

# Good Government

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## Viewpoint

It is a profound hardship to have to live under the domination of a modern government, whether it is labelled 'free', 'Marxist' or 'fascist', without also being identified by every other sufferer under similar governments with each anti-social act of that particular government.

During the present century this habit of superficial judgement has led to continual demands for some nation, race or group to be killed or more euphemistically 'taught a lesson' because its government has behaved reprehensibly and other governments have pretended to 'their' people that the actions of such government are in fact the actions of the people whom they dominate.

As the result of this deception parts of the human race are being constantly importuned to hate other parts, and they are forced in pursuit of this anti-social goal to part with their production to the value of more than a billion dollars daily so that governments can equip themselves with armaments to back up their aggression.

The century was born with the British government hating the Boers of South Africa and inviting other governments to have their people assist in killing them. Then the government of Austria invited everybody to hate and kill the Serbians. The German and Turkish governments accepted the invitation but the British, French and Russian governments told their people to hate the Austrians, Germans and Turks. Subsequently the Russians confused this arrangement after many of their people had been killed and they capitulated so that the British and their allies had also to hate the Russians

and to kill more of them.

When the bad people had been taught the large scale killing stopped and years there were only minor and some exercises in hatred as, for example, Spanish people followed two governments tried to annihilate one another.

The next massive exercise in hatred around the governments of Germany and Japan. This time the real object of hatred and killing, which had been in many of the earlier upheavals, was declared to be the acquisition of territory which involved the liquidation or death of those in occupation. The government of the world divided their people and for they killed each other and destroyed other's property. When they were exhausted everybody had lost and civilization at its worst casualty.

Because governments in particular accepted the concept of land service of all people and not just those of race, group or class these calls to people out and put others in will give a jingoistic or high sounding catch of the principles which Henry George outlined lucidly in *Progress and Poverty* are the only bases on which people can be together in harmony. Until then any teaching of others a lesson by force of arms will be viewed with alarm.

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THEY SHALL KNOW the Truth, and the Lord will make them Free — JOHN 8:32.

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### THE PRINCIPLES OF GOOD GOVERNMENT

1. The true function of government is to maintain peace and justice. This does not include in national or international trade or commerce, or in the private transactions of its citizens only as these threaten peace and justice.
2. A democratically controlled and just revenue is available to governments by the collection of site rents as their sole and proper revenue, at the same time abolishing all taxes, and the unjust privileges of every description.
3. A democratic system of representation by the adoption of proportional representation in electorates and simplified provision for the referendum, initiative and recall.
4. A continuous program of education in the economic facts of life to enlighten the electors.

## JOB OPPORTUNITY

### ECONOMIC HISTORY RESEARCH ASSISTANT

Duties: To search archives for historical material to assist in the preparation of a book concerned with the influence of Henry George in Australia.

The work should commence March 1980, and should take about 3 months. The research will be directed by Dr D.L. Clark, Senior Lecturer in Economic History, University of NSW. The work would mainly be at Public and University Libraries, and at the library of the Australian School of Social Science, which is sponsoring the project.

A good remuneration is offered. Preferably the applicant should be a graduate or near graduate in Economics or Arts; some knowledge of Australian history and economics is desirable. Applications should be made before 4th March 1980, to Dr D.L. Clark, Economics Dept, University of NSW, Kensington, NSW 2033.

## PROGRESS AND POVERTY

Mrs Ivy Akeroyd gave the principal address at the Centenary dinner held on the 21st October, 1979 at the home of Mr and Mrs Lionel Boorman. The text of Mrs Akeroyd's talk on *Progress and Poverty* is given below.

Many very great books have been written for the benefit of mankind but it is doubtful if other secular contributions hold so many qualities of greatness as this unique inquiry entitled 'Progress and Poverty'—a book which every sincere reader cannot estimate without a sense of humility.

This book, which takes readers beyond individual and ethnic difference to the universal concept of the social, economic and moral aspirations of mankind, is for all men at all places, in all circumstances and in all times.

The book is great in *Universality* since it confirms the conscience of those who feel uneasy because of poverty in the midst of abundance; it is great in *title* and also in its *dedication* 'To those who seeing the vice and misery that spring from the unjust distribution of wealth and privilege, feel the possibility of a higher social order and would strive for its attainment' It is great in *combination* of simplicity and clarity with intellectual insight.

### A BOOK OF HUMAN WARMTH

Still it is not a cold, academic thesis but an inquiry permeated with the warmth of human but strike at a point intermediate between the top and the bottom. It is as though an immense wedge were being forced not under society but

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understanding. George explains the teacher who states what has to be guide who indicates certain matters observed. Far from expecting the to follow him, he urges him—the accept no statement he himself may adopt no conclusion untested by him

A man of insight and understanding guide who walks not ahead, but with us far beyond our own limited knowledge experience, to observe and to be many people engaged in earning a various occupations and in many professions. Consequently we are aware of mutual serving each other in the production of wealth, and of others whose services essential, though not materially. Because of variations in wage earning and competition there is considerable in wages.

So we see that some workers receive which give them varying degrees of and there are many others who are rewarded, but most rewards are in rewards for service, while the group known as 'the masses', are deprived extent that life is but a substance—a condition which the march of improved methods of production favours. George indicates that the new process 'elevating in their nature though not act upon the social fabric from through society. Those who are above of separation are elevated but the crushed down'.

