

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. 513

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

AUGUST, 1950

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

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Current Comments

PHILLIP ISLAND SHIRE.

Property sales, during past year, of six houses, four farms, one guest house and one building block realised £34,852. But the Shire Council valuations were only £16,640. This shows an under-valuation of £18,212 on the 12 properties. ("Age," 29/7/50.) Thus valuations were only 48% of market values. But the rate of 3/- in £1 was at the maximum and the treasury nearly empty, because Collins St. speculators control the affairs of Phillip Island.

Evidence shows that rate in £1 could be reduced by nearly half if municipal valuations were nearer the actual values; and so shire councillors have decided to make, as one put it, "a very much overdue re-valuation."

Victorian Government should make a uniform valuation of all parishes on the unimproved capital value basis, and hand relevant results to each municipal council. The Bill was prepared years ago, but the Minister, with interests in Collins St. land, was dilatory in his duty. Will the new Minister (Mr. P. T. Byrnes, M.L.C.), show any more concern for a secure foundation?

NEW HABITS OF RABBITS.

Following the re-imposition, by Mr. J. O'Sullivan, Minister for Customs in the Menzies Government, of tariff taxes on wire netting, to the approval of Australian Industries Preservation League, the Melbourne University students' newspaper, "Farrago," of 9/8/1950, printed the following letter to the editor:—

Dear Sir, — On behalf of millions of rabbits throughout Australia I would like to express our profound gratitude at the recent decision to impose import duties on wire fencing. Any rabbit, in moving from crop to crop, knows how annoying such fencing can be, and the Government's gesture in rendering this material more costly to farmer shows a commendable interest in our welfare by removing a further restriction on our liberty. We whole-heartedly endorse this Protectionist action.

Yours faithfully,
Y. BURROW,

Hon. Sec., Australian Rabbits Self-defence League.

THRIFT DID NOT PAY.

The "Herald," of March 3, 1950, printed a contributor's letter of deep significance. Patriotic people who invested in War Loans are finding, as the loans mature, that the purchasing power of their money is now 50 per cent. less than at the date

of investment. This is due to devaluation of the "pound," while primary producers, manufacturers, etc., are making tremendous profits and receiving every consideration from Government. Appreciation of the "pound" would restore to these investors in "Security" Loans some of their losses, as it would to Savings Bank depositors.

The contributor writes: "I had saved, over a lifetime, just over £800, and answered the appeal of Government to support war loans. That money was put into war loans. Had it been put into property it would to-day be worth double in present values, and I could sell and have the proceeds for support in my declining years when I can no longer work. But, having supported war loans, I am now paid back by the Government in currency one-third of what it was worth when taken over by Government. I can't live on the income. Although I have no other property or income, I am debarred from any help from social services, but for years was taxed for them. Inflation is disastrous for all, but particularly so for those who displayed any thrift to provide for their old age."

PUTTING BACK THE VALUE.

The £1 note can only recover value when Government (1) collects the rental values of titles to land, and (2) abolishes an equal amount of taxation. This will release production energy and cut-out wastage, so that increased production of goods/services will raise purchasing power of paper currency.

Holders of fixed-interest securities or pensions are invited to demand this Plan.

INCOME OR INFLATION

Incomes arise in two different ways. First from (A) production of goods. Leather and other materials entering a factory are processed and employees are paid wages out of this production. Wage incomes may then be spent at a grocer's shop with a consumers' choice building effective demand.

Second from (B) Government debt creation. Government has the legal power to saddle the citizens with debts. By creating debt money (i.e., by expansion of credit) Government is able to spend money (for pensions, purchases, etc.) that has never been earned by production of goods/services. Pension incomes may then be spent at a grocer's shop, thus increasing effective demand.

At this point trained economists begin their study. Omitting the basic consideration of differing origins, all money incomes are taken to be of the same origin (i.e., homogeneous).

Prof. A. C. Pigou (Cambridge Income, p. 7) has written: "Money income is the payment made for, and so the value of, the real income of goods and services. In this way money

income represents real income: against every pound of it (money income) there stands an equivalent pound's worth of real income."

More careful thinkers see that incomes available as claims on goods/services are A plus B. But only A type incomes are matched by production of goods/services, and plainly A is less than A plus B. Stated the other way round, A plus B is greater than A. Thus, too much money is chasing too few goods, which means inflation of prices.

Government is the author of inflation, and chronic shortages of goods are the inevitable result of its creation of excess money. Prime step in the solution of this problem is a stiff levy on land values. This will (1) stimulate increased production (although many trained economists have not yet woken up to that fact), and (2) provide revenue for Government to meet its debts.

For, as John Stuart Mill has said: "There cannot be anything intrinsically of less value to the community than (paper) money."

SHOWING SOME SENSE.

Legislative Council is a deceptive name for the Victorian "uppish" House of Parliament. Its record of somnolent proceedings by Tory members awakened only to maintain privileges against justice is a sad commentary on nominal democracy.

Those allowed to vote for Legislative Council elections have been mainly land holders. Citizens have a deep contempt for the Council, and so Parliament is losing respect.

