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**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

### THE BUDGET.

The outlines of the "anti-inflation" budget have now been announced. They follow the pattern of heavy increase in direct and indirect taxation. These increases are put forward to reduce the spending power in the hands of the public as a counter to inflation. Whether they will have any such effect depends on the Government refraining from spending the extra income. If it spends the money it will be just as inflationary as it would be in the hands of the individuals. We are not optimistic.

Almost all sources of taxation have been tapped. The major exception is that form of taxation which in itself would have direct influence in countering inflation. We refer to the taxation of the unimproved value of land.

One of the main signs and cause of inflation is found in the rapid rise in the selling value of land. Inflation is at base disproportion between the money tokens available and the goods which they represent. The speculation in land values now so evident tends to reduce the supply of goods which would dispel inflation. Those with money are increasingly seeking investment in real estate rather than in production. Part of this is due to fear of inflation and the desire to hold something of permanent value as an asset.

The inflated price of land due to these various influences in its turn attacks the production of goods. It causes the terms upon which production can be commenced upon factory or farm sites to be so severe that economic production is impeded. If it goes further it becomes impossible for new producers to commence and remain in production. The seeds of the coming depression are being sown in this way although the blow is not likely to fall immediately. The fact is that land is purchased at prices which might enable people to carry on if there were no change in price of the goods they sell. As soon as these fall (as they must) there will be increasing business failures; there will be ex-producers swelling the ranks of those seeking employment from others and the pinch will be felt.

Taxation of land values would have a more direct effect in attacking inflation at the root than any of the taxes the Government has resorted to. These other taxes, by lessening the incentive to produce, will tend to stimulate the speculation in land which remains free from increased taxation. They will then be inflationary in themselves.

Increased taxation of land values apart from improvements would tend to make speculative holders release it at lower price to genuine producers. Speculative holders would be paying taxes without income from their holdings while unused and would be stirred to put them into production to at least cover the taxes. The increased production means more goods to equate with the currency and forms the natural counter to inflation. The alternative to increased production by present holders would be disposal of the business, residential or farm sites to people who were willing to use them. In either case the desired object of stimulating production would be achieved.

In face of the careful neglect to impose land value taxation despite rising land prices we must doubt the sincerity of the government in its desires to arrest inflation. It is true the Government does expect to get more from the Federal Land Tax. However, this simply results as a by-product of the revaluation to be made at present values instead of the pegged 1942 figures. This will bring more holdings into the taxable range but this tax will still only be payable by owners with land in excess of £5,000 unimproved value. The far more numerous holdings below this very high exemption figure will completely escape.

The other main line of taxation increase resorted to by the Government is in the indirect taxation field. Sales taxes or purchase taxes have been stepped up most drastically. Goods have been classified according to whether they are essentials or not. Non-essential goods are subject to 66 2/3 per cent sales tax. How blindly this classification has been done can be seen from the fact that in this highest tax group are included razor blades and cosmetics, both articles of daily use and necessity.

The proposal to increase prices deliberately and at once by taxation in order to avoid increase in prices which might attend inflation is most dangerous. Not the least dangerous element in it is the fact that once

such taxes are imposed there seem to develop difficulties in getting the governments to remove them subsequently.

The very opposite policy to that pursued by the Government should have been adopted if the desire is really to retain purchasing power in the £. The real policy needed is to try to squeeze out those taxes which the Government had previously imposed and which in themselves were responsible for loss of value in the £. the sales tax, tariff taxes, pay roll taxes, artificially fixed and adverse exchange rate; the various restrictions on importation of goods by licences. All these have played their part in removing value from the £. It is the old story. The Government will do everything for the people except get off their backs.

### **LIBERAL M.H.R. CRITICISES GOVERNMENT.**

#### **Glimpse of Truth at Canberra.**

In a courageous speech on the Address-in-Reply in the present Parliament, Mr. A. Fairhall, Newcastle business man and Liberal M.H.R., drew attention to the "ease with which Socialist ideas can take root in Liberal minds." The following are extracts from Mr. Fairhall's address:

"We are struggling with inflation and the present belief is that the withdrawal of purchasing power from the community is one of the great means of attack against inflation. I am concerned lest there should develop in the mind of the Government the idea that leaving more purchasing power than a bare minimum in the hands of the taxpayer is something of an evil . . .

"Eighteen months ago, this Government was elected to office through a great revulsion against Socialism. Making allowance for the difficulties which have had to be faced by the Government in the last 18 months, that time has but given us the opportunity to reflect upon the ease with which Socialist ideas can take root in Liberal minds.

"Socialism does not happen as a result of an isolated act. It begins with Government intrusion into fields best left to individuals, and it ends when a thousand freedoms have been filched, one by one, from an unsuspecting democracy.

