

# 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.

No. 502

Registered at the G.P.O., Melbourne, for transmission by post as a Newspaper.

SEPTEMBER, 1949

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

Price 2d. Subscription 2/-, post free.  
per annum,  
Abroad: 3/- per annum.

## CURRENT COMMENTS

### GOVERNMENT WAIVES DUTIES

A news item states that large savings on essential importations should accrue to State Governments as a result of a Commonwealth decision concerning customs duties.

The Federal Government has agreed to waive all duties on certain essential goods which the States have had to import because the requirements could not be obtained in Australia.

The decision will mean a savings of millions of pounds to the States. For Victoria the savings on locomotives alone will be at least £1,000,000.

The announcement follows a conference of officers of the Customs department; of the States Railway departments and of large Australian engineering companies, at which proposals for the lifting of custom duties and primage on locomotives and other requirements were discussed.

The Victorian Railway Commissioners sought the concession in respect to the following:

- 50 "N" class locomotives,
- 10 diesel shunting locomotives,
- 500 goods trucks,
- 2600 steel tyres to be imported from United Kingdom.

Conference was told that local manufacturers could construct the rolling stock required, but the time factor under existing conditions made it advisable that the orders should be placed abroad.

This is excellent news and the Government is to be commended on its decision. But we hope that such wisdom will not rest at that. It is not only government departments that need to be freed from the rising costs, but equally (or more so) private industry and the consumers. For a start, let us hope the government can be induced to extend its action to waive duties on all the articles that go into housing, as a means to reduce the cost of housing, and then to waive the duties on all goods to help consumers reduce the cost of living.

### TARIFFS AGAIN

Mr. G. G. Foletta, spokesman of "Prestige Ltd," a hosiery firm, in his Annual Report to his shareholders, made a blatant appeal for high tariffs and the shutting out of British textile imports.

The report itself was published in full in the press

and then printed again a few days later in a frame as an advertisement, although no advertisers name appeared with it.

This report follows the lines of the naked and unashamed sectional selfishness now recognised to have led to the trade recession of the thirties. It aims at intensification of the evil conditions which it has been the aim of responsible leaders in most countries to break down.

This report was followed by a letter to the "Herald," from Mr. J. M. Atkinson. The letter is given below:

Sir,—Under the privilege of tariff protection there has probably never been printed an appeal for monopoly such as that by Mr. G. G. Foletta, on behalf of Prestige Ltd., in his demand to shut out British textiles.

It is only a few years since Britain, alone, standing between us and Nazi domination, was being applauded by Mr. Foletta and all but the Communists.

Now that she has saved us and is struggling to save herself by increasing exports, Mr. Foletta appeals for political aid to ride roughshod over even that privilege-giving child of our creation, the Tariff Board to shut out all but what he calls capital goods. Could any public appeal be worse?

Australians economically imprisoned behind their own tariff walls must suffer any price dictated by their own protected manufacturers. In the aggregate, the people pay up to £200 millions a year more than the world's value for their daily needs.

This uneconomic policy greatly reduces real wages, causes unnecessary hardship and provides for the Communist his main battle cry against capital.

Privileged monopoly, as advocated, tarnishes the just and beneficent co-operative acts of capital and makes it the target for the ignorant attacks of the Communists and fellow-travellers.

This letter appeared in the Herald of 30/8/49, and underneath it appeared the very significant news item under the following heading:

### MR. FOLETTA TO HEAD TARIFF LEAGUE

Mr. G. G. Foletta has been elected president, and Mr. L. J. Levey deputy president, of the Australian Industries Protection League. Other officers are Messrs. E. F. Atkins, E. J. Fairnie, J. C. Harkness, L. J. Hartnett and

W. G. Stanley (vice-presidents) and Mr. G. Payne (hon. Treasurer).

This little item explains a lot. The annual report with its plea for protection is seen to be not a spontaneous thing but an inspired utterance for the body which has done (perhaps) more than any other to produce poverty and low living standards in Australia, and foster ill will abroad. Once again the old game is to be repeated.

### THE BREAD INQUIRY

A commission of inquiry into the baking industry was held recently. Judge Stretton delivered his report, the substance of which favoured a government monopoly to control the industry.

He found that the industry had developed into something bordering closely upon a private monopoly under the control of a relatively few large millers. The idea of the report seemed to be that it would be better to have a government monopoly than a private one.

With the honesty of this report there can be no question. The facts revealed were very striking. It has been apparent for a long time that there is a monopoly control of price within the industry and persons seeking to undersell have been crushed out by withholding supplies.

