

# THE PEOPLE'S ADVOCATE

# PROGRESS

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

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

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## CURRENT COMMENTS

### VICTORIAN STATE ELECTIONS

The internal conflict within the Labor Party came to a head last month with the split into two sections under the leadership of Messrs. Cain and Barry respectively. The break-away group under the latter having refused support in Parliament to the majority section an election has been precipitated.

The Liberal-Country Party also is rent with internal troubles with the formation of a separate party under Mr. Holiway. The Henry George "Justice Party" decided to contest four seats, with the establishment of a State Development Fund to be financed from a Development Rate imposed on site-values as its main policy. This policy being of special interest to our readers is dealt with elsewhere in this issue.

Electors have greater range of choice than normal since there are three or four candidates in most electorates. As the boundaries have been re-drawn, there is more uncertainty about the results than usual.

Whatever the result of the election, as only one of the five parties contesting the election can secure representation under the present single-member district system there will be dis-satisfaction. Each section is entitled to representation in proportion to the strength of its following. Only under multiple-member districts with counting of votes by Proportional Representation can electoral justice be attained.

### CROOK GOVERNMENT

"Who really wields the power in the two big Parties?" This question was posed to Mr. Robert McKenzie. The material for an answer, compiled in book form, has now been published under the title, "British Political Parties" and designated the best book on political parties in Britain for 20 years.

It was generally accepted that the "Leader" of the Conservative Party, e.g., Chamberlain, not being subject to the party conference, was much more autocratic than the Labor party leader. Yet Mr. McKenzie

notes that of seven Tory leaders since Disraeli three had been forced out by their party and one, Baldwin, had to fight hard to stay (B.M.G.). McKenzie also finds that Conservative M.P.s, especially when in power, are no more independent of their "outside parliament" organisations than are Labor members. In fact, his general conclusion is that there is very little difference between the parties — a conclusion which many electors seem to have reached already.

Several measures are needed to restore Parliament as a genuine house of debate. The first is abolition of "cosy corners" — the single-member districts. Amalgamate these into five-member districts, so that reliable men in each party could be elected to the House.

### CANBERRA DOPE FOOLS AUSTRALIANS

Why does vicious protectionist propaganda appear at Canberra with all the appearance of official approval? It was reported in the "Sydney Morning Herald," 7th May, 1955, that Australia had another big trade deficit in April and that "During the month imports exceeded exports by £15,300,000." What are exports? Australian wealth produced by our people sent abroad to customers. Exports are not income although often falsely called income. Imports are income.

What are imports? Payments for our exports so that the producers of them can live and pay wages to their employees. Imports are the wages, chiefly of primary industry, as protected industries are incapable of earning wages by means of exported production. Their chief concern is to make money by selling locally at inflated prices because they are shielded from competition.

An excess of imports is called an "unfavourable" balance of trade. But what is received is of greater value to Australia than what is sent out of the country. The transaction involves a natural increase in value. Why is it said to be "unfavourable." From the time of the abolition of the Corn Laws in 1846, Britain had a huge excess of imports yearly. They provided cheap food and raw materials. This excess of imports over exports was the making of modern Britain, as Sir Winston Churchill has clearly pointed out. A country is not enriched by what it exports,

but by the income it receives in payment for its exports. Imports are payment. Imports are income. Our people are shockingly harassed when receiving it by taxes and restrictions.

Imports are due to three main causes. First, payment for exports, second, capital coming here for investment in industry to help develop our natural resources, third, the proceeds of dollar loans. Do you say that any of these reasons for imports is wrong? If receiving an excess of imports is wrong, why does the Federal Government raise dollar loans to swell the so-called "unfavourable" balance of trade? Tell me why it is "unfavourable" to receive imported capital coming here for investment and to employ labour? Tell me why it is "unfavourable" to receive the imports, being the proceeds of loans for developmental purposes?

Capital coming here for investment and the proceeds of loans are additional imports. They are not payment for exports. Thus there should be a large excess of imports. Tell me why receipt of wealth due to us is "unfavourable"? Of what do ordinary imports, payment for Australian production, consist?