Recent events have spurred the Liberal Party to consider this problem Council. Their proposal was announced by Mr. T. Hollway, LL.B. (Leader), supported by Mr. T. D. Oldham, LL.B. (Deputy Leader), and approved by State President of Party (Mr. D. Mackinnon), Past President (Mr. M. Cormack) and the General Secretary (Mr. J. V. McConnell).

Their proposal is that Electoral "Provinces" for Legislative Council shall be re-distributed on the basis of Federal boundaries; with adult franchise; and Council members elected by proportional representation. Mr. Mackinnon has stated ("Age," 28/6/50) that these proposals have the whole-hearted support of the State Executive of the Liberal Party. Regarding Legislative Council reform, he said: "the fight against the dangers of Socialism and Communism could not be won by holding on to advantages which were relics of the past and had no justification in a modern democracy."

FORTY YEARS SINCE.

Stable money is better than stable Government. Forty years ago we did have stable money. Men were paid wages in gold sovereigns.

Senator Cameron (Vic.) produced one of the few remaining sovereigns in the Senate on Thursday, June 22nd, to illustrate his remarks on the diminishing value of the printed paper pound note.

Speaking on the Supply Bill, Sen. Cameron said that in 1911 he was working as a plumber, and was paid three sovereigns (gold) and six shillings (silver) a week.

He added: "If I still got the same number of sovereigns they would be equal to almost £14:" that is, in printed paper notes.

Senator Cameron publishes many articles in this Trades Hall weekly paper. Tariff taxes on consumer goods, Sales Tax on essential items, and £5,000 exemption from benefits to citizens derived from public rentals are measures breaking down the purchasing power of the workers' wages. Senator Cameron should attack such degradation.

TIMBER DOWN, RAYONS UP.

The tariff exchange between timber and rayon announced during June caused much press discussion.

All Australians now have to pay 1/6 a square yard more for rayon materials in return for a slight decrease in timber costs, the Government having lowered the tariff on some imported timbers until the end of the year. This latter proviso savours of a half-and-half "let's-see-what-happens" attitude.

Baltic flooring was 70/- for hundred lineal feet in May, 1948. Primage duty was removed and two reductions made in scale of tariff tax. Baltic flooring dropped 9/-. Weatherboards dropped 7/- to present price, 43/3 per hundred lineal feet. Oregon went down from 123/6 to 108/- per hundred super feet. The savings on an average weatherboard house would amount to £35. Eliminate price control, and the public would receive all the benefits to which it was entitled.

As pointed out in press commentary, a removal of tariffs on all building materials, including trucks, petrol, tools, etc., would reduce home building costs by nearly half. Referring to tools, there seems to be a wide diversity of public opinion regarding the quality of Australian tools. The higher prices of imported tools, however, brought about by "protective" tariffs, often leave the Australian consumer with no choice when cost is considered. Under free trade, the consumer can impartially weigh the relative merits of imported and locally-produced goods.

The consumers have also been "milked" in the case of the increased rayon tariffs which retailers say were "rushed through Parliament without proper investigation."

The best form of protection is free trade, for this protects the consumer.

We are all consumers.

But all tariff taxation is aimed at the consumer and increases the cost of living of the common citizen.

ELECTION PROMISE EVADED.

The Liberal and Country Parties promised "to put back value into the £1." Thus Mr. R. G. Menzies is committed by a promise. But whose £1 is to get back more value? The consumers' £1? That is the question. Here is the answer:

Federal Government has re-imposed full duty on imported baths.

For six months duty on English baths was cut from 27½ per cent. to 3 per cent. and on European supplies from 57½ per cent. and 10 per cent. primage to 12½ per cent. and no primage.

These duties have been suddenly re-imposed, adding roughly £5 to the cost of an English bath.

This wouldn't matter if people could get Australian-made baths, which cost less, but the delay in supplies is between a year and 18 months.

Duty on English nails was cut from 12½ per cent. or 4/- cwt. to nothing, and that on European nails from 37½ per cent. or 7/10 cwt. to 12½ per cent. The old duty has been re-imposed.

And although wire-netting is still short, the old duty has been re-imposed on the imported stuff, adding about £5 a ton to the cost.

—S.M.H.

ALBANY, W.A.

Changed its municipal rates to Site-value basis in 1948. Now the Town Planning Board had to have a special meeting to deal with the large number of applications for sub-divisions in that area. The rating change has given general satisfaction, and the town is making rapid progress.

SPECIAL PLEADING BY MONOPOLISTS.

Prestige Limited and Subsidiaries.

We have witnessed recently the blatant revival of high-power protectionist lobbying in connection with the duties on rayon reported previously in these columns. This special pleading has been presented by Mr. G. G. Foletta, Chairman of Directors of Prestige Limited, who is also a main spokesman of the Australian Industries Protection League.

It is rather a new development for the high pressure drive to be wielded so directly by those who have much to gain by the policy pressed. It has been usual for some paid minion, who at least appears not to be financially interested himself, to do the barracking. However, Mr. Foletta does not appear to be at all embarrassed by the fact that his firm is the one to be benefited by the imposition of a stiff duty on an article of necessity to most citizens.