But we suggest that the real alternative is not to assume that monopoly is inevitable. The real remedy is to break the monopoly, to promote competition. In fact it may be regarded as a primary function of the government to promote competition.

The legitimate justification of government entry into industry would be to provide an element of true competition. The government might be justified in setting up bakeries of its own in competition with private ones, if it cannot otherwise ensure there is no monopoly.

But it was recently shown where a private baker was underselling the remainder and was compelled by the Government Price Fixing Commission to raise his price to that of the others. Here we see the full force of government arrayed on the side of monopoly, to the detriment of consumers. Under these circumstances the government must share the blame for the plundering of consumers.

But it should also be borne in mind that the government is putting obstacles in the way of those who might otherwise break monopolies. Millers and bakers need sites to operate upon. Our land policy by raising the price of land means that only a limited number of firms with large capital can enter the business.

Again, would-be competitors need expensive machinery and plant. Heavy duties are imposed on these materials, which again necessitate much larger capital to crash into the business than would otherwise be needed. If the capital needed for any business is doubled, it reduces the possible competitors. If the amount now needed is £2,000 and can be reduced to £1,000, there would probably be ten persons who could afford the lower amount to every one who could afford the higher. Remove the burdens on industry and you remove monopoly.

### LAND VALUE TAX URGED

#### In Lieu of Rail Fare Rise

An important contribution to the problems of rail fares was made by the Trades Hall Council last week, when a deputation waited upon the Premier (Mr. Hollway), to urge that a tax be levied upon unimproved land values to meet the rising cost of train and tram services and avoid increased fares and freights. The meeting was reported in the "Age," 8/9/49 as follows:

"The Leader of the State Labor Party (Mr. Cain) said there was great feeling throughout the State that excess charges should be avoided if possible. These would destroy the possibility of successful decentralisation of industry, and would affect people who had to live in outer suburbs.

The secretary of the Trades Hall Council (Mr. J. V. Stout), said the matter should be considered from the aspects of housing, decentralisation and a tax spread over the whole community.

The burden was heaviest on working people who had to use public means of transport. He considered the most equitable form of taxation would be on unimproved land values throughout the State.

Mr. F. J. Riley (T.H.C. executive) said the working people had no hope of recouping themselves for extra costs, and were losing on the basic wage through having to pay increased fares.

Those living in outer suburbs, such as Heidelberg, Maidstone, and Ashburton, who were struggling to buy their homes, were losing several shillings a week through the increased fares.

He contended that the tramways showed a profit. Train, tram and bus services should be co-ordinated.

The possibility of decentralised industries being forced to return to the metropolitan area because of increased freights was discussed by the assistant secretary of the T.H.C. (Mr. M. C. C. Jordan).

The Premier, replying, said as things existed at present any Government would be forced through economic pressure to do exactly what his Government had done.

He would discuss with Cabinet the suggestion for a tax on unimproved land values.

The Premier suggested that an all-party committee in Parliament should try to solve the problem. He would discuss with Mr. Cain the idea of a tax."

This is a most timely proposal at the present time. If adopted it would tend to counter the rising price of land, which renders economic development impossible to many new producers, as would a rise in freights, and it could actually reduce these freights to the advantage of decentralisation of industry. The deputation is to be commended on its insight.

### HINDERING THE FIRE FIGHTERS

Climate does count. Flax is a plant which feels keenly the vagaries of Victorian climate. Farmers don't like to grow flax because the quality and yield are so uncertain and vary with the rainfall conditions. However, Canberra paid substantial subsidies as a war time measure and much flax was processed.

Some was made up as fireman's hose for getting water to the fire with good pressure behind the jet.

But fire protection officers of the Electricity Commission and the Forests Commission told the Tariff Board

(Age, 11/6/49), that this Australian hose was less enduring and less watertight. The Chief Officer of the Metropolitan Fire Brigades Board stated that fire brigades will use imported canvas hose in preference to Australian whatever rate of tariff duty is imposed. Evidently these gentlemen are anxious to put out fires promptly.

Protected manufacturers, avid for illicit gains, are careless about firefighters who struggle against bush fires.

#### HENRY GEORGE COMMEMORATION

The Annual Commemoration of the birth of Henry George was held at Royal Arcade Cafe, of Friday, September 2. The attendance was good and guests commented favourably on the function.

Mr. Harcourt Bell occupied the chair, and after a number of apologies had been read, addressed the gathering on the need for combating the advancing tide of socialism.

Mr. G. T. Bateman referred in appropriate terms to the loss of several of our able and stalwart supporters, principal reference being to Mrs. Fred. Howden, H. G. Brett and F. T. Hodgkiss. These, with G. A. Watson, constitute a loss that will be felt in our League for years to come.

