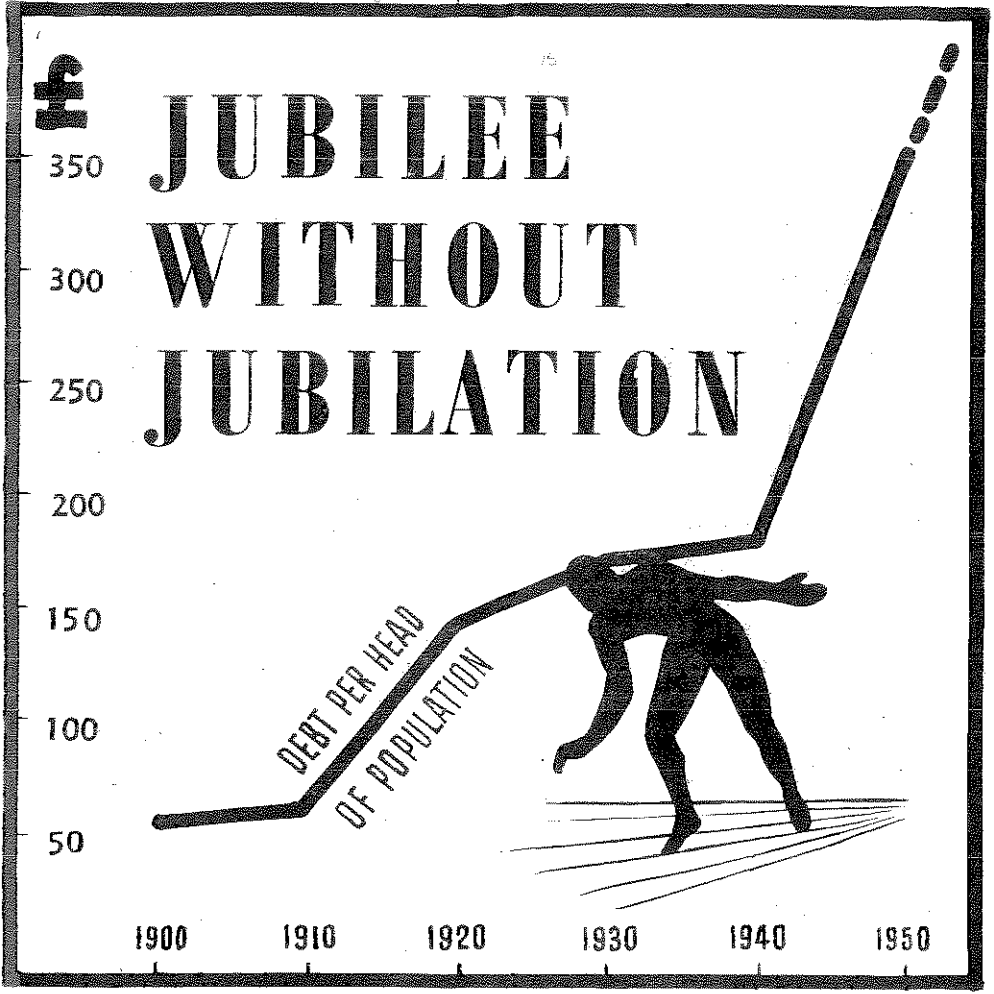


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# 50 Years of Tax Burdens and Public Debts

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South Australia

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# Foreword

During this Jubilee Year much will be said and written concerning the progress made in the arts, science and industry over the past fifty years. We have no desire to discount the great advance that has been made, despite the many handicaps placed by Governments upon all wealth producers.

The reason why we bring these economic facts before the public at this juncture is because we are of the opinion we would fail in our duty to the community if we did not supply the missing link in the Jubilee chain of events.

We are strongly of the opinion that the facts presented in this article prove that Federal and State legislators of ALL parties have failed in their duty to their constituents, and have been weighed in the balance and found wanting. We shall be pleased to hear from our readers if they agree with us on this point, after studying the evidence now placed before them.

