

The Federal Land Tax

The Budget papers show that out of the £718,569,909 taken as taxation in 1950-51, only £3,591,139 was taken as Land value taxation. The Federal Land Tax is a vicious class tax that with its £5000 exemption clause opens the way for fraud and evasion. It should be abolished forthwith and an all round land values tax substituted in lieu thereof. That the exemption enables a majority of landholders to escape the payment of the tax is shown by the fact that only 24,371 came within the ambit of the tax, (of these 2450 were absentees). The assessment by the Land Tax Department for tax purposes is only £276,869,000, whereas the pre-war unimproved land values of the Commonwealth approximate £1,600,000,000. From this we assume that all political parties have a tender consideration for the landholding class, as they ignore this — the natural source or revenue — and tax industry instead.

The estimated revenue from Land tax for 1951-52 is £7,500,000 — not because the rate of tax has been increased — but simply because up to date the tax has been based on values pegged in 1941-42, and for this year they are to be based on present day values.

WHERE SOME OF THE MONEY GOES

Having given readers a brief summary of the manner in which revenue is obtained by taxation they will naturally be interested to have some information showing how some of it is spent. We have selected a few items which we think will be of special interest, and because they are not likely to appear in any other journal.

SUBSIDIES.

The Federal Government professes to be keen to assist certain industries and also to keep the cost of living down. For this purpose it pays subsidies to a privileged few. Here are the amounts paid in 1950-51:—

Articles	Amount Subsidy Paid
Dairy Products	£14,997,900
Tea	7,128,989
Imported Coal	1,703,804
Nitrogenous Fertilizers	599,082
Wheat shipped to Tasmania	139,648
Other Items	35,874
Wheat	682,781
Superphosphate	262,615
	<u>£25,550,773</u>

The above subsidies amount to a substantial sum, but the estimated amount to be paid in 1951-52 is £30,415,000.

Bounties.

Bounties were also paid in 1950-51 as under:—

Flax Canvas	£20,509
Tractor	89,898
Wool Products Bounty	14,875,475
	<u>£14,985,882</u>

We direct the attention of the users of wool products to the great financial assistance they (or is it the manufacturers) have received by way of bounty.

Social Service Benefits.

Payments for what are known as Social Service Benefits are going up by leaps and bounds. In 1949-50 the amount paid was £92,803,625. In 1950-51 it was £114,983,375 as per the details shown hereunder. The estimated payments for 1951-52 are £138,073,000.

National Welfare Fund, Social Service.	
Funeral Benefits — Age & Invalid Pensioners	£254,058
Age & Invalid Pensions	49,520,285
Widows' Pensions	4,828,086
Maternity Allowances	3,057,519
Child Endowment	43,584,614
Unemployment & Sickness Benefits	1,037,213
Community Rehabilitation	309,811
Hospital Benefits	6,535,628
Pharmaceutical Benefits	2,930,168
National Health Service.	
Medical Benefits for Pensioners	75,511
Nutrition for Children	35,775
Miscellaneous	130,628
Tuberculosis Benefits	2,275,399
Mental Institutes Benefits	405,664
Rental Rebates under Housing Agreement	3,029
	<u>£114,983,375</u>

The above statement of payments indicates very clearly that the Government is prepared to do almost everything for the people from the cradle to the grave, except the important thing of "getting off their backs," and allowing them to work out their own destinies as free people.

With the greater number of aged people developing, and a smaller number of wealth producers it will be interesting to know just how much longer we can stand this heavy charge.

Representation Abroad.

Expenditure in connection with the External Affairs Department continues to increase. It was £1,094,784 in 1949-50, in 1950-51 it increased to £1,894,985, while the estimated expenditure for 1951-52 is £2,137,000. Here are the details for the year just ended:—

Embassy	
United States, America	£172,572
China	14,888
United Socialist Soviet Republic	67,468
France	55,136
The Netherlands	24,262
Rep. U.S. of Indonesia	35,413
Eire	16,476
Legation	
Brazil	24,198
Israel	26,823
Italy	30,800
Egypt	22,443
Philippine Islands	32,769
High Commissioner.	
United Kingdom	550,491
Canada	39,705
New Zealand	23,612
India	41,245
Pakistan	44,162
South Africa	19,093
Consular Representation Abroad.	
New York, San Francisco, Thailand, New Caledonia, Portuguese Timor, Shanghai	198,343
Other Representation Abroad	74,650
	<u>£1,894,985</u>

When one looks at the names of some of the countries where we have representation we may question whether the expenditure incurred gives any practical results.

The Australian Commonwealth is a member of the United Nations. It is questionable if this organization will prove any more effective than the defunct League of Nations. There is no gainsaying the fact that there is much talk in evidence at its gatherings, but most of it consists of platitudes and palliatives; and up to the present the delegates have not shown any desire to deal with fundamentals. That it is a money-eater is shown by the fact that the Australian financial commitments for 1950-51 were:—

Food and Agricultural Organisation Contribution, Representation, Publicity	£63,771
United Nations, Representation	164,713
United Nations, Contribution	318,691
Education, Scientific, & Cultural Organisation Contribution & Representation	79,192
Other Conferences which have at least provided joy rides for privileged individuals during 1950-51 are:—	
International Labor Conference —	
Representation	£8,580
Contribution	65,260
Representation at Minor Conferences	9,696
World Trade & Employment Conference Representation	26,900
Commercial Intelligence Service abroad in 18 countries	241,030

It is pertinent to ask what benefit has been received by the people of Australia for this expenditure of over a quarter million of pounds. Surely it is a fine study in contradictions to spend money overseas to develop trade, and then by tariffs, quotas and exchange controls place restrictions in the way of trade.