### THE NATURE OF POVERTY

Today in Australia and elsewhere poverty is mitigated and society is well intended socialistic measures costly administration and surveillance an interference with the distribution. Such measures do not remove the cause of undeserved poverty.

In the time of George's activity seen in its undisguised misery. We deplored not only the physical but consequent intellectual starvation wastage of talents with which mankind richly endowed. Hence the book we this evening is Great in Compassion

Sternly he maintains that when the poor wealth are poor, their penury is due. Not to a robbery that ceased with 'a fresh and continuous robbery through every day and every hour. Every blow hammer, every stroke of the pick, of the shuttle, every throb of the heart it tribute. It levies upon the ear of men who deep underground risk their lives those who over white surges cling to masts; it claims the just reward of the capitalist and the fruits of the patient effort'.

dominate his thinking. He is great not only in compassion but also in intellect and in moral standards of the highest order. Maintaining that justice having nothing for inertia, bestows adequate rewards for service he insists that in the remedy for undeserved poverty, justice is the essential expedient. He is convinced that the association of poverty with progress is contrary to social order, and so he directs attention to the social organism, the natural and economic activities of man and the resources of our Earth.

The social organism originates in the social nature of man who is happier and fares much better in cooperation with others than in isolation. In society his powers are augmented to the extent that he is a being of a higher order. For instance in comparison with the eye sight of the eagle the vision of man is very limited, yet with the aid of microscopes and telescopes he is able to observe microscopic life and the encircling galaxies.

This organism is further developed by the 'divine spark' of discontent which is inherent in every man. It is described as 'the motor of progress' which operating in all fields of human endeavour, initiates change, stimulates technology and research. In unison with reason it is a power of improvement, and morally directed, it is an agency of elevation.

Man's discontent reaches its highest level in his eternal quest for knowledge. When 'the eyes of the mind are opened he braves the scorching heat of the desert and the icy blasts of the polar seas but not for food. He watches all night but it is to trace the circling of the eternal stars: he adds toil to toil to gratify a hunger no animal has felt, to assuage a thirst no beast can know'.

#### ECONOMY OF EXERTION

We have seen that the social organism responds to man's discontent; we now observe in the further development of the central law of economics 'that all men seek to satisfy their desires with the least effort'.

It is interesting to note that this instinctive economy is observed in all living things. In a dense forest the young trees do not expend vigour in branching until they have attained the height where there is sufficient sunlight and air to maintain their normal life span. But this direction and economy is not of their own volition. It is not of their own intent, that ants economise in organised division of labour. All animals have the ability to take advantage of circumstances which offer an easier way of life. This ability in monkeys is evident in the following anecdote from an outpost where there were a few Europeans and many natives to whom the monkeys are sacred. Apparently many monkeys found that in close

tigers. Having no fear of men they and soon evinced a liking for motor Trucks carried supplies and monkeys which at the time had 'running boards' boots and canvas roofs were angular carried a quota hanging on outside.

Although the Europeans did not wish the little creatures and some were to accept them as pets, they did not wish —and the monkey population was increasing with the approval of the natives, it to take the monkeys a long way back to the jungle where they belonged. So at the time two trucks and several cars were for the exodus, in which the monkeys' persuasion to participate.

After driving for about fifty miles on the earthy jungle walled road, the drivers speed to the minimum and before stopping the motors, they turned their vehicles to readiness for departure. The instant they stopped the monkeys leapt away and into the impenetrable greenery. According to the drivers there were two drivers for each vehicle only for relief at the wheel but also for protection from dangerous animals. One driver armed with a rifle kept watch, the other enjoyed a brief repast, stretch out and rest. But there was no need to worry. In the heat the jungle was still and silent. More than an hour the drivers were 'all set' for return. But as soon as the motors were stopped the monkeys 'materialised from thin air' and a wheel turned the gleesome creature aboard. As the drivers said 'It was for the monks'.

#### WEALTH

Wealth, as alone the term can be defined, political economy, consists of natural resources that have been secured, moved, combined, separated, or in other ways modified for exertion, so as to fit them for the gratification of human desires. It is the words, labour impressed upon matter in any way as to store up, as the heat of the sun stored up in coal, the power of human labour minister to human desires. For instance a leather coat with bone buttons, a shirt with buttons of pearl shell, a wooden handle with metal handles.

Also it is important to see that the use of money is instrumental in earning a living. The production of further wealth is capital. The sewing machine used only domestically but used by a professional dressmaker. Furthermore wealth in shops is the property of the shopkeeper. This is termed 'wealth in the course of exchange'. So in a large store everything from refrigerators to haberdashery, is capital which later use, will be wealth.

In the production of wealth three modes are observed—'adapting', changing things in form and place; 'growing', concerning care of animals and work in plantations and agriculture; and most important, 'exchange', which is 'the essence of civilisation'. It is labour saving, time saving and rewarding; not only in more and a greater diversity of material wealth, but in a wider diffusion of all branches of knowledge. It stimulates intellectual and spiritual pursuits; also it promotes greater appreciation of the arts, particularly the creative arts of pottery, sculpture and painting and above all, the melodic and harmonic art of music, all of which are essential, since man does not and cannot live by bread alone.

#### ACCESS TO SITES

The essential requirement of production is access to resources or land—or rather, land sites. There are very few industries which do not require the service of a surveyor, and to some extent service of the engineer and the architect. All industrial projects require capital and the service of management, banking, secretarial responsibility and telecommunication. Also particularly in secondary industry, the operatives in automation computerisation are necessary.

