

# 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

CHRISTMAS, 1949

Most men and women sense the import of the present time in history and are prepared for great happenings.

However changed the conditions of human society the ancient principle remains that peace on earth comes again to people of good will.

The predominant problem facing mankind is that of international relationship. Vast effort is being made and much treasure expended to elucidate this riddle of the sphinx to the present civilisation. It is fairly obvious that proposals so far made are typical of the new patch on the old garment, and the truth is, that in matters pertaining to the peace of mankind, men are very prone to substitute a pious, wishfulness for good will. They cry peace where there is no peace, because good will is a positive quality, necessitating the overthrow of bad institutions and the setting up of good in their place.

It is, for instance, no longer a matter of discussion that trade restriction is inimical to world peace and a fruitful cause of war. Indeed it is almost universally held that the madness of trade tariffs must give place to the utmost freedom in trade if mankind is to bury the ogre of international mistrust and discord. Yet because trade restriction has become a "settled policy" ("settling" would be a better word), in most countries, we do not approach the abolition of tariffs as St. George rode down the dragon, rather we emulate the false priests of Israel to "do a little evil that good may come," while the prophets shout themselves hoarse, that evil is only overcome with good.

Let men of good will proclaim the eternal truth that geographical and racial boundaries are entirely artificial, that mankind is a unity in the struggle for abundant life, that no more powerful instrument to cement that unity exists than a free and burgeoning trade between all peoples and tongues, and finally that interference with its beneficent influences by tariffs is an impious resistance to the benevolent intentions of the Creator Who "hath made of one blood all nations, to dwell upon the face of the earth."

In the Name of the Prince of Peace, let men of good will cut the bonds of changing tariffs from trade as Abraham Lincoln struck the shackles of Slavery from the

negroes of the United States. Let us again have an Act of Emancipation in the grand symphony of the upward struggle for freedom if not for ourselves, then for those who follow us. Free Land—Free Men. Freedom in Trade and Equity in Land Tenure are the inescapable conditions to Free Men from the chains that bind them. Chains that chafe the spirit of man and create mistrust and fear.

It lies within the constitutional power of the Commonwealth Government of Australia to give a lead to the world in a bold policy of Free Trade, to sweep away the whole villainous customs barrier to trade. To outlaw tariffs as a first step, to Peace on Earth and Good Will among men. To the faltering cowards who fear the loss of revenue for such a policy we gladly show the way out. Substitute public appropriation of Land Rent for Tariff Taxation.

### LAND HUNGER IN ITALY

The newspapers carry accounts of direct action by land hungry peasants in Italy, who have seized holdings of large absentee landlords and put them under cultivation. They are attacked by police and many authorities for their action. It is explained by the newspaper accounts that these peasants are half-starved and yet unable to apply their labor to the land which is held by about 15 per cent. of the population.

We sympathise with these people in their direct recognition of land monopoly as the cause of their misery. They see more clearly than Australian citizens, the connection between cause and effect. The newspaper accounts leave the impression that Italy is a particularly badly landlord-ridden country. But the concentration of land ownership, in the hands of the few is no worse than in Australia where census figures have shown 15 per cent of the population own the whole of the land of the continent, other than government reserves. But our citizens don't see the connection between cause and effect. Perhaps there may be more absentee ownership in Italy to excite comparison.

The real remedy for the situation is not the parceling up of large estates among new owners. That would only attack one phase of the problem. The real problem is the monopoly of ground rents, which are collected by private individuals when they should be collected by the government for its natural source of revenue in lieu of taxation. These ground rents are far higher in cities than

in rural areas.

The collection of these ground rents for revenue would solve the problems of land hungry peasants everywhere and not merely in a few localities. Ownership of inadequately developed holdings would be unattractive to such owners when the full ground rent was payable to the government, irrespective of whether the holding was developed or not. Those unwilling to make proper use of their estates would relinquish them readily under these conditions.

This is the only true and permanent form of land reform, because it would prevent continuance of the growth of monopolies which are inevitable when ground rent is permitted to go to private individuals.

### SENATE ELECTION AFTERTHOUGHTS

The elections are now over and we can assess their results. Although the Senate count is not complete at the time of going to press, since preferences have not been allotted, it seems unlikely that our candidates will be elected, since the total votes cast for candidates other than the two main political parties are insufficient to give the needed quota. It would be possible to build up the quota if there was much cross voting from the main parties, but at least in Victoria and New South Wales the party supporters have voted rigidly on the party ticket, so that little help can be reckoned upon from cross voting.