Mr. Foletta, as Chairman, presented an annual report full of propaganda for imposition of duties on the products of competitors. This report was printed in full in various daily papers on July 20th last. It occupied five half-page columns of the "Age." In the course of this report he expresses the very remarkable viewpoint that the tariff would not cause a rise in prices because importing interests would reduce the price to meet the tariff.

This is indeed remarkable reasoning, but we cannot help doubting whether Mr. Foletta believes it himself. If the duty did not result in higher price, where would be the protection which his firm seeks? It seeks to secure the market by excluding competition. But with what object other than to be in a position to charge more for its goods than it could in the presence of competition.

This firm has already become a quasi-monopoly under the wing of the substantial measure of protection already in force. It has expanded enormously, and has at least four subsidiaries. In his report on Prestige Limited, the information was published that it had now been decided to disclose reserves of £363,814 previously hidden. It was further indicated that despite this disclosure, there were substantial further hidden reserves insofar as the buildings and plant were purchased at reasonable prices prior to inflation, and very considerable depreciation allowed on these old levels. The books list these assets at the depreciated book values, which are much below present-day replacement values. It was stated that this is the equivalent of a very considerable reserve. Apart from this the report stated that the company owns much "valuable goodwill" and operates valuable patents and secret processes against none of which does any value appear in the parent company's balance sheet." The published report did not indicate the profit made by this concern, but from the Herald Year Book 1950 we learn that last year the profit was £77,505, after payment of taxation and the ordinary dividend was 10 per cent. This year a special dividend of A£93,000 was received from the subsidiary, Prestige (N.Z.) Limited, which would be only a portion of the profit of the parent firm this year.

The main company holds shares in its subsidiaries: Prestige (N.Z.) Limited, Dapco Limited, Prestige Fabrics Limited, and Dycraft Limited.

Dapco is a new extension of the quasi-monopoly. The Prestige Group last year acquired as a going concern the whole of the plant and other essential assets of Impression Textiles Ltd. at St. Mary's, New South Wales. Dapco was registered to carry on this business as textile printers, dyers and weavers. This subsidiary has not yet had time to swell the annual tribute stream to the main firm.

Prestige Fabrics Limited has the same Directors as the main firm, and so also has the other subsidiary, Dycraft Limited. In regard to both of these the Chairman anticipated that the tariff would soon cause them to show very tidy profits.

This firm does not need tariff assistance to enable it to compete with others. It already has sufficient protection in its high capital investment (shareholders' funds in the main firm alone amount to £1,062,000, and consolidated assets then disclosed at £1,639,000).

The rayon case is a glaring one where an opulent firm is aiming at fleecing the consumer through further tariff duties.

NORTHCOTE REVERSION POLL.

An active campaign has developed by interests opposed to site-value rating in Northcote, with a view to a return to the Nett Annual Value system of rating. The characteristic of this system is that the major part of the rates is borne by the buildings, while a minor part only falls upon the value of the sites.

A petition presented by the dissident ratepayers demanded that a poll be taken upon a proposal to rescind the adoption of unimproved land value rating. Having the required number of signatures, a poll is to be taken on Saturday, 26th August next, voting being compulsory.

The council is not compelled at a reversion poll to send out to ratepayers a statement of the relative rates payable under the two systems (as it is compelled to do at an adoption poll). Nevertheless it has decided to send out these notices so that the citizens will be fully informed as to how they would be affected by the change.

These rate statements will be most important in their effect on voters. An analysis has been made covering all the persons listed on the Voters' Rolls to find how many would benefit by reversion as compared with those who would find their rates increased. The results are summarised below for the number of voters who receive their votes in respect of the type of property shown:

How Reversion to N.A.V. Would Affect Northcote Properties

Property	Would Pay More Rates	Would Pay Less Rates	Would Pay Same Rates
Houses	7,314	4,596	223
Shops	309	379	4
Factories, Indust.	49	40	—
Hotels	1	4	—
Banks	5	5	—
Other buildings	24	25	2
Vacant Land	—	763	—
TOTAL	7,702	5,812	229

It will be thought if people vote according to whether the properties they occupy carry more or less rates, the result would be a foregone conclusion in favour of site-value rating. However, this by no means follows, because about half the voters are tenants who do not feel the same interest as the owners who pay the rates directly. Further, the figures above are not a final guide as to the number of votes carried, as multiple voting applies. An amending bill some 15 years ago altered the basis of voting in districts rating site-value as compared with those rating N.A. Value. The effect of the change was to take away the second votes of many who at the original adoption poll carried two votes and to give extra votes to poorly improved properties with high land values. It also operated to give votes to several hundreds of vacant lot holders who under the other system would not have the minimum rating value to entitle them to vote. The result is, therefore, weighted in favour of reversion. Nevertheless,

we do not expect that Northcote citizens will act differently to those elsewhere who have rejected reversion proposals when put before them. Compulsory voting should help get voters to the poll, and we think they will be on the side of sound principles.

A pamphlet has been prepared warning voters against the vested interests behind those urging reversion. It points out that although the pamphlet issued by these interests points to the increased rates which hotels and theatres would have to pay on reversion, this result could only be achieved by also charging more rates on 7,314 homes. It is also pointed out that the real beneficiaries of reversion would be the 765 holders of vacant land who between them would get rate reductions of £3,000 which householders would have to make up by increased local taxation.