General merchandise, machinery, motor cars and trucks and a wide assortment of wealth that Australians want and are entitled to get seeing that they have paid for them. The business firms operate to distribute the payment for the exports of Australian industry chiefly primary. It is all paid for as Australia has a large credit in London. Tell me has Britain or any other country a huge credit here on account of its exports to us?

—A. G. HUIE

## MISSIONARIES AND SOCIAL JUSTICE

Missionaries in Latin America prompted the establishment of international law 400 years ago. Missionaries today should push the formation of a new science of international social justice.

This conclusion was reached by the International Social Study Conference at its meeting in Tokyo, Japan. Founded in Tokyo last May, the conference includes representatives of four nations. All members except one Japanese Episcopalian are Catholics.

The Conference noted that the letters of Spanish missionaries in Latin America inspired Dominican Father Francisco de Vitoria to take up the question of justice for the Indians at the University of Salamanca. His lectures earned him the title "Father of International Law," it added.

Today, the Conference declared the great need is for a systematized study of social justice on the international level. It added that the subject had been treated by Father Raymond de Martini O.F.M. in a thesis he submitted to the theology faculty of the Catholic University of America in 1947.

The Conference suggested the following additional topics which might supply the basis of a new science of international social justice:—

(1) The right to a decent livelihood (or family

rights) in hungry nations as compared with property rights in land — rich countries.

(2) The right of "eminent domain" in land — rich countries in the light of the principle that the earth was created and prepared for the use of all.

(3) The demands of justice in view of unused or surplus land in land-rich countries and undernourishment and starvation in poor countries.

(4) The plea of Pope Pius XII on December 24, 1941, in favor of a "new order" which would give less favored nations access to resources beyond their borders.

"The works of Bishop von Kettler, Cardinal Manning, Cardinal Gibbons and others prepared the way for Pope Leo XIII's *Rerum Novarum*," the Congress noted. "It is hoped that a new encyclical on international social justice might be hailed some day as the Magna Charta of a new statecraft." — A dispatch from Tokyo in the Canadian Register (official organ of the Catholic Church Extension Society of Canada).

[Although (like some very similar pronouncements of the United Nations) the above shows some foggy thinking and a very imperfect conception of human rights, it is encouraging. Even foggy thinking, if no worse than the above is infinitely better than the common practice of never thinking at all, says the Editor of "Square Deal," Feb. 1955, from which the above is reprinted].

## DEVONPORT MUNICIPALITY ELECTIONS

### SITE-VALUE RATING THE ISSUE

The municipal elections in Devonport on 30th April provided a test of public feeling on the question of adoption of site-value rating. Last December, on the casting vote of the Warden the council had rejected a motion to adopt site-value rating.

The Junior Chamber of Commerce had then requested the Senior Chamber to convene a public meeting to be addressed by a member of the Land Values Research Group which had made a factual survey at the invitation of the council and the Junior Chamber of Commerce. It expressed the view that too little consideration had been given by the Council to the results of the survey.

There has since been an almost continuous stream of letters for and against in the "Advocate." The public interest roused resulted in two candidates advocating site-value rating opposing two sitting councillors (Messrs. P. Williams and A. Hiller), who had opposed the change.

In the last week of the campaign the Devonport Council decided to give facilities to Cr. P. Williams to present a case against site-value rating. His opponent (Mr. E. H. Churcher) demanded the right to present a case in favor of site-value rating at that meeting. This was granted.

Mr. Churcher proved himself a very capable exponent of site-value rating indeed and had by far the best of the encounter, which was extensively reported in the press.

When the battle smoke cleared on polling day it was found Mr. Churcher had succeeded in defeating Cr. P. Williams by 759 votes to 715. In the other contest Cr. Hiller retained his seat against Mr. Rust by 572 to 433.

The contest in the third Ward was won by Mr. G. Girdlestone who defeated Mr. F. W. Pinner by 349 to 96. Mr. Girdlestone did not campaign with site-value rating as the issue as in the other wards. However, he soundly defeated the candidate put up by the Cr. Jarman group opposing site-value rating, and is understood to be open-minded on the rating issue.

These results represent a definite victory for site-value rating supporters who have at this election removed the most forceful opponent in the council and replaced him with a capable advocate and exponent of the change. We hope to see a move made shortly in this Council to adopt site-value rating.

