

of ownership of land by the community, this still does not justify private ownership because of "social utility"—an ambiguous term, which may be used to justify slavery, robbery, prostitution, and practically everything else under the sun. If not because of a "natural right," then on ethical and moral grounds (which Bullock does not attempt to eschew) all men in common must own the earth. Private property in land results in nothing but inequality, injustice, poverty and bloodshed.

(5)

I have already refuted this objection in the third article of this series. Nevertheless, I shall repeat that since the investors had no right to the ownership of land they have no right to any proceeds in connection therewith; and the community is not concerned with the speculative enterprises and "losses" of the "owners" of the universe.

Bullock is evidently confused when he speaks of guaranteeing "losses on capital invested in improvements." In a Georgeist society the community will not take over the improvements, but only the land.

(6)

Even if the single tax would be financially inadequate, it would still replace certain havoc-producing taxes of today. It would result in what is really the prime benefit of the proposal: the sweeping away of all restrictions to the use of land, the "ownership" of which is a bar to production. The taxation of land is not merely a fiscal measure; it is a thoroughgoing social proposal. Nevertheless, it is not reasonable to aver that the single tax would be a fiscal failure. As the community grows, so grow its needs, so grows the demand for land, and so grows the rent, which would result in greater revenue under the Georgeist plan.

Why English agricultural land is singled out is indeed puzzling. Naturally some rents will fall, and some will rise. But a rise usually occurs in the great cities, where the pampered parasites of society drain the life-blood of the laborers and the capitalists alike.

(7)

This objection has been frequently answered. We feel that all other monopolies will tend to disappear when the land monopoly is destroyed, since they all directly or indirectly spring from land monopoly. However, it is no argument against the taxation of land values to say that there are *other* monopolies. It is an admission of the evil in the mother of all monopoly. As a matter of fact, the Georgeist philosophy means much more than the taxation of land. It is a sweeping condemnation of all that is unjust in society.

(8)

Here the author, in his attempt to avoid "land socialism," falls, astonishingly enough, into the trap of complete socialism! All favorable developments should be taxed he says

(albeit not taxed away, he hastily adds), which means that all profits would be discouraged, and personal, as well as real, property taxed. Needless to say, Georgeists do not believe in taxing the fruits of human labor.

(9)

The fact that there are more landlords in the United States than elsewhere in the world should cause about as much jubilation as would the statement that there are more kidnapers in this country than anywhere else in the world, and that therefore we should not punish the kidnapers, because more of them would suffer. If landlordism is an evil, the multiplicity of its members can hardly be a reason for permitting it to live.

(10)

That which cannot be originally owned cannot be owned after a series of transactions. The passiveness of the people to robbery of any kind, especially when in their ignorance and weakness they have been unable to combat it, cannot be construed as a waiver of their rights, either in law or in equity.

Our Australian Letter

From A. G. HUIE

[We welcome Mr. A. G. Huie as our new Special Correspondent for Australia. Since the death of Percy R. Meggy, of Sydney, in 1935, LAND AND FREEDOM has up to now been without an Australian Correspondent. Mr. Huie is Secretary of the Henry George League of New South Wales and Editor of their organ, *The Standard*. Readers will recall previous articles by him in LAND AND FREEDOM. One of the earliest and foremost leaders in the Georgeist cause in Australia, Mr. Huie is well qualified to keep us informed on the current economic scene in that country. We look forward to further Australian letters from Mr. Huie, of which we present the first herewith.—Ed.]

THE AUSTRALIAN ELECTORAL SYSTEM

OUR system of electing members to the House of Representatives and the Senate is defective. Like yours in the United States it fails to provide for freedom at the ballot box and for effective representation in the legislature.

For the House of Representatives it is preferential voting, that is, the elector numbers the candidates in the order of his choice. If the leading candidate fails to secure an absolute majority of the votes recorded, the ballot papers of the lowest candidate are taken and allotted among the others on the second preference. If necessary, this process is continued until only two candidates remain and the man with a majority is declared elected. Of course it is right that where one man has to be elected he should have the support of a majority of the electors.

At the same time a group of adjoining electorates may return members of the same party although there is a very substantial body of public opinion unrepresented. For example, South Australia sends six members to the House of

Representatives. The Labor Party polled over 42 per cent of the votes but only elected one member.