The following list is given of the largest holders of vacant land in Northcote, showing the suburb in which the holder resides and the unimproved value of the land held:

Ten Largest Vacant Land Holders in Northcote

Name	Suburb Where Resident	Owner or Nominee	Unimproved Value Held
Brown, C. W.	North Balwyn	Nom.	£6,785
Grummett, H. A. & E.	Braunswick	O.	£4,138
Healing, K. G.	Kew	Nom.	£3,934
Clare, W. L.	South Melb.	Nom.	£3,580
Edwards, A.	Lower Plenty	O.	£3,039
Behrendt, C.	Hawthorn	Nom.	£2,781
Kay, J.	St. Kilda	Nom.	£2,477
Dodson, A. R.	Melbourne	O.	£2,062
Coakley, J. P.	Elwood	O.	£1,800
Nilsen, O. V.	Kew	Nom.	£1,773

Henry George League of Victoria

Report of League Activities to June 30, 1950

Although previously reported, the passing of J. G. Pickles occurred in the period under review, and time does not lessen our sense of loss.

In February steps were taken to form a Letter-writing Team. This is now operating over six country newspapers. Items of interest are selected to which to reply or comment. Matters that affect the economic life of the community are dealt with, and letters are beginning to appear from our members.

Numerous letters have appeared in Metropolitan and Country Press, prior to the establishment of the team referred to, and quite independently supporting our view. In addition to letters published, Mr. Atkinson has been asked for statements for publication on Building Materials and Tariffs.

In addition to Press work, several of our members have been active in giving addresses to a wide range of organisations, ranging from Church clubs and pulpits to political groups and Progress Associations. The Housewives and other women's organisations have also received addresses on sound economics.

In February a report of the Senate campaign was presented to members. Resolutions were passed thanking the three candidates for their services. Appreciation was warmly expressed of their efforts. Members also expressed thanks to Mrs. Lemmon for excellent service in the office, ably assisted by Mrs. Atkinson, Mr. Noar, Mr. Hurley and others. Mr. Unsworth, at Hamilton, also did good service with a broadcast over the local station, the cost of which was met by himself.

Nearly 20,000 manifestos were distributed in widely divergent directions. Members will be glad to know that funds contributed were sufficient to meet the expense incurred.

The School of Social Science is moving slowly. Mr. Halkyard as Bursar is inviting students, and is still searching for a tutor to take the place of H. G. Brett. At the conference of the School held at Newport in N.S.W., we were represented by Mrs. Serpell and Mr. Bateman; both report the School there working on sound lines. The first item on the syllabus was a paper written by Dr. Colley, and read by Mr. Bateman.

A legacy coming to Mr. Atkinson's possession was passed on to the League, and while, in his modesty, he deprecates any praise for his action, we owe him our sincere thanks.

Rating Reform activity is very healthy. In eight different localities local residents are moving in the direction of SITE-VALUE RATING. The pleasing and encouraging feature is that these local people are working of their own volition. South Australia and West Australia have each added a new district to Site-Value Rating.

While Mr. Craigie was in Melbourne for the Foundation meeting in May, he was tendered a luncheon at which he sounded a warning note on the Anti-Communist Bill.

With the closing of the S.A. League, and the consequent amalgamation of the two journals, the task of addressing wrappers gave the Executive serious concern. It was decided to appeal to members for funds to purchase an Addressograph machine. This fund now approximates £25, half way to the total cost. The use of the machine means a tremendous saving of time.

Evidence, though hard to tabulate, is not wanting of much quiet work going on, and to all our workers and friends everywhere our Executive extends thanks and good wishes.

—R. N. COLLISON, Hon. Secretary.

ISLAND UTOPIA

Down in the South Pacific lies a small group of islands called Tonga, where a happy Polynesian race numbering 40,000 souls, live in a condition which few so-called civilised communities do. The chief reason for this is that the right of everybody to the equal use of the land is recognised and practised. A young man on reaching the age of 18 has the option of taking up 8 acres in the country and 2/5th of an acre in the village free of rent. Tonga is fortunate in possessing a fine climate, a fertile soil and being out of the malaria belt, its inhabitants are a healthy, good-looking people. The country is also unique in being without a national debt and has a credit balance of £400,000 in the treasury. Europeans are not allowed to buy land or permanently settle and it is increasingly difficult to go there otherwise than as a visitor.

In a royal palace at the capital, Nukualofa, resides the only Methodist monarch in the world, Queen Salote, a handsome, upstanding woman over six feet tall, who is worshipped by her subjects. All the trappings of a constitutional monarchy are in vogue with a parliament, cabinet ministers, a royal guard and a state band. The group is by treaty under the protection of Great Britain, who has a consul there, but little interference is made in their internal affairs. In recording the recent celebration of the 50th birthday of the Queen, the London "Times" described Tonga as a model kingdom with a vigorous population, well-administered laws, a free and well-run health service, an almost complete absence of illiteracy and an import trade balanced by the export of copra and bananas.

KIMBA (S.A.) HENRY GEORGE LEAGUE ANNUAL REPORT.

