

PROGRESS

An Australian Journal to Advocate the Rights of the People in the Land

- POLICY
1. COLLECTION 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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REHABILITATION OF THE AUSTRALIAN ECONOMY THE PROBLEM EXPLAINED

By Graham Hart

1. It is just over 100 years since Henry George wrote "Progress and Poverty" his classic analysis of the cause of poverty and unemployment in a world of plenty, which has achieved greater sales than any other book on the subject of political economy.

2. For 100 years politicians, economists, academics and moral leaders, themselves bereft of answers to pressing social problems, have pretended, by a conspiracy of silence, that the book was never written.

3. *Crippling taxation* to support the Socialist State, which does not create wealth but only consumes it, has reduced once Great Britain to a second-rate power, and the United States with more than ten million unemployed is in a critical condition. In Australia, the same policies are producing the same results. Eight hundred thousand of our people are unable to find jobs. 20% of our young people are out of work and 60% of the Aboriginal race is unemployed.

It is not generally understood how taxes increase the price of goods and services, often beyond the consumers ability to buy. As demand is reduced, so the production decreases and many of the work force must be "laid off".

Doctors, dentists, lawyers and other professionals who are in the 60% income tax brackets must increase their charges by at least 60% to receive the same income.

Workers in industry and commerce have 30% deducted from their wages and must demand 30% higher wages to get the same take-home pay. The employer must add about 40% to the tax caused wage increase to recoup his fixed overheads, workers compensation, holiday pay, loadings, annual and long service leave. 40% of 30 equals 12 equals 42% nett increase. Payroll tax adds another 5% plus finance of collection costs.

These taxes with subsequently increased costs discourage production in every form of industry. It is all so totally ridiculous, when governments are seen to allow their *natural revenue* to be misappropriated by those who render no service in return.

Signs of Disorder

4. Inflation is almost out of control, currently running at 11½%, and the Government continues to prime the pump with printed money etc. in order to support its deficit finance policies. Government spending in excess of income is expected to reach nine billion dollars.

5. Liberals as well as Labor governments are now openly practising socialism and expanding the public sector at the expense of free enterprise.

6. The birth rate is declining because mothers are forced into industry to support the home. Immigration is virtually at a standstill, because governments, in their ignorance, believe that every working man deprives another man of a job.

7. Crime, vandalism, and contempt for law and order is increasing and the youth suicide rate increases with the rate of unemployment.

8. Government charges are increasing at a faster rate than the products of industry and setting the pace for inflation.

9. An alarming rate of bankruptcy in small business is leaving the big monopolies with reduced competition and so causing prices to rise.

10. Effective defense of the nation is now virtually impossible because it is too expensive for an over-taxed society to afford.

11. Acquiring a home site is beyond the reach of many young people, except at exorbitant interest rates that will take half a lifetime to discharge. Mortgage interest can amount to more than twice as much as the original loan. All this in order to swell the *unearned income* of *land speculators* and *monopolists*.

12. An ever-increasing public debt blights the future of families and children yet unborn.

13. A declining work force saddled with an increasing burden of taxation is reaching intolerable limits.

14. An aging population is increasing the burden of pensions beyond the capacity of industry to pay.

An increasing number of bureaucrats are living at the expense of an impoverished Nation on salaries and perks generally higher than those who are taxed to support them.

Foolish Policies

16. Governments try to *create jobs* by expanding public works beyond the needs of the people and the capacity to pay, from increased taxes, and in the process commit posterity to enormous staffing and maintenance costs, without relieving unemployment, because earnings are only diverted from the private to the public sector.

17. Governments can seldom balance their budgets because the *more they tax industry, the greater the disincentive effect on production*, so the source upon which taxes are based dries up.

18. *Taxes add to prices and governments as the largest purchaser of goods and services must spend about half their revenue buying back their own taxes and maintaining the welfare state*, the need for which, their own mistaken policies create.

Opposite Effect

19. *Collection of the site rental value of land for revenue has an opposite effect. It is of no concern to the land user, as such, whether rent is paid to the land owner who renders no service in return, or to the community which generates its value. Use value is stimulated because production incentive is stimulated. Industry cannot afford to pay double — rent as well as taxes.*

20. In the undeveloped countries, where there are no trade union counter monopolies, land monopoly is virtually unchecked and *millions of people are dying needlessly from starvation*, quite beyond the resources of charitable organisations to cope with. In this richly endowed country many are living in frustration and hopelessness and dying of socially created diseases.

21. *Land reform is the difference between life and death*, not only for many people but for the survival of the Nation.

22. *The Summit Conference* just concluded is a classic example of the barren attitudes of politicians, economists, union leaders and of the business community alike, to the problems facing this country.

There was a general consensus of opinion that the economy can be improved by pegging wages, restraining price increases, and accelerating the rate of government spending by deficit financing. Responsibility for wage fixing was returned to the Arbitration Court judiciary, many of whom are political appointees and have no responsibility to assess the capacity of the economy to withstand the effect of wage rises.

One speaker, without challenge, said we are all Keynesians (advocates of planned inflation). Others didn't turn a hair at a budget deficit of 7 to 10 billion dollars.

Not one delegate gave the slightest indication that land (the source of all raw materials and the scene of all operations) was a factor of production or the key factor in the distribution of wealth.

Proposals could be divided into two classes:

1. Vague and pious generalities.
2. Policies with records of many years of proven failure.

How is the Prime Minister expected to act on such advice?

Government is only big business performing these functions for the community which individuals cannot do effi-

ciently for themselves. Building roads, water supplies, administering justice, organising defence etc. and as such, it must be run on sound business principles. The first essential for success in business is to be paid for services rendered otherwise insolvency is inevitable. Unlike private business, governments have three alternatives to collecting their due accounts.

Alternatives

1. They can tax, that is, *steal*, from the people, their customers by legal force.
2. They can borrow, notwithstanding their bankrupt condition, without security, except the guarantee to rob future generations.
3. They can inflate the currency.

Private business, on the contrary, cannot tax its customers to assumed ability to pay. It has no legal power and customers will only pay the competitive market value of the goods they buy.

Private business cannot borrow when its directors are aware of the company's insolvent condition; this is illegal.

Private business cannot print its own currency. Forgery and counterfeiting is also illegal.

Company directors would be liable to prison sentences on three counts for doing what is *normal practice* for politicians who receive *handsome salaries, enormous pensions* and for some, even *knighthoods*, in return.

24. A few examples of land speculation in operation might be even more convincing than the most logical of arguments.

- (a) 300 acres of land was sold in Forrestfield in the nineteen twenties for £3 (\$6.00) an acre i.e. for \$1,800. This land now subdivided and supplied with government services is worth about \$10,000,000 an increase of more than 5,000 times, while wages have increased say from \$6 a week to \$240 a week, say 40 times.
- (b) An historic Perth Hotel was demolished and the rates thereby reduced. The land was kept idle for a few years and resold at a profit of \$1.6 million dollars.
- (c) Land sales in the city centre once worth a few bottles of rum have peaked at \$3,000 a square metre, river view sites at \$700 a square metre and industrial land at about \$30 a square metre in the outer suburbs.