## SOUTH AUSTRALIAN NOTES

By E. J. Craigie

Interest is being shown in a number of municipalities in regard to the rating on land values. At a meeting of the Payneham Council held on March 21, Councillor C. T. Haase, following the presentation of a petition some time ago, moved for a poll of ratepayers. The tentative assessment must be prepared in conformity with the Local Government Act, and when ready the question of changing the system of raising local revenue will be referred to the ratepayers so that they may decide the source from which the revenue shall come.

### Enfield Ratepayers Restive

Following the rejection of a petition signed by 500 ratepayers, by a majority of members of the Enfield Council, the ratepayers in Croydon Ward opened the protest campaign at a public meeting held in the Scout Hall on May 8th. The President of the Croydon Park Progress Committee, Mr. W. H. Hewes, occupied the chair. Mr. E. J. Craigie gave an address on rating on unimproved land values, explained its principles, where it is in practical operation, and also dealt with common objections lodged against it. Many questions were answered following the address. Two councillors who had opposed the land values system were in the audience, and although they had prior to the meeting, intimated they intended putting questions relating to the subject, both were silent and evidently considered it wise not to deal with the question.

Mr. J. Jennings, M.P. The Labor member for the District, was invited to be present, and moved the vote of thanks to the Speaker. It was seconded by Mr. E. L. Lines, who is contesting the seat of one of the councillors who refused to grant the poll.

Great interest was manifested in the question, and the officers of the Progress Association are approaching other Progress Associations in the Enfield District with a view to getting candidates to fight against those who were not sufficiently democratic to allow the ratepayers the right to decide the source of rating.

### Boss of Campbell Town Sacked

Interest is also being shown in the Campbelltown Council area. It will be remembered that last year a petition for a poll was rejected, owing to the hostile attitude adopted by the then Mayor (see Progress, March, 1954). At the elections last July, the ratepayers removed the Mayor from office, and another attempt is to be made to secure a poll of the citizens in that municipality. Another petition is in circulation and it is to be hoped that the request will not again be refused.

## DANDENONG VICTORIA'S BOOM TOWN

(The following article by W. S. Noble, appeared in the "Herald," 7/5/55 dealing with the development of Dandenong. It chronicles the facts, but not the cause of the development. The cause is site-value rating which this shire has used since 1920, exempting buildings, cultivation and other improvements completely from local taxes. The rise in price of land with this expansion is not simply speculative, but linked with the construction actually effected. In annual-value districts a small building development increases prices to heights that curtail further construction.)

Did you ever hear of a country town where they were paying just on £130 an inch for main street land — and feeling they were lucky to get it?

Or one where they build a school to cope with the crowds of new children — and it's too small before it's opened?

Or do you know of any place where farmers turn their cow paddocks into real estate that makes them fortunes almost over-night? A place where a shop manager admits he has increased his turn-over 20 times in five years?

Yet all that is happening on the outskirts of Melbourne, where Dandenong is writing new records in Australian industrial growth.

Along the roads leading into Dandenong some of the biggest plants in Australia are taking shape. In its streets the crowds that jostle along the footpaths are the forerunners of scores of thousands of others who will be there within a few years.

Look at the development that is already under way! Along the Princes Highway the £4 million Heinz factory is about to begin production that will call for almost 2000 workers.

Right alongside, General Motors has a site of 153 acres. There the initial factory, covering 12½ acres and costing £2,840,000, will employ 3000 men.

Not far away Commonwealth Engineering Pty. Ltd. has a £250,000 factory that will absorb another 400 men.

Back along the road to Melbourne — three miles from Dandenong — Rootes (Australia) Ltd., which makes Hillman Minx, Humber and Sunbeam-Talbot cars and Commer trucks, has bought 83 acres for a new manufacturing division.

Those are only some of the larger ones. In the area for which Dandenong is the centre, the steel framework of factory after factory is rising against the skyline. A survey a few months ago showed that

there were 79 factories already in production and 53 permits were out for new ones.

In Dandenong's streets you hear the sound of hammers and saws and the crash of falling timbers as old buildings come down and new ones go up.

In the past six months at least 40 shops have been built or started.