"I remind honourable members that those freedoms can be filched just as easily by a Liberal as by a Socialistic Government.

"The tremendous advances which have been made towards the Welfare State have already sapped the moral fibre of this nation, the best evidence of it being the general spirit of irresponsibility at present abroad in this country. That spirit will militate against any Government overcoming the difficulties with which we are now faced in the fields of economics and production.

#### **Decline Has Set In.**

"Government in business has brought increased burdens to the people, increased responsibility to members of the Cabinet, and dangerous delegation of responsibility and control. I believe that if the process continues, it will ultimately undermine the foundations of the Parliamentary Institution.

"When the Government goes into business, it does so with capital taken from the pockets of its private enterprise competitors. Then the trend is for the Gov-

ernment to use its legislative powers to protect the business for which it has assumed responsibility. When that happens, we are in danger of seeing the end of impartial government. The record of the Australian National Airlines Commission offers conclusive evidence of that truth.

"During the last few years, there has been a steady growth in what we have been pleased to call orderly marketing. There are real doubts in my mind whether our many shortages and difficulties cannot be blamed on that same system of orderly marketing. The industries being controlled by Boards will ultimately pay for orderly marketing by surrendering complete control of their industry to the Government. The end result of that process is Government-to-Government trading, which means that, ultimately, the right of the producer to his own produce will be lost. That is another very serious threat to democracy."

#### **Philosophy of Henry George.**

Mr. A. Fairhall has been a keen student of the teachings of Henry George and we regret that the Liberal daily newspapers do not provide a summary of his speeches at Canberra.

### **TOMATO PLOTS.**

The second reading of the Marketing of Primary Products (Tomatoes) Bill took place in the Victorian Legislative Council on September 4th. The member for Higinbotham, the Hon. A. G. Warner, made some penetrating remarks on the subject of planning in general and on the orderly marketing proposed for tomatoes in particular.

Among other things, he referred to the various devices used by sectional interests to boost prices at the expense of the rest of the community, e.g. cartels, unions, marketing boards and exchange controls, and expressed the conviction that the boosting of prices by marketing boards has the effect of increasing land values which gravitate to the landholders' pockets. He then went on to outline the following situation.—

Suppose the State decides to build an irrigation system for cultivating tomatoes. The State provides the capital for the irrigation works, and then neighbouring landholders are able to sell their land at roughly ten times the price they could have obtained previously. The incoming grower, saddled with a heavy interest bill arising from the inflated cost of the land, cannot produce tomatoes at the standard price, and seeks aid by asking the State to provide water at low cost. Meanwhile, of course, the original owner is sitting pretty without any financial worry thanks to the State's munificence towards him. Subsequently the tomato growers band together to form a marketing board which charges tomato consumers with the cost of production which includes the high price paid for the land and which the activity of the State brought about.

Mr. Warner is to be commended for the able manner in which he exposed such folly in our economic set-up. In addition, however, the following points might be mentioned.

Firstly, when the price of primary products is boosted in the way described, the cost of living is increased, and this is followed under our absurd Arbitra-

tion system by an increase in money wages. Which simply means that inflation is aggravated.

Secondly, as indicated previously, rural growers often demand water to be provided at a low cost. It may not be irrelevant to mention, therefore, that for rural growers the average charge for water is approximately 12/- per acre-foot, while for their metropolitan counterparts the corresponding figure is £12 per acre-foot. Perhaps the Premier, who is so adept at anticipating the wants of metropolitan citizens that he does not even consult them, could elucidate this baffling aspect of the intricacies of State finances.

### **LAWS — LAWS! — LAWS!!**

Far too many Ministers seem to think that what matters most about legislation is the speed at which it is passed. Bills are churned out wholesale by Government departments. Parliament, eager to show how fast democracy can work, passes most of them in haste.

All laws — good, bad and indifferent — have at least three things in common. Laws need a number of officials and inspectors to enforce them they add to the burden of taxpayer or ratepayer; they curtail the liberty of somebody somewhere.

Every bill should be scrutinized to find out what it will cost to administer and how many extra officials it will need.

Take taxation. McDonald Ministry could collect Victoria's total revenue by a levy on land values and scrap the taxes. That would remove a pile of paper fill-in forms and assist the citizens.

### **SCULLIN SALES TAX.**

When shall we acquire a Government with sufficient courage to abolish sales tax? In the light of the millions of man hours wasted in the computation and administration of this war-time iniquity, the proposal to reduce the public service by 10,000 is pitiful.

Apart from directly inflating the price of many of the necessities of modern life, sales tax indirectly affects the cost of goods and services, even on the food we eat.