For the Senate we have a most extraordinary method of counting the ballot papers. The electors number all the candidates. Usually three are elected for a State for six years, sometimes four if a Senator of the other group has died and his position was temporarily filled. When all the ballot papers are counted according to the first preference, the lowest is counted out and the process is continued until only two remain. The leading man is then declared elected.

The ballot papers are then put back to the original number one position. Then the ballot papers of the man elected are counted on the second preference to the other candidates. The elimination process is then gone through again, and so the second man is elected. This plan is repeated until the number to be elected is complete. The system is designed to give the party in a majority in a State a monopoly of representation.

At the last Federal Election the United Australia Party—United Country Party elected sixteen Senators and the Labor Party three Senators. It had a majority in only one State. Throughout Australia the U.A.P.—U.C.P.—the Conservative Government Party—had just over 50 per cent of the votes in its favor and elected 84.21 per cent of the Senators.

The Henry George or Single Tax movement in Australia strongly supports Proportional Representation. It objects to the two main political factions monopolizing representation. We hold that electors should vote according to the merits of the men offering their services. They should be required to think, even as to the respective merits of the candidates of the party they favor, instead of recording a blind party vote.

Electoral reform for municipal and shire elections is long overdue. The voting system to elect these councils, except the City of Sydney, which uses the Senate system, is the most primitive in use in New South Wales. The electors vote by making crosses opposite the names of the candidates they favor. There is one exception—the country City of Armidale has Proportional Representation.

It is quite a common thing for the aldermen for a ward, and sometimes for a whole municipality, to be elected on minority votes of the electors. In this way men may control a council when the electors voted to keep them out of it. We want proportional representation for all Council elections.

The present position is that the local people can adopt Proportional Representation for their elections, but the option is in an unworkable form. Only Armidale has P.R. after 22 years. In fact, through the widening of the local franchise, it could not adopt it now. Our view is that proportional representation should be adopted straightout for all Council elections. The least that should be done is to make the option workable.

RECENT ELECTIONS

We have just had elections for the New South Wales State Legislative Assembly. The U.A.P.—U.C.P. (Conservative) had been in office for nine years—a record term. They were badly defeated; the A.L.P. (Labor Party) secured a substantial majority and a new Government has been sworn in under the leadership of Mr. W. J. McKell.

We were specially interested in these elections as four candidates were put forward by the New Social Order Party. It had a straight out Henry George program. They did good work of an educational character but were unsuccessful at the ballot box. It seems plain that both parties are inclined to make common cause against Independents, especially if they have a radical policy.

Mr. E. J. Craigie, who was a member of the South Australian House of Assembly for a number of years, was recently defeated in that way. The party nominees, who hated each other, advised their supporters to give the second preference to the other party nominee and to put the Independent candidate last. Mr. Craigie was leading on the first count and the Labor nominee was lowest. The bulk of his ballot papers, when he was counted out, went to the Conservative candidate, so Mr. Craigie was defeated.* (Readers will recall that Mr. Craigie attended the International Conference in New York in 1939 and was elected President of the International Union.)

We welcome the return of the Labor Party to power in New South Wales. The late Government proved extremely reactionary from our point of view. We could not get them to do anything. It was first led by Mr. Stevens, who professed to be a single taxer. His father was understood to be an ardent Henry George man. Not only did he do nothing, but he put a Mr. Spooner in the key position from our point of view and he proved a hopeless reactionary—a vested interests man.

OUR PROSPECTS NOW

There are primarily three steps in advance which are overdue and justified by the state of public opinion in New South Wales. They are: government support of the Valuation Department, revision of assessment methods, and rating reform for water supply.

Government Support of the Valuations Department.—In 1916 a Valuation of Land Act was passed into law. Previously, the Local Governing bodies made their own valuations. This proved unsatisfactory as local influences intervened to prejudice the valuations. The idea of the new Act was to provide valuations of land, etc., for all public purposes by an independent authority. Since that time no government has given the Valuation Department sufficient support to enable it to complete its work. Mr. Spooner was very hostile to it and did all he could to hamper it. The Department,

*See Mr. Craigie's letter in the Correspondence section of this issue.—Ed.

however, in spite of its disabilities, has done very good work. It was a Labor Government that passed the Act in 1916 and we want the new Labor Government to give the Valuation Department adequate support.

