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# 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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## THE FEDERAL "HORROR" BUDGET

By E. J. Craigie

The Budget recently introduced in the Federal Parliament on behalf of the Menzies-Fadden Government has been called the "horror" budget. This term was applied because it was considered that taxpayers would be horrified at the heavier taxes proposed to be imposed upon them. Unfortunately, the protest against the severity of the tax burden was only of a short duration, and public opinion and interest in the exploitation is on the wane.

It is not possible for taxpayers to get a true picture of the raid made upon their pockets from the brief references made to the budget in the daily press. To get the budget in its true perspective it is necessary to be in possession of the details of revenue and expenditure, and these can only be obtained by going through the budget papers. To assist our readers in getting a better understanding of the financial position we now publish extracts taken from the official parliamentary papers.

### How the Burden Has Grown.

For the financial year ended June 30, 1949 the total Federal taxation levied was £471,026,504, or £60/7/11 per head of population. For 1950 the tax burden was £504,037,000, or £62/13/2 per head.

The following table gives the detailed taxes levied for the year ended June 30, 1951, with the amount estimated to be taken for the year 1951-52.

	Taxes Levied, 1950-51	Estimated Taxation, 1951-52
<b>Indirect Taxation</b>		
Customs . . . . .	£91,900,462	£104,000,000
Excise . . . . .	73,083,036	100,000,000
Sales Tax . . . . .	57,173,101	117,000,000
Total Indirect Taxation . . . . .	222,176,599	321,000,000

### Direct Taxation

<b>Income Tax —</b>		
Individuals . . . . .	177,463,682	419,500,000
Companies . . . . .	90,535,659	135,000,000
Social Service Contributions . . . . .	73,958,472	7,500,000
Wool Deduction . . . . .	109,530,729	11,500,000
Pay-roll Tax . . . . .	28,721,371	40,000,000
Land Tax . . . . .	3,591,139	7,500,000
Estate Duty . . . . .	6,400,000	8,500,000
Entertainment Tax . . . . .	5,417,835	5,500,000
Gift Duty . . . . .	1,043,849	1,300,000
Gold Tax. — Dr. . . . .	182	—
Total Direct Taxation . . . . .	496,393,310	636,300,000
Total Taxation . . . . .	718,569,909	957,460,000

The Tax burden for 1950-51 was £86/9/2 per head of population, an increase of £23/16/6 per head over the tax levied in the previous year.

Federal taxation in 1949-50 took 44.45 per cent of total production. In 1950-51 it increased its appropriation from wealth producers to no less than 51.64 per cent of total production.

In other words, during the past financial year the Federal Government took from wealth producers more than ONE-HALF OF THE TOTAL WEALTH THEY PRODUCED. Yet this same Government have much to say concerning the evils of Socialism. When we note that the estimated tax burden for 1951-52 is approximately £200 millions in excess of the amount taken during the year just ended, it appears the socialist State is not far away.

### The Income Tax.

It will be noted that the biggest proposed increase in taxation is in connection with the Income tax. Last year the total tax taken from individuals and companies amounted to £267,999,341, whereas the proposed legal robbery for 1951-52 is £554,500,000, from the same source.

For this financial year companies are called upon to make an advance payment equal to 10 per cent of the tax at the primary rate of 5/- in the £1, on the first £5000 of taxable income, and 7/- in the £1 on the balance of taxable income. This is supposed to be in accord with the "pay as you earn" principle now applied to individuals.

In connection with individual income taxpayers, they will have the privilege (?) of paying a SPECIAL LEVY of 10 per cent on the amount of their assessed tax.

It is surprising that the people so tamely submit to this form of exploitation. Politicians constantly proclaim that there should be greater production, yet if citizens are industrious and try to make "two blades of grass grow where one has grown before," they are treated as enemies of society, and are immediately penalised because of their industry. There is at present no incentive for greater production, as under existing taxation methods a "go-slow" policy is encouraged.

### The Indirect Taxes.

According to the Estimates the Indirect taxes are to be increased to £321,000,000 in 1951-52 — approximately £100,000,000 more than the year just ended. There is a continual outcry about the ever-rising cost of living, and an effort is made to overtake rising prices by an adjustment of the basic wage. These efforts are never successful for the simple reason that the wages of labor climb painfully up the stairs while the prices of goods go up in the elevator, consequently wages never get level with prices.

The great injustice associated with Indirect taxation is that the amount which goes into the public treasury does not represent the total amount taken from the pockets of consumers. Wholesalers and retailers must make a profit on the taxes paid upon imported goods, local manufacturers take advantage of the tariff taxes and the exchange and lift up the prices of the goods they produce within Australia. A world famous economist — not Sir Douglas Copland — has computed that in regard to indirect taxes, four pounds are taken out of the people's pocket for every one pound that reaches the treasury. Surely it is time such an iniquitous method of collecting revenue should be abolished.

## 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
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	£25,550,773

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
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	£14,985,882

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 . . . . .	2,930,163
National Health Service.	
Medical Benefits for Pensioners . . . . .	75,511

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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
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	£114,983,375

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.

(To be concluded next issue)