Surely the logical course is to abandon this abomination.

Prompt reduction in the cost of living and the release of clerical and other labor for more productive occupations would be automatic and simultaneous.

This letter in the "Age" of 8th Aug., 1951, points the finger at the Menzies Ministry for kicking value out of the paper £1.

Enlarge the scope of Federal Land Revenue and abolish the inflationary effect of Sales Tax.

### **CALLOUS TO CONSCIENCE.**

Our troubled citizens realize that Parliament is unreliable. They note the corrupt nature of party politics. Candidates often are good and sincere men but when members of Parliament, fall away. Our citizens do not get the good government which they deserve. First measure of rehabilitation of Parliament would be a proper system of counting votes to give Proportional Representation. This would bring better men into each party and encourage them to remain sincere.

Prof. Walter Murdoch referred to one aspect of the

decadence of Parliament — the "party" system. He wrote, Herald 22/9/51, "There is much to be said in favor of the party system but it has its weaknesses, one of which is that the party system is incompatible with obedience to the individual conscience of the politician."

### **Elevated to Fall.**

Picture a good man who has accepted a party endorsement as a candidate. He makes his sincere promises to the electors. He is elected to Parliament to govern the nation. Prof. Murdoch continues, "He may, in secret conclave of party caucus, try hard to persuade the other members of his party to see the truth as he sees it; but if he fails, if his party decides against him, he must bow the head and proceed to speak, or at least to vote, as if he believed what, in fact, he does not believe."

"If he has a sensitive conscience, as many young politicians have, this suppression of his own beliefs at the behest of his party may cause him considerable pain; but after a year or two of disillusionment, he becomes callous; his conscience develops a horny defensive coating, and finally atrophies and troubles him no more."

### **Parliament Degraded.**

"This sad and to me obvious fact is demonstrated by what happens when a question is declared to be a non-party question, and the party leader announces that on this question members may vote as their consciences dictate. The clear implication is that on ordinary occasions members must not vote as their consciences dictate, but as their party dictates."

"My answer to your question, then is that a member of Parliament can have a conscience, but it must be the right kind of conscience; a conscience amenable to discipline, a conscience that comes to heel promptly at the word of his party; a well-trained, docile servant of expediency; not by any means the fiery and fervent thing which has made men suffer martyrdom for the truth."

### **Parliament Restored.**

Single member electorates are the root cause of the degradation of Parliament. When three or four or five members represent an enlarge constituency each member can stand on a broad base of public support and remain true to his conscience. Such a system is called Proportional Representation. Write to the Secretary, 247 Collins St., Melbourne.

### **ROBERT SCHALKENBACH FOUNDATION.**

The Robert Schalkenbach Foundation whose premises are situated at 50 East 69th Street, New York, has published an attractive booklet giving an account of its Twenty-five Years of Progress. There stands out the fact that since its formation it has distributed no fewer than 138,920 copies of "Progress and Poverty."

Robert Schalkenbach in his last will and testament had bequeathed a fund for the creation of the Foundation which in June, 1925, was chartered under the laws of the State of New York as a non-profit, non-political membership corporation established to teach, expound and propagate the ideas of Henry George. How it has carried out its appointed task is indicated

not only by its library of publications, which covers all the books, pamphlets and addresses of Henry George (and in addition some modern books restating George's thesis), but by its expanding field of activity in the educational and business fields. The Foundation has promoted the circulation of George's works among college professors all over the country and teaching manuals have been requested by several hundreds of them, these being supplied without charge with special lesson sheets. Representatives of the Foundation have also lectured at universities in New York, Ohio, Kentucky, Missouri and Wisconsin. Publicity has been specifically directed towards Congressmen, Governors of states and others in public life. Leading newspapers and magazines receive copies of new editions and new publications for review and also carry advertisements publicising the Foundation's work. Support has been given to journals devoted to spreading the philosophy of Henry George and funds have been used also to promote essay competitions on the Taxation of Land Values and to assist the late Oscar Geiger in the foundation of the now prospering American Henry George School.

An important work still continuing is the translation and publication of George's work into other languages. In 1941 a quarterly, "The American Journal of Economics and Sociology," was started by the Foundation to provide a medium of expression for college and university professors; and, at the same time to interest them in the ideas of Henry George. Several hundreds of college libraries are among its regular subscribers.

A stream of pamphlets, booklets, catalogues and general publicity material goes out every year from the Foundation's offices — and many copies of their publications are earmarked for free distribution; ten thousand, and often as many as twenty thousand copies of George's books are printed every year. While reaching into new fields, the Foundation at the same time serves the people and activities within the movement itself; furnishes literature and supplies the necessary impetus for the spreading of the work.