Our candidates did not receive as many first preference votes as was hoped, although their incomplete total of about 8000 votes is good in comparison with other candidates standing without the backing of the two main parties. It is an important indicator of the standing in which our candidates have been held in the community that both the Liberal and Labor parties advised their supporters to give our candidates their preferences next to their own.

This has probably misled many thousands of people into thinking that it would necessarily help our candidates. In fact it would only help if one of the two main parties had a surplus over the quotas required for its own four candidates. This is not likely to happen, hence the preferences cannot help us. For any candidates not backed by a powerful political machine, the first preferences are vital.

A factor which worked to reduce our total of first preferences is the widespread but quite mistaken belief that people were in effect giving us their support so long as they gave our candidates their 5, 6, and 7 preferences since here were seven seats to be filled. This story was spread by supporters of main parties, among those expressing sympathy with our candidates.

What these people did not realise was that they have not got seven votes but only one vote and that if they wanted us to get representation but thought the big battalions alone had a choice, they should give our candidates the first preferences in the knowledge that if they were unsuccessful they would then go to the main party of their choice.

Effort must be made in future campaigns to make this clear to our supporters.

One lesson learnt from the campaign is the necessity to issue fully marked "How to Vote Cards" to voters at

booths, even if expenditure on other campaign work suffers. Faced with the task of placing 21 candidates on the ballot paper it was obvious that voters took and followed the cards offered them by the two main parties. This last visible evidence of organisation seems to have a very powerful effect upon voters.

For future campaigns (to which we look forward) it is necessary to know in advance, people on whom we can rely to distribute our literature to the public and campaign for us. Our achievement of distributing 75,000 copies of our manifestos in homes in the four or five weeks of campaigning, is an impressive one, but we can do better and want to record now, people who have helped and whom we could confidently approach as canvassers for further campaigns. Members able to add to this list are invited to do so now, while the memory is fresh.

We need to do continuous preparatory work in the next three years for a further campaign. As part of this work we call upon our friends to secure new subscribers to the journal "Progress" and contribute letters regularly to the provincial or daily press.

### HENRY GEORGE SENATE CAMPAIGN

The Henry George League Senate campaign was mainly centred upon the distribution of a four page manifesto into the homes of voters and upon newspaper advertising.

The manifesto was well prepared and included the policy as printed in previous issues of this journal and with particular stress on the way in which taxation attacks interests of consumers. There were 75,000 copies of this manifesto printed and all were distributed, mainly in house distribution in particular areas. The number is large, yet only covers about one seventh of the homes in the state. This is important to remember in assessing the results of the campaign. The distribution in the metropolitan area was confined to those middle class residential suburbs in which we had sufficient voluntary helpers to enable a fair coverage. Whole suburbs were completely untouched in this distribution. It will be of great help to future efforts to compare the results in the various electorates when available, to find how our support was distributed in the light of this fact.

No reliance was placed upon public meetings as a means of spreading knowledge of our candidates. One successful public meeting was held in Melbourne, mainly with a view to securing newspaper reporting, but none of the Melbourne dailies gave it a mention. In general, little or no newspaper publicity was given to our candidates, other than several write-ups to Mrs. Serpell in women's columns.

In Hamilton one of our strong supporters arranged for a series of broadcasts from station 3HA and much valuable educational work was done through this means. A single broadcast was made over station 3DB on the Wednesday preceding the election. It was delivered by Mr. Atkinson and immediately followed the Liberal-Country Party broadcast. This was a valuable contribution to a knowledge of our principles and we print it below. Appreciative references were made by the Watchman in his session from 3AW.

The response of our members to the campaign was most encouraging, and shows beyond doubt that our friends desire such positive campaign work. The original objective of £1000 sought for the campaign was not reached, but donations amounted to £900, spread among approximately 200 contributors. Of these nearly half had not been financial members of the League within the last two years.

#### MR. ATKINSON'S RADIO BROADCAST FROM 3DB

Chief Justice Marshall of the United States of America has told us that "the power to tax is the power to destroy." What did the famous judge mean? Have you ever stopped to think it out? Do you realize that the economic structure of your own Australia is being slowly but relentlessly destroyed by the public and private tax-gatherer.

What does it mean? Let us examine it—Are you aware that your Governments, under uniform taxation, now collect £500,000,000 annually — or about five times the amount collected before the war? It does not end here, however, because after the £500,000,000 is collected, millions more are taken in increased prices behind the tariff wall. There is no magical means by which it can be supplied—it must be deducted from your earnings. Remember, it all comes out of your pockets.