During the Second World War a businessman who paid £170 a foot for land in Lonsdale Street — Dandenong's main shopping street — was regarded as crazy. Ten years ago the price was up to £200 a foot.

Today the value is £1500 a foot — and land on that frontage is almost impossible to buy, even at that figure.

Not even a gold-mining town in the boom has more stories about fortunes made or about to be made than Dandenong in 1955. I talked to a man who told me he had bought land — many acres of it — on the outskirts of the town at £45 an acre; he expects to get £1000 an acre for it, and is waiting until he does.

I heard about a farmer who sold land for a factory site at £300 an acre. He was delighted with the price — until he found his neighbor had got £600.

In a booming town like this, the opportunities come to the men who work fast and have the money in hand. I was told that one Melbourne businessman walked into a store in Dandenong and asked the owner what he would take for the property "lock, stock and barrel."

When the owner said "£15,000," the businessman wrote out a cheque on the spot and handed it over. That deal is the foundation for what looks like a booming business that will repay the purchase price over and over again.

In Dandenong's more leisurely days they didn't even demand much cash on the nail.

A man in the 1920's offered a Lonsdale Street property to a friend for £5000. The friend said he would have to turn it down because all the cash he could raise was £53. The deal was financed with that as deposit.

It probably would have remained just an ordinary profitable deal. But, with the jump in values that has taken place in the past few years, it's estimated the property couldn't be bought now for £100,000.

The big Melbourne businesses are moving into Dandenong. One claims that its building plans will give it the biggest store of its kind in the southern hemisphere.

It will include a self-service grocery, wine and spirit store, men's and women's hair-dressing departments — and a theatre where both demonstration and entertainment films will be shown free.

For, with the influx of capital, men with ideas are moving in, too. One is turning a dark old alley into a three-storey arcade of which one side is lined with mirrors to give light and create the impression of depth. No shop in that arcade will have the same sort of business as any other.

Outside the town new housing developments are eating up dairy farms and market gardens. Last year Dandenong jumped into second place for the State with 1074 houses started within the municipality.

The value of building permits last year reached £2½ million. That did not include many of the big factories, which are being built outside the shire boundaries.

And house-building hasn't really got into its stride. Along the Princes Highway, opposite the General Motors plant, the Housing Commission has 660 acres of land where this year the first of about 2500 houses will go up.

That will add another 10,000 to the population. Yet the demand for workmen in the new factories will call for still more houses.

Incidentally, the Commission saved the State a lot of money when it bought that land at an average of £150 an acre. Today the Commission estimates it would have to pay at least £600 an acre — a saving of just on £300,000.

What the building boom will mean in service problems is pointed up by what has already happened in North Dandenong. There a new housing development called for the building of a new school.

It opened last October with room for 240 children. It took in 270 and still couldn't provide space for about 90 children in grades five and six. By the beginning of the year the school had to take in two temporary buildings and put the teachers out of their staff room to make way for pupils.

On July 1, another 50 beginners will want to start, and by October the Housing Commission will finish 270 more houses in the area, adding an estimated 220 children.

To keep pace with this sort of growth, the Education Department is planning to build three more big primary schools. Yet even these are likely to be submerged in a few years by the thousands of children from new Dandenong areas.

## PROTECTIONIST FOLLIES

Reference was made in a recent issue of this journal to Leland B. Yeager's "Free Trade, America's Opportunity."

The following points of interest are taken from this excellent booklet.

In America the Smoot-Hawley tariff of 1930, which is still in operation requires every article not specially listed to be taxed in accordance with the article it most resembles. Doubtful articles are classified in whatever way makes the duty the highest. One typical consequence of these pernicious regulations is that importers of men's evening clothes must import the trouser-braid separately and sew it on later and keep the clothes taxable at 25 per cent, as suits rather than at 45 per cent, as braided articles. Again, customs officials, learning that ping-pong balls can be fired from a toy pistol, raised the duty from 10 to 95 per cent, by reclassifying the balls as ammunition.

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PUBLIC ACCEPTANCE OF PRINCIPLES IS LIMITED  
BY WHAT YOU ARE PREPARED TO DO IN THEIR  
SUPPORT.