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## LITERATURE AVAILABLE

### NEW SOUTH WALES:

A. G. HUIE, Daking House, Rawson Place, Sydney.

### SOUTH AUSTRALIA:

E. J. CRAIGIE, 8 Grant Ave., Rose Park, Adelaide.

### TASMANIA:

J. D. VALENTINE, Port Box 21, Launceston.

### VICTORIA:

R. N. COLLISON, 18 George Par., 113 Collins Street, Melbourne.

### WEST AUSTRALIA:

W. E. STANDRING, 8 Doonan Road, Claremont, Perth.

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# Jubilee Without Jubilation

FIFTY years ago the six States of Australia became a Federated Body, and that is the reason why in this year we are celebrating what is popularly known as the "Jubilee". We trust this term is not a misnomer. The Jubilee Year has always been regarded as a year of restoration and emancipation. In Josephus "ANTIQUITIES" it is stated that under the Jewish Dispensation, the land that during the fifty years had passed out of the possession of those to whom it originally belonged was restored to them, and all who had been reduced to poverty, and obliged to hire themselves out as servants were released from their bondage; while at the same time all debts were remitted. This was to give effect to the Levitical Law. This law is proclaimed in Leviticus, 25, verses 10.23.24. in the following words:

"And ye shall hallow the fiftieth year, and proclaim liberty throughout all the land unto all of the inhabitants thereof; it shall be a jubilee unto you; and ye shall return every man unto his possession, and ye shall return every man unto his family.

"The land shall not be sold forever; for the land is mine; for ye are strangers and sojourners with me . . . . And in all the land of your possession ye shall grant a redemption for the land."

The Australian Federal and State Parliaments are opened each day with a prayer in which the Lord is asked for guidance in regard to the deliberations of Parliament and the measures to be placed upon the Statute Books.

During the past fifty years Federal and State legislators would appear not to have made any special effort to ascertain the Divine Will, as our Statute Books are filled with Acts of Parliament which violate moral and economic laws.

The effect of these measures has been to rob the majority of the people of their birthright—**FREE AND EQUAL ACCESS TO LAND**—and to exploit them by direct and indirect taxes levied upon their industry. Many have been reduced to the position of slaves in a servile State, so at this year of Jubilee it will be interesting to see if their birthright will be restored to them, and if they will secure emancipation from the tax burden that has been placed upon their homes, food and clothing, tools and machines of production, and upon the wages of their labor.

Of course we do not expect restoration of the land to be made on the lines indicated in the Jewish Dispensation. That method may have been satisfactory for the primitive times in which the Jews lived, but it would not work under our present

complex state of society. Nor is such a system desirable or necessary. The same, or better, results can be obtained by THE COLLECTION OF ECONOMIC RENT FOR PUBLIC PURPOSES, as advocated by the greatest of all economists—HENRY GEORGE. This question will be dealt with later in this paper.

We have asserted that during the past fifty years wealth producers have been exploited by direct and indirect taxation. So that this may not remain merely a bald assertion we now produce the evidence which prompted us to make the statement.

All the figures used in this work have been taken from official sources, viz., from Commonwealth Year Books, Statistical Registers, and Federal and State Budget and Finance Papers. The calculations regarding the percentage increases are, of course, our own, as well as the comments relating to the increases.

The period under review covers the first fifty years from the birth of the Commonwealth to the Jubilee Year. The figures cover the five decades from 1901 to 1950. State Public Debts are first dealt with in separate tables, then the tax levied by State Governments; the Commonwealth Public Debt and Tax follow, with special reference to the War Debts; and we then show the combined burden imposed by Federal and State Parliaments in relation to population and production during the fifty-year period. We conclude with a practical alternative policy.

## Public Debts of the States

### NEW SOUTH WALES

Year	Amount Owing £	Per Head	Population		
			£	s	d
1901-2	67,361,246	49	9	3	
1909-10	92,525,095	56	5	8	
1919-20	152,776,082	75	4	6	
1929-30	270,630,848	108	17	11	
1939-40	363,325,538	130	18	4	
1949-50	425,288,941	132	14	9	

From the above table it will be seen the N.S.W. Debt increased from £67,361,246 in 1901-2 to £425,288,941 in 1949-50. This further indebtedness represents an additional burden of £93/5/6 per head of population. The amount of interest paid on this Debt in 1949-50 was £11,480,589.