The significance of these examples is that land has no cost of production and the enormous value revealed represents unearned purchasing power without production, i.e. inflation — subscribed by every home owner, or factory worker, or shop assistant, who was careless enough not to select his or her ancestors more wisely. Present values are due entirely to the *growth of the community and the services of government*. If this value accrued to government as its natural revenue, then all the vicious, disincentive, soul destroying, impoverishing, unemployment generating taxes could be removed and prosperity as never known before established permanently in Australia *our* country.

The Remedy Explained

The *Henry George Movement* alone has a practicable solution that will *revitalise* Australia.

1. Unemployment is an unnatural condition and can easily be cured by making land, the people's heritage and the source of all wealth, available to industry and prospective home developers under attractive conditions, on a pay-as-

you-earn basis, without appeasement of speculators or by inflating the currency.

2. Inflation is a deliberate act of bankrupt governments. Inflation is taxation by stealth, which would be totally indefensible in a financially stable economy.

3. Taxation, "the power to destroy", is killing incentive and crippling the productive capacity of the Nation, condemning many to a life of idleness and temptation.

4. Only when *governments collect* the site rental value of land, which arises because of the presence and activity of all the people as a community, can the *destructive power of taxation* be abolished.

People can only congregate in cities, towns and smaller communities when governments provide the services essential to close settlement.

Such services therefore, create the land values which are the *Natural Revenue* of the State.

As population increases so the demand for public services increase and land rent rises accordingly to provide the additional revenue required.

5. Prices will steadily decline, except in labour intensive industries, with advancing technology, when taxes and monopolies are abolished, and as governments are reduced to their proper functions — releasing an army of public servants, many of whom are doing useless jobs, for useful and productive enterprise.

In short, we would take the *socially generated rent of land* which is sufficient for all necessary public revenue at all tiers of government, *abolish all taxation*, following and extending the practice of progressive local government which, at this time, applies for 80% of the rate revenue of Australia. This would make it unprofitable to withhold valuable land from use. No alteration to existing land titles is necessary.

In all Australian cities may be seen the blight of dilapidated buildings on valuable land, waiting for speculators to cash in when the time is "ripe" to provide a handsome unearned return at the communities' expense, most tax free.

There is no way that land can be put to its proper use without providing employment for labour and capital. Herein lies the permanent solution to unemployment in a land so richly endowed with natural resources as Australia.

No one, then, could live, without working, upon the labour of others, and all would be assured of the full value of their earnings.

Recommended Reading

Books available from Victorian or Western Australian Divisions (see p. 12), (cloth cover unless otherwise stated)

By Henry George:

| | |
|----------------------------------|---------|
| Progress and Poverty | \$8.00 |
| The Condition of Labour | \$5.00 |
| Social Problems | \$5.00 |
| A Perplexed Philosopher | \$8.00 |
| The Science of Political Economy | \$10.00 |

By Henry George, Junior:

| | |
|--------------------------|---------|
| The Life of Henry George | \$10.00 |
|--------------------------|---------|

By Rev. Wylie Young (paper cover)

| | |
|---------------------|--------|
| Antidote to Madness | \$4.00 |
|---------------------|--------|

By Graham Hart (paper cover booklets)

| | |
|-------------------------------|--------|
| The Choice | \$2.00 |
| Taxation the Power to Destroy | \$1.00 |

BAD TAX

Aren't virtually all taxes bad? No doubt, but the Bank Accounts Debit tax is especially so.

DISGUISED INCOME TAXES

We have referred to "indirect taxes" far too long, for they are actually "disguised income taxes".

People only accept them to the extent that they do simply, because they don't stop and think to call them by their proper name. All the "indirect taxes" are passed on — sales, payroll, excise, stamp duties, and so on. There is not one that isn't.

So the point the League should make is, not just as we do, that all these taxes are bad because they are a drag upon production and employment, that they are inflationary, and that they act against our ability to compete in overseas markets by raising our unit costs, but that they are *actually* "income taxes", *disguised* income taxes which fall almost entirely on middle and low incomes, so exacerbating the fraud of the "graduated income tax scale" which is purportedly there to collect tax in accord with "ability to pay".

To the ordinary Joe in the street, our usual arguments, as noted above, are just more of those economic propositions that are continually bandied about. Everyone has accepted the existence of and paid those taxes for decades, so anyone who says they are regressive, destructive, and should be done away with, is arguing against accepted practice, the Treasury, and every current political party. Why should he take any notice of us?

But if you demonstrated that they are in fact disguised forms of *income* tax, and it isn't hard, then I believe you just might give the old hip pocket nerve an acute bout of arthritis.

When one's attention is called to it, it is so obvious that it can't be avoided (or evaded!). But we have been letting the political parties get away with the individual names for all those taxes, and the overall term "indirect taxes" without objection. They should never, never be referred to by the League without being specifically named at the same time as "disguised income taxes".

If Georgists would refer to the "disguised income taxes" every time they opened their mouths on taxation, I think people would really start listening.

Political parties *have* to destroy the credibility of their opponents, to discredit them in the eyes of the public so that the public will vote *against* those opponents.

The League has to destroy the *credibility* of the *practice* of imposing "indirect" taxes. It has to be brought into *disrepute*, and the best way to do that is to call them what in fact they are. And to call them "disguised" — which is true — is to point the finger just by naming them.

The accusative first term or adjective linked with the hip pocket double alarm bell of "income" and "tax" might wake them quicker than a bucket of cold water.

J. Shergold.

MRS. B. DOWE

We regret to report the death of Mrs. Bess Dowe, wife of our Sydney colleague, Arthur Dowe, and a long-term supporter of our cause. Those who attended the summer week-end conferences in Sydney over the years will remember Mrs. Dowe with warm feeling. Our deep sympathy is conveyed to Arthur in his loss.

MEMBERS' DISCUSSION NIGHT

On July 28, Mr. Noel Wigmore led the discussion on the nature of rent. A worthwhile evening was held. Readers are encouraged to attend these gatherings and gain a clearer understanding of basic Georgist ideas.

PROPORTIONAL REPRESENTATION

Methods of Counting the Votes

As voters will be aware the method of counting the votes for the Senate and House of Representatives is quite different. In the Lower House there was not just one election — there were in fact 125. Messrs. Hawke and Fraser were both striving to win 63 elections. As it happens Mr. Hawke and the A.L.P. won 75 and Mr. Fraser and the coalition one vote each in Parliament. It may happen that the coalition won 50. Mr. Hawke could claim victory, not because he won more votes in the country, but because his party supporters won more electorates.

It is quite possible to win more votes but not win more seats at a Federal Election. In both 1961 and 1969 it is generally conceded that the A.L.P. won more votes on a two-party preferred basis than did the coalition parties although they did not win more seats. There are several reasons for this happening.

Each party has very safe electorates: they win by large margins. In our most recent election the A.L.P. won the seats of Gellibrand, Lalor and Wills by margins of about 30,000 while the Coalition won Mallee and Murray by about 25,000. However, the margin does not matter, Barry Jones may have won Lalor by 30,000 and John Mildren has only won Ballarat by 11,000, they are treated equally as one vote each in Parliament. It may happen that the A.L.P.'s easy and narrow wins will be balanced by just as many easy and narrow wins for the Liberal National Party. However, this does not always happen — it did not in 1961, 1969 nor in 1980. In the 1980 election the coalition parties narrowly outscored the A.L.P. in votes but in the House they had a huge twenty-one seat majority. This was caused by an inordinately large number of narrow victories in coalition electorates.