Following a short interval, the chairman introduced Mr. W. H. Pitt, one of the younger men, who have helped to strengthen our movement in recent years. Mr. Pitt very ably dealt with the need of organisation to bring George's teaching to the notice of the public.

Another short interval was followed by an address from Dr. Paul G. Dane, who was, as naturally to be expected, received with pleasurable anticipation. In spite of a severe cold, Dr. Dane did not disappoint us. With trenchant and pithy comment he showed the absurdity of worshipping the word SECURITY.

Real Security could come only from Justice and Freedom, and these could only be fully obtained when the principles for which Henry George stood were accepted in our social and economic system.

#### FREDERIC THOMAS HODGKISS

There passed to his eternal rest, on August 16, one of the most remarkable men known to the propagation of the Henry George philosophy in Australia — Mr. Frederic Thomas Hodgkiss.

Born in London in 1863, Mr. Hodgkiss, having acquired the rudiments of a splendid education, entered the journalistic profession on one of the great London dailies. He became a voracious reader, and everything of a serious nature became grist to his hungry mind. He read deeply in the classics in his youth, paying great attention to Shakespeare, Milton and Browning, apart from his intense study of the Bible.

As a young man he read in London the fourpenny paper-bound edition of Progress and Poverty, and became an immediate disciple to the master economist, George, and until his death never ceased to labour for the Georgean philosophy, which he often described as a "philosophy or a way of life." He crossed to U.S.A. and entered the book trade soon after reaching manhood. Here he made personal contact with the Rev. Dr. McGlynn, and many of George's famous associates. He often told the story that at a reception to George he was so overcome at the greatness and modesty of George that he quickly slipped away instead of meeting his idol.

Mr. Hodgkiss at this juncture joined as secretary a letter writing "corps," and with many vigorous men bombarded prominent journals and men with apt letters and articles.

Leaving U.S.A. in 1892, he landed in Melbourne and for 57 years waged a ceaseless war for economic justice. He worked at the same table as the late Max Hirsch for seven years, and often cited this as the most remarkable and educational period of his life, regarding Hirsch as one of the greatest minds of the period. He played a prominent role as manager and editor of the "Beacon" and the "Arena," in the company of Hirsch, and over all that period even unto his death possessed an undying admiration for the purity of motive and intellectual greatness of this great Jewish gentleman.

Mr. Hodgkiss converted the late Louis Jacobs to the Georgean philosophy, and was rewarded by Mr. Jacobs gift of £10,000 to the English Foundation, for the propagation of George's works.

Until two months before his death he maintained a world wide correspondence, and was a constant contributor to journals outside Australia. Several of his pamphlets were translated into German and other languages. At 75 years of age he commenced and succeeded in memorizing all of Shakespeare's sonnets. He was tolerant of every colour and creed and always delighted in the company of children. He composed a number of songs for the State School papers.

He was truly a man of many parts, keenly musical, having written original works on the "mathematics" of music, none of which he published, arguing the economic justice alone could save civilisation, and that it should precede everything else.

He lived and enjoyed life and was always happy. Wealth or its pursuit meant nothing to him. He felt that he had a mission in life, and for nearly seventy years pursued it with unflagging zeal. By his death the Henry George movement has truly lost a stalwart.

Below we publish a stirring eulogy written by Dr. Dane, who was unable through illness to attend the funeral. It was read at the graveside by Mr. J. M. Atkinson.

Friends,—

It is with feelings of regret that I am not able to be with you to pay my respects to the memory of Frederick Thomas Hodgkiss.

You have gathered to say Farewell to one whose whole life was devoted to the service of his fellow man. His funeral has not been accompanied by the solemn and moving sounds of one of the great funeral marches, nor are flags flying in their sad beauty from our public buildings, but yet we few know that even such ceremonious tributes as those would have been even less than he deserved.

During his long life, Mr. Hodgkiss never swerved from the path of duty—his path of duty was that many great and good men have trod, the path leading to a state of justice—a state of freedom such as men have not yet ever known. This path of Freedom is long and hard—to tread it requires Faith and Courage, and a great and abiding love for all mankind. Frederic Thomas Hodgkiss had all these. In spite of all the setbacks

which our movement has had, in spite of all the trials and disappointments—such as weary and exhaust those of lesser faith — Mr. Hodgkiss pressed on, ever with a happy smile, knowing and believing that some day some where, the goal will be reached at last.

He was a happy man; he was a man who never uttered a harsh word about others.