## VICTORIA

Year	Amount Owing £	Per Head	Population		
			£	s	d
1901-2	50,071,275	41	11	8	
1909-10	55,576,725	42	14	1	
1919-20	87,647,739	58	5	4	
1929-30	155,719,888	87	6	7	
1939-40	180,549,968	94	16	11	
1949-50	217,412,826	99	4	8	

The increase in Victoria was from £50,071,275 in 1901-2 to £217,412,826; representing an increase of £57/13/- per head. The interest payment for 1949-50 was £6,819,313.

## QUEENSLAND

Year	Amount Owing £	Per Head	Population		
			£	s	d
1901-2	38,416,514	76	9	11	
1909-10	44,276,067	73	18	3	
1919-20	69,680,764	94	10	9	
1929-30	112,623,079	119	10	6	
1939-40	129,033,287	125	14	8	
1949-50	150,595,962	128	15	6	

The Public Debt of Queensland increased from £38,416,514 in 1901-2 to £150,595,962 in 1949-50, the additional burden per head of population being £52/5/7. The Interest paid for 1949-50 was £4,765,482.

## SOUTH AUSTRALIA

Year	Amount Owing £	Per Head	Population		
			£	s	d
1901-2	26,448,805	73	3	6	
1909-10	31,387,870	76	10	6	
1919-20	43,753,146	92	12	3	
1929-30	93,986,118	161	17	5	
1939-40	109,344,040	182	15	0	
1949-50	133,174,535	191	9	10	

The South Australian Debt increased from £26,448,805 in 1901-2 to £133,174,535 in 1949-50. The increased burden per head of population was thus increased by £118/6/4. The interest payment for 1949-50 was £4,496,965.

## WESTERN AUSTRALIA

Year	Amount Owing £	Per Head	Population		
			£	s	d
1901-2	12,709,430	67	5	0	
1909-10	23,287,453	84	2	5	
1919-20	46,822,003	140	2	4	
1929-30	71,990,141	171	19	3	
1939-40	96,230,399	205	13	8	
1949-50	109,550,142	198	8	11	

The Western Australia Debt in 1901-2 was £12,709,430 and increased to £109,550,142 in 1949-50, the increase per head of population being £131/3/11. The interest paid in 1949-50 was £3,367,769.

## TASMANIA

Year	Amount Owing £	Per Head Population		
		£	s	d
1901-2	8,511,005	49	4	6
1909-10	10,570,453	54	10	10
1919-20	16,630,038	76	15	3
1929-30	22,688,862	105	5	4
1939-40	27,243,892	113	17	0
1949-50	42,720,979	152	9	11

The Public Debt in Tasmania was £8,511,005 in 1901-2 and by 1949-50 has increased to £42,720,979, an increase of £103/5/5 per head of population. The Interest paid in 1949-50 was £1,352,578.

The above tables showing the individual State's Debts reveal that the TOTAL Public Debts for the SIX STATES increased from £203,518,275 in the first year of Federation to £1,078,808,968 on June 30, 1950. In other words the share of the States' Debts per head of population increased during the fifty-year period from £53/13/11 to £132/7/2.

Naturally with such a tremendous increase in States' indebtedness it was only to be expected that interest payments would be increased. The position is that whereas interest amounted to £7,496,256 in 1901, it grew to £34,180,469 in 1949-50. This represents an increase in interest payments on States' Debts alone from £1/19/8 to £4/3/11 per Head of population during the period under review.

## COMMONWEALTH PUBLIC DEBT

Turning to the Public Debt of the Commonwealth we find, as in the case of the States' Debts, that it has also grown at an alarming pace since the Federal Government commenced to borrow.

Apart from its liabilities to the States for transferred properties there was no Commonwealth Debt until 1915. As this article deals with the liabilities at each ten-year period, we have taken 1920 as our starting point. Here are the details for each ten-year period.

