

HOW LABOR LOST ITS WAY

By

The Hon. Clyde R. Cameron, A.O.,

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THE HENRY GEORGE LEAGUE

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Speech given at the opening of the South Australian Headquarters of the Henry George League at 9 Rosemont Street, Norwood, on 13 May 1984, being the 100th Anniversary of the first meeting of Single Taxers held in South Australia.

Mr. President: Since my retirement from the National Parliament in September 1980, I have declined invitations to take part in public meetings or ceremonies. But the invitation to open this library and headquarters of the Henry George League of South Australia is a very special occasion for me, and one that brings me great pride and pleasure.

It was on the 13th day of May 1884, exactly 100 years ago to this very day, that Single Taxers held their first meeting in South Australia. The very fact that we are celebrating the occasion is significant in that it demonstrates the fact that we still live; and while there is life, there is hope. Yes, hope that one day in the future when all other economic theories are exposed for the failures they are, our so-called economists will come to see the enormity of allowing billions of dollars of community-created economic rent to pass into the pockets of those who have been allowed to usurp that which rightfully belongs to the people's governments, which in turn must impose oppressive direct and indirect taxes and charges upon the community to make good the losses caused by the misappropriation. I refer, of course, to the practice that permits the economic rent of land to go into the pockets of individuals and corporations.

Reintroduction Proposed

At one of the early Cabinet Meetings held by the Whitlam Government in 1973 I proposed that the newly elected Labor Government reintroduce the Commonwealth land tax abolished by the Menzies Conservative Government in 1953.

My colleagues were impressed with what I had to say about using *that* tax to reduce other taxes that weigh so heavily upon the poor. They were impressed also by my argument that the collection of the economic rent of land would reduce the price of land for home builders.



Frank Crean promised to have my proposal studied by Treasury. But I knew then; that nothing more would come of it!

Then on 27 June 1974, I wrote to Mr. Crean again urging

him to reintroduce a Federal tax on unimproved land values. "As well as yielding several hundreds of millions of dollars in revenue", my letter continued, "this tax would have the even greater advantage of easing pressures on resources caused by the rapacity of land speculators." My letter continued:

"It would reduce land values by taxing vacant building allotments and would be much more equitable than seeking to reduce demand inflation by such measures as, say, indirect taxation upon consumer goods and household appliances. Rising land prices have made a much greater inroad into the incomes of the ordinary wage and salary earner than any other single factor. It not only directly affects the wage and salary earner who is seeking to build a new home, but it indirectly affects the price of homes already built. It is useless talking about allowing the States to control land prices. They will never do it; and we should accept that as a fact. You may recall that when the Menzies' Government abolished Federal Land Tax, the Labor Opposition then stated quite categorically, that a Labor Government would reintroduce the tax.

"As a matter of historical record, it should not be forgotten that in 1910, the Fisher Labor Government was actually elected to office on the sole issue of the taxation of unimproved land values. As well as being a more just method of receiving revenue than the imposition of indirect tax upon the necessities of life, it is the one kind of tax that has to be paid by those best able to pay it . . ."

Tacit Agreement

I had not asked for a pure unadulterated application of land values taxation without any exemption; that would have been too much honey in one serve! My letter went on to remind Mr. Crean that I had raised the matter during the 1973 pre-Budget discussions and that there had been tacit agreement among the majority of Ministers that the Federal Land Tax should be introduced. My letter went on:

"I raised this matter, you will remember, with Sir Frederick Wheeler when he and his team of advisers appeared before a Cabinet Meeting some months ago. Sir Frederick's excuse for not having included this proposal in last year's Budget was that Treasury did not have enough time to study the proposition. Actually, Treasury did not need much

time because the land tax apparatus is already established by virtue of the fact that all of the States use it for revenue raising purposes. Treasury has now had almost a year to think about the matter and I would hope that lack of time would not again be used as a reason for further delay.”

Needless to say, nothing happened! Mr. Crean, like most adherents of orthodox economics, had never understood the economic rudiments of rent, wages and interest. What's more, nothing has changed! We continue to embrace the false economic theories that are dragging us towards economic and social damnation.

Some time ago, I made a similar plea to Premier John Bannon. He is the one man who might act in the matter; because he doesn't give the same ox-like response to the orders given by Treasury advisers which has characterised most State and Federal Treasurers since Federation.

