

THE PEOPLE'S ADVOCATE

An Organ of Fundamental Democracy

Policy: *Free Land, Free Trade, and Proportional Representation*

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THE OPEN FORUM

Question.—Assuming that the Single Tax plan is in operation and there are two adjacent blocks of equal size and assessed at the same unimproved value and contribute the same amount to the public revenue. On one of the blocks of land there is a large premises occupied by 60 people. This building may be a guest home, a coffee palace or a hotel. On the other block of land there is only a modest dwelling occupied by a small family. Is it not obvious that the many people on the first-mentioned site receive more service from the community and should, therefore, pay more?

Answer.—The adoption of what is known as the "Single Tax" is to give effect to the principle of payment in proportion to benefits received. It will cost the governing authorities just as much to put the road, footpaths, and other social services adjacent to the land where the small residence has been erected as it does to put it adjacent to the one with the large building on it. There is nothing to prevent the owner of the small building erecting a large structure on his land if he so desires. Further, it is reasonable to assume that the 60 persons staying at the hotel or guest home are merely "passers-by," and have homes in some other locality. They would be paying the use value of that land in the part of the State where those homes were situated, but would not be enjoying a double service by reason of the fact that they were temporarily staying at the hotel or guest home. The service received in this new locality would balance the loss of service in another part of the State.

In levying revenue from the land value basis, a distinction is made between value created by the community and value brought into existence by individual effort. Anything made by the holder of a hotel or guest home as the result of service rendered to his guests is rightly his, and no government has any right to appropriate any portion of it. But the value attaching to the hotel or guest home site is not there as a result of the effort of any individual. It arises because of the presence of all the people, therefore it should be taken into the public treasury and used for the benefit of the people. The fact that the 60 people have come to that town and deemed that place worthy of a visit has given a value to the land that would not be there without their presence. They pay their quota of that value when they pay the hotel-keeper or guest home proprietor at the end of their stay. Their payment to him would be of a three-fold nature. Payment for food and service, for lodging accommodation, and the balance would be a contribution for the use of the site upon which their room was situated. They are the users of that site during their sojourn in the town, and it is right they should pay in proportion to the benefits which they receive. The payment by them is not

made direct to the public authority, but is done indirectly through the proprietor of the place where they live during their visit to the locality. Each of the 60 guests would contribute in this indirect manner, the claim of justice would be satisfied, and no injustice would be done to the holder of the smaller home.

Eyre District Fighting Fund

The Kimba Branch of the Henry George League has opened a Fighting Fund for the next election for the Eyre District, House of Assembly. Our readers have already been advised that Mr. James P. Moore, who has done excellent work for the Henry George Movement, will carry the banner for sound economic principles in the election campaign which will be held in March or April next. The district is a large one to cover, and there are certain expenses associated with the hiring of halls, transport, and advertising; so the Kimba Branch of the Henry George League has decided to open the Fighting Fund at this early date so as to give every supporter of the principles an opportunity to assist in this fight for economic freedom. At the present time numerous calls are made upon the general public, but it must not be overlooked that unless the work for the establishment of social justice continues, there will be little opportunity of securing that "new world order" so much spoken about at the present time. Mr. Moore is an excellent speaker, has a good grasp of principles, and would be a valuable addition to the debating strength of the House of Assembly. Friends of the movement are respectfully asked to render all assistance possible so as to ensure success at the coming election campaign.

Contributions can be sent direct to the secretary, Mrs. M. H. Harvey, Kimba, or they can be sent to the League Office at Adelaide. All donations will be acknowledged in "The People's Advocate." Thanks.

The following contributions have been received:

Mr. and Mrs. W. Hutchens	£2 2 0
Mr. and Mrs. A. Hutchens	2 2 0
Mr. A. Schubert	1 1 0
Mr. C. B. Schubert	1 1 0
Mrs. M. H. Harvey	1 1 0
Mr. L. Guidera	0 10 0

"THE STANDARD"

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A. G. HUIE, Editor and Manager.

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THE TAXATION BURDEN

The Premier (Hon. T. Playford) delivered the State budget speech on Thursday, September 28. New records were created during the past financial year so far as revenue and expenditure were concerned. The total revenue for the year was £12,755,648, and total expenditure £12,918,376, the deficit on the year's operations being £162,728. The total taxation collected during the year was £4,563,353, which was £447,267 more than was collected in 1933-39. The chief increases were £196,979 in succession duties, and £255,805 in income tax. The details of taxation collected are as follows:—

Succession duties	£563,505
Land tax	320,316
Income tax	2,358,733
Stamp duties	410,628
Motor taxes	680,335
Other licences	229,836

Total taxation £4,563,353

In regard to succession duties the increased amount this year is due mainly to the death of a local millionaire, and the duty paid by his estate was approximately £300,000.