The Kimba Branch of the Henry George League held its annual general meeting on July 7th. A satisfactory number of members was present. The Hon. Secretary, Mr. J. P. Moore, presented a balance sheet covering activities for the past year which showed that the Branch was in a gratifying financial position. Mr. J. A. Sampson, who has been President for a goodly number of years, at his own request, was not re-elected, and has been succeeded by Mr. A. C. Frick; Mr. A. E. Schaefer is Vice-President, and Mr. J. P. Moore continues as Hon. Secretary. The following are some excerpts from the President's Annual Report:—

"Ladies and Gentlemen: It is with pleasure, tempered with some regrets, that I present to you this annual report, or resume, of the activities of the Branch during the past year. As the balance sheet shows, the position financially, is that, should occasion arise, we shall be able to propagate still further the great economic truths which bind us together beneath the far-flung banner of Henry George. During the year, it is pleasing to note, new members have been enrolled, and new subscribers obtained for our paper, 'Progress,' printed in Melbourne.

"Our last Commemoration Dinner, held in September, 1949, was a brilliant success in every respect; the speeches, especially the Commemoration Address, commanded the attention of many who are not yet professedly Georgeans, but who since have perused literature provided for them. Any of those people who are honest with themselves must surely be influenced by what Henry George describes as the Power of Truth, and realise the criminal stupidity of our present political and economic harlequinade, which breeds dissatisfaction, poverty, frustration, revolutions and wars.

"The chief regret to which I referred, is the temporary closing down of our Headquarters in Adelaide. This step was unavoidable owing to the infiltration of persons into the Movement who would introduce mischievous additions and subtractions to the philosophy which has easily refuted all contradictions and challenges since its inception. George is recognised in economics as Einstein is in mathematics—the greatest so those who would attempt to improve upon him by the introduction of false precepts and false conceptions are obviously sublime egotists—or vandals. George himself warned us of this menace to our progress; also against the growth of the vice of Socialism and Communism, were our present social system to continue. Events of to-day are now proving the truth of his predictions. It is to be hoped that before much time has elapsed, the Adelaide office will be re-opened. In connection with this matter I wish to say that we gratefully appreciate all that Mr. Craigie has done, and is still doing in the interests of the League.

"Although literature has been distributed by us over a large number of years, many opportunities to continue this practice still present themselves, and so we welcome the consignment forwarded from Adelaide by permission of the Foundation Trustees. All of this material is of immense value to young and old: every household should contain those works by Henry George. Apart from their economic purity, they possess literary purity, and so contain a dual value, which quality should enhance the educational status of those who are equipped with the intelligence to peruse them carefully. We have on hand also works of other authors who were, and are, genuine disciples of George, all of whom show in very unequivocal terms the disastrous evils of land and trade monopolies. It has been said that were one to possess all the degrees that a university may bestow, and have not a knowledge

of George's principles of the production and distribution of wealth—he is still uneducated.

"On each occasion that could be utilised for the purpose, we have endeavoured to make use of the Press as a medium to keep our objectives before the public, but, when the big Press monopoly is concerned, with but indifferent success. Letters that have been produced have dealt mostly with Local Government rating, and the proposed assault upon wool producers (not the quadrupeds—they would not tolerate the idea!), by means of a 'price stabilisation scheme.' It is to be hoped that such further violation of the individual's property rights will be disallowed by the people themselves at the appropriate time. I would urge members to use the Press as frequently as they may to further advance the principles and fight for, and continue to strive for the fundamental Three Freedoms: Free land, Free trade, and Proportional Representation."

HOW TO PRESERVE CAPITALIST INDUSTRIAL SYSTEM

By John C. Lincoln, President, Lincoln Foundation

Many Americans are beginning to realise that their country is drifting rapidly into Socialism. But the politicians and revolutionary crusaders who are promoting the movement do not call it Socialism. They speak of it as the Welfare State, a favourite expression, but the term "Socialism" is sedulously avoided. The planners promise good wages at good jobs for all; more liberal employment benefits for those unfortunate enough to be out of work despite the abundance of jobs; sharply increased old-age benefits; low-cost housing for homeseekers of limited means.

The objectives are worthy. The question is whether they can be attained through the mechanism of the Welfare State or, the same thing, Socialism. The Socialists say, truthfully, that the Capitalist system has not abolished unemployment and poverty. There will always be unemployment and poverty, they say, as long as one man works for another, for the employer invariably exploits the employee. They say the employer always gets something for nothing. If everyone worked for the State, as the Socialists propose, then such exploitation would no longer be possible, and wealth would be fairly distributed by State direction.

What is wealth? Where does it come from? How is it produced? Let us start with this self-evident truth. When the Creator made the world, He made man with lungs and a stomach. He provided air for man's lungs and He provided land whence comes the food man must have to live. Both air and land the Creator provided free. Men recognise the equal rights of all to the air that all must breathe to live. But the equal rights of all to land, on which and from which men must live, have not been generally recognised. Obscuring the fact that the rights to the air, to the land, and to life itself are indivisible, is the fact that if land is to be used effectively the user must have continuous and exclusive possession.