Irresistible Logic

I have recognised the correctness of Georgian Philosophy from the time I was 13 years of age; when the late Harry Frick and Sam Lindsay introduced my mother to the irresistible logic of collecting the community-created value of land for the purposes of government.

I served as Secretary of the Gawler Branch of the Henry George League and I spoke from the Single Tax stump at the Botanic Park. I knew, and admired, the great E. J. Craigie who served as Secretary of the Henry George League in this State for more than a generation. And, it always brings a sense of shame to me when I remember that he lost his seat in the South Australian Parliament when my Party decided to give its preferences to his Liberal opponent.

I took the message of Henry George to vineyards of the Barossa and to the River districts as well as to the shearing sheds, where I repeated the simple truths contained in *Progress and Poverty*, *The Science of Political Economy*, *The Condition of Labour*, *Protection on Free Trade*, *A Perplexed Philosopher* and *The Land Question*. Those simple truths caused my peers in the shearing sheds to regard me as something of a political genius and elected me to become an organiser of their union.

The validity and transparent justice of George's philosophy can't be countered. It has stood by me throughout

the whole of my political life; and the force of its logic remains undiminished.

Elementary Rules of Social Justice

It is rejected only by those who can't comprehend the elementary rules of social justice; but no one can disprove the assertions Single Taxers make about the land question! Their only weakness lies in their failure to understand the emotive stigma that attaches to the word "tax". A campaign based upon the collection of the economic rent of land in lieu of direct and indirect taxes would mean the same as the words "single tax", but would not generate anything like the same selfish resistance — except of course, from the rich plunderers of what should be going into the public purse.

Our history books tell us that the Maritime Strike of 1890 became the catalyst that caused working men and women to see that power rests upon the legal right to jail or kill one's opponents and that in a democracy, power is held by those who command the confidence of the legislatures.

In point of fact, historians did *not* see reality in such stark terms as this, even while recording that men had been "legally" murdered by the constabulary in the great shearers' strikes and that many others had been "legally" imprisoned for merely attempting to use market prices to win wage levels that would enable them to meet no more than the frugal needs of a working man's family life.

So, with childlike innocence, the Australian workforce followed the advice of Judge Higginbotham and set about forming its own political party in the fond belief that once working people captured control of the law-making processes, it would become a simple matter to replace bad laws with good ones and that all injustices would be overcome through constitutional processes. Strikes would become unnecessary, and the ballot box would supplant the bayonet.

No one in those days understood that the true nature of power has little to do with Parliament. People then believed that Parliament controlled the executive arm of Government and that the executive arm controlled the bureaucracy and the armed forces.

Real Power

No one in those days of innocent faith would believe

that real power is always in the hands of the faceless men who meet in exclusive clubs, corporate board rooms and private mansions, where they plot and plan the courses of action required to retain their deceit and power. These plans may call for the subversion of a working class leader — every man has his price is the rule of their own class. Or, the plan may call for the assistance of a foreign intelligence agency or for the foreign-owned transnationals to organise the temporary destabilisation of the economy so that the elected Government will be forced to fight an election in an atmosphere of economic uncertainty, rising inflation and high unemployment. Perhaps it might be found expedient to accelerate the timetable by conspiring to bring about a constitutional coup d'etat. It may even be necessary to overthrow the Constitution altogether by means of armed uprising and the installation of a Right Wing Military junta. If so, then so be it!

Right up to lunch time on the eleventh of November 1975, none of these possibilities had even crossed the minds of Australia's working men and women. They believed that all they had to do was to work for an elected government of their choice and that that Government would be permitted to remedy their complaints by peaceful means and would be allowed to remain in office until its normal constitutional term of office expired three years later.

But it is an oversimplification to say that the lessons of the Maritime Strike of 1890 were the *sole* reason for the formation of the Australian Labor Party in the following year. In South Australia; the seeds of discontent were sown on 28 December 1836; when the first white settlers came ashore at Glenelg. Among them were unemployed working men in search of work in the new Colony.

South Australia was the only Australian Colony that did not at any stage rely upon transported convicts for cheap labour. And yet the real cost of employing what passed for "free men" was very much *less* than the cost of housing, feeding and guarding convict labourers in New South Wales, Victoria, Western Australia and Tasmania.

Wage Slavery Cheaper

South Australia was able to prove that wage slavery can provide cheaper labour power than any other form of slavery. Slave owners have the responsibility for feeding and

housing their human beasts of burden and of keeping them healthy enough to perform a full day's hard work.