You are all aware of our tragic housing shortage. There was no housing or any other shortage before your Governments levied tariff and other forms of taxation upon everything that is used in building a home, but as the privilege-giving politician began to hand out favours to the few, at the expense of the many we have been in trouble. As Bastiat, the great French economist said, taxation produces scarcity instead of abundance for all. He also said: "We Frenchmen are a remarkable race—we employ scientists and engineers to drive tunnels, build bridges, construct ships and trains, all to facilitate trade, and having done these desirable things, we then appoint politicians to undo by taxation and tariffs the good works done by our scientists and engineers."

One could easily be excused for thinking that the great Frenchman was talking of Australia and our political parties today, instead of France a century ago.

Must our taxation rackets continue? About half of all our people's earnings are taken by the public and private taxgatherer, or, in other words, the average Australian works many months of the year to produce taxation, and the remainder to earn for himself and his family. What is wrong with us that we put up with it? We Australians who boast that we are the world's greatest soldiers, yet hand over large portions of our earnings with hardly a protest. Isn't it time we awakened?

For many people a motor car is a necessity, not a luxury, and it may be a vital need in your business. If you live far from a town, far from hospitals and doctors, the life of a member of the family in an accident or illness may depend on the use of a car; but should you buy even such a modest car as a Morris Minor you must find £115 tax and duty before you get the car. Could anything be more stupid?—yet we put up with it! How many people know that even on the humble dozen of matches there is ninepence tax wrapped up in the one shilling and sixpence price? Just half of it taxation.

Many famous men have decried this form of legalised theft, and when Pitt, the great wartime Prime Minister, needed extra money to pay for the Napoleonic wars, a direct tax of seven per cent. was mooted, but Pitt's warning voice rang out to the tax weary people in the following splendid words which should be emblazoned on the front of every school book: "To attempt to levy a direct tax of seven per cent. is a dangerous experiment and one likely to incite revolt, but there is a method of taxation whereby you can tax the last rag from the back and the last bite from the mouth without causing a murmur against high taxes and that to tax great numbers of articles of daily use and necessity so indirectly that the people will pay them and not know it—their grumblings will then be of hard times, but they will not know those hard times are caused by taxation."

Have you ever heard any of our Australian Prime Ministers speak in this vein of the tariff plunderings? Woodrow Wilson referred to tariff taxation as the greatest piece of bluff and humbug ever known in the history of political deception. Strong language—but is it too strong for a fiscal system that annually takes one, two, or three hundred millions of pounds more than the value of goods out of the pockets of the Australian consumers?

"The power to tax is the power to destroy," said Chief Justice Marshall, and as our national economy feels the strain, and as taxation falls ever the heaviest upon the poorest, the politicians of all parties promise the people child endowment, free medicine, cheap coffins, etc, but never suggest removing the taxes that cause the misery; they will do everything for the people but get off their backs. As the situation grows worse and depressions occur, the politicians, through the bureaucrats, take more and more control and the freedom for which our British ancestors even beheaded kings is being gradually destroyed, and in the language of Herbert Spencer, we are on the way to the servile state.

If you doubt my words, go any day to the taxation office in Lonsdale Street and see in an hour the hundreds of so called free Australians filing silently and sullenly but submissively, into queues, to have large portions of their earnings taken by taxation bureaucrats.

Must it continue? Were you born to produce for someone else? Would you be happier and your family more prosperous if you were not working several months of the year for the public and private tax collectors? Let me, before showing you the way out, repeat our taxation burdens: £500,000,000 taken this year from eight million people! A large number of these millions are used in maintaining boards that curtail production and increase prices. They cost the country millions. They produce nothing and are a burden on you. Of course, the few rich people pay much more than the poor, but what a contemptible theory held by politicians to "soak the rich." Generally their miserable policy ends with collecting from the better off to give to the poorer, but they also collect from the very poor.

I commend to you on behalf of our Senate team something morally good, a philosophy, a new way of life—a philosophy that will elevate mankind economically and morally. It has been advocated by many famous men, including the illustrious Winston Churchill, but you must

examine it for yourself. We cannot put it out in comic strips like the major political parties are putting their appeals to you, asking you to re-appoint them as custodians of the taxing machine by which a large part of your income is extracted. Briefly, it is as follows: Reduce taxation by removing sales and pay roll tax at once, reduce tariffs at once—free exchange and an immediate increase in production and business will ensue, rapidly increasing business will demand the services of any persons temporarily displaced.