Year	Amount Owing £	Per Head Population		
		£	s	d
1920	340,998,717	63	12	3
1930	380,444,020	58	17	4
1940	355,602,960	50	11	5
1950	1,830,626,723	223	12	0

## INTEREST PAYMENTS

Year	Amount Owing £	Per Head Population		
		£	s	d
1920	16,114,960	3	0	2
1930	19,797,669	3	1	3
1940	13,584,366	1	18	8
1950	51,396,290	6	5	6

From the above tables it will be seen that in 1920 the Commonwealth Public Debt was £340,998,717 or £63/12/3 per head, and at June 30, 1950 it stood at £1,830,626,723, or £223/12/- per head of population.

The interest payments on this huge debt increased from £16,114,960 or £3/0/2 per head in 1920 to £51,396,290 or £6/5/6 per head of population in 1950.

## Combined Federal and State Debts

	Amount of Commonwealth Public Debt.	Amount of States Public Debt.	Total Public Debt
	£	£	£
1900	—	203,518,275	203,518,275
1910	—	257,623,663	257,623,663
1920	340,998,717	425,902,736	766,901,453
1930	380,444,020	720,042,053	1,100,486,073
1940	355,602,960	965,727,064	1,261,330,024
1950	1,830,626,723	1,078,868,968	2,909,435,691

### Debt per head of Population

	Commonwealth	States	Total
1900	—	£53 13 11	£53 13 11
1910	—	58 4 5	58 4 5
1920	£63 12 3	79 10 11	143 1 4
1930	58 17 4	111 13 2	170 5 8
1940	50 11 5	129 3 11	179 7 11
1950	223 12 0	132 7 3	355 7 4

### Amount of Interest paid

	Commonwealth	States	Total
1900	—	£7,496,256	£7,496,256
1910	—	8,941,470	8,941,470
1920	£16,114,960	17,736,396	33,881,356
1930	19,797,669	35,564,562	55,362,231
1940	13,584,366	33,972,667	47,557,033
1950	51,396,290	34,180,469	85,576,759

### Interest per head of Population

	Commonwealth	States	Total
1900	—	£1 19 8	£1 19 8
1910	—	2 0 5	2 0 5
1920	£3 0 2	3 6 3	6 6 4
1930	3 1 3	5 10 4	8 11 4
1940	1 18 8	4 16 11	6 15 3
1950	6 5 6	4 3 11	10 9 0

An examination of the tables show that the Commonwealth and States' Debts stood at £2,909,435,691 on June 30, 1950. This means that on that date every man, woman and child in the Commonwealth was in pawn to the bondholders to the extent of £355/7/4, that being the per capita amount of the Public Debt.

The combined Federal and States' interest payments at June 30, 1950 was £85,576,759 or £10/9/- per head of population. This is the deadweight burden that industry has to carry in our Jubilee Year.

## WAR DEBTS

It is interesting to note that in regard to the huge Commonwealth Public Debt no less than £1,662,314,000 represents borrowing for the 1914-18 and 1939-45 wars. This increased the debt per head by £203/0/10 on June 30, 1950. The interest paid on War Debts that year amounted to £46,004,840, or £5/12/4 per head of population.

While it may be claimed that the portion of the Public Debt not used for war purposes may be justified, inasmuch as the proceeds were used to develop Australia, no such claim made on behalf of the War Debts can be logically sustained. That money was not used for PRODUCTIVE purposes, but was used for the purpose of destroying life and property.

Incidentally, the alleged sacrifice made by big investors in the War Loans is more visionary than real. The fact to be kept in mind is that wars are not fought with MONEY, but with MEN AND MATERIALS. Those men and the materials CANNOT BE BORROWED FROM THE FUTURE. Wars are fought with the men available at the time of the war, and with the material that was obtained from past and present day production.

Dealing with this aspect of the question, one of the ablest of American bankers, Mr. G. E. Roberts, in an address on "Business and the War" (June 13, 1916) said:—

"But what about the Debt? Is it true that these countries are drawing on the future, that they are expending capital before it is created, and heaping up burdens upon generations as yet unborn? There is very great exaggeration about that. If you say they are wasting capital which should be passed down to the future, and the progress of the world is retarded, I will agree, but this is a different thing.