But the wage slave must meet all those responsibilities himself. If he fails to give his master a good day's work, his master will sack him and forget he ever existed.

The South Australian plan was based upon the theories of E. G. Wakefield, who visualised what he was pleased to call a "free" colony of gentlemen farmers to whom land would be sold for £1 per acre with the proceeds being used to pay the cost of transporting unemployed tradesmen and labourers in sufficient numbers to ensure that the supply of labour would always be in excess of demand.

And, to meet the cost of keeping the supply of labour constantly in excess of demand, wealthy land speculators in Britain would be offered the right to purchase land in Adelaide's "Square Mile" for £1 per acre on condition that for each city acre, they would be required to purchase an 80-acre section in the country for £7 per acre. The designated "country" areas were what now constitutes most of Adelaide's present day suburbs.

In point of fact the speculator who purchased the city acre on which John Martins' store now stands, chose an 80-acre country section with what is now Fitzroy Terrace, Prospect, on its southern boundary.

In this way, the Administration found it easy to prevent working migrants from gaining access to their own land; and primary production became concentrated in the hands of the few families who monopolised the land and thus were in a position to prey upon the landless.

By 1899, 42 families controlled two million acres. They included such names as Hawker, Baker, Murray, Bowman, Riddoch, Angas, Dutton, Hughes, Duncan, Duffield and Gilbert. (1).

Pool of Unemployed

As land was developed, and the demand for labour increased, money from further land sales was used to bring in more of Britain's unemployed artisans and labourers in order to maintain a permanent pool of unemployed workers competing against each other to avoid starvation.

The North American slaves had no such fear of starvation; and the convicts of South Australia's Sister Colonies

were always assured of food regardless of whether work was organised for them. Freedom, the migrants soon discovered, meant no more than freedom to starve, or to work for slave rates of pay.

Those who were unemployed, or in fear of unemployment, were scattered and had little opportunity for group discussion about their plight. But this changed after the discovery of copper and larger numbers of working men were brought together to work the copper mines. In 1846, the miners and carters employed at the Burra Burra Copper Mines struck against an attempt by their employers to reduce wages. That was the first strike ever organised in South Australia (2). In the same year, tailors went on strike for a wage increase and won (3). But neither of these strikes were organised in the way workers now conduct a strike. Like the miners' revolt at Eureka in 1854, both events were spontaneous uprisings against gross injustices.

Then in May 1848, the Colony experienced the third strike when draymen on the Port Road stopped work to demand eight shillings a ton in place of the five shillings that had been the going rate for several years previously (4). The strikers this time were self-employed owner-drivers who rose up in spontaneous revolt against earnings that were little more than enough to feed their horses, let alone their families.

More Trouble

But the Wakefield Scheme was working at this level too; for the drivers were compelled to keep their horses well-fed or they would not be able to earn anything at all for their families. The well-fed horses were the "slaves" and the drivers' families were "free". But still there was no movement towards an organised combination of working men.

Later in the same year, trouble broke out again at the Burra Burra Copper Mines over the owners' practice of conducting auctions for the lowest price at which miners would mine the ore. Bidding would begin at a figure sufficient to yield a reasonable return, and then go on until the lowest bid was reached. Even at that point, employers would not be satisfied, and were frequently found cheating in the analysis of copper yield, until finally, the miners succeeded in demanding the right to appoint their own Check Inspector to check ore sample.

Smouldering discontent over this "dog-eat-dog" system of playing worker off against worker under the bidding system, and the continued cheating in calculating the quantity of ore mined, led to a second, and more serious dispute. This time, the stoppage followed a week-end of intense organisation at a mouth to mouth level and on Monday 18 September 1848, 400 miners met on the hillside, between the hotel and the mine, and unanimously adopted a resolution to stop work until their grievances were remedied. A "Friendly Society", so-called, was formed and 343 of those present signed up for membership.

That members were still living under the shadow of Britain's repressive labour laws which had condemned the Tolpuddle Martyrs to deportation 14 years before, was evidenced by the fact that the Society's members felt constrained to carry resolutions not to (a) resist the police; (b) picket the mines against those who wished to continue working; and (c) prevent the movement of ore from the mines.