Projects in hand for the immediate future include a new edition of "Progress and Poverty" with modern format and more comprehensive index; a scheme to circularise "taxing units" in the U.S.A. with information concerning the practical application of George's principles as now exemplified in many parts of the world; and a "Handbook on Land Value Taxation" which will contain a documented history of land value taxation gathered from sources throughout the world. This new book will be a mine of information on present-day activities of the movement and on many aspects of George's teachings.

President of the Foundation is Mr. Lawson Purdy; the enthusiastic and indefatigable Secretary is Miss V. G. Peterson. Its booklet "Twenty-five Years of Progress" is well named.

**This Movement has the remedy for maldistribution of wealth, depressions, unemployment and social injustice. Help spread its message to others.**

## Greater Melbourne Council

The Bill to merge the thirty present municipalities of Melbourne into a single Greater Melbourne Council was carried in the Legislative Assembly, voting being on strictly party lines, Labor and Country Party members supporting and Liberals opposing. In the Legislative Council, in which the Country Party and Labor members are in a minority of one, permission to read the Bill a first time was refused, voting again being on party lines. The Government can introduce the Bill again at any time and should illness of a number of members on the opposition side occur it is quite possible for it to be brought forward and passed. The Government has announced that it will bring the Bill forward after June, 1952, when the Legislative Council elections will have taken place.

An active campaign has been conducted against the Bill by the various councils which would be merged. While there are many good arguments used in this campaign the main interest of this movement centres around the rating system to be employed. In this regard it should be pointed out that certain rate comparisons quoted by those opposed to the Bill are most misleading and may prevent reasoned consideration of the merits of the proposal.

These compare the rate in the £ of unimproved land value and of annual value in the City of Greater Brisbane with those of Greater Melbourne with argument suggesting that a very heavy increase in the scale of rates payable by ratepayers would follow such a change.

In such an argument the quotation of rates in the £ is most misleading. With them must be considered the valuation to which they are to be applied. In this particular comparison it should be borne in mind that improvement valuations and annual rental values are not officially recorded for the City of Brisbane. Nor are there official unimproved land valuations for the whole of the municipalities of Greater Melbourne. The figures quoted are therefore merely estimates of individuals for which the basis used would need to be checked before ready acceptance.

What is more important is the average rate paid per ratepayer. This is readily ascertainable and more informative, but has not been publicised.

	Greater Melbourne	Greater Brisbane
Whole Area		
General Rates . . . . .	£3,730,000	£1,330,000
No. Buildings . . . . .	331,000	114,756
Average Rate . . . . .	£11 6 0	£11 12 0

It will be seen that over the city as a whole there is not much difference between the average rate payable in the one case as compared with the other. We have not figures available as to the number of buildings within the Brisbane Ward as compared with the other wards but as 40 per cent of the whole rate revenue comes from the Brisbane Ward which comprises only 3,429 acres of the total 240,000 in Greater Brisbane it seems certain that the average rates paid by citizens outside this business ward will be less than those paid by their Melbourne counterparts. There is nothing in this to support the allegations of burdensome rates upon Brisbane citizens.

Some of the rather frightening statements as to rates payable have arisen from comparison of the total rates payable to Brisbane Council with those payable in Melbourne, ignoring the fact that Water and Sewerage are handled by Brisbane Council whereas in Melbourne they are handled by a separate rating authority the Melbourne and Metropolitan Board of Works. The figures used in this analysis compare the General Rate Yield only and therefore cover the same services in each case.

As far as the matter of rates payable is concerned, provided site-value was used as the rating basis and not annual value, it would be a good thing if such an authority were established. With site-value rating the outer areas would share in the very high land values which arise in the central business section due to community factors. The proportion of the total city rates borne by the central business wards would increase and that borne by municipalities or wards outside would be reduced.

The following figures show the proportion which the central business Ward or Municipality would contribute of the total revenue of the overall city in a number of cases. The proportion shown is not in the same year in each case but this does not vary greatly from year to year.

Ward or Municipality	Proportion of Total Revenue of the whole area which would be contributed under	
	Site-Value Rating (per cent.)	Annual-Value Rating (per cent.)
<b>Greater Brisbane (1948)</b>		
Brisbane Ward . . . . .	40	†
Other Wards . . . . .	60	†
<b>Greater Sydney, 1947</b>		
Sydney City . . . . .	34	24
Other Municipalities . . . . .	66	76
<b>Greater Melbourne (1944)</b>		
Melbourne City . . . . .	29*	23
Other Municipalities . . . . .	71*	77
<b>Greater Wellington (1941)</b>		
Central Business Ward . . . . .	74	62
Other Wards . . . . .	26	38
<b>Greater Auckland (1941)</b>		
City Business Ward . . . . .	55	44
Other Wards . . . . .	45	56

† There are no figures available for Nett Annual Values to enable dissection.