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## THE "JUSTICE PARTY" ELECTION CAMPAIGN

For readers of this journal the campaign waged by the "Justice Party" in the four electorates it contested is the most outstanding event in this State for many years.

The results will not be assessable simply by the number of first preference votes received by these candidates nor whether any of them are elected. It would be unduly optimistic to expect that any of them would be successful against the organisation of the established parties.

The "Justice Party" candidates are not simply imbued with the idea of becoming members of parliament except for the wider opportunities that would

give of getting other parties to recognise the value of their policy and co-operate in applying it.

The vital thing is that in the four electorates of Burwood, Box Hill, Hawthorn and Pascoe Vale, each of about 10,000 homes, have had at least one pamphlet putting the case for financing State developmental works from the land values which the provision of those works creates and maintains.

Other parties are making the usual promises of what they will do if elected, but do not explain how they can finance their promises. It is safe to say they will remain promises unless the "Justice Party" programme is adopted.

### Notes on the Electorates

The composition of the electorates varies. In Box Hill, Burwood and Hawthorn, electors have shown themselves less rigidly tied to party labels than elsewhere. All three have formed part of districts represented by independents at some time during the last twenty years. These electorates are being contested by Messrs. L. F. Bawden, I. A. Robinson and W. H. Pitt respectively. The three districts adjoin.

The remaining electorate, Pascoe Vale, is the other side of Melbourne, taking in part of Coburg and Essendon. It may be normally considered a Labor stronghold. The normal independent vote here is small and will be split further as there is an independent among the five candidates. Whatever votes are

obtained here by "Justice" candidate Mr. L. J. Hutchinson will be earned by the policy presented.

He has been fighting a vigorous campaign in the course of which he hired the Coburg Town Hall and invited each of the other four candidates to present their policy under similar conditions from the same platform so that the public can arrive at its own judgment by comparing the cases. Only the independent had accepted on going to press. In a press advertisement he offered to donate £5 to a local charity for each of the other three candidates who accepted his offer to present their case. So far they are all "too busy" to avail themselves of the opportunity to meet electors and explain how they can meet their promises.

## EXTRACTS FROM RADIO TALKS BY THE CANDIDATES

### Mr. L. F. Bawden (Box Hill)

The Henry George "Justice Party" is submitting to the electors of Victoria a definite and positive Policy, which, if implemented, will put the State finances on a firm basis.

Victoria has several hundreds of millions of pounds invested in developmental works such as roads, railways, irrigation projects, etc., but the State is short of finance. Why should Victoria with these hundreds of millions of pounds worth of public utilities be short of money?

The reason is that under past methods of finance, every developmental work such as a road, railway or irrigation project puts millions of pounds into the pockets of the private landholders. Every truly developmental work results in an increase in land values far greater than the capital cost of the works. For example, the enlargement of the Eildon Weir is costing 24 million pounds and will result in an annual increase in production of eight million pounds. This means that land values will increase by at least fifty million pounds, more than double the cost of the project. It is not only the actual water users who benefit, city and suburban land values will be also enhanced as a result of the increase in volume of business.

The Policy of the Justice Party is to establish a State Developmental Account to pay the interest and sinking fund charges for all State Developmental Works, such as roads, railways, irrigation projects, electricity supply etc. This developmental fund to be financed by a land tax levied upon the unimproved or bare site value of all lands disregarding the value of improvements. This tax would be at a uniform rate assessed upon the selling value of all lands in the State without any exemptions.

A Land Tax is not a class Tax as more than 65% of all land values are in the cities and towns and 16% of the entire Victorian land values are in one square mile in the heart of Melbourne.

Besides providing the State with finance for all truly developmental works, the adoption of our policy would have other far reaching consequences. Being relieved of capital charges, reductions would be made in railway freights, water fees, electricity charges, motor registrations charge, etc. The savings would be considerable for primary producers and other land users even after paying the developmental rate. The State Treasurer would be relieved of his greatest worry, the perpetual railway deficit. Freights and fares would be reduced as they would only have to cover the actual running costs. Road transport

would be allowed to compete with the railways providing the public with a truly competitive service. In the past, successive Governments of all parties have regulated, restricted and even prohibited road transport in order to protect the railway finances. This policy of restriction was even extended to Air Transport.