He was a man who, with his great friend the late Max Hirsch, saw clearly that the great bog in which human liberty might and surely would be lost, was the emasculating doctrines of socialism.

Alas, we are witnesses today to the foresight and prophecy of these two righteous men. Perhaps, had the teachings of these two been listened to more eagerly in London, our ideas might have gained more ready acceptance.

It is not necessary to say more of the virtues and life of our departed friend. You all knew him—mere words cannot convey our deep appreciation and our regrets that nature has at last claimed him. He is gone whence he came. Let his life be an inspiration to all of us to fight the good fight in spite of seeming defeat—a good cause is never a lost cause.

We cannot see a monument raised to this soldier, but we know that some day the mighty cities of the world will be embellished with monuments to this great leader and these will confirm in stone the memories of all those who saw in Henry George the great Captain of Freedom. And so without the sound of a trumpet requiem, and without banners waving, we bid farewell to one who embodied all those virtues we associate with the character of a christian gentleman.

#### LAISSEZ FAIRE, LAISSEZ ALLER

Knights in armour, lances at the ready, face each other from opposite ends of the tournament. Shortly at a signal each will charge full tilt as his horse gallops down the field.

A fair field and no interference, such is the meaning of laissez faire, and then "Let them go." So the herald shouts, "Laissez faire, laissez aller," as with trumpet blast he signals the start of the battle.

Abraham Lincoln reflected that signal call in his speech before the battle of Bull Run: "This is a struggle for maintaining in the world that form and substance of government whose leading object is to elevate the condition of men, to lift artificial weight from all shoulders, to clear the paths of laudable pursuit for all, to afford an unfettered start."

#### Doped by Education

Read any text book on economics and the distortion. One half, laissez aller, is suppressed, the other half perverted. Interference with trade is given support and further interference in the affairs of citizens is described with approval, but the principle behind "laissez faire" is treated with disdain. These writers have ample education, but they lack understanding. A fair field and no official favours from government for one contestant is an ideal which scarcely registers in our younger generation. They have been doped by education.

#### The Old Slogan

The United States, home of high protection, is being led by events to take a much more favourable view of Free Trade as a national policy. Manufactures in America

have been expanded by large scale production so far that the export market has a firm attraction. This was not so when the "infant industry" sentiment fooled Abraham Lincoln.

All this modern economists jargon about bilateralism and multilateralism boils down, as any travelled citizen knows, to the old debate between Freedom for Trade and Protection by a wall of Tariff Taxes.

That great economic conception, Freedom for Trade, has been submerged or camouflaged in a chaotic post-war world. But until it becomes a world reality, neither peace nor order nor prosperity can be fully assured.

Neither Western Europe nor the Council of Europe, in my judgment, can fulfil the hopes of their sponsors unless they begin to function, and that at a not too distant date, on a basis of Freedom for Trade.

—Adapted from "News Chronicle," 10/5/49.

#### TAXES MAKE MATCHES DEAR

Excise tax on local makes of matches was 1/4d. per dozen boxes before the war, and has now risen to be 7 1/4d. a dozen. Canberra Government by excise tax and sales tax, acquires a half share of purchase price of each 1 1/2d. box of matches. These cunning, hidden taxes push up the cost of living. Tired of taxes? Then sock your local M.H.R. and Senator.

#### COLLINGWOOD RATING POLL

The Collingwood Rating Poll was very heavily defeated as reported in our last issue. For this defeat the primary cause lies with valuations. There are many defects in this valuation, all that have come to attention being against site-value rating as far as their influence upon the voter are concerned.

When a municipality holds a poll on site-value rating it is common practice for the council concerned to take a complete valuation of its property, revising its annual values as well as assessing the site-value. This is a matter of commonsense or prudent administration as well, because the Council is required by law to make a general valuation every six years, and by this one expense they serve both purposes. Again Councils usually welcome the opportunity of revising their annual values, because the upward trend in values means their revenue is more assured.

But it is evident that such a general overhaul of annual values has not been made. Valuations are unaltered over almost all properties in the city.

The North Ward is the best residential part of the city of Collingwood. In it most of the councillors reside, even though they represent other wards. With a general re-valuation the annual values here would have shown a pronounced rise as compared with the other wards in which blighted areas are dominant.

Although annual values were not generally revalued, unimproved values were fixed on an up-to-date scale. The result was a disproportionality which affected the North Ward adversely, so that many people who would have gained had the two valuations been in line, were found to show increases on the comparative statement sent out. Among these were the councillors living in the ward, whose allegiance to Labor Party principles, which commit them to support site-value rating, was not proof

against the inequity of the valuation.