\* The Melbourne figures have been calculated for the year 1944 by capitalising the N.A.V. and deducting the value of improvements as returned for War Damage Insurance in order to arrive at the Unimproved value of the land. The site-value of Melbourne City was then found to be £48,000,000 and that of the whole Greater Melbourne as £166,600,000.

In each case it is evident that site-value rating calls upon the central business areas where land values are highest to contribute a substantially greater share of the overall revenue than would be given under nett Annual value. The proposal to use annual value rating in the Greater Melbourne Bill was, therefore, retrograde and would have increased the burden on those in other sections while reducing that of the owners of central city sites.

**WE KNOW YOU VALUE THIS JOURNAL.  
WILL YOU HELP TO EXTEND ITS INFLUENCE TO  
NEW SUBSCRIBERS?**

## Social Injustice and the Nazis

"Why The German Republic Fell," by Bruno Heilig, published by the Robert Schalkenbach Foundation, contains some informative yet little known material concerning the important influence of social injustice in the rise of the Nazis to power, and it has been thought well worthwhile to give an outline of the contents of the booklet, especially in view of its historical significance.

The author was an Austrian journalist who for 30 years was editor or foreign correspondent of leading newspapers in Austria, Germany, Hungary and the Balkans. He observed first hand the development of modern tyranny both in Germany and Austria. In 1938 he was obliged to escape to England. But his acquaintance with modern tyranny was even more profound in the concentration camps of Dachau and Buchenwald.

### Land Values Boom.

In 1924, after the disastrous inflation, an amazingly rapid recovery began in Germany. A feature of the industrial boom was the fantastic jump in land prices. In six years land prices rose on the average by 700 per cent in Berlin and 500 per cent in Hamburg. Land speculators often doubled and trebled their fortunes overnight. For instance, being on friendly terms with the Berlin City Council often yielded dividends—one could become a millionaire if one knew where Berlin's traffic director intended to have a big underground station built.

A further feature was the way in which the cost of building materials soared, as a result of high customs duties imposed as protection for local manufacturers against foreign competition.

Besides the tribute to land monopolists, the German people were compelled to subsidise business activity. Thus in Hamburg taxpayers were robbed of 60 million marks to compensate landholders, and also of 40 million marks in order to subsidise builders of houses. This was at once followed by a substantial rise in rents. Again, in purchasing the Alexander Platz in Berlin, 85 million marks, over and above the 35 million mark valuation figure, were paid out to landholders on the ground that this extra amount was the rightful property of the vendors because it represented the value given the land by the expenditure of public money on the improvements to be made.

### More Land Rackets.

Typical of the land rackets in cities and towns is the case of the Berlin river harbour basin, on which millions of marks were spent on improvements. The basin was leased to a private firm for 1/150th of the amount that should have been paid in rent for the land alone. Twelve months later the city official in charge of the basin was appointed Director-General of the company.

Half of the agricultural land in Germany was in the hands of the Junkers, the military aristocracy. After 1914-18 war, no land reform worth mentioning was initiated; on the contrary, more and more privileges were accorded the fortunate Junkers. Heilig states that in various ways a total of about one thousand million marks (50 million pounds) was presented to these

monopolists. Naturally these subsidies inflated the value of agricultural land, as did the protective tariffs on corn and fodder.

#### How It Was Done.

Furthermore, millions of marks were paid out to the heavy industries in subsidies.

It is natural to ask how the privileged classes were able to achieve all these hand-outs for themselves. One factor was that in many areas, notably in Prussia, people voted as the landlord wished. (According to Heilig, for a long time Germany was in effect ruled by 1,200 Junkers and a few hundred aristocrats.) Moreover the landed class and their coterie organized an efficient propaganda machine, including cheap daily newspapers and Sunday supplements. Propaganda included such assertions as: Subsidizing the landlords was the ideal policy for preserving the sources of subsistence for the people; tariff duties protected wage-earners and increase in land values meant increase in national wealth.

There were indeed independent newspapers but these either failed to adequately grasp the situation or were to some extent under the thumb of the propaganda machine of the privileged classes.

#### The Boom Collapses.

After seven years of industrial boom the collapse set in. Palliatives were vainly applied. Taxes were amazingly high so as to redeem the costs of the dearly bought land, and proved a crushing burden for the industrialists. In 1931 the banks collapsed and finally seven million people, or one-third of the wage-earners, found themselves unemployed.