The Public Debt and Interest

The total indebtedness of the people of South Australia on June 30, 1940, was £111,709,323, or £185 8/10 per head of the population. This is an increase during the year of £402,073, or an increase of 5/10 per head. The interest on the public debt, which includes interest and exchange for the year 1939-40, was £4,663,800. This, it will be noted, was more than the total amount collected during the year from all forms of taxation, and represents 36.10 per cent. of the total expenditure from all sources. A sum of £583,000 was set aside during the year for the purpose of reducing the public debt. With the borrowing that is likely in the future a big proportion of our total income will be used for the payment of interest, and as the years go by there will be a diminishing amount available for the purpose of providing necessary social services. The estimated increase in interest for the coming year is set down at £70,000.

Estimates for the Coming Year

In connection with the estimates for the coming year the figures are:—

Estimated revenue	£12,592,000
Estimated expenditure	12,975,000
Estimated deficit	£383,000

Owing to the bad seasonal conditions it is not anticipated that the taxation revenue will be as high as during the past year, but the territorial revenue and returns from social services are expected to be about the same as the year just ended.

Losses on Business Undertakings

The unfavorable conditions in the rural areas are reflected in the losses made in connection with business undertakings. Here is a detailed statement of the losses made.

Railways	£1,022,187
Country waterworks	387,433
Land repurchased for closer settlement	2,073
South-Eastern drainage	82,714
Improvements on pastoral leases	75,463

Irrigation and reclamation	157,196
Railway relaying	96,834
Railways depreciated assets	128,262
Water conservation	61,326
Murray River weirs, dams and locks	130,625
Soldier settlement	242,285
Produce stores	1,172
Sundry works	574,740
	£2,962,810

This £2,962,810 represents the total loss, after paying interest, on the State's business undertakings.

Taxation Alteration

The only alteration in the taxation proposed for the coming year is an adjustment of income tax. It is intended to reduce the minimum rate of income tax for married persons with children under 16 years of age by 3d. in the £. The increase in the progressive rates of income tax will be rapidly stepped up, so that this benefit will disappear when the income reaches £500 per year. This means that on incomes of £500 per annum and upwards the rates of income tax to be levied in this financial year will be the same as obtained last year. It is estimated that the contemplated adjustments in connection with income tax will benefit 30,000 taxpayers, and that the cost of the concession will amount to £25,000 per annum.

It is interesting to note that in 1930-31 total taxation levied by the State Government amounted to £3,339,766, or £5 16/4 per head, whereas last year the total amount was £4,563,353, or £7 12/11 per head; an increase of £1 16/7 per head in ten years. During that period the income tax has been increased by 16/3 per head, and the land tax reduced from 17/- to 10/9 per head. This fact should be borne in mind when we hear complaints about the burden of the land tax upon industry.

The total income tax levied on individual incomes from personal exertion was £1,033,008, and of this amount £873,376 was taken from taxpayers whose incomes did not exceed £400. Here are the details of these levies:—

Grades of Taxable Incomes	Amount of Tax
Minimum tax	£2,312
£1 to 50	65,363
£51 to £100	159,996
£101 to £150	221,855
£151 to £200	173,653
£201 to £300	172,845
£301 to £400	77,352
	£873,376

An examination of the figures of total taxation reveals the fact that although over four and a half million pounds of taxes were taken from the people during the past financial year, only £320,316 of that amount was collected from its natural source—land values. Can we wonder that wealth producers are in a parlous financial position, and that a large number are forced to leave the land while such a heavy burden is placed upon production? It is said that people get the Government and policy they vote for at election time, therefore it is essential for all electors to demand that the present system of raising revenue by means of taxation laid upon production be abolished, and that revenue be taken from its natural source—the rent that attaches to land by reason of the presence of the people. Until we have such a change there is little hope of social betterment.

Morgan-Whyalla Water Scheme

In our last issue we dealt with the voting on the Whyalla water scheme when the Bill was in the committee stage. On the vital clause which provided for the granting of a monopoly to the Broken Hill Proprietary Co. Ltd. to supply water to the residents at Whyalla, all the Labor members and Mr. Stott voted or paired against the monopoly being granted. When the third reading stage of the Bill was reached Mr. Craigie took the opportunity to voice a further protest against the proposal, and said it was the function of the Government to undertake the distribution of the water to the residents as well as to put the pipe line there. Mr. Nieass, Labor member for Norwood, supported Mr. Craigie in this protest. When a division was called for on the third reading all the Labor members, with the one exception of Mr. Nieass, reversed their votes and cast them in favor of the monopoly to the B.H.P. Mr. Stott also changed his attitude and voted for the granting of the monopoly.

It is hard to understand the attitude of Labor members, who take every opportunity to talk against monopoly, voting for it when they are put to the test. When speaking on the second reading of the Bill on August 27, the Leader of the Opposition (Hon. R. S. Richards, M.P.) said:

Sooner or later Parliament will have to decide who shall be the controlling authority for, say, 30,000 people domiciled at Whyalla. We shall have to decide whether we are prepared to give private interests complete control over 30,000 people when we do not permit that control to be exercised over any other centre. It is from that angle I view this industrial development.