It is a pure co-incidence if these narrow wins and losses balance out in any election.

The system of single-member electorates means that most political activity is concentrated in swinging seats.

There was considerable speculation in the lead up to the most-recent poll that the A.L.P. was pulling big swings in its safe electorates and was only getting a small swing in marginal electorates. As it turned out such was not the case and a large number of electorates changed hands.

The system of single-member electorates means that most political activity is concentrated in swinging seats. How many times did either Mr. Fraser or Mr. Hawke visit Port Melbourne, Toorak or Mildura? Safe electorates did not merit a visit by Party Leaders because it was not considered that they would change from one party to another. The election was decided in marginal areas such as Frankston, Croydon and Bendigo and it is an unfortunate fact of life that the Western suburbs of Melbourne are irrelevant to the political process. While the Liberals are in power these A.L.P. areas are not needed — the Liberals merely have to look after their own marginal areas. The Liberals don't have to worry about safe electorates such as Higgins and Corangamite — who has ever heard of the people of Toorak or Colac voting Labor? Similarly the A.L.P. will now concentrate its efforts on its marginal electorates (the same seats that were Liberal marginals before the last election). So now Higgins and Corangamite are irrelevant — Labor has a majority without winning those seats and they can also take Melbourne Ports and Lalor for granted. When the electoral system is based on single-member electorates

then winning and holding marginal seats is the path to success.

In the Senate we have a quite different system of scoring the election. A single election is held throughout each State and ten people are elected in one ballot. How can ten people win one ballot? It is based on the quota-preferential system. Candidates are elected if they earn a quota of the votes cast. A quota is determined by the formula.

Formal Votes

$$\frac{\text{No. to be elected} + 1}{11}$$

With ten to be elected, that means that the 100% of the votes are divided into eleven parts. That means that just one vote more than one-eleventh of the total vote elects a candidate. In the case where a team of candidates contests the election two-elevenths will elect two candidates from the team, three-elevenths selects three . . . and so on.

An Argument for Proportional Representation in the Lower House

The Senate method ensures that each group or party is represented in the same proportion as the votes they earned. This does not always happen with single member electorates. In the last election if we take the figures in Victoria we notice that the National Party scored 4.7% of the vote while the Democrats scored 5.7%. Yet the Nationals scored 3 members while the Democrats did not score any. In the previous election the Democrats scored 8.2% while the Nationals scored 4.9% and still the Democrats did not elect a single member of the House of Representatives. With single-member electorates it is a pure co-incidence if seats won is in proportion to votes obtained. The reason for the above anomaly is that the Democrats can score a reasonable — but losing score in all electorates. In Toorak, Port Melbourne or Mildura the Democrats score 5%-10% of the vote, but nowhere do they score 50% of the vote.

The National Party score 0% in Toorak and Port Melbourne but over 50% in three electorates. So we find that demographical accident the National Party has a strong voice in the Lower House while the Democrats, with a higher vote, remain unrepresented. It could be facetiously suggested that if Don Chipp could get all his Democrat supporters to live in concentrated areas, they would have enough votes to elect up to five members of the House of Representatives. While they remain evenly spread throughout the State, they have no hope of getting members into the Lower House (unless of course we change the voting system).

In a country which hopes to maintain an effective set of democratic parliamentary institutions it is important that we act to see that every person feels that their vote does count . . . A move to proportional representation seems to be the only means to see that achieved.

The Proportional Representation system is used widely throughout Australia: The Senate, the Upper Houses of both S.A. and N.S.W. and the Lower House in Tasmania. In Europe it is used, particularly in West Germany, where the "Greens" party was successful in gaining members under this system. If the P.R. system was to be adopted for the House of Representatives this would ensure that parties win seats in proportion to the votes they obtain and that political activity occurred over all areas.

LAND VALUE TAXATION DOES NOT COLLAPSE

It is with regret that I make these comments. It is a tragedy that some prominent Georgists occasionally deliberately raise and sometimes emphasize a matter which is very divisive to our movement.

I refer to the continued criticism of Henry George's prime recommendation, his sovereign remedy for our economic problems, namely "the abolition of all taxation save that on land value". I am stirred to the defence of this proposition by Mr. Hart's article ("Progress", June '83).

Let's not worry much about the silly semantic discussion on "laxation", other than to mention that although undoubtedly many people dislike paying taxation, they regard it as meaning "revenue", rather than a penalty. People who pay rent also dislike paying it. It makes little difference whether the payment is called rent, fee, charge, tax, rate, or whatever. It is the justice, practicality and economic soundness of the basis of payment which is important. How we explain our case is crucial, not the superficial name.

But far more important than the semantics, is the tragic quite unjustified criticism of site value taxation as a method of collecting rent for revenue, and the absolutely false claim that it "will collapse". The criticism is surprising because this false claim often comes from people who are working conscientiously and strenuously to replace other forms of taxation by site value taxation, both in local government and at State level.

Yet the absurd suggestion is made that as rates of site value taxation are raised to a high level, a stage will be reached when the land price will "recede to zero". To substantiate that claim, the claimant must say at what rate of cents in the dollar the land price will become zero.

Henry George was a very wise person. What did he propose? Firstly, that the site tax rate be increased till all other taxes were replaced — which was quite possible in his time. Then he advocated increasing it further to take, NOT the "full" rent, but close to it.

Quotation ("Progress and Poverty", Book VIII, Chap. 2): "Nor to take rent for public uses is it necessary that the State should bother with the letting of lands, and assume the chances of favoritism, collusion and corruption this might involve" (—cf. Canberra, S.C.G.). "It is not necessary that any new machinery should be created. The machinery already exists. Instead of extending it, all we have to do is simplify and reduce it. By leaving the land owners a *percentage of rent* which would probably be much less than the cost and loss involved in attempting to rent lands through State agency . . . we may . . . assert the common right to land by taking rent for public uses."

It is not clear what percentage George would have allowed to be retained by the land owner, but presumably something like 5 to 10%. To do that, a site value tax rate of from 50 to 100 cents per dollar would be required. That is entirely practical, because it has been done!

To talk about collecting the "full rent" is nonsense. There is no such thing as the "exact full rent". It is a useful theoretical concept, but not determinable as an intrinsic figure. If a dozen expert valuers are asked to individually determine either rent or land price, it could well be expected that their estimates would range from minus 5% to plus 5% of their average figure. Not only that, but the worth of the site varies from month to month, from season

to season, for all sorts of reasons.

Admittedly as the price of sites approaches a low level, say 10% of what they are now, it does get more difficult to assess them. But it is easier to do that than to assess rent, because there is no rent market available for observation. If the rent is being collected on some site now at a given amount, how does the rent collector know whether to raise the rent at some later date? The usual reply is that people will bid to obtain sites. But what happens in the real world? No rational person offers more rent to government, if he is seeking a permanent licence to occupy. It does not happen in Canberra. One offers to buy the licence from the present holder; that is, one offers an amount in excess of the value of the improvements, the extra amount being land price.