"In the first place, there is no such thing as expending capital before it is created. Capital must exist in tangible form. There are no economic losses except in tangible things. The war as we have seen is carried on with tangible things—with equipment and supplies—and these must be furnished now, not after the war is over. The armies are not being fed this year from next year's crops, nor are they using supplies of next year's make. Whatever else may be obscure about the incidence and effect of this body of indebtedness, one thing is clear,



viz., that all the production of the future will belong to the future, and none of it will belong to the past."

How, then, does the flotation of Loans affect the position of supplies? Let us illustrate the actual working of War Finance.

John Jones is to sacrifice for his country by subscribing £20,000 to a War Loan. He visits the bank, hands over the counter a piece of paper—a cheque for £20,000. The teller gives him in return another piece of paper—a War Loan Bond for £20,000. A transfer of figures is then made, and John Jones' account is REDUCED by £20,000, and this amount is placed to the credit of the Commonwealth Government. When a sufficient number of John Jones follow the same procedure to the extent of the Loan sought, we are informed the flotation has been a great success.

Readers will note that John Jones has not transferred any REAL WEALTH to the Commonwealth Government. He has merely transferred to them the right he held to draw upon present day production to the extent of £20,000, and on the understanding that at the end of a given period of time that right will be transferred back to him, and during the term of the Loan he must be paid interest for each year of its currency.

How, then, do the Government obtain the materials for war purposes? Partly by increasing taxation, but mainly through inflating the note issue. Following the flotation of the Loan there is a big increase in the number of notes placed in circulation. These notes being legal tender can be exchanged for real wealth. During a war period thousands of men and women are taken from the production of consumer goods and employed in producing things for destructive purposes. Because of this change of occupation, and the payment of their wages in notes for their war work, we are faced with the fact that at a time when there is a reduction in the quantity of consumable goods, we are, through the inflation of the note issue, faced with an increased demand for such goods. Through the operation of the economic law of supply and demand, PRICES OF COMMODITIES INCREASE CONSIDERABLY. Because of this increase in prices, people have to go short of many of the things they require, so that sufficient consumable goods shall be available for the fighting men and those engaged in munition work.

It will thus be seen that a war is actually paid for by the general community who sacrifice a share of the production which they have brought into existence, yet despite this fact that the war has been paid for out of the production that took place while the fighting was on, we are still in debt to the extent of £1,662,314,000.

Dealing with the relative merits of financing a war by means of a Loan or by Taxation, Professor R. F. Irvine,

Professor of Economics, University of Sydney, in his Joseph Fisher Commerce Lecture, given in Adelaide, June 5, 1917, on "War Finance, Loans, Paper Money and Taxation", caused some consternation by saying:—

"A Loan is a voluntary contribution to the expenses of government, in return for a stipulated rate of interest. It is, therefore, simply an investment. Investors may, of course, be actuated by patriotism in deciding to put their money into war loans rather than into other securities. They may lose a small percentage of gain by so doing, but, on the whole, investment in war loans is a business transaction, and sometimes extremely profitable.

"A tax, on the other hand, is a compulsory withdrawal, for public purposes, of some portion of an individual's wealth; on the clear understanding that it will not be returned, and that no direct compensation will be made for its use. So far as individuals are concerned, it is confiscation; and the fact that the whole society, including the taxpayers, may benefit by the public use of confiscated property, is not usually regarded as completely consoling for the loss of part of their wealth."

Dealing with the same important point of Loans versus Taxation, PIGOU in "The Economics and Finance of War", 1916, has this to say:—

"Under the tax method, the rich and moderately rich shoulder the whole burden of the charge that is laid upon them (though this is true only so far as they are unable to shift the taxes). Under the Loan method they do not do this because they are compensated afterwards through taxes laid for that purpose partly on themselves, but partly also on other poorer sections of the community.

"Indeed, if indirect taxation is used to any great extent, the poor will bear a large part of the burden. So also it may be that the poor suffer most heavily from such inflation of currency as possibly results from inconvertible issues and some of the loan methods I have described. Their wages do not rise as rapidly as prices, and their money incomes do not purchase as much, as before.

"This means that, in effect, a part of what the rich hand over to the State in their War Loan subscriptions is really exacted without interest from the poor."