It is exciting to know that all forms of production from the towers which dominate a city and a bridge which spans a harbour, to small items of jewellery and miniature pins, are the material embodiment of human effort applied to sites and expended in earning a living.

#### DISTRIBUTION OF WEALTH

So after his analysis of production, George directs attention to the distribution of wealth and indicates the three avenues of distribution—namely 'wages' the reward to workers, 'interest' the reward to investors in industry, and 'rent' an unearned income received by landowners. Rent does not attach to anything made by man, but to land sites and other resources. He knows that the earth is the natural heritage of man, and says 'we must make land common property, but by a method which is absolutely just' and would not disturb or cause people to be unsettled.

And so in thinking of justice and the bounty of the earth, he gave his unforgettable metaphor: 'It is a well stored ship, this orb on which we sail through space. If the bread and beef above the decks give out, we have only to open the hatches to find supplies of which we never dreamed; and great command over the service of others is given to those who, as the hatches are opened, are entitled to say "This is mine".' Later and still uncertain regarding the method, he quotes the inspiring words of Milton: 'What in me is dark Illumine, what is low raise and support, That to the height of this great argument I may assert eternal Providence And justify the ways of God to man.'

In formulating the Law of Rent George says 'In the natural growth of the social order there is developed a fund which is provision for the natural needs of society—a fund which is not merely sufficient for the material needs of society, and for that purpose, its intended destination without depriving the unit of anything actually is his, but which must be prevented from the gravest injuries to the State by the direst disasters to the State.'

To see this truth is to be aware of the iniquity and anti-social consequences of the misappropriation of the natural revenue. To collect this revenue for its proper use does not transgress any moral law. This proposition is economical and ethical.

#### ETHICS AND ECONOMICS

In social progress ethics and economics are equally essential. Although categories are separate, in this revenue they are inseparable. That in this economical and ethical correspondence this book is superb.

Still our guide is convinced that it is impossible to disregard the natural order without a day of reckoning. I trust it is not out of order to quote a few words of H G Pearce, who though no longer with us, was always be an inspiring example. Describing his responsibility as the Medical Superintendent of a metropolitan hospital and Sydney diagnostician he studied with keen interest while others slept and his pen was busy. His sadness that Henry George is so highly regarded is expressed in his book as follows: 'If Henry George could be seen from some eminence look down on any man he could but weep over it as the Devil wept over Jerusalem.'

But we shall not linger in regret. Let us walk with George on the heights of social progress and rejoice with him on his achievement. How beautifully he says 'follow the natural order, the dangers threaten must disappear and the forces of menace will turn to agencies of elevation. Of the powers now wasted, the infinite knowledge yet to be explored the possibilities of which the wondrous inventions of science give us but a hint. With want destined to be changed to noble passions, with the place of the jealousy and fear that men against each other. With mental loosed by conditions that give to men peace and leisure, and who shall we reach the heights to which our civilisation is now tending. Words fail the thought! It is the end of the world which poets have sung and high raised in metaphor.' To George and all who follow him 'It is the culmination of the social order.'

In his conclusion he says that in his search he found more than he expected to find the beauty and harmony of universal association which human association as surely is.

his work would prevail, his answer was  
'Ultimately, yes. But whether or not in our time  
we do not know. But it will find friends, those  
who will toil for it, suffer for and if need be  
die for it, for this is the power of truth'.

On the last evening of his life—perhaps ten  
minutes before the end, he stood erect with one  
hand on a chair as if to support himself. His  
eyes were wide open as if he saw something  
unseen by others and he said 'Yes' many times,  
repeated at first with quiet emphasis and then  
with vigour, then again softly. What a hopeful  
and beautiful word for us to remember—YES.  
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## SAVE US FROM OUR 'FRIENDS'

(With apologies to 'The Gondoliers')

There lives a Christian, I've been told,  
In the wonder-working Welfare State so bold  
Whose heart is twice as good as gold  
And twenty times as mellow;  
Sad at the poverty intense  
And the world chock full of armaments  
And total lack of common-sense  
This golden-hearted fellow

Off to United Nations went  
With pleas for action eloquent  
That funds unlimited be spent  
From other people's pockets.  
Within the massive Halls of State  
Followed a passionate debate  
On miserable people's fate  
From nuclear bombs and rockets.  
The tender-hearted delegates  
Suppressing all their mutual hates  
(What, all? What, all? One hesitates)  
Urged all their well-armed member-States  
To levy more taxation  
And send sufficient food relief  
And loads of surplus wheat and beef  
To compensate for all the grief  
And widespread desolation.

They made taxation roll and roll  
In massive sums from pole to pole  
For millions to receive a dole  
From other people's earnings.  
But had they slightly cuter been  
In time they must have clearly seen  
That taxes make more sharp and keen  
Our sufferings and burnings.

So, all Australians blithe and gay  
Grasp firmly what I have to say  
Let's banish poverty for aye,  
Injustice and oppression.  
Give the poor nations a fair go  
Let's leave them free to make and grow,  
Let's stop inflicting want and woe  
By tariffs, arms, aggression.

But far the worst of social crimes  
Imported in our earlier times  
To fair Australia's southern climes  
Degrades our reputation.

Apace, as every schoolboy knows,  
Whenever population grows  
Is stolen from our nation.