Heilig emphasises the aptness of George's analysis of the private appropriation of the rent of the land as the fundamental cause of industrial depression and poverty. This insight was attained not by prior theoretical study but rather by reflecting upon the circumstances which he had witnessed on the spot, for it was not until later that he first encountered George's teachings.

He stresses the link between the economic collapse and the political collapse of the Republic, pointing out how the growth of unemployment and the fear of poverty facilitated the march to power of the Nazi party. It is worth emphasising that Hitler attained power quite legally when he was appointed Reichs-kanzler in January, 1933.

Heilig points out the extraordinary relevance of the following words of George:

"To put political power in the hands of men embittered and degraded by poverty is to tie firebrands to foxes and to turn them loose amid standing corn; it is to put out the eyes of Samson and to twine his arms around the pillars of national life.

"When the disparity of condition increases, so does universal suffrage make it easy to seize the source of power, for the greater is the proportion of power in the hands of those who . . . tortured by want and embittered by poverty are ready to sell their votes to the highest bidder or follow the lead of the most blatant demagogue; or who, made bitter by hardships, may

even look upon profligate and tyrannous government with the satisfaction we may imagine the proletarians and slaves of Rome to have felt, as they saw a Caligula or Nero raging among the rich patricians.

To turn a republican government into a despotism the basest and most brutal, it is not necessary to formally change its constitution or abandon popular elections, for forms are nothing when substance has gone, and the forms of popular government are those from which the substance may most easily go. Extremes meet, and a government of universal suffrage and theoretical equality may, under conditions which impel the change, most readily become a despotism. For there despotism advances in the name and with the might of the people."

#### Social Inequality Danger.

The author then raises the interesting question of the role of the national character of the Germans. This is a special case of the general question of the relative importance of psychological and spiritual factors on the one hand and of socio-economic conditions on the other in the determination of human behaviour. Opinions vary on this important matter; however, it seems to be inadvisable to over-emphasise one and belittle the other, as is not infrequently done. Heilig, however, while granting the part played by national character, asserts that particular circumstances, i.e., the socio-economic forces, constituted the major determinant in the collapse of the republic.

In concluding, the author stresses the lesson that democracy was destroyed by social inequality. His final words are worth heeding: "Every country is potentially a Fascist country. Germany is but a type of a development which no country can escape except by the establishment of the equal right to the occupation and use of land. Therefore also there can be no lasting peace even after the defeat of Nazism if the present economic structure of the civilised countries remains. The private appropriation of the rent of land is the deadly enemy of mankind."

#### KEW ANALYSIS.

Worthy of recording permanently is the result of the Land Values Research Group analysis of the figures on the Kew Voters' Rolls.

This showed that the number of houses which would have the rates increased had the recent reversion poll succeeded was about double those which would have received reductions.

But the full severity of that change is only appreciated when the magnitude of the increases and reductions is considered.

So far as homes are concerned it was found that there are **only 129** which are paying under site-value rating more than double what they would have paid under annual value. But if the reversion move had succeeded there would have been no less than 1,118 who would have found their rates more than doubled. Of these 375 would have been more than tripled and 51 more than quadrupled.

Most of the houses which pay more under site-value rating have only a small proportionate increase. The main properties with substantial increases under site-value were the 1,004 vacant holdings.



**OBITUARY—MR. J. H. GROTH.**

It is with sincere regret we record the death of Mr. Jacob Henry Groth which occurred at the home of his daughter, Mrs. F. Noble, of Stanley Flat, on September 27. The late Mr. Groth was one of Nature's noblemen, ever ready to do all in his power to help suffering humanity. He was a life-long supporter of the principles of Henry George, and rendered splendid service to the cause, on the platform and by means of letters to the press.

In 1933 he contested the old Albert District in the House of Assembly and ran Mr. M. McIntosh to within 12 votes of gaining the seat, the figures being McIntosh 4546, Groth 4534. The late Mr. Groth was for many years engaged in farming operations, and during his residence in the Purnong District on the River Murray he established the Purnong Single Tax League and had an excellent following in that area. Later he moved to Sandalwood and continued his good work there for the propagation of sound economic principles.

Being a primary producer he had practical knowledge of the difficulties endured by the men on the land who suffered the iniquity of the tariff burdens. In his addresses he always gave a masterly exposition of free trade principles. He was highly respected by all who knew him and will be much missed by a large circle of friends.

We convey to members of the family our sincere sympathy in the time of the great bereavement.

**UNIMPROVED VALUE RATING.**

A copy of the "Burnie Advocate," 11/9/51, has been sent to me. It reports a discussion on rating on land values, when the deputation waited upon the Devonport Council. As I have had a lot to do with this method of rating for nearly 50 years a few facts about the working of the system in New South Wales may be of some interest to your readers.