Georgists must be practical. If we can steadily move in a civilized way to obtaining roughly 85-95 of "theoretical" rent for revenue, we will have achieved a steady move towards about 90% justice, which is about as good as we can expect; and far better than the 20% of land justice we have now. Of course in some countries, justice in land owning is close to zero.

Of course we should advocate site rent for revenue, but it is contrary to common sense to say that land value taxation cannot collect site rent in an entirely practical way to as close to the "full rent" as is reasonably possible.

To tax more severely than that puts the site holder on the edge of being rack-rented and to be made bankrupt and forced off the site.

Let's please have no more derogatory remarks about site value taxation. Such criticism is unjustified, divisive, and time wasting.

Any steady increase in site taxation acts as an incentive to economic activity and prosperity and justice, and it must be accompanied by the reduction of unjust uneconomic taxes.

S. S. Gilchrist.

A TALE THAT IS TOLD

In the German Democratic Republic they tell the story about a weary old man who tries to gain entrance into the Red Paradise. A Communist Archangel holds him up at the gate and severely cross-questions him:

"Where were you born?"

"In an ancient bishopric."

"What was your citizenship?"

"Prussian."

"Who was your father?"

"A wealthy lawyer."

"Married? Who was your wife?"

"The daughter of an aristocratic Prussian officer and the sister of a Royal Prussian Minister of the Interior who persecuted the Socialists."

"Awful. And where did you live mostly?"

"In London."

"Hm, the colonialist capital of capitalism. Who was your best friend?"

"A manufacturer from the Ruhr Valley."

"Did you like workers?"

"Not in the least. Kept them at arm's length. Despised them."

"What did you think about Jews?"

"I called them a money-crazy race and hoped that they would vanish from the Earth."

"And what about the Slavs?"

"I despised the Russians."

"You must be a fascist! You even dare to ask for admission to the Red Paradise — you must be crazy! By the way, what's your name?"

"Karl Marx."

TAXES

ESTIMATED TAX COLLECTIONS FOR YEAR ENDED 30/6/83

| | Million Dollars | Notes |
|------------------------------------|-----------------|-------|
| PAYE Tax | 18973 | 1 |
| Company Tax | 5000 | 1 |
| Personal Income Tax | 4373 | 1 |
| Sales Tax | 3629 | 1 |
| Crude Oil Tax | 3287 | 2 |
| Payroll Tax | 2807 | 1, 5 |
| Import Taxes | 2167 | 2 |
| Local Government Property Tax | 1718 | 6 |
| Stamp Duty | 1576 | 1, 5 |
| Petroleum Products Tax | 1331 | 2 |
| Motor Taxes | 1188 | 3, 5 |
| Beer Tax | 1128 | 2 |
| Tobacco Tax | 837 | 2 |
| Land Tax | 340 | 6 |
| State Lottery Taxes | 292 | 6 |
| State Racing Taxes | 267 | 6 |
| Business Franchise Taxes | 267 | 6 |
| Special (Retrospective) Tax | 255 | 1 |
| State Liquor Tax | 231 | 6 |
| Withholding Tax | 231 | 6 |
| State Poker Machine Taxes | 153 | 6 |
| Wool Tax | 143 | 3 |
| Offshore Petroleum Royalties | 141 | 3 |
| Potable Spirits Tax | 131 | 2 |
| Dairy Stabilisation Levy | 86 | 3 |
| Bank Transactions Tax | 80 | 1 |
| Coal Exports Tax | 77 | 2 |
| Rates (ACT) | 51 | 3 |
| Departure Tax | 40 | 1 |
| Wheat Levy | 39 | 3 |
| Livestock Slaughter Levy | 37 | 3 |
| TV Broadcasting Licence Fees | 34 | 3 |
| Stevedoring Industry Levy | 21 | 3 |
| Poultry Industry Levy | 20 | 3 |
| Passport Fees | 17 | 3 |
| Livestock Export Inspection Charge | 14 | 3 |
| Dried Vine Fruit Levy | 14 | 3 |
| Uranium Royalties (NT) | 14 | 3 |
| Dairy Research Levy | 7 | 3 |
| Misc. Excise Taxes | 6 | 2 |
| Liquor Licence Fees (ACT) | 4 | 3 |
| Export Meat Inspection Charges | 4 | 3 |
| Radio Broadcasting Licence Fees | 3 | 3 |
| Fishing Licences (Federal) | 3 | 3 |
| Wheat Tax | 3 | 3 |
| Pig Slaughter Levy | 3 | 3 |
| Export Grain Inspection Charges | 2 | 3 |
| Bond Store Licence Fees | 2 | 3 |
| Misc. Export Inspection Charges | 2 | 3 |
| Canned Fruit Levy | 1 | 3 |
| Estate Taxes (federal) | 1 | 1 |
| Building Inspection Tax (federal) | 1 | 3 |

| | | |
|--------------------------------|-------|---|
| Apple and Pear Levies | 1 | 3 |
| Livestock Export Research Levy | 1 | 3 |
| Tobacco Charge | 1 | 3 |
| Wine Grapes Levy | 1 | 3 |
| Fish Export Inspection Charges | 1 | 3 |
| TOTAL TAXES | 51056 | |
| Other receipts | 7674 | |
| TOTAL RECEIPTS | 58730 | 6 |
| EXPECTED DEFICIT | 8409 | 6 |

- Notes: 1. Budget Paper No. 5 1982-83 Table 3 p. 11.
 2. Budget Paper No. 5 1982-83 Tables 4 p. 12.
 3. Budget Paper No. 5 1982-83 Table 5 p. 13-26.
 4. Government Financial Estimates 1982-83.
 ABS No. 5501.0 p. 10.
 5. Government Financial Estimates 1982-83.
 ABS No. 5501.0 p. 8.
 6. Taxation Revenue Australian 1982-82.
 ABS No. 5506.0.

"(Commonsense"), June 1983.

"The Coming Chaos" by Dr. George Hardy.

Reform Publishing Co. Deals with: Our Devious System of Income Redistribution. The Cost of Industrial Disputes. "Dead-end" Solutions. "Consistent" Liberalism. The Costly Consequences of Privilege. 200 pages. \$10 + approx. \$1 postage. Highly recommended.

MEETING ADDRESSED

A seminar of post-graduate accountancy students at the Royal Melbourne Institute of Technology was taken by Mr. G. A. Forster on August 16, concerning Georgist revenue policies.

continued from page 4

I mentioned earlier that many areas in safe electorates are considered irrelevant to both major parties. Under P.R. that would not be the case. In Victoria, the 33 seats could easily be divided into four 7-member electorates and one 5-member electorate. One electorate would cover 7 safe A.L.P. electorates in Melbourne's Western and Northern suburbs. Every 12.5% of the vote would elect a member with the likely split being 5 A.L.P., 2 Liberals. If a Liberal Government worked hard for the Western suburbs they could improve their vote to perhaps achieve a 4 A.L.P.-3 Liberals split — although they may not win a single victory in single member electorates. It would mean that there was a Liberal presence in the A.L.P. area. Those Liberal members would have to answer to their electorates for any actions of a Liberal Government. The same thing would happen in reverse in safe Liberal areas such as the Higgins, Kooyong area or in the country where the A.L.P. is generally weak and would never expect to win any single-member electorates.