To match this crime of giant size  
Taxes and unearned wealth arise  
The unemployed men raise their cry  
Yet do not understand.  
So more than anything we need  
That all the world be quickly freed  
From all injustices and greed  
Till just and free we stand.

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## Re-Think (Cont. from 1)

Clearly, if a society decides to supply  
utility irrespective of whether it  
profit or merely provides an indis-  
service, this decision does not abro-  
circumvent the 'theory of pure profit  
price mechanism.

A significant item in the list of  
which the price mechanism is not su-  
work is land. 'The price mechanism  
fails to function in respect of land  
Taylor. Obviously he is at one with  
accept the idea that land is just a  
commodity to be bought and sold like  
of labour—another indication of his  
grasp of economics. Of course the price  
mechanism does not operate in respect  
it simply is not relevant to it, and  
it would be in respect of the air war.  
The fact that land has been allowed  
the basis of the greatest monopoly.  
'price' is merely a phenomenon of the  
concept of economics.

The 'price' of land is of course  
in the sense in which this term rig-  
into the concept of the market. It is  
price as the demand at gunpoint by  
robber is a price. Both are an extor-  
exercise of power—on the one hand  
the gun, on the other the power of  
protected 'right' of exclusive posses-  
means by which the life of the commu-  
sustained, without rendering to the  
the Surplus Product which the advan-  
particular sites give their occupiers  
results in the system of taxation where  
both labour and capital are burdened  
support the system of government. In  
the way, which Mr Taylor says is re-  
'over half the total expenditure of  
being made by public officials'—all  
unproductive, it should be pointed

Mr Taylor then proceeds to discuss  
advantages of the 'just price' of land  
'which formed the keystone of econo-  
relationships'. And he suggests that  
society would work its way back to

price'—he tells us that the 'just price' was conceived as the cost of manufacture plus a profit which enabled the manufacturer to 'live at the traditionally expected standard'. Such a standard could of course only be realised by the arbitrary decision, or consensus, of those expecting to enjoy it, presupposing a monopolistic situation in their favour. In point of fact this is exactly the kind of situation existing in the 'affluent society' which Mr Taylor deplors and blames the price mechanism for not serving.

He rightly observes that the price mechanism in any case is only 'concerned with the distribution of marketable goods and services', but then blames it for not providing the many other things of life, 'such as a sense of identity, long-term security, contact with nature or the power of self-determination' which he has so ably written about in other parts of his book—which are nothing to do with economics but which have been allowed to distort true concepts of the economy by the infusion of socialist philosophy. The society as a whole comprises both a body economic and a body politic and the great misfortune of our present situation is that economists and the teachers of economics have failed to maintain the boundaries between these two aspects of the society, corrupting it with a spilling-over of the one into the other, resulting in such anachronisms as the 'mixed economy', 'nationalised' industries and a state-supported 'work-force'. In this confused situation Mr Taylor is driven to refer to Ricardo in terms of the strongest reprobation as though he were the author of what is referred to as 'Ricardian, i.e., inhuman economics'.

As a sociologist and a psychologist, and as a historian, Mr Taylor gives us a remarkably lucid and comprehensive survey, provocative of new ideas and of hope for the future of human society; but as an economist he has nothing of value to say, certainly nothing original. This is a great pity, for it throws this otherwise remarkable book out of balance to the extent that its conclusions in the sphere of economics are not arrived at with the same objectivity which characterises the rest of it.

In a section headed 'The End of Economics', Taylor endeavours to project a concept of the new society based, he says, on the 'substitution of human for purely monetary assessments'. 'The kind of economic system emerging we might call a polythitic one, in contrast to the monolithic socialist system—a congeries of small, independent, private, but socially controlled units, coupled with systems of supervision which could detect anti-social practices, and integrated with the local community much more than now.'

'Anti-social behaviour' refers, in Taylor's book, to the behaviour of 'business', which is observed within the anti-social (anti-economic) politico-economic melange which characterises modern western civilisation. This is like

attractive aspects under the present system—such as the behaviour when jammed into the car commuter transport system designed for less than half their number in real comfort.

If Mr Taylor needs a scapegoat for the condemnation of the existing system, let it be Ricardo, however mistaken the use of some of his arguments, but Keynes is the macro-economic politico-economic system which modern business struggles to

Publishers: Martin Secker & Warburg  
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## SERVICES

The study of words is one of the pleasures of every economist beginner to the professor. It requires wide reading, including particular reference to the dictionary. English is a rich language with a very wide scope of meaning, all steeped in history and an infinity of social and intellectual backgrounds.

As used in economic science the word 'services' is a plural noun meaning 'products' similar to wealth in this point. The difference between wealth and services is: wealth is material substances (land) worked so as to give them the quality of fitness to satisfy desire. So long as the substances have this fitness they remain wealth. When they lose this fitness they have, in terms of economic science, been returned to the land. Labour does not produce material substances but only the fitness to satisfy desire.

Services, on the other hand, are the material product of labour (not, labour itself) supplied directly to the body or mind, and so minister directly to the satisfaction of desire. For example, food is the product (good) of his labour to improve the physical or mental condition.

In the singular, the word 'service' is either a transitive verb or a noun. As a verb it is quite different in meaning from 'service', and means to repair or to minister to the object of wealth. As a noun (use definite or indefinite article) it is singular of services.