All our City, Municipal and Shire Councils rate on the unimproved values of land. The Shires have never had any other system as they started with it in 1907. The municipalities started rating on this basis in 1908. There was a provision in the Act that a Council could put all its rates on land values, or it could put part on land values and the rest on improved capital values.

Rating on assessed annual values was abolished altogether as a hopelessly bad system. But if a Council proposed to rate partly on improved values the ratepayers could demand a poll and settle the issue for themselves. Most Councils preferred to rate only on the value of the land. Some who had aldermen with old-fashioned ideas proposed dual rates. Polls were demanded and the rating reformers won them all.

The City of Sydney was outside the Local Government Act. When the aldermen saw the manifest advantages of the land values system they also wanted the power to rate on that basis. It was given them and they put part of the rates on land values in 1909. But owing to a defect in the act the new system was not fully adopted until 1916 over 35 years ago.

Your readers will see that the ratepayers in N.S.W. have had quite a long experience of land value rating and swear by it. If a man builds a house, shop or fac-

tory the Council does not put up his rates. If he keeps his land idle he pays the same as if he used it. The Council's services enhance the value of the land. They don't increase the value of a building which tends to wear out and from time to time needs expenditure for repairs. But the land increases in value not because of the owner but because of the growth of the community. As land value is a communal value it is held to be the proper basis for rating.

We have 289 Councils in N.S.W. The latest official figures available, 1946-47, show that land value rates produced £6,742,581. Today the land value revenue is probably about £8 millions as rates have been increased. It has always been a source of wonder to me that the southern States have been so slow in adopting such a good thing as rating on unimproved land values.

A. G. Huie.

**' LAND VALUE RATING IN NEW ZEALAND.**

Dr. R. O'Regan, Chairman of the New Zealand League for the Taxation of Land Values, P.O. Box 951, Wellington, gives the following up-to-date figures showing how local taxation is levied by the local governing bodies throughout New Zealand. Three systems are in operation, namely: "Unimproved Value" — rates levied on the capital value of land apart from improvements; "Capital Value" — rates levied on the capital value of land and improvements taken together; and "Annual Value" — rates levied on the annual value of land and improvements taken together. It will be observed how the "unimproved value" system predominates especially in the urban areas and that nearly half the counties have adopted it. Only in a small minority of places is the old "annual value" assessment still in force. It has been progressively abandoned.

	Rates assessed upon		
	Unimproved Value	Capital Value	Annual Value
124 counties . . .	61	63	—
13 cities . . . . .	10	—	3
131 boroughs . . .	88	14	19
29 towns . . . . .	14	12	3

There is only this modification as far as the "unimproved value" places are concerned, that in some of them certain special rates are based not on unimproved value but either on the composite capital value or the composite annual value of land and improvements taken together; namely, seven of the 61 counties, two of the 10 cities, 15 of the 88 boroughs and one of the 15 towns.

**JAMAICA.**

In the municipal elections held at the end of June the People's National Party scored a considerable victory, winning 84 of the 184 seats, Mr. Bustament's Labour Party getting 47 and the Independents 53. Mr. Bustament's party lost control of almost every council it previously held. On five councils every seat was won by the People's National Party. This victory greatly enhances the prospects of giving effect to the legislation for the rating and taxing of properties in the island on the basis of unimproved value, the Bill for

which is already in draft. The policy of land value taxation has been a main plank in the platform of the People's National Party which is now in the position to bring its influence upon the Government — we hope with immediate success. The question has been in the forefront of Jamaican politics ever since 1944 when the Report of the Government Commission appointed by the Governor, Sir John Huggins, was emphatically in favour of the abolition of the present system of valuing and taxing real estate and for substituting the valuation and the taxation of the value of land apart from improvements, the revenue therefrom to go to the Parochial Boards.

## Notes from Various Sources

**Wodonga.**—Show Society land, 19 acres on southern boundary sold at £3510 which is £184 an acre.

Editor's Note: Wodonga, the cattle and sheep market, sees bare land values absorb the high prices for local produce.

**Chelsea.**—Wells Rd. farm of 89 ac., scanty improvements sold at £58 an acre.

Editor's Note: Bare land values absorb profit from high prices.

**Basic Wage.**—The first step would be to remove taxation from the products of man's labor and base our taxation on the unimproved values of land. The present method of fixing basic wage is contrary to natural law. Write to J. Heckley, Queenstown, Tasmania.

**Elizabeth St., North.**—Nos 638-44 frontage 86 ft. by 132 ft. deep and single storey building sold at £50,000.

Editor's Note: Allow demolition value on building then site value is about £19,000 per sq. chn.