Mr. Richards went on to say:

Clause 9 provides that the company shall be the water authority for the district, and I do not concur with that proposal. I see no reason why the Commissioner of Waterworks should not be charged with the responsibility of supplying, not only the company, but the residents or any other business or manufacturing interests. Taking the long view, other industries may require considerable quantities of water, and if we carry this provision the Broken Hill Proprietary Company Limited will be the water authority for the area and, therefore in a position to dictate the terms under which the water shall be supplied to them.

Continuing, he said:

I hope to be able to prove that the Broken Hill Proprietary Company Limited is not being charged anywhere near the cost of supplying the water, and I think I can show, even from the report of the Committee, that the company is getting the water on a cheaper basis than another authority, so that the question of payment for water is not in debate at the moment. I am concerned with the principles involved.

Commenting on the agreement, Mr. Richards said:

Indeed, under the agreement, there is no obligation on the company to ask for a supply of water and none on the State to supply it unless it is asked for. After we have constructed the pipe line the company may refrain from asking the State to deliver the water . . . It is not compelled to supply the residents or anyone else, and the whole issue I am debating at the moment is wrapped up in that obligation upon the company.

One of the objectionable aspects of the matter is the fact that the company will have the right to assess its employees, and this may have undesirable consequences. How many employees of the company would dare to appeal against the assessments in the local court? The company could exercise its monopoly to the detriment of its consumers. Moreover, it is not unlikely that the company would take all the water it required first and the residents and other industries would come after.

Mr. Richards emphasised the point that there was nothing in the Bill or agreement to make it mandatory for the company to supply water. He said:

Incidentally, the Bill provides that the company "may" supply water. There is no obligation upon it. The Waterworks Act, part of which is to apply to the company, lays down that the Commissioner of Waterworks "may" supply water. Does "may" take precedence over "shall" in this instance, or will the company be compelled to provide an adequate service? The Bill contains nothing to lead one to think that the company will be under that obligation. It will enjoy all the rights and privileges of the Commissioner of Waterworks without any of his responsibilities. Moreover, no provision has been made to ensure that its charges shall be fair and reasonable.

Dealing further with the drastic powers to be granted to the company, Mr. Richards declared:—

By the Bill the company would have the power to put in a warrant by a bailiff for all water rates and other charges due to it without ever getting a judgment! It is a very wide power to allow a private concern to seize anyone's goods merely because he owes it some money . . . We are giving the Broken Hill Proprietary Company the power to do this under the Bill. We are proposing to make it the sole water authority, and I doubt whether we should do that.

We have quoted extensively from the speech of the Leader of the Opposition so that the general public might understand the attitude of the Labor Party to the granting of this monopoly, and because the vote shown in our last issue did not reveal the final attitude of the Party to the question. During the second reading stage of the Bill Mr. Richards was very much concerned as to the fate of the 30,000 people to be domiciled at Whyalla. He also realised that employees of the company would run the risk of losing their employment if they appealed against the assessment made by the company. He pointed out that under the agreement the company would be getting water below cost, and there was really no obligation on the company to supply the water after £3,122,000 of the taxpayers' money had been expended in getting it there. Having said these things, and pointed out the evils associated with the agreement he was consistent on Thursday afternoon and voted AGAINST the clause in the Bill granting the monopoly. On the following Tuesday he became inconsistent and led his Party, with the one exception of Mr. Nieass, in voting for the monopoly he had so strongly condemned. Here is the official division list on the question:—

The House divided on the third reading—

Ayes (27).—Messrs. Christian, Davies, Duncan, Dunks, Dunn, Fisk, and Illingworth, Hons. S. W. Jeffries and G. F. Jenkins, Messrs. Lacey, Langdon, Lyons and Macgillivray, Hons. J. McInnes and M. McIntosh, Messrs. Melrose, Michael, and O'Halloran, Hons. T. Playford (teller) and R. S. Richards, Messrs. Riches and Robinson, Hon. R. J. Rudall, Messrs. Shannon, Stephens, Stott and Whittle.

Noes (5).—Messrs. Bardolph, Craigie (teller), McKenzie, Nieass, and Smith.

The following members did not record a vote on the question:—Messrs. Abbott, Connor, McLeay, Fletcher, McDonald and Thompson.

The members of the Labor Party have proclaimed from the housetops that the objective of their policy is "socialism in our time." The supply of water is essentially a State undertaking, yet these members who are alleged to believe in Government undertakings cast their votes in favor of handing over the supply of water at Whyalla to the greatest monopoly in Australia at the present time. The member for the district, Mr. L. Riches, who also pointed out the

danger associated with the scheme changed his vote and handed his constituents over to the monopoly control. The attitude of Labor members in regard to monopolies is hard to understand. When the Wood Pulp Agreement was before Parliament the then leader of the Labor Party, Mr. Lacey, gave it his blessing. In 1937, although Labor members spoke against the Broken Hill Proprietary Company having a monopoly over our iron ore resources for a period of 50 years with a right of renewal for a further 21 years term, only one Labor member (Mr. T. P. Howard) voted against it when the division was taken; and now in connection with the supply of water they have again, with the one exception, voted in favor of the private company having the monopoly, instead of demanding that the State undertake the distribution to the consumers at Whyalla. It would be interesting to hear these socialists attempting to explain their inconsistency before an audience that had some knowledge of economic principles. There should be some searching questions put to these men when the State election campaign is in progress.