The phrase 'goods and services' is identical in meaning with wealth and covers all satisfactions of individuals, directly or indirectly. Both wealth and services, being exchanged in the market, are not for money but for goods and

Services, of course, cannot be produced if they are not wealth and cannot be produced if capital is used in the production

In view of the controversy whether services are part of the economy all the foregoing statements should be carefully tested.

For an illustration of the necessity for carefully analysing the terms see *Progress and Poverty* (1971 edn.), page 23, line 36 (last line of note).

All labour in the economic sense satisfies desire, either indirectly or directly, i.e. it produces either goods or services.

#### LABOUR AND WORK

Work is not necessarily labour. Many workers produce nothing, e.g. slave-superintendents, armaments workers, judges and officials in arbitration courts run by the State, party-politicians. Many are partly productive and partly unproductive, e.g. workers in protected industries, trades and professions.

On the other hand, many workers, e.g. medical researchers, who might at first sight seem to be unproductive, on closer examination are seen to be producers of services, and perhaps wealth, of a high order.

In view of all this, the splendour of Henry George's relevant passage in *Protection or Free Trade* (Chapter 5) will be appreciated by every reader: 'Nor should it be forgotten that the investigator, the philosopher, the teacher, the artist, the poet, the priest, though not engaged in the production of wealth, are not only engaged in the production of utilities and satisfactions to which the production of wealth is only a means, but by acquiring and diffusing knowledge, stimulating mental powers and elevating the moral sense, may greatly increase the ability to produce wealth. For man does not live by bread alone.

He who by any exertion of mind or body adds to the aggregate of enjoyable wealth, increases the sum of human knowledge or gives to human life higher elevation or greater fullness,—he is in the large meaning of the words a 'producer', a 'working man', a 'labourer', and is honestly earning honest wages. But he who, without doing ought to make mankind richer, wiser, better, happier, lives on the toil of others—he, no matter by what name of honour he may be called, or how lustily the priests of Mammon may swing their censers before him, is in the last analysis but a beggarman or a thief'.

#### DISTRIBUTION OF SERVICES

Bearing in mind that (as George says in *The Science of Political Economy*, (Book II, Chap. XVI) all production of wealth is ultimately of services, the questions Are services exchanged in the market? and Are services economically distributed between rent and wages? become comprehensible and capable of being answered.

As already noted, services are exchanged in the market. But to a more limited extent than goods. Goods are exchanged freely everywhere,

but services are exchanged only on the service is first given. The customer receives a service from the barber, it out of the shop on his head, and receives in exchange a sum of money converts (or can convert) into either services. The service of the teacher becomes a part of the customer's money and cannot then be exchanged.

A barber working on the trading-receives only wages, so that the money till at any stage is only wages. But working on a more favourable site for haircuts with the same effort in time and so there is more money in his pocket which is by economic law rent, and This simple explanation, which may can, of course, be expanded as required.

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#### FILM

##### "FOR THE LAND IS MINE"

Available for loan

This film describes the life and work of HENRY GEORGE and it is available for application to the Australian School of Social Science. (Secretary S Gilchrist 414 3632; Chairman J Randall, phone 414 3632).

The film is at present held for loan at the State Film Library (1 Francis Street Sydney, phone 339 7111), but it may be obtained through the School.

The film is 16mm, in colour, with sound runs 30 minutes.

#### ONE INDUSTRY'S PROTECTION IS ANOTHER'S THE CONSTRAINT OF COASTAL SHIPING

Under the provisions of the Naval Transport Act the cartage of goods around the Australian coast has, since 1921, been reserved for Australian vessels. This policy means, in practice, that vessels which comply with Australian requirements of manning and conditions.

The IAC considered that observance of the Navigation Act was a major constraint on the development of steel-making capacity in Australia. If the Broken Hill Proprietary had been able to use flags of convenience to transport iron and coal around the coast year, it might have saved between £100,000 and £200,000. Yet the number of seagoing personnel in the fleet, which accounts for about half of Australia's entire coastal fleet, is about 1,300. In other words, compliance with the Navigation Act was costing the company £15,000 and £19,000 per crew member.

reservation of a country's coastal trade for flag vessels of that nation, or cabotage, is common practice world wide. But in Australia's case, with its extraordinarily high crewing costs—estimated by the IAC to be 3.6 times higher than that for a comparable British vessel, or 1.8 times that of a Scandinavian vessel—cabotage provides a classic example of the protection of one industry resulting in the imposition of excessively high inputs for another, thereby hindering its expansion.

(From Bank of NSW Review June 1979.)

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## LAND TAX ACT AMENDMENT BILL

The Leader of the Opposition in the South Australian House of Assembly, Mr John Bannon, vigorously supported the economic soundness of Henry George when the Government moved to repeal the land tax during the closing session last year. Some highlights of Mr Bannon's speech are quoted below:-

'Land tax was introduced in the 1890s. It was very much part of the debate about the single tax which was proposed, of course, most effectively by Henry George, who still today has many adherents. The economic theories of George had an enormous impact in Australia, particularly following his lecture tour. Today, there are still many people in the community who would support the single tax, economic, fiscal and monetarist theories of that very persuasive economic thinker. Indeed, in terms of equity there is a lot to be said for the 'Georgist' approach to taxation, and land tax, of course, was at the base of that approach. Therefore, it is not surprising that the 1890's was the time when this came into operation. I think in fact this year we are celebrating the centenary of *Progress and Poverty*, the famous influential text written by Henry George. The argument for land tax is that it cannot be shifted on to other people. It is borne by those on whom it is levied.

