

AUSTRALIA

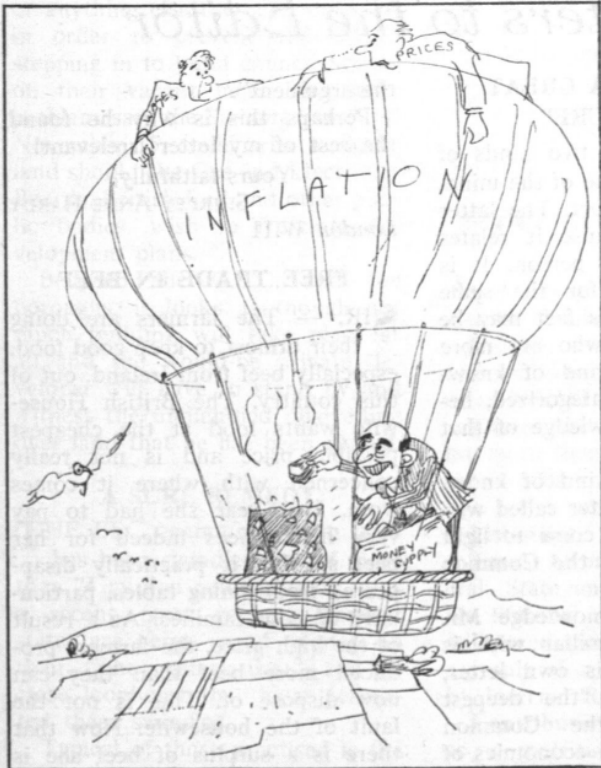
SITE-VALUE RATING RETAINED

The "Shandy" rate proposal under consideration by Kew City Council has been dropped. A notice of motion to change the local tax basis to levy half the rates on the unimproved value of the land and half on the improved value had been given at the first meeting in May; but was withdrawn.

The *Free Press* said that the last-minute withdrawal of the motion to go ahead with the "shandy" rate appeared to indicate that pressure had mounted against a decisive move at present.

A "shandy" rate would be contrary to the decision made by Kew ratepayers at polls, first in 1947, and then confirmed in 1951. They decided that henceforth local taxes in Kew were to be based on the unimproved value of the land and not upon the buildings and other improvements made by owners.

The return to partial taxation of improvements would be an abuse of councillors' authority unless decided upon by a further poll of ratepayers. The initiative for such a poll should come from dissident ratepayers and not the Council itself. Its duty is to apply the system adopted by the ratepayers' vote. Provision exists for ten per cent of the ratepayers to demand a poll for a shandy rate if they want it. The Council should not do the dirty work of the dissident minority for them. —*Progress Melbourne*



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Secondary Consequences

IN ADDITION to these endless pleadings of self-interest, there is a second main factor that spawns new economic fallacies every day. This is the persistent tendency of men to see only the immediate effects of a given policy, or its effects only on a special group, and to neglect to inquire what the long-run effects of that policy will be not only on that special group but on all groups. It is the fallacy of overlooking secondary consequences.

In this lies almost the whole difference between good economics and bad.

HENRY HAZLITT, *Economics in One Lesson*

VALUE OF THE POUND

Mr. Rupert Sheldon (Minister of State, Treasury) (in a written answer November 7): Taking the internal purchasing power of the £ as 100p in 1914, its value in each of the following years is estimated to have been:

1914	...	...	...	...	100p
1919	...	...	...	...	46
1924	...	...	...	...	57
1929	...	...	...	...	61
1934	...	...	...	...	71
1938*	...	...	...	...	64
1946*	...	...	...	...	38
1949	...	...	...	...	32
1954	...	...	...	...	26
1959	...	...	...	...	23
1964	...	...	...	...	20
1969	...	...	...	...	16
1974 (Sept.)	...	...	...	...	10

Source: The leaflet on "Internal Purchasing Power of the Pound" (October 1974) issued by the Central Statistical Office.

*Figures for 1939 and 1944 are not available.

GOVERNMENT GRANTS TO LOCAL AUTHORITIES

	Current £m	Capital £m	Total £m
1964-65	1,169	72	1,241
1965-66	1,320	74	1,394
1966-67	1,520	88	1,608
1967-68	1,757	134	1,891
1968-69	1,922	138	2,060
1969-70	2,223	141	2,364
1970-71	2,587	172	2,759
1971-72	2,952	194	3,146
1972-73	3,497	228	3,725
1973-74	4,244	278	4,522
1974-75	5,087	338	5,425