The Question of "Compensation"

To the Editor

Sir—During past months I have read much in your columns dealing with the matter of "compensating" land holders on the introduction of the Single Tax principles. Why should we overlook the fact that sweeping reforms do not usually come in a moment. Devoted men have labored for ages urging the adoption of Christian morality, but with only partial success. Anything we achieve will be the result of the earnest labors of those who have preceded us, to which our own hard work must be added. As we hope the change will be made by the will of the people expressing itself in our legislatures, we may be sure that much educative effort is needed, and that, in all probability, the steps will be gradual. However much it is to be desired and striven after, the changing of multitudes from the service of injustice to that of justice in a moment is not to be expected. The suggestion that "compensation" is required recalls the cry of the Ephesian goldsmiths when St. Paul preached the gospel in their city. They provoked a riot, saying that their business, making images of their great goddess, Diana, would be ruined if the new religion prevailed. But does anyone consider that their claim was just? Actually the substitution of justice for injustice benefits all, but if any did suffer materially, a compassionate allowance could be granted, as a favor, though not as a right. If one of us had a son held in slavery would we think the man who perpetrated this wrong should be "compensated" on his release, or would we rather think he should be punished for his evil deed? But when all taxes are removed is not that "sufficient" compensation for anyone who, instead of the present burdensome taxation, simply pays to the government the rental value of the land he holds, a value that is community-created? Again, is there not ample "compensation" given in the public works provided by the expenditure of the "rent" which each contributes to the exchequer? I think so.

Yours, etc.,

EQUITIST.

PREFERENTIAL VERSUS PROPORTIONAL VOTING

We have received inquiries from readers, in Queensland as well as in South Australia, who are anxious to know the differences in the counting of votes under the present preferential scheme recently used for the Federal elections, and the counting of votes under Proportional Representation. As this information will be useful for other readers we print our reply so that they may have the benefit of it.

The Preferential or Senate System

With this system the first preferences for all candidates are counted and tabulated. If any of the candidates have secured a majority of the total votes cast they are declared elected. In the event of any candidate failing to secure such majority, the returning officer will then exclude the candidate with the lowest number of first preference votes, and sort the ballot papers of that candidate into second preference order for the remaining candidates. These second preferences are added to the remaining candidates' totals of first preferences. If this transfer does not secure a majority of votes for any of the candidates, the next lowest candidate is excluded and his votes transferred in similar manner. This exclusion and transfer of preferences continues until some candidate has secured a majority of votes, when he or she is declared elected. This is the method used in connection with a single-member constituency.

The same principle operates in connection with a Senate count, where three senators are to be returned. When the first senator has been returned in conformity with the transfer of votes as stated above, the ballot papers of ALL candidates are then re-sorted into first preference order again. The next step is to take the second preferences of the ELECTED candidate and allot them to the remaining candidates. If this transfer should not give any candidate a majority of votes, the lowest candidate is excluded and his votes transferred as indicated by the preferences marked on the ballot paper. This exclusion and transfer continues until the second senator is elected.

Again all the papers are brought back and sorted for first preferences. The second and third preferences of the two senators who have been elected are then transferred as indicated on the ballot paper, and this usually brings about the election of the third senator. In the event of it failing to do so, there is another process of exclusion and transfer of the votes from the lowest candidate until all three senators are elected. It will thus be seen that under such a system any party who can poll one more than the total number of first preferences cast, and whose members remain true to the party ticket, can elect the three candidates nominated by the party, and all other electors are left without representation. It will thus be seen why it is compulsory to mark so many preferences under this hybrid and unjust system. Unless the element of compulsion was introduced it might be that not any of the candidates would secure election. Therefore to make sure that some one is elected voters are compelled to mark a preference for a candidate they have no wish to see elected at all.