The time is ripe for alleged statesmen to adopt a policy which will put an end to wars. Instead of continuing with the present uneconomic policy which brings disaster to victor and vanquished alike, the more statesmanlike attitude is for all nations to remove all restrictions from trade and thus create goodwill among the peoples of the world. Instead of the hatred now engendered by reason of present day restrictive policies.

Take the economic rent into the Public Treasury, and thus make it unprofitable for vested interests to gain by reason of monopoly of natural resources, and the causes of war will be removed. This is the only practical policy for putting an end to war and the contracting of war debts. There is no better time than this Jubilee period to give effect to such a sane policy. Is there any Government in the Commonwealth that has the moral courage to move in this direction?

## State Taxation

We now show the States' Taxation over ten-year periods since the advent of Federation. The tables which follow set out the amount of taxation collected in each State at the end of each decade from 1901-2 to 1949-50; as well as the amount of tax per head of population. It will be noted that a big increase has taken place in each State.

### NEW SOUTH WALES

Year	Amount of Taxation Levied. £	Amount per Head of Population		
		£	s	d
1901-2	1,108,770	16		1
1909-10	1,223,521	15		2
1919-20	4,962,518	2	9	7
1929-30	15,150,507	6	2	3
1939-40	22,682,127	8	4	2
1949-50 (a)	11,759,738	3	13	4

Increase in annual tax at end of decade 1949-50, £10,650,968.

Increase per head of population, £2/17/3.

- (a) The 1949-50 figures for N.S.W. do not include £2,861,670 collected that year as Motor taxation and fees, as this amount is credited to Funds outside the Budget.

### VICTORIA

Year	Amount of Taxation Levied. £	Amount per Head of Population		
		£	s	d
1901-2	748,216	12		4
1909-10	1,088,353	17		0
1919-20	3,159,767	2	2	3
1929-30	6,285,297	3	10	1
1939-40	10,862,669	5	13	2
1949-50 (a)	7,760,269	3	10	10

Increase in annual tax at end of decade 1949-50, £7,012,053.

Increase per head of population, £2/18/6.

- (a) Motor taxation for 1949-50 is not included in the Victorian figures as they are credited to the Country Roads Fund.

## QUEENSLAND

Year	Amount of Taxation Levied. £	Amount per Head of Population		
		£	s	d
1901-2	276,771		10	11
1909-10	584,997		1	0 3
1919-20	3,323,745		4	11 8
1929-30	4,795,240		5	3 0
1939-40	8,816,448		8	13 3
1949-50 (a)	4,612,205		3	18 10

Increase in annual tax at end of decade 1949-50, £4,335,434.  
Increase per head of population, £3/7/11.

- (a) For 1949-50 Motor taxation amounting to £1,498,003 is not included in the Queensland tax figures. This amount, with Stock, Levies, etc., are shown as "Trust Funds Receipts".

## SOUTH AUSTRALIA

Year	Amount of Taxation Levied. £	Amount per Head of Population		
		£	s	d
1901-2	267,791		14	8
1909-10	481,003		1	4 3
1919-20	1,391,830		4	11 8
1929-30	3,427,759		6	0 2
1939-40	4,620,118		7	14 8
1949-50 (a)	3,295,322		4	14 10

Increase in annual tax at end of 1949-50 decade, £3,027,531.  
Increase per head of population, £4/0/2.

- (a) Motor taxation is included in S.A. tax figures for 1949-50.

## WESTERN AUSTRALIA

Year	Amount of Taxation Levied. £	Amount per Head of Population		
		£	s	d
1901-2	173,582		17	11
1909-10	336,396		1	5 4
1919-20	844,197		2	19 5
1929-30	1,844,333		4	8 7
1939-40	3,729,558		8	0 0
1949-50 (a)	2,515,345		4	11 1

Increase in annual taxation 1949-50 end of decade, £2,341,763.

Increase per head of population, £3/13/2.

- (a) With regard to the 1949-50 tax figures for Western Australia, the total amount of taxation included in the Consolidated Revenue Fund was £1,679,780. To this amount is added £790,474 Motor taxation, £4,921, taxation "Other Vehicles", Vermin Tax, £35,547, and Fruit Fly Eradication Levy, £4,623. These extra taxes amounting to £835,565 credited to "Trust or Special Accounts" bring the total taxation to £2,515,345.

