This time the margin was increased to 679 votes.

The Georgist tradition is being carried on with the next generation in the Howden household also. George and Robert both share the interest of their father in social questions.

It is a great pleasure to his Georgist friends who regard Fred Howden with affection and respect to see him still so active and faithful to his philosophy and the furtherance of our principles. One of our elder members as years go — but his is a personality that is always young because always keenly interested in life and his fellow man.

APRIL FORUM

The subject was: "IS LIBERALISM THE ANSWER TO PRESENT-DAY PROBLEMS?"

The discussion leaders were: Mr. Wilcox, M.L.A., L.C.P. Member for Camberwell. (Guest Speaker); Mr. W. Pitt, Henry George League.

Chairman: Mr. W. Tindall.

Mr. Wilcox opened the evening by stating his idea of a true Liberal outlook, namely, that society should be so arranged as to give the individual freedom to develop his powers without hampering restriction and oppressive dictation by governments as in totalitarian states. Liberty was the most important thing of all in human affairs.

Mr. Pitt said that there could not but be full agreement on the "ideal" outlook of Liberalism, but when it came to practical means of realising that aim, Georgists had to disagree with Liberal policy at least as it appeared today in our national affairs. Although the present government stood for "Liberalism" as an idea, yet many of its practices were distinctly socialistic. They professed to aim at individual liberty, but seemed to lack the key to its achievement. Georgists contended that only by pursuing their policy, namely, land value taxation and free trade, could the true principles of Liberalism, that noble ideal shared by Liberals and Georgists, be realised.

Various speakers among the audience asked questions and made stimulating comments, contributing to a very interesting evening.

The next Forum will be held on Friday, 8th May, when candidates for the State elections will be given opportunity to state their views.

ELECTION NOTES

State election candidates announced so far who are favourable to our programme are:

R. Robertson (Scoresby): an active advocate of site-value rating in the Lilydale area.

W. Webber (Ringwood): answering a question recently, he foresaw the day when, after heavy incidence of present State Land Tax had broken up the over-large estates, a flat rate without exemption might reasonably be expected to bring in a greatly enlarged proportion of the State budget.

"Progress" readers may know of other political aspirants thus knowledgeable on basic economics. If so would like to hear from them.

SITE - VALUE RATING

The General Council for Rating Reform Reports

Benalla:

In this municipality the council carried a resolution to adopt site-value rating without a poll although a petition demanding one had been presented. However it retained the petition and deposit for some obscure reason. It was a long time appointing a valuer and this now shows the weakness in its method in passing its own resolution instead of letting the matter go straight to a poll. The valuation cannot be completed until the end of June. This would be in good time for the poll demanded by the ratepayers but where council resolution method is followed the valuation must be complete and advertisement published that valuation is open to inspection and such advertisement cannot be published later than June. This would rule out change to site-value rating this year unless the petition lodged by ratepayers is operated on. The whole proceedings are suspiciously reminiscent of the unsavoury past practice which has denied ratepayers this reform for nearly 16 years. But the Benalla Progress Association formed by rating reformers is determined not to allow ratepayers to be thwarted again and is demanding that the council act upon the petition it already holds.

Wonthaggi Borough:

Presentation of the demand for a poll has led to much heated discussion in council over a revaluation. The council had taken out a valuation recording unimproved values the previous year and Cr. McLeod contended that it was unnecessary to make a new valuation. It would only need supplementary valuation for the few properties altered in the intervening year. There is plenty of precedent for this view. The council is in the red financially and an attempt had been made to dissuade ratepayers from signing the demand for a poll on this ground of expense. However it was eventually decided to appoint a valuer at cost of £1,000 to make a complete revaluation.

Moe Borough:

The valuation here is now almost complete and the poll will be taken next August.

Kerang Shire:

After almost hysterical reception by councillors to the demand for a poll the council has now got around to calling applications for a valuer. It should have done this "forthwith" on presentation of the poll demand. It will be most unlikely the steps can now be completed in time for a poll in August as result of this delay.

Bairnsdale Shire:

The position is much the same as with Kerang except we have not even sighted an advertisement for a valuer. It is expected the council attitude will become an issue in the municipal elections in August. There has been much press activity.