If our policy was adopted, land prices would be reduced because no one could afford to have land idle and more land would become available to genuine users. This applies equally to city land, shops and factory sites, home sites and farm lands. At present, land is too dear for most people who want to use it whether for home sites or farms. The State Government would have ample funds for Education and Hospitals once it was relieved of the burden of losses on these State Developmental Works.

The Policy of the Henry George Justice Party is site-value rating for all Municipal Councils and Water and Sewerage Authorities in the State.

Past Governments have proposed to spend millions of pounds of the taxpayer's money, that is, your money, on Slum Abolition while encouraging slums with Municipal and Board of Works Annual Value Rating. Under Annual Value Rating, anyone who replaces a slum building with a good house or factory, will have his rates increased three or four fold. Annual Value Rating encourages slums, decadence, and blighted areas, but Site Value Rating encourages development and improvement.

Our Policy is Proportional Representation for all elections. We would abolish Compulsory Marketing Boards.

We are opposed to Communism and all forms of dictatorship.

#### Mr. L. J. Hutchinson (Pascoe Vale)

Victoria has three great needs.

We need cheaper land for the development of the State, cheaper transport to promote decentralisation of industry and provide cheaper goods.

We need cheaper power to mechanise our factories and farms and reduce costs of production.

Today we are caught in an inflationary spiral which is causing costs and prices to rise faster than wages, and is pricing Australian goods out of overseas markets.

The effect of this is seen in the Federal Government's import restrictions and applications by industry for tariff protection.

The Justice Party Policy will, if put into operation in this State of Victoria, produce cheaper land, cheaper transport and cheaper power — further, it will save the State the huge annual losses of millions of pounds made by the railways.

It will put the railways on a solvent basis and destroy the case for those who would kill road and air transport in an effort to eliminate competition with rail services.

It will prevent these losses and release millions of pounds (19 millions over the last four years) to be spent on schools, hospitals and similar projects which

the Government would dearly love to provide if they had the funds.

The Justice policy involves recognition of the fact that the users of State facilities such as railways are not the only people in the community to benefit. The forgotten man is the owner of the land. The mere suggestion that a tube railway will be put along Lonsdale Street at £15 million of public expense is sufficient to cause a steep rise in land values in the vicinity. Similarly, the person who switches on his electric light or turns on electric power in his factory is not the only person to benefit by electricity.

Every block of land in country or town which is served with electricity has its resale value substantially increased by virtue of State expenditure, yet no charge is made for the enhanced value.

The Justice Party proposes to charge the land owners of the State a development rate on the unimproved value of their land. This rate will finance a State development fund from which the capital costs of the State development works will be met.

By this means land owners will meet the capital costs of the works which create and maintain land values, thereby allowing freights and fares, power and light and gas charges to be reduced to a point which covers the running expenses only.

The effect of the land tax is developmental, for it limits the amount of land which will be held by an individual or company, to the amount which they are prepared to fully use, since the tax is paid on the unimproved value.

Land owners who are holding more land than they can fully use will see the writing on the wall and put their land up for sale at prices somewhat more attractive to potential farmers, home owners, business men or manufacturers, than the speculative prices ruling today.

The circle will then be complete. We will have achieved cheaper land, cheaper power and cheaper transport, secured a solvent railway service and retained in the Treasury upwards of £3 million a year for necessary State works such as schools, universities, cultural projects and hospitals.

This will have been achieved without reducing wages or increasing working hours. Real wages will, in fact, be increased, for reduced costs mean cheaper goods, which means more goods for the same wages.

These things will have been achieved by principles of Justice — by charging the receivers of values arising from public works in proportion to the value they receive, and by charging the user of public works in proportion to the extent he uses them.

#### Mr. W. H. Pitt (Hawthorn)

Only the Henry George Justice Party has a policy that is positive, practical and clear in detail.

The other parties make all sorts of promises about what they will spend. They say little of how they will get the funds. The Justice Party, while concentrating attention on State Development, on Schools, Health and Transport, will get the necessary finance



from charges levied without graduation or exemption on the site rent these works create. Under our proposal, the city site rents will finance the services that benefit the city. Suburban site rents will pay for suburban services and country site rents, which are smaller still, will pay for such public works as benefit the country.