Proportional Representation

The counting under Proportional Representation is on a different basis. Under this system QUOTAS of electors secure the representation. If we assume that in a Senate

election 120,000 voters are to be represented by three senators, it logically follows that each 40,000 voters are entitled to have ONE senator to represent them in Parliament. The method of ascertaining the quota is to divide the total number of first preference votes by one more than the number of senators to be returned and add one to the quotient. In the case now before us with three members to be returned, we divide the 120,000 first preference votes by four, which gives us 30,000. To this we add ONE, making the quota 30,001. The reason for adding this ONE is apparent. In a single-member constituency any candidate polling one more than half of the votes cast will win the seat, for no other candidate can poll a similar number of votes. In a three member district any three candidates polling 30,000 votes must be elected, as no other candidates can poll a similar number of votes. Therefore, if under Proportional Representation any candidate secures 30,001 votes, he or she is declared duly elected. If any candidate secures MORE than the quota, that is, more than 30,001 votes, that candidate has a surplus of votes. This surplus is transferred to the candidates who are marked with the second preference, or No. 2 on the ballot paper of the candidate who has the surplus. In actual practice a fractional transfer is made, so that the count is mathematically correct. If the transfer of this surplus does not secure the election of the second senator, the lowest on the list is then excluded, and the second preferences are transferred to the candidates indicated. This exclusion and transfer goes on until the three senators are elected. Under such a system, if we assume that the Labor Party have two-thirds of the voters associated with that party, and the Liberals one-third, the election will give one seat to the Liberals and two to the Labor Party. Or assuming that one-third of the voters were holding Independent views, that section would get one representative, and if the party supporters were evenly divided so far as the other two-thirds were concerned, they would each get one member to voice their views. It must also be noted that under Proportional Representation there is no compulsion in regard to the number of preferences to be recorded. A voter may vote his No. 1 choice, and stop at that, if so desired. It is usually advisable to continue the further marking of the ballot paper, but the vote would not be informal if only one preference was indicated.

The Proportional System Democratic

It will be seen by a comparison of the two systems that the Proportional system is the more democratic of the two. It provides for majority rule, and also secures representation for the minority who are disfranchised under the alleged preferential system. The aim of the Proportional system is to give representation to all shades of political opinion in exact ratio to the numerical strength of each section. For this reason it is usually suggested that districts returning five, six or seven members be adopted. The smaller the quota in each district the wider is the spread of political representation. Under the Proportional system of voting there is no need for a pre-selection ballot, as each candidate can make his or her appeal directly to the electors, and they can indicate their preference in any order they desire. Party managers do not like this democratic system, as it takes the power out of the hands of the party and puts it where it always should be—in the hands of the electors.

Where P.R. Is In Operation

One of our correspondents is anxious to know where P.R. is in practical operation. Starting near home it has been successfully applied in Tasmania for more than thirty years. In New Zealand it is used for municipal elections, by a number of local government bodies. Eire (the Irish Free State) has used it for the past 22 years, and it has produced stable government, as only two Governments have been in office during that long period. It is used for local as well as national elections, and Proportional Representation is embodied in the Eire Constitution. On the Continent, Switzerland, Denmark, Belgium, Norway and Finland operated the system prior to the war; whilst in Canada and the United States it has been extensively used for local government elections. In Alberta Province, the Cities of Calgary and Edmonton use Proportional Representation as the system for the election of members to the Provincial Legislature, and the results have proved much more democratic than the single-electorate system which is in use in the rural constituencies. Wherever the system has been tried it has proved a great success. Professor Sir Berriedale Keith, the great constitutional authority, in his latest book "The British Cabinet System, 1830-1938," published last year, pays an eloquent tribute to Proportional Representation. After dealing with the injustices associated with the present British voting system of single electorates he states: "Of the remedies for this state of affairs the most obvious is Proportional Representation." Opponents do not argue against this democratic system of voting. They merely try to ridicule it, and end up by making themselves appear ridiculous.

KIMBA HENRY GEORGE BIRTHDAY COMMEMORATION

The Kimba Branch of the Henry George League held their annual social to commemorate the birthday of Henry George in the Kimba Soldiers' Memorial Hall on September 27. The president of the branch (Mr. A. Schubert) occupied the chair. The address was in the capable hands of Mr. Arthur Schafer, who paid eloquent tribute to the great mind which had so clearly laid down the principles which if allowed to operate would ensure universal peace and general prosperity throughout the world. Mr. C. Frick ably supported Mr. Schafer, and all present realised that never had the time been more opportune for putting into operation the economic principles enunciated by Henry George. This was essential if civilization was to be saved. Mr. Atkinson also gave a short but very interesting address. An excellent supper was served by the ladies, and a collection which was taken up was donated to the Kimba Soliders' Memorial Hall.

HENRY GEORGE LEAGUE OF SOUTH AUSTRALIA

The monthly meeting of the Henry George League of South Australia was held at George Parade on Tuesday, September 24. The president (Mr. A. N. Morgan) occupied the chair. Minutes of previous meeting read and signed. There was an interesting budget of correspondence, showing great interest in our principles in many parts of the world. The secretary in his report dealt with the recent commemoration social, the Whyalla water scheme, the Bill for Proportional Representation, and other matters of general interest. Financial statement adopted and accounts passed for payment. Matters relating to the Federal elections were discussed.

Next League Meeting, Tuesday, October 29, at 8 p.m.