**Seddon.**—Vacant blocks sold cnr. Mackay and Barnet Sts., 50 ft. at £22 a ft. (£1,100); Mackay St., 50 ft. at £19 a ft. (£950) Barnet St., 51 ft. at £13 a ft. (£663).

Editor's Note: Capital site values £2,713 at 4d in the £1 would have yielded £45 a year in rates, but Footscray Councillors "dropped the ball" and levy penalty rates on houses.

**Usual.**—These demands (of the Communists in Burma) appealed to anti-foreign sentiment, but their chief strength lay in charging the Government with apathy and delay in the distribution of land.—Current Affairs Bulletin, 27th August, 1951, on Burma.

**Chaos.**—The first English conquerors of Bengal carried with them the phrase "landed proprietor" into a country where the rights of the individuals over the soil were extremely different in degree, and even nature, from those recognized in England. Applying the term with all its English associations in such a state of things, to one who had only a limited right they gave an absolute right. From another, because he had not an absolute right they took away all right, drove whole classes of people to ruin and despair, filled the country with banditti, created a feeling that nothing was secure, and produced, with best intentions, a disorganization of society which had not been produced in that country by the most ruthless of its barbarian invaders.—John Stuard Mill, in "A System of Logic," Book 4, Chapter 5.

Editor's Note: Loose terminology with attendant confusions is not unknown in our day. Professional economists, for example, include under the term capital not only land but also privilege titles to wealth produced by others.

**Failure.**—Writing about industrial arbitration in 1937, Dr. Evatt stated: "I think it is plain that the original ideal of steadily improving standards of living has not been achieved."—Current Affairs Bulletin, 24th Sept., 1951.

Editor's Note: Which is inevitable as long as the land question is ignored.

**Tax Mania.**—Whatever the difficulty confronting Australia, the Government always proposed to overcome it by increasing taxation. Whether the problem be deflation or inflation, taxation

was the cure proposed. There was no logic or sense in applying the same remedy for diametrically opposed complaints. We have yet to be convinced that the Government spent more wisely than the community as a whole.—Report of Kelly & Lewis Ltd., Dun's Gazette, 10/9/51.

**Robbery, Really.**—The greatest of all privileges is to have another man pay your taxes.—Tom L. Johnson.

Editor's Note: Such privilege is widespread and will be augmented by Sir Arthur Fadden's revenue raising methods in the latest Budget.

**Wisdom.**—The Civic Revivalists believed the taxation of land values would destroy monopoly and revive economic opportunity. They believed the single tax offered an ideal way of raising revenue, for it shifted the incidence of taxation from effort to privilege, from wealth created by labour and talent to wealth automatically produced by the development of society.—Robert Bremner, in American Journal of Economics and Sociology.

**Ethics Eschewed.**—Tax exemption is a form of subsidy.—Frederick C. Howe.

Editor's Note: The practice of taxing effort and exempting privilege is the most insidious form of subsidy.

**A Connection.**—Free Trade and they (the friends of Peace) are close allies, and would bind all nations in bonds of amity.—The Economist, July 26th, 1951.

Editor's Note: One hundred years have passed; the tariff has become more fashionable; also international strife has increased. Perhaps there is a connection.

**"Protection"** is a form of central planning by Canberra. The plan pushes up the costs of imported goods in the price structure. Thus tools of trade for carpenter and motor mechanic cut a slice off his wages. His trades union should object to this "anomaly."

**Central Planning.**—"The new State will do things and assume a form that will seem to individualists to be nightmarish aberrations for the Better Society depends upon an increased authority in the State reaching into every nook and cranny of Society."—Rt. Hon P. C. Gordon Walker M.A. (Oxon), Labor Minister, U.K.

Editor's Note: Britain already has 5,959 officials with the right to enter private homes.

**Land Tenure in Egypt.**—Of the four million agricultural male workers in Egypt, about 1,500,000 are landless. Two acres are necessary for subsistence, but 1,075,000 own less than one acre, so these peasants must acquire more land by paying exorbitant rentals, or work for wages. Less than half of one per cent of the population own 37 per cent of the land.—Current Affairs Bulletin, 30th July, 1951.

**Air Tax.**—The King's Cup air race in Britain was cancelled because 42 per cent entertainment tax was to be imposed. Sun, 8th August.

Editor's Note: The power to tax is indeed the power to destroy.

**Planned Economy.**—To reduce costs of imported goods it is suggested (by protected manufacturers) that Government should subsidise imports. "But this would mean merely that we were paying high import prices in the form of taxes instead of over the counter. A tariff to keep out imports and subsidies to bring them in would, in combination, represent the last word in Mad Hatter economics."—Sun, 25/7/51.

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