Immigration.

The Commonwealth has embarked upon an immigration policy that is costing the taxpayers a considerable amount of money. The amount spent by the Immigration Department in 1950-51 was £9,569,983, and the estimated expenditure for 1951-52 is £9,886,000. It is not a sound economic policy to spend public money on bringing immigrants to Australia to compete for the jobs available, and to increase the land values for the benefit of the landholding class.

The Federal Parliament and its Members.

It would be unfair to Senators and Members of the House of Representatives, if reference was not made to the establishment where they distinguish themselves doing their duty to a long-suffering body of constituents.

Therefore, we direct attention to the fact that the cost of running Parliament House in 1950-51 is set as under:—

Salary and Pay Votes	£231,942
Other Votes	295,041
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	£526,983

Owing no doubt to the increase in the basic wage the estimated amount for 1951-52 is £593,000.

The allowances for Federal Ministers for 1950-51 was £29,150 (this is in addition to their salaries as members). The estimate for 1951-52 is £31,000

Senators and Members of the House of Representatives received £274,403 in 1950-51, but the estimate for 1951-52 is £275,000. It is probable that this estimate will fall short of the actual payment that will be made. Members have advised the people who provide the money for the payment of their salaries that they are "FEELING THE PINCH" on the miserable salary of £1,500 per year, plus numerous pickings, they are now receiving and some are proposing to take another £1,500 a year. With great respect we suggest that members should not remain in Parliament and continue to make the sacrifice they are alleged to make, but should resign and call upon other patriots to share the sacrifice with them. We feel sure there will be no shortage of aspirants who desire to do a bit for their country at present rates of pay.

Other items of expenditure in connection with Parliament for 1950-51 are:—

Conveyance of Members of Parliament & Others	£121,548
Maintenance of Ministers' & Members' Rooms	116,056
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	£237,604

Trips Abroad.

It is the ambition of most Ministers to make trips abroad to look after the interests of Australia. It is right, therefore, that taxpayers should know what some of these trips cost, even though they do not see the documents giving the information. Here are a few items:—

Visit abroad, Prime Minister, 1950	£19,760
Prime Minister's Conference, London	9,627
Visit Minister of Commerce & Agriculture, Apple and Pear Marketing Discussion, London	1,951

Coal.

We almost overlooked making some reference to Coal, which is always a burning question — that is if you can get the coal. The Budget papers indicate that for 1950-51 there was an expenditure of £635,643 in connection with the Joint Coal Board, and the Coal Mining Industry Long Service Leave cost taxpayers £374,884.

The National Debt.

The question of the National Debt is always one of absorbing interest — in more ways than one. Commonwealth and State Debts are so closely interwoven under the present Financial Agreement that details respecting both are shown in the Budget papers.

The Debt of the Six States to June 30, 1951 was £1,208,338,319, or £143/19/10 per head. The interest paid on State Debts last year was £37,100,083.

The Commonwealth Debt at the same date was £1,852,145,442, or £219/1/5 per head, and the interest payment for the year was £49,344,284.

It will thus be seen that the total Australian National Debt at June 30, 1951, was £3,060,486,761, which means that every man, woman and child in the Commonwealth was at that date in pawn to the bondholders to the extent of £363/1/2 per head.

The total interest payments last year were £86,444,367, or £10/5/1 per head.

Note Production.

Our readers will be pleased to know, after reading this tale of woe, there is at least one industry in the Commonwealth that showed a profit for the year. That is the Note Issue Industry which made a profit of £3,393,796 on the £275,220,800 in notes issued at June 30, 1951.

This sum represents a lot of money tokens, but we remind our readers that mankind lives — not on paper money — but on production. It is a fact that cannot be refuted that our real production is steadily and surely being stifled by the unsound economic policies advocated by all Australian Governments.

Conclusion.

We trust the foregoing extracts relating to revenue and expenditure, taken from the official Budget papers will give to readers facts not previously in their possession. They demonstrate clearly that although fine promises were made by the Menzies-Fadden Government when it assumed office, those promises have not materialized. On the fundamental question of raising revenue there is little to choose between any of the political parties. They all stand for land and trade monopolies. They all support restrictions and controls. The idea of freedom is anathema to them. Their idea is that the State should be supreme. The rights of individuals receive no consideration.

Mr. Menzies has much to say about DEMOCRACY, but it is doubtful if he understands what democratic

government really means. True democracy safeguards individuals in their property rights to the things which their Labor and Capital have brought into existence. The Menzies Government violates that right by appropriating by taxation more than one-half of the wealth which individuals create.

True democracy means taking for the community the values created by the presence of the community — the rental value of land. The Menzies Government ignores this just principle and allows this publicly created value to go into private pockets. The result is a majority of the people have been robbed of their birthright, they can exist in Australia only by paying rent to private individuals for permission to use the earth.

The Menzies Government has been weighed in the balance and found wanting. The people should awaken from their long slumber, realise that party politics have proved a curse to Australia, demand the restoration to the people of the birthright that has been filched from them. Wealth producers should be permitted to retain possession of the wealth they create. This can be done by taking the rental value of land to defray the cost of necessary government, and by reducing and ultimately abolishing all taxes levied upon the earnings of labor. This is the only way to establish SOCIAL JUSTICE, and we invite all to join in the crusade to abolish government interference with private industry and to declare for the principles of freedom. Are YOU prepared to accept this invitation?

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