DROUGHT RELIEF BILL

South Australia is again experiencing the evil effects of a drought. Instead of the wheat yield being in the vicinity of from 30 to 40 million bushels, it is anticipated that only 15,000,000 bushels will be reaped this year. The outlook for hay is also very serious, and the price is likely to be high. Old sheep are being offered at ridiculous prices because there is no feed available in many centres for them. Representations have been made to the Government to acquire hay for the drought-stricken areas, and suggestions have been made that the price of hay should be fixed so as to prevent exploitation by those who are fortunate enough to have a surplus. The Government has not agreed to the requests made, but a Drought Relief Bill has been passed by Parliament to help relieve the acute position. With a view to facilitating the early passage of the measure private members allowed their measures to stand over on Wednesday, October 16, so that the Drought Relief measure could be proceeded with at once. The Government allotted the following day for the discussion of private members' business. So that our readers may know the exact position in regard to the new Bill, we give the following information concerning it.

The definition of "farmer" under the Bill as passed "means any person who otherwise than as an employee is engaged in the cultivation of land for the production of cereals, and includes any party to a share farming agreement under which land is cultivated for such production." The decision as to whether a person is a farmer or not rests with the Treasurer, and his decision is final. Under the Bill power is granted to the Treasurer to borrow from the Commonwealth any sum or sums of money not exceeding in the aggregate six hundred thousand pounds, and he may also purchase commodities.

Where the Treasurer is satisfied that any farmer is in necessitous circumstances and has sustained loss by reason of the drought prevailing during the year 1940 he may (a) make a loan of money to that farmer, (b) sell or supply to that farmer any commodities which in the Treasurer's opinion are required in connection with the carrying on of farming operations, or in connection with the maintenance of himself and his dependents. Every loan, sale or supply shall be upon such terms and conditions as to payment, interest, security, and otherwise, as the Treasurer thinks fit. It is also provided that no money shall be lent and no goods shall be sold or supplied under the Act after the 28th day of February, 1942.

For the purpose of security for any loan made, or for the price of any commodities sold or supplied under the Act, a farmer may, by bill of sale, assign to the Treasurer any crops to be grown by him or on his behalf on any land within the State within any period not exceeding five years after the execution of the bill of sale. No stamp duty is payable upon any document made under this Act, and no fees are payable for the registration of any documents. The Act gives power to make regulations regulating the use of the commodities supplied to the farmers under the Act, and prescribing fines not exceeding £25 for any breach of the regulations.

It is intended that the loans made to farmers under the Act shall be for a term of five years. Interest will not be charged for the first year, but for the remaining four years a low rate will have to be paid. As the Bill left the House

of Assembly the Treasurer had full control of the distribution of relief, as objections had been lodged against the matter being placed under the control of the Farmers' Assistance Board. In the Legislative Council a clause was inserted providing that the Treasurer MAY appoint an advisory committee of three to assist him, and this was agreed to by the House of Assembly. The Bill passed through all stages in two days and is now law.

In the course of the debate in the Assembly, Mr. Dunks, M.P., member for Mitcham, asked why the farmers did not in good years build up a reserve for the lean years, and Mr. E. J. Craigie, M.P., replied to Mr. Dunks as follows:

Mr. CRAIGIE (Flinders)—I had no intention of speaking this afternoon, but I cannot allow Mr. Dunks' remarks to pass without saying a few words. He started by asking why farmers during good years did not put sufficient funds away to meet demands in lean years, as was done by other people. I thought he was conversant with the actual position of farmers, but apparently the question he has submitted for answer indicates very clearly that he does not understand their position. He should understand that farmers have not been able to put away something in good years to tide them over bad times because he has supported a policy which has compelled farmers to pay an artificial price for everything they require in producing crops. If the wheatgrower is compelled to buy in a closed market and pay abnormally high prices for commodities, and is forced to sell the product of his labour in the markets of the world under free-trade conditions, manifestly in good years he has not an opportunity to put anything away to tide him over the bad seasons.

Mr. Dunks—We helped the farmers with a home consumption price. You must not forget that.

Mr. CRAIGIE—I am not forgetting it. I have pointed out many times that I opposed the home consumption price because it had led farmers up a dark lane, so that some people would continue to exploit them, when what was wanted was an opportunity for them to produce under proper conditions. The reason why farmers cannot build up a reserve is, as I have pointed out before, that when an Australian farmer wants plant to take off his crop he has to pay £1,000 for it, whereas his Canadian brother can buy it for £450. Everything else he requires has to be bought at a proportionately high price. Therefore it is no wonder that farmers because of high costs coupled with bad seasons are in their present unfortunate position. Mr. Dunks said that if a farmer owned his own property he need receive only a low price for his wheat in order to make his operations pay. Has the honorable member any idea of the cost of production? If he were asked to indicate what he considered was the cost of production, could he give an intelligent answer? If he is not in a position to do so, why does he say that a farmer owning his land needs only a low price in order to produce at a profit? Does he know that any person who is capable of calculating the position on a profitable basis must understand that a farmer who crops under the conditions operating to-day must, if he is to get his money back, receive at least 3/1½d. a bushel, and then he must produce an average of 15 bushels an acre? When Mr. Dunks realizes that the average production for this State is much below 15 bushels an acre he will realize the absurdity of his contention. He should understand that if a man has invested £1,000 in land he must get interest on

that amount, and if he has invested £1,000 in plant he must also get interest on that outlay. In other words, the price he receives for produce must be sufficient to cover not only the interest on his money, but also the depreciation on his plant, otherwise he will be in a difficult financial position.