Men use land to produce wealth, since all wealth must come from the land and return to the land. The community may be said to use land to produce ground rent. Ground rent, when capitalised, is land value. Most land in U.S.A. became privately-owned when the population was small and land was free or very cheap. As the population grew the land values increased and land owners came to consider such values as their own exclusively, despite the fact that land values did not arise

until communities were formed, and that land values increased only with the increase and activities of the population. Land value belongs of a right to the people—to all. Ground rent should be collected by the community in exchange for the security offered by the exclusive possession of sites. Thus, and thus only, would opportunities to use land be equalised.

When the community collects the ground rent which results from its presence and activity, and which is its natural source of revenue, then land will become available to all on the mere payment of rent. The result will be the end of unemployment, an enormous reduction in the present tax burden, a vast increase in production and very much higher wages. The public collection of ground rent is the surest and most effective means of heading off the Socialist Dictatorship of the Welfare State that now so ominously threatens our liberties.

Hobart City Council

RATING CHANGE PROPOSED

The next meeting of the Hobart City Council will consider appointing a special committee to investigate a rate assessment system based on unimproved capital values.

Ald. Turnbull gave notice of motion of this at last night's meeting of the council.

He will seek the appointment of a special committee comprising the Lord Mayor (Mr. Park), Ald. Harris, Saunders, and himself to—

- Examine all aspects of the present method for assessing the value of rateable property within the corporation; and
- Consider introducing an assessment system based on unimproved capital values.

[Hobart rates are assessed on an improved capital value system.]

Ald. Turnbull will also ask the special committee to estimate the possible loss of revenue caused by rents being pegged at a level below current values;

Examine the unimproved capital value rating system operating in certain Mainland municipalities; and

Consider any alternative methods for determining assessments.

—“Mercury,” July 18, 1950.

MET HENRY GEORGE.

Henry George came to Australia in 1890, and one who met him and heard him speak was Mr. Peter Pindar, of Brisbane; who became a great and life-long admirer of Henry George.

In 1893, Mr. Pindar joined William Lane's group, and went out to Paraguay to found an Australian colony. He returned to the homeland and has now reached his 87th year.

Ever loyal to principle, he really believes in the teaching of Henry George, as something in this world which will help mankind, and has affirmed his belief in a very practical manner.

For the wrongs that need resistance

For the cause that needs assistance

And the good that I can do.

These are the sentiments of Mr. Pindar, one of the few Australians still with us that heard the burning sincerity of Henry George sixty years ago. •

We trust Mr. Pindar will enjoy the eventide of life in his State where George's policy has opened a way of access to splendid natural resources.

PIONEERS IN PRODUCTION

Saga of Settlement

Professors Wadham and Wood have joined Agriculture and Economics in their volume on “Land Utilization in Australia.” The following case-study is drawn from relevant portions of their book.

The Strzelecki region of South Gippsland is of particular interest because settlement began there on the eve of important discoveries which were to make it practicable for the dairying industry to expand rapidly.

Cranbourne district lowlands, with light timber, were occupied at an early date, but settlement began at the west end of the Strzelecki range about 1870-75, around Poowong, where land covered by dense jungle was made available to settlers at a charge of £1 per acre, with payments spread over a long period of years. “Roads” were merely tracks (e.g. McDonald's track), through dense bush with direction blazed on the giant tree trunks; pack horses in summer and sledges in winter were used for the transport of materials inward, and produce outward.

During the early eighties, the produce of the farms was small and of little commercial value. Wages were 15/- to 20/- a week, with keep, and it is recorded in 1881 that a block of 150 acres of cleared land, with a house, was only worth £2/10/- an acre.

The introduction of three separate machines (after 1880) effected a revolution in the district. The first of these inventions was refrigerating machinery, upon which experiments had been proceeding for some time. The second development was the cream separator, first introduced to Australia in 1883. Finally, the Babcock testing machine provided a method whereby the farmer could be paid on an equitable basis or the value (i.e. fat content) of the milk, or cream which he supplied to a factory.

Butter Factories Built

With these three inventions, it was practicable for butter to be made under factory conditions instead of being “dairy” butter, and so in 1892, a butter factory was started at Poowong; shortly afterwards others followed at Bena and Leongatha. Shire roads were developed for transport of dairy produce from the farms to the factory towns, and the South Gippsland railway line, opened in 1891 afforded a link between these country towns, and the port of shipment—Melbourne.

Under these circumstances, the district began to progress with steadily increasing momentum. There was now an economic future for the produce, because, under the factory system, it was practicable to make a more or less standard type of butter, which, dispatched in the refrigerated holds of overseas ships, made it possible for these farmers to reach export markets in which price fluctuations were less marked than in those for home consumption.

This progress was reflected in the rising value of land. During the period 1894-1904, land values went up by £1 per acre per annum (£10%); and in 1914, it is stated that £20 per acre was a reasonable price.

Thus far we follow Wadham and Wood (Land Utilization, p. 29-30).

Land values have continued to rise and over £60 an acre has been paid for dairy farms.

Primary Blunder

Crown Lands comprised the Gippsland Hills and should have been developed by perpetual leasehold with rentals reviewed each five year period. Then the genuine settler would buy and sell the house, fencing, cowsheds etc. The speculative farmer would go elsewhere. Only working farmers would remain and so there would be closer settlement.