DATES

Thurs., Sept. 29, 8.00 p.m. Film/Slide Night.
 Thurs., Oct. 27, 7.30 p.m. Discussion Night.
 Thurs., Nov. 24, 7.30 p.m. Discussion Night.
 (Meetings at Hardware St. unless otherwise mentioned.)

THE CHALLENGE OF HENRY GEORGE

By Warren Samuels

Dr. Warren Samuels is professor of economics at Michigan State University, East Lansing.

Two important issues in the study of the ideas of Henry George and their reception by his and later generations have been raised in the investigations of Aaron Fuller, Gene Wunderlich and Terence Dwyer: the legitimacy of George as an economist and the significance of his analysis for economics.

Let me begin with Fuller's correct assessment of some or much of George's writing as hyperbole. If we mean by hyperbole that an argument is over-stated, that excessive claims are made, then surely George's characterization of the moral and social regeneration to be expected from the single tax qualifies:

"The sterile waster would clothe itself with verdure, and the barren places where life seemed banned would ere long be dappled with the shade of trees and musical with the song of birds. Talents now hidden, virtues unsuspected, would come forth to make human life richer, fuller, happier, nobler . . . They need but the opportunity to bring them forth.

Consider the possibilities of a state of society that gave that opportunity to all. Let imagination fill out the picture; its colours grow too bright for words to paint. Consider the moral elevation, the intellectual activity, the social life."

Conventional Economics

But lest we denigrate George unduly, let us consider the hyperbole embedded in conventional practices in economics. First, limiting assumptions are used, and conclusions are drawn and then extended beyond the reach permitted by the assumptions. Second, partial equilibrium solutions are used as proxies for general equilibrium solutions. Third, as with Say's Law and the Coase Theorem, there is casuistic manipulation of assumptions to maintain the ostensible integrity of certain desired conclusions.

George's immodesties are obvious; those found in more orthodox economic analysis are more subtle and recondite, but no less present and significant. Hyperbole lies without deceiving, Macaulay said, but our kind deceives even ourselves.

Why has George's legitimacy as an economist been an issue? He clearly had mastered economics as it stood in the 1870's that is, principally, classical economics. The original definition of an economist "one who is conversant with, or a student of, economics (the science)" is more inclusive, but the more recent use of the term "one versed in the science of economics" includes George, even if it should, regrettably, exclude one or two of his critics. George actually was quite conservative; he largely accepted classical economics, and his theory of economic policy gave effect to the values of an industrial capitalist system.

But in our time there is another sense in which the term 'economist' is used: to designate the members of a profession which, by its research, adds to the body of economic science; or, by applying the science, develops advice for decision-making on economic problems for government and business executives and legislators as well as private individuals; or, by teaching in academic settings, trains the next generation of men and women to qualify for the designation under one or another of its rubrics. The

question of George's qualification for the designation arises because he ran up against the arrogance, hubris, and entry barriers of a newly professionalizing discipline.

Unsafe

But it is not only professional snobbishness that must be called to account. George also was perceived as unsafe. Although he believed that his policies would extend and strengthen individualism and the system of nonlanded property, others, sensitive to any challenge to established property rights and to policies seemingly socialistic (George thought his policies would prevent socialism), considered his proposals anathema. Many believed he opened the door to even worse change, although the threat to landed fortunes was serious enough in some eyes. George, accordingly, was and has been suspect as an economist because he was a professional outsider (as the profession came to define itself) and because he raised issues which many believed it dangerous to associate with economics.

Even so heterodox an economist as Simon Nelson Patten would restructure economic theory to render it immune from dangerous conclusions such as those offered by George:

"... economic doctrine must be recast so that it would rest wholly on present data. It will not accept socialism; and to free itself from the snares into which it has fallen through the careless statements of its creators, it must isolate itself more fully from history, sociology and other disciplines that give undue weight to past experience".

The central theme of Georgian positive economics is clear and significant: the structure of individual opportunity sets has been formed, to an important degree, through the evolution of landed property as an institution, and the distributors of income and wealth (as well as other facets of economic performance) reflect, in part, the identification and assignment of real property rights.

George raised two fundamental policy issues: 1) he questioned the terms of access to and use of land as channelled by real property and other rights, and 2) he asked whether the institution of landed property then extant was anachronistically suited to the enjoyment and wealth of some as contrasted with all individuals.

Anathema

Whatever one's formative views on these matters, the positive analysis and the policy questions are fundamental. Both were anathema to an establishmentarian perspective once any actual or potential conflict between landed and nonlanded interests had been resolved.

The famous controversy between George and Francis A. Walker over the interpretation of data from the census of 1890, recalled by Wunderlich, is significant in precisely this regard. Data on landholding and their interpretation were important to both the analysis and the critical question of policy, for the data would help define reality and influence the probative value of alternative policy premises. The distribution of land ownership and the trends therein are important and certainly were deemed so by most parties to the controversy.

Wunderlich, therefore, is absolutely correct in identifying the importance for policy analysis of 1) specifications of universe and of unit of observation and 2) data con-

struction per se with regard to all "facts" pertaining to land. Manipulation of such "technical" matters could and did influence people's definition of reality.

George challenged the value system associated with landed property as it then existed as a pre-eminent institution in American society. In doing so, he also challenged both the theory and data construction upon which important areas of economic analysis rested. To a very large extent, the discipline of economics has sidestepped George's

questions.

It is ironical to note, as Dwyer does, that in pressing these challenges George anticipated some of the developments of modern economics. We honor some of his contemporaries with the mantle of the profession for less. Perhaps it is fitting, now that a century has passed, that we answer George's questions in our fashion.

The Good Society, (U.S.), May 1983.

BOOK REVIEW

"The Broken Trust" By Edgar Buck.
Land and Liberty Press, London, 1983
(ISBN 0 907444 08 3)

Edgar Buck is one of the small band of British Georgists who between them are producing a stream of thought-provoking books and booklets for our times (Vic Blundell, Shirley-Anne Hardy, Fred Harrison and the MacMurchies are others who spring immediately to mind). His *Anatomy of Industrial Depressions* (1974, revised 1979) was prophetic in anticipating the current world wide recession. Once again Buck directs his writing to a British audience. While drawing some evidence from abroad and much from British history — the first half of his book is an historical survey — to illustrate and support his arguments. He takes as his starting point the present economic recession and goes on to expose, as its cause, "the great breach of trust in the world and suggest(s) the path necessary to restore the trust property to the rightful beneficiaries". (p.6). The path, for Buck, is the taxation of land values. As to the method, he writes:

"(It) would be a simple process which would use the existing taxation machinery and retain the present land titles and registration arrangements. The tax would be applied gradually, giving ample time for adjustment, starting at a low rate of land tax and increasing periodically, but immediately breaking the (land) monopoly by the application of the tax. There would be regular reassessments . . ." (p.57).

There is much in this book with which experienced Georgists will be familiar (including a side-step, like Henry George's, around what might be meant by "a tax . . . introduced gradually, increasing until nearly all the economic rent was taken") but there are insights which this review has not seen previously in contemporary Georgist writing. For example, in criticising rural land reform programs in the third world, Buck points out that:

"the grant of land to peasants does not take account of the position of the town dweller and others who do not own or work land but who are as truly contributing to land rent as their country brethren. Nor does it take account of the generations yet unborn . . ." (p.50).