Mr. Dunks—Why must he get interest on his own money?

Mr. CRAIGIE—If the member for Mitcham puts capital into his business does he not expect to get interest on his money? I think he would hesitate to put money into a business unless he received an adequate return. If it is his policy to get interest on money invested, why should not the wheatgrower who puts £1,000 or more into land and plant likewise get interest? Wheatgrowers cannot build up reserves because taxation in Australia and South Australia is taking 48 per cent. of their total production, nearly one-half of what they are producing. That being so, how in the name of heaven can they put anything aside for bad seasons? Although it might not be very palatable to Mr. Dunks to have some plain home truths pumped into him, he should realize that if it is necessary to adopt business principles in the making of bread and cakes, it is equally important to have good business principles as a basis for the growing of wheat.

Mr. Dunks—Would you help those who are engaged in business in secondary industries?

Mr. CRAIGIE—Does the member for Mitcham not know that those engaged in secondary industries have enormous advantages over the poor wretches who have to grow wheat under the conditions which exist to-day? Does he not know that most of the secondary industries in Australia are spoon-fed? They are not expected to sell their commodities under open conditions in the same way as the man on the land. Mr. Dunks should realize that there is a vast difference between secondary and primary industries. The benefit to be derived from this measure will not mean so much to the man who is growing the wheat as to the man who owns the mortgage on his property. It is merely propping up the man on the land until he has secured sufficient equity for the mortgagee to foreclose and reap the benefit. Farmers should realize, when they think this is a friendly action, that there is always a nigger in the woodpile. I was pleased to hear Mr. McKenzie say we should get down and dig into the causes of the trouble, but unfortunately he did not indicate sufficiently what those causes were.

Many farmers got into trouble because they bought expensive land when wheat was 5/- and 6/- a bushel, believing that the price would always remain at a high level. When the price of wheat fell they could not meet their mortgage obligations. If we take them off the marginal lands and place them on land in the South-East with a mortgage round their neck to start off with, we will not do anything of practical benefit. The ultimate effect will be a further burden for the taxpayers to carry. Until we take the water out of land values and make it unprofitable for people to speculate in land and bleed the farmers as they have been bled in the past, and prevent "soonerizers" and "go-getters" from putting money into their pockets, the better it will be for the farmer. When we remove the high tariff costs from the tools of production we will be able to deal with the root causes of the farmers' troubles. They will then be able to produce on a satisfactory and profitable basis, and drought relief legislation will become a thing of the past.

Proportional Representation

Report of electoral conference held in Adelaide on October 14, at 8 p.m. Mrs. Jeanne F. Young, O.B.E., in the chair.

A Century Ago and Now

It is fitting perhaps, that an additional effort should be made to secure the adoption for Municipal, State and Federal elections of the system of Proportional Representation, which, as far as we know, first saw the light just a century ago in this State. In 1840 the first municipal council in Australia was formed in Adelaide. It was short-lived, it is true, but it did live long enough to prove that even a municipal council could be made representative of its voters or ratepayers by minority representation. For the election of members to that council all Proportionalists will be interested to know that Sir Rowland Hill devised a system of minority representation which was then entirely new to representative thought. He had recommended that the number of ratepayers entitled to vote should be divided by the number of members to be elected, and that the quota thus obtained should be taken as a basis for minority representation. As open voting was then in force—the secret ballot only appearing three decades later—a certain number of workmen employed by a local firm decided to elect their foreman on the suggested quota of votes; a second quota of business men did the same, and, as soon as the open voting showed that the quota had been reached, all later voters who might have supported those candidates diverted their votes into other channels. In this way, two minority sections secured representation which would have been impossible under the majority systems, and, incidentally, Proportional Representation thus made its first appearance in a representative body.

General Progress

Very steady progress has been recorded throughout the States during the past year. Recent visits of the president to Melbourne and Sydney have led to increased activity in both capital cities. The great feature of the movement during this period has been the notable activity of women's organisations in our own and in the eastern States.

Radio talks, conferences, and public meetings in all three capital cities on the need for Proportional Representation have served to spread interest, while country and the periodical press of special organisations have given much space to articles, letters, etc. But more help from Proportionalists is invited to make these services more educational.