Maffra Shire:

The council has advertised for a valuer. A public meeting was convened by the council to hear Mr. K. H. Gifford, editor of Local Government Guide, speak on rating systems in February. It is believed this meeting was arranged with view to dissuade ratepayers from signing the demand for a poll but it misfired. Mr. Gifford said rightly that ratepayers must make up their own minds but his impressions were that the change would not suit Maffra.

Prahran:

A rate protest meeting called by the Prahran Property Owners' Association invited Mr. A. R. Hutchinson to address the meeting on site-value rating as the real remedy for their complaints. A further meeting was to be organised to consider pressing a campaign for next year.

Ferntree Gully Shire:

There has been much press activity here for and against change to site-value rating. It is expected that the present dissatisfaction with N.A.V. rating here will culminate in a demand for a poll next year.

Communism.—Marketing of Primary Products Act, 1935: proclamation: all "seed beans" shall be divested from the producers of "seed beans" and become vested in and be the absolute property of The Seed Beans Marketing Board for a period of two (2) years from 1st March, 1958, and that all such seed beans shall be delivered by the producers thereof to the Seed Beans Marketing Board.—Bolte Government Advt. "Age," 25/2/58.

(Ed. Note.—Robert Gordon Menzies, M.H.R. was one of the sponsors of this communism in primary production.)

CHAIR FUND APPEAL

The present chairs in the League rooms are inadequate for our needs particularly with the growing popularity of the "Forum." They are cane chairs many years old and in bad repair. Their unsuitability is all the more evident since the renovations of the rooms.

It has been decided to launch an appeal to members and friends to refurnish with modern tubular chairs capable of being readily stacked. Such chairs would cost about £4/10/0 each and we need about 30.

Donations to the chair fund will be acknowledged by printing the initials and amounts in the paper.

Will you subscribe one of the chairs (or part) to make **YOUR** rooms a place to which you will be proud to bring your friends?

MARY A. HUTCHINSON,

Hon. Secretary.

TRADE THEORY FALLACY

It is strange indeed how widespread is becoming the superstition that the hall mark of profitable commerce is for the value of a nation's exports to exceed that of her imports.

Actually, in profitable international trade the value of imports will always exceed the value of exports that pay for them, just as in a profitable trading voyage the return cargo must exceed in value the cargo carried out. This is possible to all nations that are parties to commerce, for in normal trade commodities are carried from places where they are relatively cheap to places where they are relatively dear, and their value is thus increased by the transportation so that a cargo arrived at its destination has a higher value than on leaving the port of its exportation.

But if trade is profitable only when exports exceed imports in value, as current theory assumes, then the only way for all countries to trade profitably with each other would be to carry commodities from places where they are relatively dear to places where they are relatively cheap. Thus one should expect ice manufactured in Fiji to be shipped to Tasmania and hothouse bananas grown in Tasmania to be shipped to Fiji, and so on.

By the same theory, the more ships sunk at sea the better for the commercial world. All countries would then enjoy the maximum of exports with the minimum of imports.

When Rome was mistress of the world, Sicily, Spain, Africa, Egypt and Britain exported to Italy far more than they imported from Italy. But so far from this excess of exports over imports indicating enrichment, it indicated their impoverishment. For the wealth produced in the provinces was drained to Rome in taxes and tribute, for which no return was made. History contains other similar instances which show the absurdity of the notion that an excess of exports over imports indicates increasing wealth.

Australia is experiencing some serious consequences for entertaining this delusion that is at the root of import restrictions. These include encouragement of uneconomical industries which can exist only by sheltering behind trade restrictions; a power-hungry bureaucracy which unjustifiably interferes in legitimate commerce and which has led to unnecessary corruption; hindering of development of friendly relations with other countries, especially Asian nations, by our refusal to accept their goods; and lowering of the living standards not only of ourselves, but also of other nations, by restricting the application of the principle of the division of labor on an international scale.

(This fine letter from C. A. Forster appeared in "Advocate" (Tas.) of 28/2/58 and also in "Geelong Advertiser.")

Strong Words.—"The experiment of high taxation combined with protectionism has been a complete, utter, howling, disastrous failure."—From Colin Clark's pamphlet "The Cost of Living," quoted by The Listener, Oct. 10, 1957.

COLOURED TRAVEL SLIDES

AN EVENING FOR MEMBERS AND FRIENDS

TUESDAY, 20th MAY, 1958

A travel picture evening will be held in the League Rooms at 7.45 on Tuesday, 20th May. A very interesting selection of films with commentary, of Britain, Europe and Australia, taken by Mary Hutchinson during her travels, will be shown. They will be supplemented by the coloured films taken at the Georgists' picnic at Seaford on Labor Day.