For Australian readers the book is useful in bringing the history of the politics and political economy of land in Britain up to date with a critical of Legislative developments up to the first Thatcher government.

Buck has produced another sound treatise on political economy which centres on the land problem in a readable form. His preference for a "land value taxation" approach (rather than "rent for revenue") puts him and this book firmly in the mainstream of British Georgism.

Although this book will find a limited readership in Australia its structure may bear close examination. This reviewer is one of the many Georgists who are ever on the lookout for a brief but competent work to put into the hands of someone whose appetite for Georgism has just been whetted. A book along the lines of *The Broken Trust*, with its historical survey of land tenure and rent appropriation interspersed with brief chapters of theory, and written for Australian conditions may be, in some cases, just the thing.

Keith Thomas.

Note: A copy is available in the library at 31 Hardware St.

MAN AND THE EARTH

Dear Canon James,

I refer to your interesting article in the "Sunday Press" for 10th July 1983 and fully identify with your concern over the inner city crisis.

I would take the issue with one statement you made in your article concerning the overcrowding of cities is due to the "population explosion".

This canard was fully exploded in Professor Julian Simon's recent masterly thesis "The Ultimate Resource".

If your commission is to have any positive impact on the inner city urban crisis, which is fundamentally one of the just distribution of wealth, it must first of all clarify its definitions and deal with the matter of social justice.

In a recent "Sunday Press" exercise, the Church of England has been outlined as itself being at odds over the redistribution of resources between the wealthy rural dioceses based on glebe land rentals and the deprived inner city dioceses stripped of any land interest not absorbed by the Church Commissioners.

Until this most fundamental relationship between man and the earth is satisfied in accordance with divine law (Leviticus, ch. 25), no permanent resolution to the inner city crisis can be faced.

A combination of the four gospels, the call for the redeemer in Isaiah and the just application of the land laws of the Hebrews would in fact usher in social justice on a global scale. Until that nettle is grasped, any social message of any church is bound to fall on stony ground, the ground which has been alienated by private rental.

H. I. Meyer, South Kensington, U.K., private letter.

MRS. NELL PITT

We regret to report the death of Mrs. Nell Pitt, wife of our Victorian President, Mr. Bill Pitt, after a long illness. Victorian Georgists will remember Nell Pitt as a quiet, gracious, serene lady. Our deep sympathy is conveyed to our colleague and his family in their loss.

THE CONCLUDING CHAPTER OF "SOCIAL PROBLEMS"

We present herewith the final chapter of Henry George's "Social Problems", published in 1883. It is hoped that this extract, as well as the passage published several months ago, will encourage readers to study the entire book, copies of which are available from 31 Hardware Street, Melbourne.

CONCLUSIONS

Here, it seems to me, is the gist and meaning of the great social problems of our time: More is given to us than to any people at any time before; and, *therefore*, more is required of us. We have made, and still are making, enormous advances on material lines. It is necessary that we commensurately advance on moral lines. Civilization, as it progresses, *requires* a higher conscience, a keener sense of justice, a warmer brotherhood, a wider, loftier, truer public spirit. Failing these, civilization must pass into destruction. It cannot be maintained on the ethics of savagery. For civilization knits men more and more closely together, and constantly tends to subordinate the individual to the whole, and to make more and more important social conditions.

The social and political problems that confront us are darker than they realize who have not given thought to them; yet their solution is a mere matter of the proper adjustment of social forces. Man masters material nature by studying her laws, and in conditions and powers that seemed most forbidding, has already found his richest storehouses and most powerful servants. Although we have but begun to systematize our knowledge of physical nature, it is evident she will refuse us no desire if we but seek its gratification in accordance with her laws.

And that faculty of adapting means to ends which has enabled man to convert the once impassable ocean into his highway, to transport himself with a speed which leaves the swallow behind, to annihilate space in the communication of his thoughts, to convert the rocks into warmth and light and power and material for a thousand uses, to weigh the stars and analyse the sun, to make ice under the equator, and bid flowers bloom in northern winters, will also, if he will use it, enable him to overcome social difficulties and avoid social dangers. The domain of law is not confined to physical nature. It just as certainly embraces the mental and moral universe, and social growth and social life have their laws fixed as those of matter and of motion. Would we make social life healthy and happy, we must discover those laws, and seek our ends in accordance with them.

I ask no one who may read this book to accept my views. I ask him to think for himself.

Whoever, laying aside prejudice and self-interest, will honestly and carefully make up his own mind as to the causes and the cure of the social evils that are so apparent, does, in that, the most important thing in his power toward their removal. This primary obligation devolves upon us individually, as citizens and as men. Whatever else we may be able to do, this must come first. For "if the blind lead the blind, they both shall fall into the ditch."

Social reform is not to be secured by noise and shouting; by complaints and denunciation; by the formation of parties, or the making of revolutions; but by the awakening of thought and the progress of ideas. Until there be correct thought, there cannot be right action; and when there is correct thought, right action *will* follow. Power is always

in the hands of the masses of men. What oppresses the masses is their own ignorance, their own short-sighted selfishness.

Education

The great work of the present for every man, and every organization of men, who would improve social conditions, is the work of education — the propagation of ideas. It is only as it aids this that anything else can avail. And in this work every one who can think may aid—first by forming clear ideas himself, and then by endeavouring to arouse the thought of those with whom he comes in contact.

Many there are, too depressed, too embruted with hard toil and the struggle for animal existence, to think for themselves. Therefore the obligation devolves with all the more force on those who can. If thinking men are few, they are for that reason all the more powerful. Let no one imagine that he has no influence. Whoever he may be, and wherever he may be placed, the man who thinks becomes a light and a power. That for every idle word men may speak they shall give an account at the day of judgment, seems a hard saying. But what more clear than that the theory of the persistence of force, which teaches us that every movement continues to act and react, must apply as well to the universe of mind as to that of matter. Whoever becomes imbued with a noble idea kindles a flame from which other torches are lit, and influences those with whom he comes in contact, be they few or many. How far that influence, thus perpetuated, may extend, it is not given to him here to see. But it may be that the Lord of the Vineyard will know.

Role of Women

As I said in the first of these chapters, the progress of civilization necessitates the giving of greater and greater attention and intelligence to public affairs. And for this reason I am convinced that we make a great mistake in depriving one sex of voice in public matters, and that we could in no way so increase the attention, the intelligence and the devotion which may be brought to the solution of social problems as by enfranchising our women. Even if in a ruder state of society the intelligence of one sex suffices for the management of common interests, the vastly more intricate, more delicate and more important questions which the progress of civilization makes of public moment, require the intelligence of women as of men, and that we never can obtain until we interest them in public affairs. And I have come to believe that very much of the inattention, the flippancy, the want of conscience, which we see manifested in regard to public matters of the greatest moment, arises from the fact that we debar our women from taking their proper part in these matters. Nothing will fully interest men unless it also interests women. There are those who say that women are less intelligent than men; but we will say that they are less influential?