Before dispersing, Miners were told to behave peacefully, desist from using noisy or taunting language and to avoid meeting in numbers that might be deemed to be an "unlawful assembly." They were further warned against speaking to anyone about the dispute and that in answer to any questions put to them by the authorities, they were to reply that the Committee of the Society was their mouthpiece (5). The Society failed to win *all* its demands, but it was the nearest thing to a union the twelve-year old Colony had then seen.

Three years later (1851), alluvial gold was discovered at Ballarat; and men with virtually nothing but their labour power found it possible to work as their own bosses. Thousands of workers from every Colony flocked to the new Eldorado in search of fortune and independence.

Now it was the employers turn to compete for the greatly reduced supply of labour remaining. The law of supply and demand was now working in **favour** of labour. The master and the servant syndrome was breaking down, and with strong Chartist tendencies among the miners, it was not surprising to find that as the gold rush petered out and the miners returned again to the labour markets of the Colonies, trade unionism should be seen as essential if labour was to be in a position to protect itself against past abuses.

By 1890 there were no fewer than thirty unions operating in South Australia (6), but when deep-mining replaced alluvial mining, thousands of unemployed miners glutted the labour markets and it became a buyers' market once again. Many of the unions folded up and those that remained, barely survived.

Until this time, there had been no corresponding interest in working class politics. And, until the House of Assembly was established in 1857, the Colony had been ruled by a Legislative Council of male property owners over 30 years of age. But in the severe depression of 1859, an association called the **Political Association** was formed to "unite and distribute advocacy of working men's burdens among the many". It fell apart when there was a temporary return of prosperity, but was resurrected for a brief period during the 1866 economic downturn only to die away soon after. A speaker at the 1866 revival meeting told his audience that "when working men have plenty of work they forget about Political Associations". (7)

This brief glimpse into trade union history is sufficient to place the Wakefield Plan in its proper perspective.

Land Possession Central

The scheme was simplistically elementary. It recognised the truth of nature that man is a land animal, that those who hold possession of the land therefore hold the power to impose a condition of slavery upon the dispossessed and force them to make a choice between starvation or submission. The prosperity of the new Colony, Wakefield reasoned, relied upon a landed gentry with a ready supply of cheap labour. And, cheap labour, he explained, could be guaranteed so long as the labouring class could be denied land ownership so that the supply of labour could be kept above demand.

So, to ensure that emigrating labourers from Britain remained at the beck and call of the employing class, it would become necessary for the Land Commissioners to keep the price of land above the level at which labourers could afford to become self-employed proprietors. Proceeds from land sales were to be paid into a special fund for meeting the cost of bringing more and more migrant labour to the Colony at public expense in order to maintain that balance between labour and the landlords as would keep

the available land at a lower level than was required to give employment to those seeking employment.

Land prices were to be uniform regardless of location or fertility, and only the size of allotments would be varied. But the price per acre would remain the same. In no circumstances was Crown land to be offered by public auction. In the event of labourers saving enough money to buy sufficient land to become farmers in their own right, the Land Commissioners would be expected to raise land prices to whatever figure was sufficient to keep land beyond their reach.

Controlled Unemployment

The constant aim was to strike a balance between the supply, and demand, for labour so that there would always be **some** unemployment but not quite as much as that from which emigrants had escaped in the land of their birth. However, the essential element of the Wakefield Plan was to always keep the level of unemployment high enough to prevent demands for higher wages.

At one stage Wakefield began to doubt the success of his scheme and actually went so far as to suggest that it may become necessary to buy negro slaves. These, he argued, would overcome the problems beginning to emerge through migrants becoming small landowners.

Wakefield visualised a leisured class of cultured middle-class gentlemen who could transplant the ethos of British aristocracy in the new Colony with properties of about 20,000 acres, an elegant homestead, game preserves and tenants. The wealthy middle class of Britain could thus ape the aristocracy with nothing to remind their inferiors that in Britain there was still a social strata above them. Their children would be educated in the best English colleges and universities where they would acquire the speech and mannerisms of the aristocracy before returning to their South Australian world of make-belief.

The Wakefield Plan did have one saving grace, which in the long term would have given some compensation for its objectionable features. It proposed that the Colony should make the land-owners pay the cost of government through a tax on unimproved land values. Wakefield was an admirer of Adam Smith, but he subscribed also to Physiocratic School of philosophy and economics, the main doctrine of

which called for a single tax on unimproved land values and a Government that ruled according to the laws and principles of nature.