Added to this is the very unreliable nature of the valuations themselves. Some idea of these shortcomings is given by the illustrations which follow.

#### Impossible Valuation Figures



This house is No. 28 Duke Street. The comparative rate statement issued by the Collingwood Council gives the Unimproved Value of the site at £325. It also shows the Capital Improved Value (which means the value of the site plus the house) at £150. That is the land plus the house is stated to be worth £175 less than that of the land alone. Such a valuation is obviously impossible and absurd.

The only intelligible explanation is given if we assume that the values have been reversed by mistake and that what is given as the unimproved value is really the value of land and improvements combined, and the lower figure is that for the land. This would give values which look reasonable both for land and improvements. On this basis the house would be worth about £175 and land £150. But it would mean that the Council statement has overstated the amount of the rates payable on the change to unimproved value rating. Instead of £9/17/9 they would only be £4/11/3 in this case.

One can well imagine that the person getting this statement would hardly be likely to want to vote for the change. A mistake has obviously occurred in this case. In how many other cases has the same type of mistake been made?

The effect of such a mistake in determining the way the receiver casts his vote is just as bad as though it were done with intention to deceive.

#### An Absurd Valuation



The photograph above shows a pair of houses, Nos. 91 and 93 Islington Street. The houses are identical, but the one has more land at the back and side than the other. They are owned by the same person. Both have the same rental value but the land value of the one is set at £115, while that of the other with the extra land is £165. But despite the fact that the one has £50 more in land value than the other the value of the land, plus improvements, is given on the valuation statement as the same in both cases, £175. So we reach the absurd result that the two identical houses are valued in the one case at a mere £10 and in the other at £60.

That the Voters Rolls themselves have for years been in a bad way is shown very strikingly by one classic example.



The Collingwood Voters' Roll for 1948/49 indicates that 106-110 Cromwell Street was occupied by "ruins," the ratable value of which is given as £16, on which the rates are £2 per annum. The Slum Abolition Survey of 1936 showed these sites then occupied by houses of the worst possible type, fit only for demolition.

But when the photographer visited the scene to snap the "ruins," he found that they consisted of the fine factory shown above. Further inquiry showed that the factory was built in 1936, very soon after the Slum Abolition Survey. So far as the evidence of the rolls show, it would appear that the Council records were almost 12 years out of date.

Based upon such unreliable valuations, the Council itself sent out a misleading letter to citizens, urging them to oppose the change. It mentioned a large sum which 20 factories and 9 hotels would save under the change, but omitted to mention the increases which a much larger number of factories and the other 21 hotels would incur under the change. It left the thought in the recipients minds, that it was householders that would have to carry the increases as a group. Under these combined disabilities it is little wonder that the site-value rating poll was not carried in the city.

#### ESSENDON COUNCIL ELECTION

To the list of election casualties of opponents of site-value rating given in our last issue, we can add one in Essendon. It will be remembered that a motion was introduced in Essendon Council in May, seeking to revert to annual value rating. This motion was carried in committee, but when the matter came before open council it was defeated by 9 votes to 2. This motion was father-



ed by Councillor Pethybridge, who came before the electors at the August elections, and paid the penalty for his disregard of the wishes of the majority. Voters are now becoming a lot more rating conscious, with the new drive for rating reform in this State.

### WOORAYL SHIRE MOVE

A flying start towards a poll on site-value rating has been taken in Woorayl Shire, following a public meeting arranged by the Victorian Dairymen's Association, and held in the Shire Hall, Leongatha, on September 22.

The guest speaker was Mr. A. R. Hutchinson, B.Sc., A.M.I.S., Aust. Research Director of the Land Values Research Group, who had been invited to give information on the merits of site-value rating. The meeting was attended by about 80 citizens from all parts of the Shire, and a very great deal of enthusiasm was shown by those present.

In opening the meeting, Mr. W. J. Hinds, chairman, indicated that the question of rating reform had been taken up initially by the Leongatha Branch of the V.D.A.

Mr. R. Horn, introducing the speaker, said that last year, following an address by Mr. P. Noldt, the Shire Valuer, which was favourable to site-value rating, a deputation had waited on the council, asking for a change. The councillors knew little about the subject and were not opposed to it, but would not move for a change and it would be necessary to go about it the hard way.

After an informative address, many questions were directed to the speaker, and then a resolution was submitted that immediate steps be taken to petition the Woorayl Council for a poll with a view to the change to site-value rating. This was carried with only five dissentients.