And I am firmly convinced, as I have already said, that to effect any great social improvement, it is sympathy rather than self-interest, the sense of duty rather than the desire for self-advancement, that must be appealed to. Envy is akin to admiration, and it is the admiration that the rich and powerful excite which secures the perpetuation of aristocracies. Where tenpenny Jack looks with contempt upon ninepenny Joe, the social injustice which makes the

masses of the people hewers of wood and drawers of water for a privileged few, has the strongest bulwarks. It is told of a certain Florentine agitator that when he had received a new pair of boots, he concluded that all popular grievances were satisfied. How often do we see this story illustrated anew in working-men's movements and trade union struggles? This is the weakness of all movements that appeal only to self-interest.

Rights of Others

And as man is so constituted that it is utterly impossible for him to attain happiness save by seeking the happiness of others, so does it seem to be of the nature of things that individuals and classes can only obtain their own just rights by struggling for the rights of others. To illustrate: When workmen in any trade form a union, they gain, by subordinating the individual interests of each to the common interests of all, the power of making better terms with employers. But this power goes only a little way when the combination of the trade union is met and checked by the pressure for employment of those outside its limits. No combination of workmen can raise their own wages much above

the level of ordinary wages. The attempt to do so is like the attempt to bail out a boat without stopping up the seams. For this reason, it is necessary, if workmen would accomplish anything real and permanent for themselves, not merely that each trade should seek the common interests of all trades, but that skilled workmen should address themselves to those general measures which will improve the condition of unskilled workmen. Those who are most to be considered, those for whose help the struggle must be made, if labor is to be enfranchised, and social justice won, are those least able to help or struggle for themselves, those who have no advantage of property or skill or intelligence—the men and women who are at the very bottom of the social scale. In securing the equal rights of these we shall secure the equal rights of all.

Hence it is, as Mazzini said, that it is around the standard of duty rather than around the standard of self-interest that men must rally to win the rights of man. And herein may we see the deep philosophy of him who bade men love their neighbours as themselves.

In that spirit, and in no other, is the power to solve social problems and carry civilization onward.

TRIBUTES TO HENRY GEORGE

Finally we may remind ourselves that any reappraisal of George, whenever made, must end as it must begin, in reverent regard for the one quality which most conspicuously sets him off against the background of the society he lived in — the quality of simple human goodness. He was one of the greatest of philosophers, and the spontaneous concurring voice of all his contemporaries acclaimed him as one of the best of men. Erasmus made it a mark to true Christians that they should be so blameless as to force infidels to speak well of them, and this George was. In the midst of an evil and perverse generation he walked worthily; in a welter of the worst passions and the meanest prejudices he remain innocent, sincere, steadfast. He is with Marcus Aurelius as "one of those consoling and hope-inspiring marks which stand forever to remind our weak and easily-discouraged race how high human goodness and perseverance have once been carried, and may be carried again." In time to come, the elite of mankind shall say, "It was a society which did only what was right in its own eyes. Its works and ways bore only the mark of Rimmon upon them; the people took up the tabernacle of Moloch and Chiun, their images; they followed the star of their god Remphan. Yet there were some who were incorruptible, who were incorruptible, who walked not after strange gods; their eye was single; and one of them was called Henry George."

Alfred Jay Nock, 1939.

It would require less than the fingers of two hands to enumerate those who, from Plato down, rank with Henry George among the world's social philosophers.

No man, no graduate of a higher educational institution, has a right to regard himself as an educated man in social thought unless he has some first-hand acquaintance with the theoretical contribution of this great American thinker.

John Dewey, Professor of Philosophy,
Columbia University.

PRESS LETTER OF INTEREST

BRITISH VOTING SYSTEM

Malcolm Mackerras reveals a perverse set of democratic values in his comments on the British election results (*The Canberra Times*, June 11). The great virtue of the first-past-the-post system, he claims, is that it produces a "clear-cut result".

That clear-cut result has returned a party to power notwithstanding the majority of British voters who preferred an alternative party. More often than not, the British electoral system produces governments lacking majority support in the electorate and has, twice in the past 32 years, enabled a party to form a government with fewer votes than its major opponent.

In the last four elections it has also grossly under-represented a significant proportion of the electorate who chose to vote for a third party. Had some form of proportional representation been operative in this election, it is quite possible that Mrs. Thatcher would now be adjusting to her new role as Leader of the Opposition.

All this in exchange for a system that produces a clear-cut result? But it doesn't even guarantee this supposed benefit, as the February, 1974, election demonstrated. In terms of representative government, the indictment against the British system is a serious one. It is illegitimate, not virtuous.

Mackerras's second justification is that the British system "makes for a sensible system of contact between voters and Members". But I fail to see what is sensible in a system that forces, on average, 65,000 voters to be dependent on one person for their contact with Parliament — a person whom, in many constituencies, a majority of voters would prefer not to be their representative. At least proportional representation (achieved through multi-member constituencies) would give the voter a choice in whom to contact.

But what of the argument that the inequities in the results are justified on the grounds that alliance voters in Worthing didn't really want either an alliance government or the alliance to replace Labour as the Opposition Party? What they were doing, Mackerras argues, was sending a message to Labour to move to the centre.

Now, I can't claim to read the minds of some 17,000 voters 12,000 miles away, but past election returns from Worthing show quite evidently that Worthing voters don't care much about what happens to the Labour Party, and didn't even when Labour was a centrist party. In the three elections prior to this one, the Liberal Party ran second in Worthing, consistently picking up nearly double the meagre Labour vote.

I must defer to Mr. Mackerras's professional expertise in this area, but isn't there just a possibility that alliance voters in Worthing actually voted alliance because they liked what it had to offer? On this one, Mr. Mackerras may have got it wrong.

Col Rainborough, Aranda, "Canberra Times", 11-7-83.

PRIVATE ENTERPRISE v FREE ENTERPRISE

Unlimited Government, as opposed to limited government, presents an irresistible opportunity for certain business groups (and also special interest groups) to strive for dominance in their sphere of influence.

It is not widely realised that, contrary to popular press reports and contrary to popular belief, Australia's insurance companies are *not* up in arms against Federal Labour Government raids on Superannuation Funds.

The Government is choosing as an object for its attack lump sum capital payments which will attract a hefty tax. This means that, in addition to taking a cut of existing lump sum payments the taxation department pushes people to take their Superannuation payment in the form of a taxable pension, or other scheme such as an annuity.

This benefits insurance companies providing Superannuation schemes, who must favour pension arrangements in periods of inflation: a lump sum payment is worth more than the equivalent pension the value of which dwindles with time. They also retain the use of funds when they do not have to make an immediate pay out and maintain a longer administrative role. Also, new legislation means new business, from Superannuation Fund managers and individuals who are anxious to obtain maximum benefits in the light of these changes.

Recently, in fact, I was told by a contented insurance executive that insurance companies have backed the 30% tax on Superannuation payments for just these reasons and support the present government in its moves. A new set of superannuation scheme policies (not necessarily named as such) are "ready to roll and have been ready for months". He told me: "We'll make a killing in the market-place."

Once more, government policy, which attempts to rectify inequalities arising from already excessive and complex legislation, is working against those members of the community who can least afford it, in this case those retiring in old age from gainful hard work.