A P.R. Conference in Melbourne early in the year was presided over by Dame Enid Lyons, and this was followed by a deputation to the Victorian Government, in which State, it is hoped, that the inevitable re-distribution of seats, long overdue, may lead to the adoption of P.R. for the State Assembly at least. In New South Wales the Local Government Act, which made possible many years ago the right to petition Government for a poll of ratepayers for the adoption of P.R. for municipal elections, has been altered as far as its voting power is concerned, and where it was once quite easy to secure sufficient names to a petition for this purpose under the old property-owning vote, the change to adult suffrage has made such a petition impracticable for other municipalities owing to the cost entailed on what is known

as the initiative. But Armidale still works successfully with P.R. for its municipal elections.

In Great Britain members of the House of Commons are already preparing to lay the foundations of a post-war House of Commons. An appeal has been signed by representatives of each section of the House, Labor, Conservative, Liberal, and Independent supporters of P.R.

An excellent attendance at the meeting included delegates from seven organisations co-operating to support P.R. in the Group. They were: P.R. Group, Messrs. E. J. Craigie, M.P., and R. M. Smyth; W.C.T.U., Miss Eaton (president) and Mrs. H. C. Herbert (retiring president); Effective Voting League, Misses L. E. Forster, J.P., and A. Tomkinson, J.P.; Henry George League, Messrs. A. N. Morgan and L. A. Ellis (president and vice-president); League of Women Voters, Misses Ellinor Walker and D. Vaughan, J.P.; Independent and Country Group, Messrs. C. W. Lloyd and G. Harris; Democratic Women's Association, Mesdames H. H. Freeman and A. Dawson (vice-presidents).

The president reported having wired to Sir Earle Page relating to his suggestion for a National Government elected by P.R., and to Sir James Barrett (president P.R. Society of Victoria), and Mr. A. G. Huie for N.S.W. Proportionalists, asking co-operation. All replied cordially.

The following resolutions were carried unanimously after Mr. Craigie had given an illuminating account of his Bill.

A Federal National Government

Moved by Mr. E. J. Craigie, M.P., seconded by Mr. E. D. A. Bagot, M.L.C.:

"In view of the fact that the Federal Single electorate system has produced a political stalemate from which no Party Government can successfully emerge, members of this conference of the Proportional Representation Group strongly support Sir Earle Page's suggestion that Proportional Representation shall be used for the election of the proposed National Government, whoever the Prime Minister may be, and that copies of this resolution be sent to the press, and to all Federal members."

In this the P.R. Societies of New South Wales and Victoria fully concur.

Democracy's Urgent Need

Moved by Mr. R. M. Smyth, seconded by Mrs. Dawson:

"In view of the danger to democratic government of the continuance of results as are shown by the recent Federal elections in both House of Parliament—arising from defects in the Federal electoral systems—this conference urges Federal members to give immediate attention to the adoption of Proportional Representation for both Federal Houses."

P.R. Bill

Moved by Mr. A. N. Morgan, seconded by Miss Ellinor Walker:

"Members pledge themselves and appeal to their organisations to do all that is possible to secure the successful passage of Mr. Craigie's Bill through both Houses of the State Parliament."

After the meeting the president wired immediately to Sir Earle Page and Mr. J. Curtin, M.H.R., asking them to

stand firmly for P.R. This was done at the request of the conference.

A financial statement showed that the income of the Group was £39 19/-, expenditure £19 9/8. The cash in hand amounted to £20 9/4. The special 10,000 shilling appeal stood at 539 shillings, and further donations to assist propaganda work were invited. New literature was offered, and sold readily. An appeal was made for all members and friends of Proportional Representation to renew their subscriptions to the Group.

OBITUARY

It is with regret we record the passing of a good worker in the cause of social justice, Mr. D'Arcy H. Porter, of Cummins. The deceased was a son of the late Mr. Frederick Porter, and was born at Poonindie, near Port Lincoln. He passed away at the age of 46 years. At one time he was in the boot trade at Cummins, but later became a partner in the firm of Stevenson & Porter, who took over the general storekeeping business established by Mr. P. D. Cooper at Cummins. The late Mr. Porter was highly respected by all who knew him. He was ever ready to lend assistance in all matters concerning the advancement of the town and district in which he resided. For a great number of years he gave active support to the principles of Henry George. He could always be relied upon to assist in the arrangement of meetings at Cummins, and worked hard to make them a success. He will be much missed by a large circle of friends. To his relatives we tender our sincere sympathy in the hour of their bereavement.

Proportional Representation Bill

The Bill for the adoption of Proportional Representation in connection with the South Australian elections was advanced another stage on October 9th, when the second reading was carried by 20 votes to 16. The only two members who spoke in opposition to the Bill were the Premier and Mr. C. L. Abbott, member for Burnside. Members who spoke in favor were Messrs. T. C. Stott, A. W. Christian, W. Macgillivray, the Hons. J. McInnes and R. S. Richards. Mr. Craigie replied to the objections raised by the Premier and Mr. Abbott, and the Bill was taken into the committee stage, and the discussion will be resumed on October 30. Mr. Christian has tabled an amendment to alter the districts to 13 three member districts, in lieu of the six districts returning six members each embodied in the Bill. It is not likely that this amendment will receive much support.

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