## TASMANIA

Year	Amount of Taxation Levied. £	Amount per Head of Population		
		£	s	d
1901-2	111,515	13	0	
1909-10	303,390	1	11	5
1919-20	609,576	2	16	3
1929-30	1,119,722	5	2	4
1939-40	1,827,902	7	13	2
1949-50 (a)	1,842,989	6	8	8

Increase in annual taxation 1949-50 end of decade:  
£1,731,474.

Increase per head of population, £5/15/8.

(a) Motor taxation for 1949-50 included in Tasmanian figures.

**NOTE.** When comparing the 1939-40 figures with those for 1949-50 it must be remembered that the Commonwealth Uniform Tax was introduced as from July 1, 1942. From that date State Governments ceased to collect Income tax, and received a Grant from the C.W. Government. This Grant, received by the States in lieu of the power to levy Income tax, cannot be shown as State taxation, as it is included as taxation levied by the Federal Government. Hence the lower State taxation totals for 1949-50 as compared with the 1939-40 State Tax levies.

From the foregoing tables it will be seen that taxation in the Six States increased from £2,686,645 in 1901-2 to £31,785,868 in 1949-50—an advance per head of population from 14/1 in 1901-2 to £3/18/3 in 1949-50. Big as this advance appears to be it is paled into insignificance when compared with the great advance in Commonwealth taxation, as the following table will show.

## Commonwealth Taxation

Year	Amount of Taxation Levied. £	Amount per Head of Population		
		£	s	d
1901-2	8,894,319	2	6	6
1909-10	11,593,164	2	13	7
1919-20	41,847,692	7	19	6
1929-30	58,187,775	9	1	5
1939-40	90,010,663	12	17	4
1949-50	504,387,000	62	13	2

Increase in annual taxation end of 1949-50 decade, £495,492,681.

Increase per head of population, £60/6/8.

It is of interest to note that since Federation the population of the Commonwealth has increased by 115 per cent., the value of production has increased by 888 per cent., and during the same period Commonwealth taxation has increased by 5,578 per cent.

## Combined Federal and State Taxation

We now have the necessary details to show the enormous total increase that has taken place in Commonwealth and States'

Taxation from the establishment of Federation to the end of the financial year 1949-50. The following table shows the increase at each ten year period.

Year	Amount of Taxation Levied. £	Amount per Head of Population		
		£	s	d
1901-2	11,580,964	3	0	7
1909-10	15,610,824	3	11	2
1919-20	56,139,325	10	14	0
1929-30	91,964,757	14	6	9
1939-40	144,397,479	20	12	10
1949-50	536,172,868	66	11	5

This table shows that combined Federal and State taxation has grown from £30/7 per Head of population in 1901-2 to £66.11/5 in 1949-50—a staggering burden to be carried by the small section of the community who are actual wealth producers.

The next table should be of special interest as it shows the value of total production each decade from 1901 to 1949, and the percentage of that production taken by Federal and State taxation at those same periods.

Year	Value of Production £	Year	Percentage taken by Commonwealth Taxation	Percentage by Combined Taxation
1901	114,585,000	1901-2	7.76%	16.10%
1909	174,198,000	1909-10	6.65%	8.96%
1919	348,183,000	1919-20	12.08%	16.12%
1929	447,805,000	1929-30	12.53%	26.53%
1939	464,993,000	1939-40	19.19%	31.05%
1949	1,134,494,000	1949-50	44.45%	47.22%

It must be disturbing to find that during 1949-50 the combined taxation levied by Federal and State Governments took no less than 47.22 per cent. of total production. This represents nearly one-half of the total wealth produced, and if this is not moving in the direction of the Socialised State we would like to hear a more suitable name for such a policy.

## An Alternative Jubilee Policy

Having shown the devastating effect the existing economic policy has had upon wealth producers, we now present the alternative policy which we believe will make for the restoration of the birthright that has been filched from the people, and give to them the full earnings of their labor.