Land tax in Australia is on the unimproved value of properties. It is a site value tax and not a tax on the improved value of properties, as it is in the United States. If one invokes the United States tax revolt, which is centred around property taxes, as some kind of precedent or suggestion that people in South Australia, in particular, find this is a pernicious or burdensome tax, I think that argument would not stand up very much to the light of day. It is a site value tax on the unimproved value of properties. Land tax is a growth tax and, as such, it is an important revenue source for the State Government: for as real property values rise with economic development, obviously so does the tax collection. It is important that we have growth taxes in order to provide services and facilities that the people of South Australia expect from their Government.'

'Land tax is an appropriate tax for the

itself cannot be shifted across as other assets can. That is one cornerstones of the 'Georgist' tax which is so important. One is an asset that is not moveable; it is transferable in terms of being located somewhere else.

In a Federal system, where all can be avoided by devious means, section 92 of the Commonwealth Constitution this is not possible in the case one cannot shuffle land backward across the Victorian or Western border. So, it is an important to Government.'

'Land tax is a tax on what economic location rents. These are differences of value of land from place to place. Differences are caused by a number of fundamental factors such as population, the provision of Government public facilities, and utility services. The combination of all these factors have higher land values than have

Because of the way in which it, tax helps to return to the general some of the value being created by of those Government services. It requires that those properties or values are increased should, because of the infrastructure of services and provided by the community, make a contribution to that community in the better facilities, services and that they have. That surely is a equity in terms of taxing policy. those reasons of equity that the feels very strongly about land tax that, although it has to support this time, it does not feel fully with the Government over its approach matter.'

'How is the revenue loss on account of exemptions to be financed? Are there taxes in contemplation to try and it? Is it likely to be replaced by inflationary taxes, more inequitable fees for Government services to the United States, following the tax rise in those fees and the diminution of services is providing considerable an anti-tax revolt—a movement to that taxes are done away with, but are made more equitable—which is the United States at the moment. It is taxes such as this that people are should be retained in order to ensure equitability. The disparity of tax individual as opposed to corporate United States is increasing, and that sort of problem in South Australia

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TO THE EDITOR

Sir—In the depression of the thirties substantial numbers of people got into financial difficulties and abandoned their homes.

An increasing number of Victorians are now apparently walking out of their houses as the dream of home ownership turns sour. They have turned their backs on life's biggest financial investment because they cannot afford to meet housing repayments and cannot sell their way out of trouble.

The Mortgage Guaranty Insurance Company states that claims from Victorian lenders holding defaulted home loans jumped 600% last year.

Where there are now around 400,000 people unemployed in Australia this is obviously a direct and most serious cause.

Because overdue house repayments mount up quickly couples are forced to consider selling up.

We have lost ground as a nation in recent years in one key indicator of social advancement, that is the percentage of dwellings which are found to be owned or in process of purchase by their occupiers. This is recorded at census years and showed continuous rise up to the 1966 census when it reached 72.56% for Australia as a whole.

But the ownership percentage fell to 68.66% at the 1971 census and dropped further to 66.70% at the 1976 census. We are falling victims to the disease of high land prices. We have not gone far enough with the basically effective remedy—application of land value taxation and rating.

A R HUTCHINSON

Melbourne

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Sir—Not so long ago it was taught that all things consisted of four elements; Earth, Fire, Air and Water.

Earth may not be an element in the modern chemical sense, but unquestionably it is one of the four basic essentials for all living things.

That Air and Water are basic essentials to life is so widely accepted that people hardly stop to think about it. Any serious attempt to restrict them and monopolise their use for the benefit of some and the complementary disadvantage of others would be instinctively and almost universally rejected. Not so the Earth.

For so many centuries, people accepted slavery as a way of life, so much so that standard equal rights seem strange and 'unnatural'. Clearly people will be virtually slaves as long as they have lost their rights to the earth. Even in our own affluent society human bungling interferes with natural laws, resulting in absurdities such as people who do not want to use land being granted 'rights' to prevent others from using it.

But it is in the poor countries where the real tragedy of man's presumptuous interference with Nature is so clearly demonstrated: Where countless millions are born and live and die without ever having any real right to that most essential element—Earth. Needless to say it is no coincidence that poverty and separation from the earth go hand in hand.

GOOD GOVERNMENT

what man creates by his own labour right. But the Four Elements on which depends are clearly above and beyond rights to monopolise. Their use must be equal rights of all other users.

We do not live by these laws and social upheavals are the result.

M PINCOMBE

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## 1979 CENTENARY OF 'PROGRESS'

CENTENARY ADDRESS BY W A DOWE

Sydney 21st October 1979

This tribute to the great book of an author who has inspired so many of us, hope, stimulate those of us who have heard the call to work for justice, many others to become personally involved in the great message and the science of the economy or economics.

The book opens with a challenge to solve the great enigma of our association of poverty with progress within the province of political economy. It says, to provide the answer to the question what causes so great wealth and so much poverty to co-exist? He first brilliantly demolishes popular and fallacious theories of his time, and are even today, and states that the problem does not exist or is not the same as it was then, namely the Malthusian theory and the Fund Theory of Wages. Proceeding to state the laws of production and distribution, he established the observable, universal, unalterable law of human action, that man will satisfy their desires with a minimum of effort. As the basis of economic science, everything in economics relates to this natural law of human nature gives rise to economics, the orthodox professors of economic science generally persist in ignoring this law, their attention to innumerable mathematical statistics, trends, plans, palliative charts, mystifying and elastic theories which have very little relevance to the real world and which succeed in confusing workers and diverting their attention from the real problem.