From this point we continue gradually with all round reductions in taxation, and gradually levy on land or site values apart from all improvements, an amount equal to maintain necessary services. Remember, your Government charges will in the process be gradually reducing as the burdens are taken off the people. Eventually all the necessary revenue could be collected from the economic rent of land, more than half of which would be found by City and Urban areas as more than half the land values are contained in the city and Urban areas.

The late George Higgins, brother of Mr. Justice Higgins of the Arbitration Court, Lecturer in Civil Engineering at the University of Melbourne, proved mathematically that up to 1914 the economic or ground rent of Australia was nearly double that required to pay for all the Government administration we then needed. Since then we have had two wars, plus unparalleled waste and extravagance by Federal Departments. Had the wisdom of Mr. Higgins prevailed in the minds of the majority of Australians, and had it been put into practice, we would be collecting about £100,000,000 today to pay for all necessary real Government services. Of course we would have for a time to pay the war expenditure, but you who wait in queues at the pleasure of the taxation officials, along with all who pay by cheque, would have the £500,000,000 now lifted in taxation left with you, plus another two or three hundred millions collected behind the tariff walls.

Remember, your Senate is supposed to be a House of Review not a House of Party Hacks, into which it has degenerated. It was designed to keep an eye on the actions of the House of Representatives. It was planned with an equal number of members for each State, so that the more populous States could not rule the roost at the expense of the lesser States. Under proportional representation you can now elect real reformers to the Senate and make a start in the real economic and political reform of your country.

Let us make a start—thousands have died to give us this freedom. Let us therefore attack the taxation racket.

We are submitting to you more than a fiscal issue, more than a mere reform—a great philosophy, a new way of life—something that will elevate mankind both morally and economically. Give us your support.

#### THE UNEARNED INCREMENT

Dear Sir, -

It was most refreshing to read the editorial comment in the last issue under the heading—"The Unearned Increment." I have advocated for many years that all community-created land values belong to the community, and not to those who own property which benefits by increased values arising from the expenditure of public money. Your contention that the system of unimproved

land values taxation is not only a matter for municipal rating, but is equally applicable to railways, public services, such as electricity, telephones, etc., is highly commendable. There can be no doubt that the parlous position of the finances of our various public authorities could be greatly alleviated if the unearned increment attaching to land values were taken back into the treasuries of the authorities concerned.

It is a wicked business by which people can legally rob the community by buying land in the vicinity of all new public developments, and then sell at the enhanced figure they have done nothing to create.

Yours faithfully,

A. N. KEMSLEY.

(Published in Australian Municipal Journal, 20/7/49.)

#### HOW AND WHY I BECAME A SINGLE TAXER.

Away back in 1885, while engaged in railway construction work between Glen Innis and Tenterfield (N.S.W.), it was the daily practice after work of a group who patronised one of the temporary boarding houses at the camp, to indulge in lively discussions of questions of the day. For the most part we would be seated outside in tipped-up wheelbarrows. The principal source of information was derived from "The Bulletin," that being the only paper available.

Many and varied were the views expressed—often more forceful than polite—yet, to me as a listener, they had the merit of arousing an intense interest in questions of social reform, so much so, that I eagerly looked forward to these evening debates—inconclusive though they mostly were—until a member of the group came along with the announcement: "I have something here—indicating a paper-covered book, about the size of an ordinary writing pad—that knocks the bottom out of all the fanciful and plausible arguments of Protection or Socialism."

The speaker was invited to give an outline of its contents, and which he so ably did, that he and the book became the pivot of all subsequent debates in the camp. Our friend had acquired a copy of "Progress and Poverty," an original of -/6 edition, printed and published by the late Sir Geo. Gray, of New Zealand, at his own expense, in the unselfish endeavour to popularise Henry George's message to the world. Be it remembered that "The Bulletin" was regarded throughout N.S.W. as the bushman's bible; therefore its advocacy of Henry George and his works must have exercised a considerable influence among the workers of that colony as it then was. For never a week-end passed but there was some complimentary reference to the master mind of this great man.

I distinctly recollect one issue in particular wherein was shown a full page portrait of Henry George, with the declaration below it, that he was the man of the century, and directed the attention of the reader to the remarkable profile that resembled the dome of St. Paul's. It was about this time the editor announced they had just received a

consignment of "Progress and Poverty" and "Social Problems" from New Zealand and that they were on sale in cheap editions at their office.