A committee was formed on the spot, comprising Messrs. H. Potter, J. Cuttress, W. J. Hinds, S. J. Williams, and L. Horn, with power to add. Petition forms were produced at the meeting, and were widely signed. There are 1800 voters on the Shire Rolls, so that about 200 signatures are needed, but efforts will be made to get several times the minimum number.

Congratulations to Woorayl citizens on being the first to move for the new municipal year.

### LOCAL GOVERNMENT AMENDING BILL

#### Provision for Scrutineers

The Local Government Amending Bill was introduced in the Legislative Council on August 30 by the Minister of Public Works (Mr. J. Kennedy). It contains the long promised amendment to permit scrutineers at rating polls. This is in response to long continued demands from municipal councils following the abuses seen in the Heidelberg (and other) polls, and the anomaly that persons required to put forward £20 deposit in demanding polls, are not permitted to have scrutineers to see that the polls are conducted in good faith and that their deposits are safeguarded.

On this matter the amendment is clear, simple and straightforward. It is covered by clause 2 and gives the right to scrutineers in these terms:

"The persons making the request or any three of them,

the persons declaring themselves opposed to the proposal set out in the request or any three of them, and the council may severally in writing appoint one scrutineer to be present in each polling booth."

### A Reactionary Clause

But while the above is a source of gratification, the bill is found to contain also a most objectionable amendment in clause 13, which applies only to the municipalities rating on the unimproved value basis.

It provides that the council must levy a different rate between properties in use for any primary production purpose and those used for any other purpose.

This lower rate is to apply to "rateable property not less than an acre in area and which is wholly or mainly maintained or used for the time being by the occupier for carrying on one or more of the following businesses or industries, namely: grazing, dairying, pig farming, poultry farming, bee keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind."

### Efforts to Secure Deletion

Immediate steps have been taken to secure the deletion of this clause and the General Council for Rating Reform has sent the following letter to all members of Parliament. It is not known at the time of going to press whether the representations have been successful.

Dear Member,—

"We ask your assistance to secure the deletion of Clause 13 of the Local Government Amending Act 1949, introduced in the Legislative Council on August 30, for the following reasons.

This clause is applicable only to those municipalities rating upon the unimproved value basis. It seeks to make compulsory the levying of a lower rate on land in primary production as compared with land used for other purposes.

At first glance the clause would seem to be designed to help primary producers and no doubt, it is upon such grounds that it is urged. But if it be desirable that primary producers be given a rate subsidy it would be more necessary in the districts not rating unimproved value to which the clause will not apply.

The fact that it is only proposed for districts rating unimproved value shows that it is put forward in the belief that primary producers are penalised in some way under unimproved value rating.

This belief is quite wrong, for the facts are that primary producers, in the great majority of cases, pay considerably less in rates than they would if rated under annual-value rating. This is not merely a matter of opinion, for it has been established by studies conducted by the Land Values Research Group covering all primary producers in the areas.

In the Shire of Dandenong the following proportions of those described on the rolls under any primary-production heading are paying less rates on the site-value rating than they would under the alternative rating system: Poultry Farmers, 88 per cent.; Market Gardeners, 69 per cent.; Nurserymen-florists, 73 per cent.; Farmers, 46 per cent.

Even in the City of Oakleigh the same was found; 80 per cent. of Poultry Farmers and 66 per cent. of Market Gardeners were carrying reduced rates under the

site-value rating basis. In Heidelberg (although still rating annual value), a study of all properties in the Green-borough riding showed that 85 per cent. of Poultry Farmers and 64 per cent. of Orchardists would carry lower rates under the unimproved value basis.

So far as the great majority are concerned, being already paying less rates than they would under the alternative system, it is ridiculous to suggest that they should be given a further specially reduced rate again. The proposed clause is sought by the small minority whose very claim to the title primary-producer is dubious. Those who are not already getting lower rates under the site-value basis are almost invariably the ones who have much larger properties than they need, or who have only a small portion properly developed. In many their interests as land speculators over-ride the extent of their operations as producers.

It must be an obvious weakness of this clause that it opens the door to evasion of local taxation by land speculators and more particularly the larger speculators. The inclusion of grazing in the clause as qualifying for its benefits, offers these speculators a ready made bonus for they have only to graze a few animals on their holdings to qualify for the reduction. This is most serious at this time, when land speculators are most reluctant to release land to genuine users whether would-be primary producers or prospective home-builders and even at high ruling prices.

Not merely would this clause give a premium to such speculators of the worst type, but it will add penalties to the more worthy citizens because the loss of revenue in the reduced rate to the one section must mean an increased rate burden to the others to make up the same aggregate revenue as before.

We therefore ask you to vote in committee for the deletion of this particular clause from the Bill.