### RESPECT FOR AUTHORITY

Pursuing his challenge he asserts (in his introduction) that the mistakes made in the field of economics are largely due to a lack of respect paid to authority. 'I propose to shrink from no conclusion but to follow the truth wherever it may lead'. In *A Perplexed Philosopher* he splendishly introduces this subject by the following introduction to the book: 'The respect for authority, the presumption in favour of authority have won intellectual reputation beyond reasonable limits, both prudent and necessary. But it should not be carried too far. There are some things especially as to which it behoves us all to use our own judgment and to maintain free minds. For not only

to authority has been the potent agency through which errors have been enthroned and superstitions perpetuated, but there are regions of thought in which the largest powers and the greatest acquirements cannot guard against aberrations or assure greater insight. One may stand on a box and look over the heads of his fellows, but he no better sees the stars. ...As we must go to the shoemaker if we would be well shod and to the tailor if we would be well clad, so as to special branches of knowledge must we rely on those who have studied them. But, while yielding to reputation the presumption in its favour, and to authority the respect that is its due, let us not too much underrate our own powers in what is concerned with common facts and general relations. While we may not be scientists or philosophers, we too are men. Let us remember that there is no religious superstition that has not been taught by professed teachers of religious truth; that there is no vulgar economic fallacy that may not be found in the writings of professors; no social vagary current among 'the ignorant' whose roots may not be found among 'the educated and cultured'. The power to reason correctly on general subjects is not to be learned in schools, nor does it come with special knowledge. It results from care in separating, from caution in combining, from the habit of asking ourselves the meaning of the words we use and making sure of one step before building another on it—and above all from loyalty to truth.'

#### THE ECONOMIC LAWS

Returning to *Progress and Poverty*, George in Book III proceeds to the economic heart of the book by unfolding the Laws of Production and the Laws of Distribution. Nobody should pose as an economist who has not studied (as distinct from glancing at) this masterpiece of economic analysis and literature. All wealth produced co-operatively is distributed into rent and wages, the rent being due to co-operation alone. The greatest element in co-operative production is exchange, and the greater the exchange, or division of labour, the greater the production without any additional labour. One of the essential parts of exchange is the ever-increasing use of favourable sites, and the most obvious and spectacular feature of the sites is the rent which attaches to them. All advances in production, and in fact all social progress, results in an increase of the economic rent. The private appropriation of rent results in ever greater and greater unearned incomes for those who own the land. Thus the true social revenue is diverted into the pockets of non-producers. This is obviously a great social perversion, and must have dire consequences. One of the most important consequences of the misappropriation is ever-increasing speculation by those who are bent on acquiring these ever-increasing unearned incomes for themselves, and this speculation exerts a pressure which causes rent to rise artificially still further and this in turn presses down wages below the normal wage level till it reaches the point where no further

process not only does permanent and de exist among all producers but varying depression become a permanent feature economy, the greatest of which bring to a halt, and the recovery is slow at

In this way rent, the great product associated labour and the great economic equaliser, is perverted from a social a social curse.

#### THE REMEDY

But it is not rent that is the curse nature's masterpiece, and in itself is beneficial and a sign of prosperity. misappropriation of rent that is the the greatest single social crime of our civilised age. If no other robbery except radical and continuous robbery would disinherit the people, fleece the prod wealth into poverty, maintain non-pro rolling in wealth, and create the class which must destroy, and is destroying society altogether. The remedy for all follows logically. George states the 'we must make land common property', means: appropriate the economic rent machinery of taxation, in substitution present taxes on labour and labour-pro This 'simple and sovereign' remedy for involuntary poverty in the midst of all will reverse the present unjust feudal land-tenure and will in effect restore to the people, with radical results.

Book VII 'The Justice of the Remedy' IX 'The Effects of the Remedy' complete explanations of the remedy. The whole ends in a blaze of glory by expounding of Liberty, Equality and Justice as the Law of Human Progress.

#### GENERAL ASSESSMENT

This generation is not noted for its to reading, and this is particularly so to *Progress and Poverty*. Several people told me that the book is too much for many more have made it plain by action words. For those who have not yet become readers there is plenty of other literature high quality on social science, including George's other five major books all of attain the highest excellence. If you you will reap a choice reward, because *and Poverty* excels in many fields.

I have often been told that people *Progress and Poverty* when it is plain have never gone beyond the cover. One whether he had read it, said 'Yes, I both'. One reporter who had read one of advertisements for the book asked me to an interview with the author and to as have his photo taken. He then said 'I book when I was doing economics'.

The serious reader will be more than for his effort by its amazing versatility compelling logic, wide scope and liter

excellence. But the main question, to be answered by every sincere reader for himself, is: Is it sound?

In spite of its wide scope and depth of thought, the book is essentially simple and radical. It professes to be a pursuit of truth, and it stands the four-fold test of truth—the test of ethics, of history, of pragmatism and of logic. It provides not only a remedy for poverty but also a prescription for restoring just, simple and cheap government, and social peace and harmony, all by following and obeying the natural law.