**The Perfidy of "The Bulletin."**

For the following two years this paper continued to eulogise Henry George as the foremost leader of economic thought that the world had produced. Then something happened: the paper suddenly dropped its former attitude, to become just as violent a derider of George and his followers. It seems that the management in its endeavour to extend the circulation of the paper established an office in protectionist Victoria. So in turn I reversed my opinion of the deserter. In the meantime I had returned to Victoria. I wrote the editor a lengthy letter of disgust at the treachery. As I had but just sent them £1 renewal sub., I added they might retain the balance, but on no account were they to mail me any more papers in future. The only acknowledgment made was through correspondence column that—"We expect 'The Bulletin' can wobble along its course without your support." So much for the "Bulletin"!

**Henry George Comes to Australia.**

Three years later George came to Victoria. While on the road with a load of building material in South Gippsland, I learned that Henry George was due to speak at the Melbourne Town Hall the following evening. I did not get within four miles of my destination, but pulled off the track, unyoked the team, rode home, and prepared for the forty-mile horseback ride to Dandenong (our nearest railway station).

Duly arriving next day, to make sure, I purchased a 5/- ticket for a reserved seat, though half the space of hall was free to the public. It was indeed a privilege to see and hear that wonderful man, to note the decisive and persuasive language with which he clothed the subjects of his discourse, while fixing the platform from end to end. Which reminds me of a remark made some years after by Max Hirsch: "Wasn't it grand to see that fearless little man pacing up and down, and literally kicking their silly old protectionist statements about their ears."

One outstanding feature of the address I recall when George said: "You people of Victoria are now at the zenith of your prosperity; but, mark my words, it is but a fictitious prosperity and cannot last. The day is not far distant when you will suffer the inevitable depression that must follow."

And old-timers know how true this forecast became in the early nineties.—E.B.

**PLANNED SCARCITY**

Tariffs, said Mr. Atkinson, only benefited the few at the expense of the many, by guaranteeing profits to manufacturers whose output failed to meet the whole of the local demand, but were loath to allow competitors to enter the field. This planned scarcity added considerably to the cost of goods to consumers. Tariffs were a most potent cause of war, and contrary to the spirit of the Atlantic Pact.—J. M. Atkinson, "The Herald," November 13, 1949.

**SENATE ELECTION RESULTS**

**First Preference Votes**

VICTORIA			
<b>Communist Party—</b>			<b>Group Total</b>
Gibson	37,398		
Laurie	1,800		
Lees	980		
Samson	1,298	41,476	
<b>Protestant Peoples—</b>			
Stead	6,167		
Ray	568	6,735	
<b>Labor Party—</b>			
Cameron	523,393		
Devlin	3,174		
Sheehan	2,675		
Clarey	4,228	533,380	
<b>Liberal-Country Party—</b>			
Spicer	561,993		
Rankin	7,825		
Gorton	1,519		
Wedgwood	3,285	574,643	
<b>Henry George League—</b>			
Atkinson	6,197		
Bawden	634		
Serpell	919	7,750	
<b>Ungrouped—</b>			
Webber	1,786		
Dale	2,294		
Evans	323		
Bromham	4,886	9,289	

Total Votes, 1,313,794; Valid Votes, 1,173,253; Rejected as Informal, 140,541; Quota, 146,657.

**NEW SOUTH WALES**

<b>Liberal-Country Party—</b>			
Spooner	813,246		
Reid	12,940		
McCallum	8,346		
Tate	6,835	841,367	
<b>Freedom Party—</b>			
Hule	7,998		
Owen	1,339		
Willis	1,482	9,919	
<b>Labor Party—</b>			
Armstrong	681,817		
Grant	7,372		
Amour	6,225		
Gracie	17,708	713,122	
<b>Communists—</b>			
Ross	23,866		
Ogston	1,580		
Bailes	349		
Brown	1,882		
<b>Fair Deal Party—</b>			
McDonald	3,679		
Turnbull	801	4,480	
<b>Protestant Peoples—</b>			
Sarina	16,239		
Hodgson	702	16,941	
<b>Peoples Social Justice—</b>			
Pollack	1,119		
Jameson	488	1,602	
<b>Ungrouped—</b>			
Roberts	7,930		
Harding	2,958	10,888	

Total Votes, 1,848,572; Valid Votes, 1,625,996; Informal, 222,576; Quota, 203,259.

On going to press we learn that the seventh Victorian seat was won by Mrs. Wedgwood of the Liberal-Country Group. No details are yet available of distribution of the preferences.