Yours faithfully,

PAUL G. DANE (President)

### HELPERS TOGETHER

Henry George, when in London in 1887, stayed at the home of Mr. Thomas Briggs, who advanced him £100 to establish a newspaper in New York. By this help, with others, George founded the "Standard," which sold 75,000 copies of its first issue and ran from January 1887 till August 1892.

Mr. C. T. Briggs, who remembers Henry George in his father's home, later came to Victoria and as Chief Mechanical Engineer of S.E.C., rendered sterling service to the State in solving problems associated with furnaces for burning raw brown coal at Yallourn.

### ORIGIN OF RATING AND TAXATION

For more than 150 years after the Norman Conquest the whole cost of both local and national government in Britain was borne by the landholders. This was the condition upon which they held, and the performance by them of their specified services such, for instance, as provision for armies, upkeep of roads, bridges, sea walls, etc., education, maintenance of such poor, aged and infirm as were unable to provide for themselves, was the equivalent of an annual rental paid to the community for permission to hold the common property. Gradually, however, the Land Lords passed off from themselves these obligations, first by means of the Poor Law and local taxation, and next by the invention of excise duties and national taxation.

Local taxes began with the Poor Law Act of 1601, when for the first time, payment of a Poor Rate was made a statutory obligation upon all occupiers of land and houses.

The immediate occasion for the Act of Elizabeth was the enormous increase in the number of landless poor, due to the action of Henry VIII who, in 1536, resumed the lands of the smaller monasteries, and, in 1539, completed the business by resuming those of the larger monastic institutions as well. Henry's anticipation of the various Social Credit schemes by his debasement of the currency, played its part too in swelling the number of the poor. The Church had been the principal agency for such poor relief and schooling as offered, and the resumption of its lands left the poor without any provision. Had Henry held the lands for the people it would have been another matter, but instead, he divided the territories taken between his immediate courtiers, and to-day, the Russels, Dukes of Bedford, and the Cecils, Lords of Burleigh, and of Salisbury, are among the largest holders of the stolen acres of the Church. By 1549 the whole of the Guild Lands had been taken also. What this meant to the common people may be inferred from the fact that up to that time the ordinary farm labourer could provision himself and family for a year with only 10 weeks' work (14 weeks in towns), whereas, to-day, his successor finds it impossible to do this on 52 weeks' work (when he can get it).

As the poverty of the people increased following their dispossession, Parliament passed Acts to fix wages, to limit the number of houses to the acre, and to make the obligation to work compulsory. This latter provision was carried to the length of empowering a person to seize and bring before the magistrates any workless labourer, who might then be ordered to be branded upon the forehead with the letter "S" and handed over to his captor as his slave. Again and again in the preamble to Acts of Parliament, passed during this period, one finds the reference to the large number of "sturdy beggars, lately discharged from the Wars," who were tramping the country, so, even in those days, ex-servicemen knew what it was to be denied the right to earn a living in their native land. Various efforts were made by Elizabeth to deal with the growing poverty of the people, and Overseers were appointed in each parish, whose business it was to go round and visit the large occupiers and invite them to contribute to a voluntary poor rate; their contribution to be in accordance with their supposed "ability to pay"; that ability being measured, as to-day, by the size of the house and the apparent prosperity of its occupants. The voluntary system broke down, and the evil becoming more acute, the Act of 1601 was passed.

The Land Lords, having complete control of Parliament, soon discovered other uses for the Act, and as new public services were made compulsory by successive Parliaments, the cost of these was placed on the Poor Rate.

National Taxation dates from 1660, when the Restoration Parliament wanted money for Charles II. From April until November of that year, the Land Lords debated hotly the question whether the money should be found by increased calls upon themselves, or by means of an "excise duty on small beer." In the end they voted by a majority of 2 for an extra duty; and so it is

to-day we have an average national tax burden of £17/10/0 per head for every man, woman and child in the country, and a local rate burden of £3/10/0 per head in addition.

The Landlords composing that Restoration Parliament divested themselves of the obligation to pay rent—but held on to the land!

From "The Great Robbery," by J. W. Peace. This book was published in 1933 and the taxation figures apply to that time. To-day the national tax burden amounts to over £60 for every man woman and child in the country. Rents of Crown Lands which form a microscopic part of the total rents, amount to £1,000,000.—"Commonweal," April, 1949.

### GEORGEAN SENATE CANDIDATES

Answers to the questionnaire sent to members of the League on the desirability of submitting Georgian candidates at the next Federal elections showed a 4 to 1 vote in favour of submitting candidates with very decided preference for a Senate team.