Come along yourself. Bring your friends.
Make a note of the Date.

Gold Rush brought large population to Coolgardie (W.A.), then the gold petered out. So the population deserted that town and went to the new gold fields at Kalgoorlie. They took the "site values" with them but left the improvements (capital) behind — the best of these could then be rented for a few pence a week. While vacant blocks could be used for the asking — no rent to pay.—R. F. Dyson, Natural Prosperity.

[Ed Note.—Thus land value is a population value quite apart from Ricardo's "fertility of soil, etc." still taught by trained economists as the origin of "value" and market price for land.]

Retail Prices. During 1956-57 Australian retail prices rose faster than comparable figures in any of the other major trading nations of the world. Figures were: Australia 4.7 per cent.; United Kingdom, 3.2; Canada, 3.2; New Zealand, 2.9; U.S.A., 3.6; France, 2.0; and West Germany, 1.0.—"Age," 1/11/57.

[Ed's Note.—Although such figures must be taken with reservations, they at least make certain Government assurances rather unconvincing that our economic conditions are flourishing with the L.C.P. at the helm.]

Copper Mine Production is burdened by Menzies' taxes, payroll tax, tariff tax, sales tax on stores, hence marginal producers are in trouble with world price for copper at £A230 ton. So Menzies' Ministry arranges the planned economy to hold the internal Australian copper price at £A330 ton (up by 40%). This internal price level hits telephone, electricity services and cripples export of manufactured copper products.

T.V. Taxes on a set with 17 inch screen priced at £209 include: tariff tax and excise duty on components £11; Sales Tax £25; Payroll Tax and Income Tax £2; at least £38. The licence tax is £5 per year.

Georgians approach national problems with the customary root-and-branch radicalism that will not be daunted by the "liberal" history of the past quarter-century. Freedom of trade is an instrument of peace. Restriction perverts trade into an instrument of war.

Superannuation is a system by which thrifty persons, instead of looking to a free pension; tried to make provision for old age by their own contributions. Their efforts have been nullified by inflation of volume of printed paper money arranged by Canberra rulers.

Planned Economy.—"Licence" must first be obtained before a new cheese factory can be established in Victoria. If another cheese factory objects then, apparently, Government refuses licence and prefers monopoly although competition helps the dairyman. Mr. Bolte's over-control holds back development of an export industry. Mr. H. G. Osborne, M.Sc. entered a plea for more freedom for the industry, "I do not know why it should be necessary to obtain a 'licence' before a cheese factory can be established."—31/10/57.

[Ed. Note.—"Protection" is thereby afforded to the less efficient co-op. factory.]

Planned Economy.—Our national systems of taxes and currency have the extraordinary effect of forcing one country to destroy goods — or to prevent their production — while men in other countries are starving for lack of them. — Century of Science. Sherwood Taylor, M.A.

Ed. Note.—Economics is not a reliable exposition of carefully defined concepts — such as capital — and hence lacks the status of a physical science.)

Bridges or Barriers.—A representative of the Mill Owners' Association of Bombay told a Tariff Board inquiry that if duties on cotton textiles were increased, India would again become a victim.—"Age," Feb. 11th (approx.) 1958.

(Ed's. Note.—Melbourne's new Archbishop, Rev. F. Woods, has pleaded for Australians to build bridges rather than barriers between our Asian neighbours and ourselves. Restrictive customs tariffs constitute one of the worst barriers.

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 10.30 p.m.

LISTEN AND ASK YOUR FRIENDS TO LISTEN

Donations to the Broadcast Fund are
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NOTE CHANGE IN BROADCAST TIME

HENRY GEORGE LEAGUE

18 George Parade, (off 113 Collins Street, near Russell Street), Melbourne, C.I. Telephone: MF4635. Office Supervisor, Mrs. Kerferd; Hon. Sec., Mrs. M. A. Hutchinson.

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

Held at 18 George Parade, (off 113 Collins St.)

MEMBERS' EVENING:

Tuesday, 20th May, 1958, at 7.45 p.m.

PUBLIC FORUM:

Friday, 8th May, 1958, at 8 p.m.

Subject: "Election Candidates Views."

INVITE YOUR FRIENDS