## THE BREAK OF DAY

## PART OF A TALK BY "THE WATCHMAN,"

Broadcast from Stations 3AW, 3CV, 3GL, 3HA, 3BO, 3SH, 3MA, 3SR, 3TR, 3YB, 3UL, on Sunday, October 23, 1949

The past week or two has seen the birth of a new hope for the world. Amidst all the clash of hostile nationalist policies, there has appeared over the horizon a dawning gleam which, though it is but a streak of light as yet, if it be not quenched, seems to herald the growth of a new day—the coming of saner and more righteous relationships between the nations and a greater expansion of peaceful prosperity than the world has seen for two or three generations. This prospect is developing from the growing success being achieved by the United States in its great leadership towards an economic reformation involved in its fight for a drastic reduction of tariffs and all the other protectionist hindrances to world trade. It has been remarkable the way in which the Press, hitherto either indifferent or actively hostile to the great reform, has lately been busily pointing out how advantageous it is proving even in the small extent to which it has already been carried, and even our own dyed-in-the-wool protectionist papers are being forced to take notice of it and have begun to qualify their own previous opinions.

It has been customary to sneer at the growing spirit of Liberalism in America as being dictated only by self-interest, but what other motive but self-interest has been behind the protectionist doctrine? There is an enlightened, as well as unenlightened self-interest, and the former has been strikingly shown by President Truman's statesmanlike declaration of tariff reductions, even without any reciprocity from other countries. It is admitted that America is thus giving more than she receives. This is already influencing other countries. Only a few days ago the announcement was made that Britain, France and Italy have agreed to sweeping removals of trade barriers between themselves and other Marshall Plan nations, covering 55 per cent. of their total purchases. When the recent currency devaluations were made, I ventured to say that they would be harmful rather than helpful, and that the evils they were supposed to meet could only be removed by free trade, since currency troubles arose only through trade restrictions. Within only a day or two, proposals were advanced in Canberra to counter the disadvantages of devaluation by reducing the tariff duties in a number of cases, and now even those who favoured devaluation are being obliged to admit that it has not produced the effects desired, but which now may be looked for from the relaxation of trade restrictions. Even a Minister so informed the House of Representatives. Lord Beaverbrook (for years the protagonist of Empire isolationism), tried to counter President Truman's masterly move by advocating Imperial Free Trade with the maintenance of preference against the world, thus leaving Great Britain more than ever in a position of hostile isolation. This, however, was too much even for Mr. Churchill's revived protectionist Toryism, and he promptly denounced the proposal of his former friend and colleague.

Where stands Australia in relation to what now seems rapidly developing into a world movement? Is she going to lag behind, still sticking obstinately to her outworn mer-

cantilist creed and, like Ajax, defying the lightning? Or is she going to show a progressive and enlightened intelligence and take advantage of the great opportunities now being offered? It is interesting to note satisfaction being expressed in Canberra that already prospects are opening up of our obtaining cheaper goods from abroad thus making up for our lag in production, and checking our dangerous inflation. America has expressed regret that, in spite of direct representations to Canberra, Australia has so far neglected to take advantage of Washington's reciprocal agreement policy, which would give us the opportunity of earning much-desired dollars; but, instead, we hear of shortsighted and unsound proposals to obtain these dollars by seeking an American loan. So far the Government (actuated apparently by its traditional objection to foreign loans), has displayed reluctance to adopt this proposal, and it is to be hoped that it will maintain that attitude rather than pursue the wastrel policy of borrowing to produce prosperity. But one cannot but feel some anxiety as to the tendency of our leaders (through lack of training in sound principles), to adopt such dangerous advice, though it may come from apparently weighty sources.

## RE-THINKING TITLES.

## What Goes with the Land.

Transfer of Title to "land" by Registrar-General follows a sale for valuable consideration at which the vendor sells, and the purchaser buys—(1) exclusive possession of the surface of the block and fifty feet below the surface with the right to such income as may be derived therefrom, and (2) all permanently fixed improvements. But a "gremlin" is in the works, making (3) the expectation of future rises in value "capital gains," due to the technology and activities of the citizens. Because of (3) it is expensive to buy "freehold" as our columnists testify and recourse is taken to the money-lender.

## An Excellent Way.

The "Argus," 25/8/49, printed a letter from Dr. proved" value of land, exists entirely independently of any improvements which the land-owner may have made upon it. At present, Governments slug the primary producer in particular, and all consumers in general, with heavy taxes and tariffs upon every article they buy, while this publicly created land value is privately appropriated and capitalised upon.

If the land had never passed out of the hands of the Crown, the land could have been held on perpetual leasehold with equal security and no heavy outlay for the freehold, and the revenue so obtained would have amply sufficed to meet expenditure on public utilities. By means of an annual public charge on unimproved land values of, say 5 per cent., this expenditure could still be met.

## Soldier Settlers.

Large areas in the Western district have been resumed by Governments to be sub-divided and sold to returned soldiers.