With Land Revenue rising because of advance in technology the tariff-tax mania would not be so rapid. Government would have the funds to carry out its programme. But the primary blunder was made when land tenure arranged that public benefits should be localised in private pockets of landholders. All the other citizens were denied a share of the cash benefits of technology since Government had failed to collect on their behalf. Justice was the first "casualty."

Casualties Increase

Let us extend the story. Technology increased production, hence vendors of dairy land commuted these benefits into capital gains, and the incoming dairy farmer is a "casualty"—he is often heavily in debt to Melbourne institutions. He pays interest on borrowed capital needed to buy the commuted benefits of dairy technology. High "casualty" rates in the army follow the blunders and are shown by high land values.

The incoming dairy farmer next has his income reduced by unfair taxes; the Shire Council levies rates on his improvements. The Scullin sales tax, and cunning tariff taxes undermine his economic strength. The "casualties" drift to the city, leaving the farms derelict. Take the shire of Woorayl (Leongatha) from date of first butter factory, and note the "casualties" among dairy farmers as land values increased.

Patterson butter bonus increased dairy incomes and then the vicious process of making a "flow" into a pool or "fund"; of capitalising the added income to become sterile land values, made it still harder to get a start on the land. "Bona Vista" closer settlement estate near Waragul showed a series of these casualties. The "Bona Vista" debts still burden the citizens and government of Victoria.

Motor cars and bitumen roads, then electricity, federal bonus on superphosphate, are all benefits which are being commuted into burdens. Taxes are hidden hands snatching away some of the earnings. Production of butter is falling and noxious bracken covers acres of good land.

For better utilization of land and larger production, we recommend eradication of noxious taxes and Government revenue to be derived from Ground Rent.—Anothos.

LAND VALUES RATING IN GLENELG, SOUTH AUSTRALIA.

The statement on rating ("News," 13/6/50) by "a leading authority on local government affairs" calls for comment.

The assertion that land values rating at Glenelg has "become outmoded" is not in accord with fact. Under the land values system, Glenelg has progressed and become the leading seaside resort in the State.

This is shown by the fact that its assessment under land values increased from £273,737 in 1913-14 to £1,097,816 in 1948-9.

That there has been no financial worry at Glenelg is proved by the fact that the rate for 1948-9 was only 6½d. in

the £, although the Act gave the power to rate to 1/- in the £, if required.

Regarding the alleged move at Glenelg for a "change back to rating improvements," no request from them for a poll has been made.

At a town meeting held at Glenelg last year ratepayers voiced strong objections to the proposed "composite system."

Examples given at the meeting by Cr. Newman indicated that vacant landholders would get a reduction of approximately 27 per cent. in their rates, whereas holders of improved properties would have an increase as high as 114 per cent. in the case of flats.

The "authority" states that "Brighton made a wise move in starting out in the annual value system." Why does he conceal the fact that at Brighton two polls were held in connection with land values rating?

At the first a majority of 252 was cast for land values, and a majority of 234 was recorded for land values at the second poll? Despite these majorities, the polls were not effective because of the statutory majority required under the Act.

The Local Government Advisory Committee attempted to force its alleged composite system on councils by July, 1950, without giving ratepayers the right to determine the basis of rating by expressing themselves at a poll. That was why a majority of councils in South Australia refrained from giving support to such an undemocratic proposal.

—E. J. CRAIGIE, Rose Park.

CELTIC LAND TENURE

Robert Wynne

The system of land ownership which allows the owner to appropriate the rent so as to make land into a saleable commodity is un-Celtic, un-Christian and pagan. It came to Europe through the pre-Christian slave state of Rome; crossed into England in 1066 and into Ireland shortly afterwards. Wales was not conquered by the Normans and their land system did not begin to supplant the free land system of Wales until the fourteenth century. The popularity and determination of the revolt of Owain Glendwr can be ascribed very largely to this cause. The story of Ireland in this connection is that of condemning millions to death through starvation and millions more to exile. It is this system that prevails today, tempered somewhat by paternalism but with similar results in varying degrees.

The old system of free land can be easily and simply restored. A progressive tax should be levied on the land alone that would, in a specified number of years, take the full economic rent of land as revenue in lieu of all taxes upon industry and production. This would render land free of price, to be available for use as needed and without in any way disturbing present possession of any land or site which is in full economic use. Capital would no longer leave Eire; neither would her sons and daughters. This is the first principle of social life—"The profit of the earth is for all." Not only is this a law of Moses, it is a law of nature and failure to observe it will see the whole world being swept by the Communistic scourge.

(The above is part of a letter published in The Celtic Time, published in Cork, Eire. The Celtic Time is a small monthly, mainly in English but with brief articles in Erse, Gaelic and Welsh. It circulates wherever there are many Celtic people, being quite popular in Brittany and in the United States.)

NORTHCOTE POLL RESULT

We record that the reversion poll held in Northcote on 26th August was carried by a very small majority and this city has now become the first in Australia which has reverted to N.A. V. rating after operating under site-value rating. The results in the various wards were as follows:

	For reversion	Against reversion
South	793	1,063
East	960	1,016
Central	723	431
West	2,121	1,643
North	1,884	2,307
Postal Votes	334	227
Total	6,815	6,687

It will be seen that the majority in favour of reversion is only 128 in a total of 13,502. In three of the wards there were majorities against the change which was carried by the votes of vacant lot holders and not of the resident voters. Postal votes of vacant holders show a margin of 107 in favour of reversion while many of the votes cast at booths were also those of vacant holders. The heavy margin for reversion in the Central Ward is due to the multiple voting employed. A further poll cannot be taken for three years, when we expect the tables will be reversed.