Quensay's Ideas

The leader of this French School of thought was Francois Quensay, who taught that the land of the earth planet had been created for the benefit of all God's children and must never become the private property of any one of them. He acknowledged the need for exclusive **possession** as distinct from **ownership**, but held that those holding such possession must pay to the rest of society an annual rent equal to the economic advantage which possession gave to the possessor.

Fertile land close to the market place had an economic advantage above the same quality land located hours distance from the market. And fertile land had an economic advantage over poor quality land similarly distanced from the market place. In each such case, the possessor of the land with the greater economic advantage would be required to pay to the Treasury a rent that would fully reflect the special advantage gained from that possession.

The same principle would apply in the case of non-agricultural land. The stall-holder or shopkeeper whose place of business was situated in the busiest part of the town or city would have to pay an economic rent equal to the special advantage enjoyed from that location. A shop in the centre of the busiest street or shopping mall of a city would pay more than one situated in one of its back streets or in the suburbs.

In other words, the Physiocrats would simply take **for** the community the full economic rent created **by** the community and use this for defraying the cost of Government instead of taxing consumer goods and peoples' incomes.

Annual Rent

A land occupier could please himself how he used the land, but he would be required to pay an annual rent equal to the amount someone else was willing to pay for the same piece of land. The rent payable would not be affected by any improvements the occupier placed upon the land but his rent **would** be affected by the extent that public facilities (roads, bridges, railways, etc.) added to the value of its

location. What's more, the occupier could not pass this increased rent on to his customers, because they would have the choice of purchasing the same goods from a suburban or back street shopkeeper who was paying a lower ground rent into the public purse.

Wakefield's plan preceded Henry George's **Progress and Poverty** of 1879, by more than forty years. Henry George, who is now recognised as the father of the Single Tax movement, also gained his inspiration from Adam Smith and the Physiocrats, and in 1890, delivered a public lecture in Adelaide on the advantages of raising revenue from taxation based upon the unimproved value of land. Indeed, the infant Australian Labor Party adopted this portion of George's philosophy as a principal plank of its first Federal platform.

Alas, **that** portion of the Wakefield plan was rejected by the landed gentry who were the only ones in the Colony who had the ear of the Governor. And even when the Governor's authority was made subject to the views of a nominated and later, an elected Legislative Council of property owners, nothing changed; because landowners were the only ones eligible to sit in the Council or take part in Council elections.

Flat to Graduated

Right up to the year 1905, the Federal Platform of the A.L.P. called for a flat rate of taxation on the unimproved value of all land, but in that year its Federal Conference changed the Platform by calling for a graduated form of unimproved land values.

This was either an utterly dishonest decision based upon the belief that the suburban householder was too stupid to understand that it was better to pay a **small** amount of land tax on his suburban building block than to pay a **large** amount in income tax and for indirect taxation. Or, delegates may have been unable to explain that, while the ordinary suburban home owner would attract only a small tax in place of indirect taxation, the tax payable by the wealthy insurance companies and by the hotels, newspaper offices, banks and retail emporiums situated in the central business districts of the large cities, would pay an enormously higher amount in land rent. And, whereas the rich would save very little through the abolition of indirect

taxation, the aggregate saving for the poor would be astronomical.

This change in policy showed that Conference delegates either did not understand the basis for the Party's original Platform, or were bowing to what they foolishly believed to be political expediency. Senator George Pearce certainly understood the basis of unimproved land value taxation and urged the 1905 Federal Conference of the Party to apply the tax without exemption. It was better, he argued, for a working man living in a suburban home to pay the **full** amount of land tax than to get caught up in the alternative of paying a very much higher level of indirect taxation that was invisible, and therefore capable of manipulation in such a way as to relieve the rich land owner of meeting his proper land tax commitments to the community.

King O'Malley

King O'Malley opted for demagoguery, and told his credulous colleagues that they should forget the little bantams and concentrate on the holders of valuable city sites. 'It is the big gilded roosters of the Brahmapootra order we should be out to get!', shouted the crafty O'Malley. Labor's muddle-headed Leader, J. C. Watson, at once fell for O'Malley's sophistry, adding that the Parliamentary Party had a hard enough job fighting the battle of Socialism versus anti-Socialism, without having further burdens heaped upon its shoulders. And, on that note the debate closed with the Conference dropping its commitment to collect the full economic rent on **all** unimproved land values, in favour of a "progressive", or, in other words, a graduated system of land values taxation. (8)

Twenty-seven of the 36 delegates were Labor politicians; and yet they couldn't see that it would be better for the little bantams to pay the full cost of **their** small share of unimproved land values than to be burdened with infinitely greater burdens in the form of unfair income tax plus unjust tariff duties and other crushing forms of indirect taxation. For, once a sound principle is diluted, it doesn't take long for it to lose all of its character. And, that's what happened to Labor's original commitment to the only natural way for raising revenue, namely to take for the community, that which belongs to the community; the community-created value of land, leaving sacredly to the individual

that which belongs to the individual — the full product of his labour power.