Mr. W. J. Beckett, M.L.C., is reported by Hansard: "The system of perpetual lease to ex-servicemen would be better than selling them the 'freehold'. There

could be a provision, of course, for an annual valuation based on the value of the production. If this principle were adopted I feel sure there would be a great gain."

## FULLY NATIONALISED

To-day I was fully nationalised. They came in my garden gate.  
They said that my life was once my own, but now it belong to the State.  
It seems I had once a body and soul, though the latter had owned its Lord,  
But now they were mine no longer; they had vested me in a Board.

I asked them who was the master now of my body and my soul,  
And they said that the Board had granted me a measure of self-control;  
But the Minister's eye was on me. He would surely have me sacked  
If I did not live in conformity with the Clauses of the Act.

I asked them 'o read the Act to me, and then I would do my best.  
They stared in extreme astonishment, they laughed like men possessed.  
They patted me on the shoulder, they said that I must not fret:  
The Act was passed in entirety, but it was not drafted yet.

They had made one great concession (they said in a kindly tone):  
My income had been nationalised, but my debts were still my own.  
My debts were my private property, they must all be fully paid.  
But I must not beg nor borrow nor steal, nor make a profit in Trade.

Oh Sirs, I said, you are very kind to a sinner such as I, But how can I hope to pay my debts if I cannot sell and buy?  
They said I misunderstood them (and they sounded a trifle cross):  
I might buy and sell as much as I liked, as long as I made a loss.

I said I would go and find a job, for I never was one to shirk;  
But they said I must join a union before I could start to work.  
And then, of course (as I should have known if I weren't such a blinking snob),  
I couldn't belong to a union until I was in a job.

I was not allowed to go abroad, though I knew no useful trade.  
For only the skilled could emigrate and only the useless stayed.  
I could draw my unemployment pay, and sit all day in the sun.  
For now I was fully nationalised, and Justice HAD BEEN DONE.

## BOX HILL SOUTH.

Three years ago the resident citizens of Box Hill voted strongly in favor of rating on site values, the longer frontages to pay more, and the vacant blocks to pay more, and hence thousands of homes to pay less by exemption of improvements. Postal votes from absentee owners of vacant blocks pulled against the resident voters but could not defeat the

citizens.

Sitting councillors, including the well-known Cr. J. S. Gawler, are not reconciled to the democratic decision of the citizens, but working for the interest of long frontage and vacant block owners, may try to rescind the just system of rating on unimproved capital value.

Under the modern system very many houses have been built in Box Hill and the number in the Canterbury Road area is large. Box Hill South, as a result, has developed as a shopping centre. Business prospects are so good that on 16th August, £52,10/- a foot was paid for vacant land at corner of Canterbury Road and Station Street in Box Hill South.

## GROUND RENT FOR REVENUE.

### Hon. F. Langstone's Plea.

"There are about three forms of taxation where it is not possible to pass it on, one being death duties —there are no subsequent profits made out of death duties.

"Then there is land tax. Of the £710,425,000 in capital value, £279,000,000 is community - created value, and all the nation gets in revenue annually from that huge sum is £916,000. Land tax cannot be passed on. That is the beauty of it. . . .

"There will come a day when we will have to re-orientate our system of taxation. We shall have to try to arrange it so that it goes where it cannot be passed on, and is taken off the things where it can be passed on, and so force up the cost of living. That is the science of taxation.

"Then there is company taxation. The Opposition admit that social security charges and income-tax are provided for in the cost of the article, and the consumer pays for them. So what is the good of their complaining about taxation? . . .

"I would eliminate company taxation, although I would certainly make a charge on companies, because they have a benefit in the mere fact that they are able to operate as limited liability companies, because they can amalgamate, secure a mass of capital, and enter into a project with advantages.

"There is no justification for taxes which force up the cost of living all the time. . . . We, as a party, have always opposed indirect taxation, because it is not only the tax itself, but companies make a profit on the tax. . . . Every customs duty is probably increased considerably by the time the article concerned reaches the consumer, because the consumer pays a profit to the company not only on the shipping charges and other things, but on the tax that is levied. I do not think that applies to the Sales Tax, but it is £14,105,000. We oppose Sales Tax, too. . . .

"I firmly believe that if a proper system of taxation were used on the community-created land value we would not need a Land Valuation Court. The thing would be automatic and self-rectifying. . . . I may say that if we had been deriving revenue from £279,000,000, at say 3 per cent. or 4 per cent. or 5 per cent., what a huge sum we would have had, and not one penny of that would have entered into price.