All other political groups allow the site rents which are created by the presence and activity of the community, to be treated as private property. Therefore, to get revenue, they impose taxes that both penalise production and increase prices.

The Justice Party advocated the use of these publicly created Site Rents as public revenue and the simultaneous wiping out of taxes and restrictions.

Our State Electoral Policy includes creation of a State Development Fund, charged against Site Rents, to finance an expanded program of public works covering Transport, Health, Education and other matters. In local affairs our policy provides for the use of Site Value rating by both municipalities and water authorities.

The third main point of our State Policy aims at ending State taxes and restrictive legislation. The Transport Industry gives a practical example of the effect of our policy. The Railways are now run at a seeming loss, yet add millions of pounds to the site rents of both city and country land. Our policy would charge track construction and maintenance costs to a State Development Fund financed from these Site Rents. Only actual running costs would then have to be met from freights and fares. The Railways could thus become fully competitive with Road transport which could then be freed from restrictions. The travelling Public would thus get improved services at lower cost.

For electoral reform, our party advocates Proportional Representation to ensure, while the majority rules, that all considerable shades of public opinion shall be adequately represented in Parliament.

The whole effect of the Henry George Justice Party State policy would make Victoria less dependent on Federal finances, would lower the speculative price of land, would relieve production of burdensome taxes and restrictions.

#### Mr. I. A. ROBINSON (Burwood)

On the 28th of this month some 90,000 Victorians will have the opportunity of electing a Justice Party candidate to the new Parliament. There is little to choose between the policies of the five parties now represented in the Legislative Assembly and electors will do well to listen to their competitive electioneering promises with the greatest caution and also to remember that not one of the five leaders has indicated how he proposes to raise the necessary finance to implement his proposal. Actually this fulfilment will depend upon how much money can be squeezed out of the people by taxation. Should this be insufficient none of these parties is above using the old gag of blaming the Federal Government for withholding funds. Its an easy way to shift the responsibility for broken promises.

The Justice Party on the other hand offers the only practical and equitable means of raising revenue within the State for the financing of roads, railways, schools and all other public works.

We propose that a State Development Fund be established, to be financed by a State levy or rate on bare land values. This State Development Rate would be simply an extension to the State of the Site Value Rating now used by progressive municipalities.

It would be applied without graduation or exemption and would be accompanied by the removal of the taxes now levied by the State and would also be a deduction for income tax purposes. By far the greater part of the funds would of course be raised in the heart of the cities, where land values for business sites reach thousands of pounds per inch frontage.

This rate would have the added advantage of bringing down the price of land for home building, for factory sites and for agricultural purposes, with immense and obvious benefits to the people in the form of cheaper homes, cheaper goods and cheaper agriculture produce.

It would be devoted, through the State Development Fund, to the payment of the capital costs of railways and roads, thus obviating the necessity for trying to meet these charges from revenue, and enabling immense reductions of freights and fares to be made. The same would apply to electric power and light, gas, water, etc.

The justice of this proposal is obvious when it is remembered that these amenities themselves create the land values from which this rate would be raised. Site value rating in the municipal field has worked so well that municipalities rating on this method have consistently topped the figures for new buildings erected. The Justice Party policy is to make this type of rating mandatory for the municipalities, the Board of Works and all rating authorities.

#### ANOTHER BLOW TO MALTHUSIANISM

"For example, in India, which is usually quoted as the outstanding case of an over-populated food deficit country, the use of fertilizers in proper amounts would increase the yield of different crops by 30-100 per cent. The cultivation of rice by the Japanese method, using fertilizers, increases the yield more than 100 per cent. Then there are more than a hundred million acres of fertile land over-run by weeds and jungle that could be cleared by bulldozers. Shortage of water is a limiting factor, but less than 10 per cent. of the water in rivers is used for irrigation. With pumps for small areas and multi-purpose dams like the Domodar Valley project, to convert the destructive force of floods to electricity, and provide water for irrigating, vast areas could be brought into cultivation. The physical possibilities for increased production in India are very much the same for all food-deficit countries . . .