The important fact to remember is that every individual born into this world is born with an equal right to life, liberty and the pursuit of happiness. This right carries with it the

equal right of access by all to LAND, because it is only by the possession of land that life, liberty and happiness can be enjoyed.

To secure this equal right to land it is not necessary to divide the land in equal sections among the community. A better plan to bring about the desired result is to COLLECT ECONOMIC RENT FOR PUBLIC PURPOSES. This will ensure that no person will hold more land than can be profitably used. It will break the stranglehold now enjoyed by the privileged land monopolists and make land available to all legitimate users—not by the payment of a purchase price—the only payment then to be made would be the annual rent into the public treasury. Such a policy will break the greatest of all monopolies—the monopoly of natural resources—and prevent the landlord class getting rich at the expense of the community.

Under the foolish policy now in operation, every time the Federal or State Governments require land for public improvements and for housing sites, they are held to ransom by the monopolists, and charged high prices for the land required.

The Government spends money on an immigration policy, and every New Australian that comes to our shores adds £200 to the value of land. Every improvement made at public expense in the nature of railways, jetties, harbours, water services and Snowy River schemes; and every new arrival in the Commonwealth brings grist to the landlord's mill; and they are thus able to get rich without working.

One would imagine that as these facts are known to kindergarten students in economics, they would also be known to our Federal and State legislators. Apparently they appear not to know that land values arise because of the presence and activities of the people, therefore they are a people's created value. If they were aware of this economic truth, then, surely, they would not continue to allow the landlord class to appropriate these values and then tax the industrious section of the community to meet the cost of government. However, it is an indisputable fact that for the financial year ended June 30, 1950, out of £535,905,077 collected as taxation by the Commonwealth and six States Governments, only the miserable sum of £5,411,686 was taken from the natural source of revenue—the rental values of land. Surely it is time such an unsound and immoral system of collecting revenue should be abolished, and one more in accord with economic and moral laws put in its place.

With the taking of economic rent into the public treasury, the heavy tax burden now resting upon wealth producers could be reduced and ultimately abolished. It is too much to expect that such a drastic change could be made overnight, although

there would be nothing immoral if it were attempted. The danger of such a move is the possibility of a serious reaction by the general public, fanned by vested interests, which would have a damaging effect upon the movement to establish a just state of society. Henry George realised this, as in an address by him at London, he said:—"This thing will come step by step, and each step taken will make the next step easier."

We cannot get over the fact that Government to-day has exceeded its true functions. Many costly and useless departments have been created, and these cannot be abolished in a day. There will be many complaints and much misrepresentation from vested interest during the transition period; hence reformers need to be on their guard and be careful not to make exaggerated claims when advocating this just reform.

The burden of indirect taxation should first be removed. All tariffs, quota systems, embargoes and exchange controls should be promptly dealt with. This would lower the cost of all imported goods, and also have the effect of allowing the Law of Competition to operate against local manufacturers who now exploit the consuming public.

Such a policy would lower the cost of production, and it is the practical way of "putting value back into the pound". It is the only practical policy to effectively deal with the high cost of living and the serious housing problem. If put into operation even Trades Union and Labor leaders should see it is preferable to the foolish policy of increasing money rates of pay in the effort to overtake prices—a policy which is never successful.

Summed up briefly the Jubilee policy here enunciated is one which permits of the free play of economic laws, thus ensuring that the value created by the community shall be taken into the public treasury for the benefit of the community; at the same time leaving sacredly to all individuals the values created by their individual use of Labor and Capital in the production of wealth.

It is alleged that "Nero fiddled when Rome was burning," but the present-day outlook indicates that Nero did not have a monopoly of "fiddling" when disaster was facing the nation. Unfortunately, we in Australia have a considerable number of Neros, who are not concerned with fundamental questions. We present them with this practical policy for the Jubilee Year, and ask that Federal and State legislators, as well as all other sections of the community, give it the serious consideration it merits. Party politics have proved a dismal and costly failure. We, therefore, ask the people to celebrate the Jubilee Year by giving PRINCIPLES first place in their thoughts in the days that are to come. Only by this means can we secure that RESTORATION AND EMANCIPATION WHICH IS CHARACTERISTIC OF A JUBILEE YEAR.