"Further than that, it would have done more to stabilise land values than any other single factor . . ." concluded Mr. Langstone.

(Reported in N.Z. "Truth," of Sept. 7, 1949).

## ROBINSON CRUSOE'S ECONOMICS.

SAMUEL DANZIGER.

(We regret that only a portion of this article appeared in our last issue. The complete article is given below.)

"Friday," said Robinson Crusoe, "I'm sorry—I fear I must lay you off."

"What do you mean, Master?"

"Why, you know there's a big surplus of last year's crop. I don't need you to plant another this year. I've got enough goat-skin clothes to last me a lifetime. My house needs no repairs. I can gather turtle eggs myself. There's an over-production. When I need you I'll send for you. You needn't wait around here."

"That's all right, Master. I'll plant my own crop, build my own hut, and gather all the nuts and eggs I want myself. I'll get along fine."

"Where will you do all this, Friday?"

"Here, on this island."

"This island belongs to me, you know. I can't allow you to do that when you can't pay me anything I need. I might as well not own it."

"Then I'll build a canoe and fish in the ocean. You don't own that."

"That's all right, provided you don't use any of my trees for your canoe, or build it on my land, or use my beach for a landing place, and do your fishing far enough away so as not to interfere with my riparian rights."

"I never thought of that, Master. I can do without a boat, though. I'll swim over to that rock and fish there and gather seagull eggs."

"No you won't, Friday. That rock is mine. I own riparian rights."

"What shall I do, Master?"

"That's your problem, Friday. You're a free man, and you know about the rugged individualism maintained here."

"I guess I'll starve, Master. May I stay here until I do, or shall I swim beyond your riparian rights and drown or starve there?"

"I've thought of something, Friday. I don't like to carry my garbage down to the shore each day. You may stay and do that. Then whatever is left of it after my dog and cat have been fed you may eat. You're in luck, Friday."

"Thank you, Master. That is true charity."

"One more thing, Friday. This island is over-populated. Fifty per cent. of the people are unemployed. We are undergoing a severe depression, and there is no way that I can see to end it. No one but a charlatan would say that he could. So keep a look-

out and let no one land here to settle, and if any ship comes in don't let them land any goods of any kind. You must be protected against foreign labor. Conditions are fundamentally sound, though, and prosperity is just around the corner."

## Notes from Various Sources

**Heidelberg.** — Federal government, in 1940 purchased 55 acres on Watendale Road, one mile from railway, of pasture land (unsurveyed), for a military hospital, at £171 an acre.

Victorian Housing Commission resumed similar land in same location in 1940 at about £50 an acre. The Herald, November, 1949.

(Shows need for a Valuer-General and a Valuation Roll made public.—Ed.)

**Hansard, September 26, 1949.** — Hon. J. A. Kennedy. — A Bill is being prepared to appoint a Valuer-General and to bring all valuations throughout the State into line. That will have the effect of raising all valuations to their true level.

Hon. W. J. Beckett. — Municipal valuations are only 5 per cent. of the values.

**Werribee.** — Land was raised in value from £13 to £100 an acre by irrigation from Melton reservoir. Weekly Times, 26/10/49.

**CENTRAL MELBURNE.** — A Beckett Street warehouse on land 12,800 square feet, received bid for £45,000. Allow £500 for building then bare land value is £13,000 per square chain.

**Central Sydney.** — Park Street (118 ft.) corner Castlereagh Street (58 ft.) site has been bought by Commonwealth Bank at £100,000. Bare land value is £61,000 per square chain.

**Billjim** worked in the years when they didn't take social security, health benefits, pension funds, union dues and unemployment insurance out of his pay envelope. Now he is retired on his savings.

**Horsham.** — Business site in Pynsent Street, just off Firebrace Street, the main shopping centre of Horsham, sold by auction over £7000. The Herald, 24/11/49.

(High prices for wheat mean high prices for land in the town.—Ed.)

**Somerton.** — 13 miles from Melbourne, Roxburgh Park, a grazing property of 832 acres, sold at £25,399, which is £42 an acre. The Sun, 26/11/49.

(Dunston "dote" of rebate on State Land tax is capitalised and included as an asset in the sale price.—Ed.)

**Progress.** — A general reduction in taxation, both direct and indirect, would enable workers to enjoy their earnings more fully, would enable the housewife to purchase far more for the amount she now spends, and would provide the incentive for higher production. J. M. Atkin-

## HENRY GEORGE LEAGUE OF VICTORIA

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Next Members' Evening, Tuesday, February 21, 1950.