These results were considered by those present at the last Members' Evening which was well attended. It was decided that it was not practicable to submit candidates for the Lower House at present, but that the meeting was in favour of a team of three for the Senate, subject only to sufficient promises of financial support being given. The promises already received by the date of that meeting were much short of the margin sought.

A sub-committee was formed to deal with arrangements and the selection of candidates and is to report to a further meeting to be held on Tuesday, October 4, at 8 p.m., to which those interested are invited. Those willing to help are invited to write to the "Georgian Candidates Committee," 18 George Parade Melbourne.

### Notes from Various Sources

**Symptom.**—The flight of experienced business people from the industries in which they have spent their lives is an alarming symptom. One hears week after week, of old-established, personally-controlled businesses being sold to big companies.—The Australian Baker and Millers' Journal.

(Editor's note:—Parliaments should abolish legally created privileges which breed monopolies, instead of unnaturally multiplying controls.)

**Impressive, But.**—The average farm worker in America can buy twice as much with his weekly wage of that time, and the present-day week is at best 10 hours shorter. Output of two farm workers is now as large as that of three 15 years ago. These facts, mentioned in a publication by the U.S. Labor Department, are very impressive, but they would be more so if land monopoly and trading restrictions were abolished.

**Innovations.**—An official bulletin in Hungary states: "Employees know that every innovation, however small, will . . . serve to improve the living standards of the working people." But employees do not sufficiently realise that such innovations boost land values, and as long as these are privately appropriated, living standards do not improve as well as they should.

**No Profit from Their Prophet.**—In U.S.A. 41,000,000 were unemployed in July, and the number is likely to

increase. The truths revealed by Henry George have been ignored—a prophet is indeed without honour in his own country, which is generally at a loss as a result.

**Traffic Obstacle.**—Thanks to the petrol tax, the Government rides free for one quarter of every mile travelled by car or lorry. About £16,000,000 per year is expropriated from road transport vehicles and motor cars by means of this tax of 10½d. per gallon. Of this amount £10,000,000 per year is retained and transferred into consolidated revenue. As a result the Commonwealth has collected nearly £100,000,000 of revenue which has not so far been spent on roads. In 1940 the tax was raised from 4d. to 10½d. to obtain extra revenue and money for defence roads. The war is over, but the tax is continued.

Shire Councils and similar bodies concerned with an efficient programme of road construction and maintenance, at a recent combined meeting, pressed for the whole of the petrol tax collected for road users to be utilised in the construction and upkeep of roads.

But surely it has been overlooked that development of roads is to a considerable extent responsible for the growth of land values. It is both expedient and ethical to maintain roads by a charge on land values, and to abolish the extortion dignified by the term petrol tax.

**Why Living Costs Rise.**—Sales in Australia of goods subject to sales tax declined from a monthly average of £30,794,000 between July and December 1948, to £26,800,000 last February, a decrease of £4,000,000. Allowing for prices being higher in February, the true decline in sales amounted to £5,250,000. The reduction in sales tax contemplated by the Federal Government, would not be likely to check the decline. Although money value of sales would rise if prices continued to rise, quantities sold would probably decrease further.

An appreciable range of essential commodities was subject to 10 per cent. sales tax. This naturally increased consumers resistance to purchase. It is estimated that abolition of sales tax would save the average family about £24.

This vicious imposition, originated by Labour politician Scullin, and perpetuated by his thoughtless successors, is a prime factor in the present high cost of living. Politicians may express their concern about this, but it is deeds and not words that count.—Data from The Age, 24/8/49.

**Cause and Effect.**—Beaumaris, for many years without direct transport to the city, was known as a "retired" area. Now it is served by several interweaving bus routes to the metropolis. So, as surely as Sunday follows Saturday, land prices have jumped to an average of three times the 1942 level. A scrub-covered lot fronting an almost impassable mud track will command about £10 a foot near Beach Road, and £7 or so further inland. At a recent auction, Beach Road land was sold at £30 a foot.

A fairy godmother's wand did not create the pretty clothes of this Cinderella suburb. There are no castles on these lots. These land values are due to anticipated community activity, and the community is the only entity entitled to them.—Data from The Age, 24/8/49.

### HENRY GEORGE LEAGUE OF VICTORIA

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

The Annual Membership Fee is a minimum of 19/-.

The subscription to Journal "Progress" is 2/- per annum.

If you appreciate this Journal, you are invited to obtain new subscribers.

Next Executive Meeting, October 4, 1949, at 6.45 p.m.

Next Members' Evening, Tuesday, October 18, 1949.