ADDRESSOGRAPH APPEAL

The following additional amounts have been subscribed towards the Addressograph Appeal Fund beyond those previously acknowledged:

Mrs. E. Brennan, £1/1/0; Mrs. J. D. Johnston, 10/-; Mrs. G. H. Limmer, £1/1/-; Mr. A. C. Smith (S.A.), 10/-; Mr. W. H. Pitt, £1; Messrs. R. E. & D. Powel, 10/-; Mr. G. A. Baker, £2/2/-.

The total now received is £32/5/- towards the £50 required. Further amounts will be acknowledged through these columns.

Evil.

Notes from Various Sources

"The tariff has proved the most stupendous instrument of corruption ever conceived by the ingenuity of man."

—Franklin Pierce, in "The Riddle of the Tariff."

Welfare.

"Production is the only way to have prosperity. I've been saying this for forty years. It was true then. It is true now. It will be true after this war." (1914-18 war.)

—Henry Ford.

Fundamental.

"I do not claim that George's remedy is a panacea that will cure by itself all our ailments. But I do claim that we cannot get rid of our basic troubles without it."

—Prof. John Dewey, Columbia University, U.S.A.

Burnie.

Van Dieman's Land Company of London secured some of the best land in northern Tasmania for a pittance. Citizens in association have developed the area and enhanced the value of its lands. Recently V.D.L. Co. sold 44 building lots at Burnie, and raked in the unearned increment.

Strength.

"Nothing on earth can compete with men working for themselves in freedom. Wherever free men have confronted slaves, whether in war or industry, the free men have always won. There are no exceptions."

—Dr. L. R. Coleman in an address to the Rotary Club reported in "The Argus," Melbourne, 31/5/45.

Central Planning.

"If some of the new programmes seriously considered should be adopted, there is danger that the individual, whether farmer, worker, manufacturer, lawyer or doctor, will soon be an economic slave, pulling an oar in the galley of the State."

—Mr. James F. Byrnes, former United States Secretary of State, commenting on the "Truman Fair Deal."

Printed Paper Money.

"Value is oozing out of the Australian pound to such an extent that a financial and economic breakdown is quite possible in the near future."

—Mr. A. A. Calwell, M.H.R., "Age," 7/8/50.

"Money isn't wealth. People are always confusing money with wealth. Money is necessary to organise business and keep homes running. It saves transportation when you want to exchange the work you've put into raising a bushel of wheat, say, for the work some one has put into making something, may be a tool in another part of the country."

—Henry Ford.

Lust for Power.

"The spirit of 'Protection' is so dangerous, and yet so plausible, that it forms the most dangerous obstacle with which advancing civilisation has to contend."

—Buckle, "History of Civilisation."

Central Planning.

"The New Deal never struck me as strictly first class merchandise. But it was, without a doubt, the biggest gold brick ever unloaded on a gullible and short-sighted generation."

—"The Individualist," U.S.A., August, 1949.

Mundarra Park.

This Western District, beyond the Grampians, grazing property of 6,184 acres, was sold, pre-war, to Bourke Street drapers for £36,000. In 1950, it was re-sold at £117,750. Thus the "unearned increment" of J. S. Mill's Economics was round about £81,000.

Credit expansion (with enlarged national Government debts) means depreciated paper money, hence high prices for wool, and therefore, as ultima thule, enhanced values for land.

Brunswick.

Vacant land site No. 688 Sydney Road, east side, near Stewart Street, 32 ft. frontage by 148 ft. deep, sold at £59 a ft. or £1,880.

[The purchaser considers his use of this block will earn its ground rent of £75 per annum, and the ground rent, capitalised at 4 per cent., is the capital sum he was prepared to pay. Competition reveals the ground rent.—Ed.]

Toorak.

Vacant block, Grange Road, near Struan Street, 66 ft. x 143 ft., area 9,438 sq. ft., sold at £50 ft., or £1,000 per sq. chn.

[Since vacant, the previous owner has enjoyed especially low rate charges by Prahran City Council.—Ed.]

Cotton King.

Lands occupied by Red Indians in South Carolina were a gift from George II to ancestors of Senator Ellison Durant Smith. He was a staunch believer in white supremacy, and in 1936 walked out of the Democratic Convention because a Negro clergyman blessed the gathering. In 1939 at the British Embassy Garden Party, Cotton Ed Smith greeted the King of England by a slap on the back.

[Such pride arises from the unearned income of monopolism in land.—Ed.]

Peace-to-day is an effect, and can only be gained by the exercise of justice. There is a pressing need for a sound public opinion at the level of the individual.

—Rev. Alan Watson, M.A., Melb. Univ. C.U., 27/6/50.

Australia.

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Next Executive Meeting.. Tuesday, Sept. 19, 1950, at 6.45 p.m.