Then in 1908, the Federal Conference took Labor's folly one step further. It changed the Platform to call for a "graduated land tax on all estates of £5,000 in value on an unimproved basis." (9)

Confusion Compounded

By this time Labor's confusion had become compounded. Delegate J. Grant, who moved the motion, said that a progressive land tax was not for revenue, but for "bursting up of the large estates". Labor's Leader agreed, but preferred to leave the platform as it was.

South Australia's James Hutchison was the only delegate to defend Labor's original aim, explaining that unimproved land values taxation was not just aimed at cutting up large estates, but of making those who reaped most from increased land values, due to position and government expenditure, pay their full share of that increment to the Government on behalf of those who did not share in the gain.

At the Fifth Commonwealth Conference (1912) Delegate J. Cornell, from Western Australia moved to restore Labor's land taxation policy to its original form. The Western Australian Branch, he said, had never deviated from its conviction that Labor's original policy was correct. It had advocated a land tax without exemption and had done so, in season and out of season. He continued: 'The only thing that gave land a value was community demand for it; and for this reason, the unimproved value of land should be collected by the community and used in the interests of the community that created it by placing it in the revenue of the Country.' He concluded: 'Every Laborite should have in front of him the ultimate taxing of the whole of the taxable value of land.' He explained that he was not asking for a tax on land acreage, or upon the buildings and other improvements placed upon a piece of land, but merely a tax upon the community-created value of the land, i.e. its **unimproved** value. He said that one-tenth of an acre in the busiest part of Sydney would have a higher unimproved value than ten thousand suburban building blocks put together; or one million acres of grazing land in the far West of New South Wales.

But once again, lack of principle, or perhaps even a misunderstanding of what was expedient, saw Conference reaffirm its commitment to a graduated tax with a £5,000 exemption. (10).

Another Attempt

A South Australian delegate, H. Jackson, made another attempt to abolish the exemption when Conference met in Adelaide on 1 June 1915. His motion was seconded by Labor stalwart, Arthur Rae, who declared that the exemption had led to a bogus partition of large estates in order to avoid land tax. He said that, while governments were spending millions of taxpayers' money on building new roads and providing other public facilities, the land speculators were reaping the benefit for themselves and forcing home builders to pay exorbitant prices for the enhanced value of building blocks affected by such public expenditure. But once again, the politicians' view prevailed. (11)

Three years later, another South Australian delegate, Tom Grealy, got within two votes of removing the exemption. He was supported by Senator John Barnes (Vic.), Stan Whitford (S.A.), D. Cameron (W.A.), Arthur Rae (N.S.W.), Ted Holloway (Vic.), and Norman Makin (S.A.), but Grealy's motion was opposed by Jim Scullin, Maurice Blackburn, J. H. Catts M.H.R., J. Curtin, and the Federal Leader, Frank Tudor. Grealy gave a brilliant exposition of the Georgian philosophy. The principle of land taxation, he told delegates, was fair; and should apply to **all** taxable land **without** exemption. A very small percentage of the population owned the vast percentage of the total unimproved value of land with the vast majority being either landless, or owning land which, if the evils of land speculation were eliminated, would be no more than nominal in terms of unimproved value. Grealy's motion was defeated by 17 votes to 15, with South Australia being three delegates short of a full delegation. (12)

A year later, Grealy again moved for the abolition of the exemption; and this time his motion was carried by 20 votes to nine (13), but was reversed at the Special Conference held four months later (14) by which time Grealy was no longer a delegate. The 1921 Conference defeated another move to abolish the exemption by 14 votes to 13; this time with South Australian delegates Mick Murphy,

Sid McHugh, Harry Kneebone and Teddy Yates voting for its retention. (15)