"With modern engineering and agricultural techniques . . . it is now possible to provide sufficient food for all mankind, even though the population

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should grow to twice its present size. The main difficulty is the adjustment of the economic and political structure of the world to the new age of abundance which science has made possible."—Boyd-Orr, in a review of "World Population and World Food Supplies," by Sir E. John Russell, from Nature, 27/11/53.

## LAND REFORM

"Pix" of April 9, featured Vinoba Bhave, the Indian who persuades gifts of their idle acres from landlords to the erstwhile landless. This is good in that it enlarges the use of land, relieves some undeserved poverty and reduces the risk of bloody revolution.

But it is not justice. It does not end the need for overall reform to give every Indian his rightful share in the communally created site rents of both city and country land. It does not eliminate the taxes that now rob the Indian producer of so much of his wages, increase his costs and discourage his efforts.

Where undeserved poverty is concerned, charity is the negative attitude. Justice is both positive and imperative.

—CLARITY.

## COMMERCE CAPERS

The Commerce Department's exhibit at Melbourne University's recent "Open Day" received the attention of our Spy.

It was a contraption whereby, on the turning of taps labelled taxes, spending, imports, exports, etc., a flow of pink water representing "the national economy was expanded or contracted.

According to the tap turner, Prof. Cochrane, the Import tap, when opened, caused contraction because "people then live on imported goods and local production declines." As the Prof. earlier said, imports have to be paid for by exports; our Spy opined that the machine was hardly a true reflection of commerce where the necessity for exports automatically counters to the contraction. Therefore, that if the Government tap turner would only go play marbles, all would be well with local trade. He backed this opinion with Year Book figures that show all times of high imports to have been times of high prosperity.

At that stage the Prof., slightly pink, cut in with more tap work.

Our spy came away thinking that the contraption reflects the inefficiency and the selfish disregard for veracity — of those Manufacturers who clamour for Protection when in truth they need a good sharp kick from competition.

## Notes from Various Sources

**1954 FEDERAL ELECTION.**—Many Australians will go to the poll irritated and frustrated. They are not enthusiastic about the Menzies Government, which has a number of weak links. But they do not see Labour . . . offering any satisfactory alternative. It might be said, then, that probably a third or more of the electorate will be voting against whichever they regard as the greater evil.—Rohan Rivett, The Listener, May 27, 1954.

[Ed. Note.—The Henry George Justice Party obviously can fulfil a real and deep national need. The necessity for P.R. for all Parliamentary elections is also evident.]

**CANTERBURY.**—George Coghill, for 59 years a real estate agent in eastern suburbs, has celebrated his 90th birthday. He said: when I entered the business back in 1895, I paid £4/10/- a ft. for my land in Monomeath Ave., now its worth £40. My house cost me about £1,200 — now its worth about £6,500. Prices paid for homes and land today are shocking. I feel sorry for young people who want to marry and buy a home."

**BENDIGO BACKWARD.**—Mr. R. K. Brose, M.L.A. (Rodney) said: It is twenty years since I first advocated the setting-up of a valuers-general's department. I remember vividly putting forward a similar proposal at a conference of Municipal Associations in Bendigo ten years ago. My submissions were defeated and the Mayor of Bendigo was candid enough to say that he disagreed with me because he wished to gerrymander the valuations. That episode impressed on my mind the need for the **WELFARE STATE** owes its citizens many things — housing, schools, hospitals — and asks many (taxes) in return; but the best gift at its disposal is the "freedom" within the limits of social safety, for each of us to spend his time and money as he wishes. Often the favour that people most wish of officials is — to be left alone.—J.R.I. Pub. Admin., Spring, 1954.

**Blind Workers Penalized.**—Striving to help themselves, blind ex-servicemen were trained to make coir matting for cricket, etc. But Canberra Rulers loaded their goods with a sales tax burden so that customers ceased to buy. Australian National Council for the Blind has appealed to Federal Government to lift the sales tax off Australian matting.—"Herald," 26/4/54.

**Nedlands, W.A.**—A specified quarter acre building block was worth (in 1928) £25-£30. In 1950 it sold for £600, in 1951 changed hands for £900 and again in 1952 for £1200 and was offered for sale in 1953 at £1700.

[Ed. Note.—Every forward step in material progress results in a rise in land values.]

## HENRY GEORGE LEAGUE OF VICTORIA.

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