Profit-making is an honourable occupation; however collusion between government and particular business interests at the expense of a portion or a majority of the community must be unacceptable.

The exploitation of government by powerful private interest, in contravention of any of the ideals of democracy, sadly gives "capitalism" a bad name and sharpens the distinction between "private enterprise" and "free enterprise".

Russell von Astel, "Optimism", June 1983

MEMBERS OF PARLIAMENT: THEIR READING

Been thoroughly covered in Britain. In 1906 W. T. Stead sought to find what newly-elected British Labour MPs read and discovered that the most significant book was the Bible and the most significant authors were Ruskin, Dickens, George, Carlyle, Mill, Scott, Shakespeare and Bunyan.

In 1962 New Society duplicated the research and found that Shaw, Wells, Cole, Marx, Tawney, Blatchford, Morris and Laski were the most frequently read authors. University of Southampton researchers returned to the subject in 1975 and found that by then the most significant authors, according to Labor MPs, were Marx, Tawney, Shaw, Bevan, Wells, Crosland, Galbraith, and Laski. Most influential journals were the New Statesman, Economist, Tribune, New Society, Labour Weekly and the Spectator.

While no survey of Tory MPs was done in either 1902 or 1962, New Society surveyed Tories in 1975. They found

the range of books mentioned was larger than for Labour MPs, although the most mentioned authors were Churchill, Disraeli, Burke, Hailsham, Hayek Mill, Macmillan, Gibbon, the 'classics' and Marx. Magazine readership was similar to that of Labour MPs, although The Economist replaced the New Statesman as the most influential.

In Australia in 1906 The Worker undertook an investigation into what prominent Laborites read and cited Fabian Essays, Progress and Poverty, Merrie England, History of Trade Unionism, Capital and Sinclair's The Jungle. L. F. Crips followed this up in 1979 and from eight prominent ALP figures compiled a list of 96 works ranging from Mill and Marx to Crosland and Cairns.

"Australian Society", March 1983.

NOAH D. ALPER

We regret to report to you the passing of Noah D. Alper, of the Public Revenue Education Council, St. Louis.

The following obituary appeared in the "St. Louis Globe Democrat" of 1 August:

Noah D. Alper, longtime St. Louis crusader for taxing only land, died of infirmities Saturday, July 30, 1983. He was 86.

He attended Washington University. He served in both World War I and II, and was frequently in the news for his views on taxation. Mr. Alper advocated the 19th century economist Henry George's theory for taxes.

He frequently argued that George's tax reform, based on higher land taxes and no taxation of improvements on the land, would bring prosperity through cheaper government, higher wages and increased industrial production.

Mr. Alper founded the Henry George School here in 1939 to teach the economist's theories. He ran the school until 1964, when he began to devote more time to the Public Revenue Education Council. The council, founded in 1951, emphasized educating the public, while the school educated economics students.

He retired from the council in 1978.

At a retirement dinner for Alper in November 1978, Missouri Court of Appeals Judge Robert O. Snyder called Alper "a man with a mission," adding, "He converted me."

PUNITIVE TAX

The threat of a punitive tax on all forms of capital gains and wealth has been revived again.

It is fully justified to collect for government revenue unearned incomes. But taxes which penalise incomes earned in productive activities and savings, serve as a disincentive to prosperity, employment and productivity.

In practical terms, the "windfall profit" from their re-zoning of farmland into residential building land should be taxed. But the "goodwill profit" received as the result of the development project, an invention or a business, should not.

Taxes which reduce "unearned" wealth that accumulates without productive efforts serve as an incentive for prosperity. They make it necessary to provide some goods of services to earn an income. By taxing profits from the price increases of natural resources such as land they reduce costs and increase effective demand.

On the other hand, we all know that taxes which penalise earned incomes serve a dis-incentive to productivity. Many people reduce their efforts or stop working if the rewards what they earned is taken away to benefit "someone else" who did not work for it.

Most people consider such taxes on earnings as a political form of robbery imposed by force and contrary to "equal" justice. They develop devious means to avoid taxes. They form pressure groups; the unions use "industrial muscle" to obtain subsidies, tax-free benefits, concessions and other measures which give to the powerful groups unearned incomes. All such privileges are unjust and simply increase costs.

Indiscriminate capital gains tax is the result of confused thinking and it is bound to create chaos! Taxing all unearned gains, such as natural resource-gains, is justified and it promotes prosperity. But penalising earnings, savings or profits from providing goods and services promotes unemployment and reduces prosperity!

G. Hardy, Melbourne.

Submitted to "Herald" and "Sun", June, 1983

ADDRESSES

NEW SOUTH WALES
ASSOCIATION FOR GOOD GOVERNMENT
143 Lawson Street, Redfern, N.S.W. 2016

VICTORIA
See column opposite.

QUEENSLAND
THE LAND RENT LEAGUE
1 Bird Street, Herston, 4006 Qld.

SOUTH AUSTRALIA
HENRY GEORGE LEAGUE
Monthly meetings are held and visitors are welcome
Enquiries:
Mr. J. E. Hall, 26 Landsdowne Avenue,
Belair 5052, S.A.

WESTERN AUSTRALIA
HENRY GEORGE LEAGUE
P.O. Box 93, Wembley 6014, W.A.

TASMANIA
HENRY GEORGE LEAGUE
G.P.O. Box 1370, Hobart 7000, Tas.
AUSTRALIAN CAPITAL TERRITORY
Enquiries:
Mr. W. Mason, 8 Cherry Place,
Pearce, A.C.T. 2607

NEW ZEALAND
HENRY GEORGE LEAGUE
P.O. Box 951, Wellington, N.Z.
Enquiries:
Mr. R. D. Keall, 45 Dominion Street,
Takapuna, Auckland, N.Z.

THE HENRY GEORGE LEAGUE

31 Hardware Street, between Elizabeth and Queen Streets Melbourne, 3000. Telephone: 67 2754. Hon. Secretary: Mr. G. Forster. Office Supervisors: Mrs. M. Rosenthal, Mrs. L. Sutton, Mrs. J. Wigley.

The Henry George League is a non-party educational body advocating that public revenues be drawn from public charges upon the site value of land and that taxes upon labor and capital be correspondingly abolished.

If your view accords with this you are invited to join. Annual Membership Fee is a minimum of \$10 which includes cost of the newspaper "Progress" posted.

Subscription for "Progress" alone within Australia is \$5 per annum posted (for which stamps will be acceptable). This is nominal only to extend our message to new contacts who we hope will later become members. If you appreciate the newspaper you are invited to obtain new subscribers.

Subscription rates for "Progress" posted to overseas countries are £3 (stg) to Commonwealth countries, and \$6 for other countries.

MEETINGS

Held at 31 Hardware Street

EXECUTIVE

Thursday 13th October at 6.45 p.m.

For other meetings see page 6

Meetings Of Other Bodies For Which "Progress" Is The Official Organ

The following meetings will take place at Henry George League Rooms, 31 Hardware Street, Melbourne:

Combined Work Nights on special projects for the Land Values Research Group and General Council for Rating Reform:

Thursday 20th October at 7.30 p.m.

These are working meetings. New workers or enquirers are invited to come.

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