More Regression

The A.L.P. clung to its infamous exemption policy for 47 years; and then in 1955, a totally disorientated Conference increased the exemption to £10,000. I was a delegate to that Conference, but no one can now remember how that change came about; however, it does appear in the printed version of the Federal Platform. (16)

However, an even worse disaster was in store for the Party because, although its 1957 Conference, on my motion, unanimously deleted the 49-year old exemption altogether, the printed Platform for 1957 inadvertently omitted all mention of the Party's long-standing commitment to a tax on unimproved land values. In fact, the Official Report inaccurately credits Queenslander, John Duggan, with moving the South Australian agenda item. (17). Federal Secretary Jack Schmella had been seriously ill at the time that Report was prepared. But, at my prompting, he included the amended plank in the 1958 printed Platform (18) and it remained the policy until Joe Chamberlain's successor, Cyril Wyndham, in 1964, published what he honestly believed represented the decisions of the 1963 Conference.

No formal decision was ever taken to delete the commitment to introduce a tax "on the unimproved value of land". It was removed by subterfuge, and this, the fairest, and most easily defended form of taxation has been omitted from Labor's Federal Platform ever since.

Speaking in opposition to the Menzies Government's Bill to abolish the Federal Land Tax, the late Arthur Calwell spoke with the unanimous approval of the Federal Caucus when he declared: 'We have always believed in the land tax, and when happy days come again we shall restore the measure imposing the tax to the Statute-book of this Country.' (19). Labor M.H.R., Ted Peters, told the Parliament: 'Down through the years nobody has been able to refute the logic of Henry George's beliefs in respect of the taxation of land . . . As a Member of the Australian Labor Party, I enter an emphatic protest against this sectional reduction of taxation. Other people in other ages made protests which have since been justified, and I have not the slightest doubt that mine will also be justified

fully by time.' (20).

I was in hospital when that debate took place; and I am certain that the A.L.P. **will** once again produce the kind of statesmen who in yesteryears had the intelligence and the integrity to be right. This speech may even cause present day Labor leaders to once again take the road to social justice and fiscal decency.

It gives me great pride and considerable pleasure in now formally declaring these premises open for business in the firm belief that on the 13th day of May in the year 2084, a much larger and a more prosperous audience will applaud the two-hundredth anniversary of that meeting in 1884 which saw the beginning of public support in this State for a School of philosophy and economic thought that will one day make it possible for Christians to truly say, "Thy will be done on earth as it is in heaven".

*Further copies obtainable from
The Henry George League
31 Hardware Street, Melbourne.*

NOTES

1. South Australian *Hansard* (1899), p. 90.
2. A.E.U. *Souvenir* p. 357.
3. *Australian Encyclopaedia*, Vol. II, p. 577.
4. *South Australian*, 23 May 1848.
5. *South Australian*, 22 September 1948.
6. *Australian Encyclopaedia*, Vol. II, p. 577.
7. *The Advertiser*, 7 July 1866.
8. *Official Report*, Commonwealth Political Labour Conference (1905), p. 21.
9. *Official Report*, Fourth Commonwealth Political Labour Conference (1908), pp. 14-16, 42.
10. *Official Report*, Fifth Commonwealth Conference of the Australian LABOR* Party (1912), pp. 12-15, 52.
11. *Official Report*, Sixth Commonwealth Conference of the Australian Labor Party (1915), pp. 25-28, 55.
12. *Report of the Seventh Commonwealth Conference of the Australian Labor Party* (1918), pp. 5-8, (Sth. Aust. couldn't afford to pay the fares for more than three delegates to the 1918 Conference).
13. *Official Report of the Eighth Commonwealth Conference of the Australian Labor Party* (1919), pp. 4, 47-50, 69, 70.
14. *Official Report of the Eighth Commonwealth Conference of the Australian Labor Party* (See page 70).
15. *Official Report of Proceedings of the Ninth Commonwealth Conference* (1921), pp. IV, 39-41.
16. Australian Labor Party *Official Report of Proceedings of the 21st Commonwealth Conference* (1955), p. 57.
17. Australian Labor Party *Official Report of Proceedings of the 22nd Commonwealth Conference* (1957) p. 59.
18. Australian Labor Party *Official Report of Proceedings of the 23rd Commonwealth Conference* (1959) p. 62.
19. *Commonwealth Parliamentary Debates*, 24 February 1953, p. 170.
20. *Commonwealth Parliamentary Debates*, 24 February 1953, pp. 180, 181.

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