Revision of Assessment Methods.—The N. S. W. system is defective in one important respect. Its purpose is to assess the selling value. We pointed this out when the bill was under consideration in 1915, before it was passed. We urged that a tax upon the value of land did not affect the value, it enabled the State or the local Council to share the economic rent with the owner. Assessing selling values, however, has been the plan hitherto adopted in Australia.

This defect is avoided in the very interesting constitutional amendment framed for the State of New York, published by LAND AND FREEDOM. Selling value is rightly the value apart from improvements in or on the land and assuming that no rate or tax is imposed upon it. Where a rate or tax is imposed the owner then shares the economic rent with the taxing authority. He can only sell his equity in the land and the selling price is reduced in proportion.

Valuing according to the selling price sets up a variable and uncertain basis of taxation. That necessitates a higher rate of tax to get necessary revenue. We want to get our new Government to realize this and amend the Act accordingly. As long as the rate of tax is small it does not matter very much. But raising substantial revenues from land values would produce an impossible position. Taking the whole of the economic rent for the use of the people would mean that land would have no selling price, but its value would probably be greater than ever on account of accelerated social and industrial progress.

Rating Reform for Water Supply.—Our rating system used by our Councils throughout the State, from the City of Sydney to the remotest center, except in the sparsely settled Western Division, is on unimproved land values—all improvements are exempt. In the Sydney and Newcastle areas there are Water and Sewerage Boards. They rate on the old rental value basis. For 25 years we have sought to get these rates also imposed on a land value basis.

By means of public meetings, petitions to Parliament, letters to the press, deputations to Premiers and Ministers, we have demonstrated that the public is in favor of it. Vested interests in land speculation and property interests in the City of Sydney have hitherto prevailed. The "City" makes its own valuations, the suburbs are under the Valuer General. The Valuer General should have taken over the work in the City long ago.

We hope that the new Minister will be more favorable than his predecessors. If we could only get a vote of the ratepayers there would be no doubt as to the result. In fact these rates would have been on land values years ago if the rate-payers had had the power to decide the issue.

Our British Letter

From DOUGLAS J. J. OWEN

ON April 7 the Chancellor of the Exchequer introduced his Budget, showing an estimated expenditure of £4,207 millions, of which £3,500 millions is expenditure under votes of credit for carrying on the war. These figures do not include the value of supplies from the United States under the Lease-Lend Act, nor for payments under existing orders in your country. The amount to be raised in taxation is £1,786 millions, leaving a balance of £2,421 millions to be met by the creation of debt.

A remarkable feature of this Budget is that there are no new taxes. Commodities are evidently taxed enough. There is an increase in the Income Tax and this is made heavier still by reductions in the allowances formerly made on account of "personal" income and "earned" income. These reductions of allowances will hit the lower incomes heavily. This one alteration will make over two million more people liable to income tax, including those whose incomes are of the 45 shillings a week level. Sir Kingsley Wood boasts of this as a "first class revolution in our fiscal system—deducting Income Tax from salaries and wages. Four million taxpayers now have tax deducted from pay week by week or month by month."

An entirely new departure is what *The Times* calls "this infiltration of Mr. Keynes' ideas into the financial front." This is the provision that any extra tax paid because of the reduction in personal allowances and earned income allowances will be credited to the taxpayer in the Post Office Savings Bank after the war, £65 being the maximum allowance. This is a compulsory savings scheme designed to reduce spendings and thus help to close the inflationary "gap." *The Times* says: "The real menace is the gap between revenue at home and expenditure at home; and it would be quite misleading to enlarge the gap by taking account of expenditure abroad, more especially since the passage of the Lease-Lend Act in the United States. The size of the gap is therefore put at about £500,000,000." The Budgetary task is therefore said to be that of controlling and limiting any upward tendency of prices due to the pressure of purchasing power on available supplies. Huge spendings by the Government have generated a corresponding amount of spending power in the hands of the public. If all of this were used to purchase goods in the shops it would destroy the precautions against inflation, that standing menace of Governments in wartime. It is therefore held necessary to withhold a substantial part of surplus purchasing power through controls and through the instrument of taxation, to avoid the vicious spiral of rising costs (wages) and rising prices. The total war economy now includes rationing of food and clothing, price control, raw materials control, Price of Goods Act, direction of labor, requisitioning of