#### WARNING AND PROMISE

The great book ends with a warning and a promise. If we continue to violate natural law, relying on piecemeal attempts to avert social ruin by more and more complicated palliatives consisting of wholesale bread and circuses and massive governmental charity, which may amuse and distract the socially ignorant multitudes but can cure nothing, we shall succeed only in demonstrating Henry George's prophecy: 'Unless the foundations be laid in justice the social structure cannot stand'. 'But if, while there is yet time, we turn to Justice and obey her, if we trust Liberty and follow her, the dangers that now threaten must disappear, the forces that now menace will turn to agencies of elevation.'

#### CRITICISMS

In many years of avid searching I have found no criticism of substance. Henry George himself said that he had found no criticism not answered in advance in the book itself.

However, the book is almost universally criticised. Almost every economist who mentions it says: 'It is outdated, and no longer taken seriously. All the authorities have pronounced against it'. A very eminent Australian economist with whom I had a discussion in his earlier days, in which I contended that land was not capital (as is amply demonstrated in the book), said that my argument seemed convincing but was contrary to what he had been taught, and that he would think it over and discuss it further. At our next meeting he said that he had thought it over and now believed that I was wrong, because all the authorities disagreed with me.

I came across one book expressly written to expose the fallacies of *Progress and Poverty*. It was called *Poverty and Progress*. I opened it with eager anticipation, but found that the author had never made a real acquaintance with his quarry.

#### THOROLD ROGERS

This eminent scholar writes in *Six Centuries of Work and Wages*: 'While in the United States in 1881 I found that the reading public was interested and amused by Mr George's work on *Progress and Poverty*. A clever man had caught up with a few real facts and a few doubtful

theories, and had constructed from of social life characterised by waning hope. For the misery of the future he prescribes a single opinion, a complete remedy, just a patent medicine is ready to assuage every age. ... The Americans, always clever paradoxes, read the book, conclude, and have, I presume, from his *Economic Interpretation of History* he wrote: 'I cannot agree with Mr Rogers. I am amazed to find how popular his theory is entirely the outcome of economic hitherto treated as indisputable. It is unearned and, according to Mr George, entirely undeserved increment is a passionate and seductive proposal in *Poverty*.'

These assertions, unsupported by argument, are all the stranger because Rogers seems very largely to agree with the ideas. He is a free trader, and a whole-heartedly that the rent should be in charge of many public expenditure. If expenditures increase the rent. He says the truth expressed by George early in his Paper.

#### PROFESSOR ERIC ROLL

Professor Roll, in his *History of Economic Thought* writes: 'The writings of Henry George (1839—1897), Although still enjoying wide circulation, have ceased to command attention or to be an important factor in the brief analysis of George's theories. His influence, his comment is 'The minor oracular presumption, insistence on the idea, and muddle-headedness on economic in general is sufficient to explain the rise and almost equally rapid exhaustion of power' (meaning influence). 'George and his followers have had a good share of the blindness by an idea fixe (sic). He can be said to be symptomatic of the mass of 'unsoundness' which was so upsetting to the conventional economists'.

We should all enjoy that last sentence. We can easily imagine the poor contented man struggling with their confused definitions, conflicting types of wealth and capital, psychic incomes, absolute and effective, their problems of reconciling, quasi-socialising the intensive, individual with the desire to preserve the social elements of both ethics and economics, irritated by this self-educated fellow with no degrees in economics, purporting unashamedly to lay out the science at their feet and to show not only errors but the way to rectify them, upsetting indeed.

Effective criticism must be a logical refutation, not an unsupported statement of opinion or a mere appeal to authority.

## OUR FUTURE

Where do we stand at the end of the first century? The direct influence of the book has, of course, greatly diminished, but not its indirect influence which is very great. The direction of social thought was changed by the book, although largely imperceptibly.

Where do we stand in the march of progress towards freedom, justice and civilisation? In my opinion, there has been considerable advance. Although we suffer from an incredible amount of injustice, barbarity, poverty and bad government, and our social standards are visibly declining, there are other signs of progress. Progress, like deterioration, is very slow and imperceptible. Briefly stating my view, I think that the welfare of the race is slowly improving, but that while the great injustices remain we cannot escape the destruction of our

civilisation. Natural law must rule. Our only hope is a return to justice. This should stiffen our efforts and the efforts of our successors.

NOTE: A new book *Critics of Henry George* by Professor Bob Andelson of Auburn University, Alabama, USA, and a team of fifteen was launched at the San Francisco Centenary Conference. More particulars will be published as soon as possible. Editor.

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## SAVE THE WEST

By T S SKILLMAN

Reviewed by E P Middleton

The remarkable feature of this book is that, while offering a specific objective ('Save the West') and a number of 'targets' to be aimed at in achieving the objective, it attempts no organized schema of action by which the goal is to be realised, only a series of deliberately unspecific abstractions comprising a kind of general philosophy amounting to a revolutionary way of thinking by which problems will be 'bypassed' and eventually cease to exist.

This is all the more extraordinary in that the author is a distinguished physicist and engineer, with a mind trained in organized logical thinking and research, reflected in the formal presentation of chapters and their sub-divisions in textbook-like precision—with an irritating frequency of references back to these and to other books which comprise a sequence culminating in this one.

The reader looking for clear answers to questions of public concern and a logical presentation of solutions, will probably be maddened by the overall imprecision, until he realises that the imprecision is deliberate and that the general drift of the book is an attempt to raise the mind of the reader out of the clamour of disputation to a rarefied level of

ideation on which abstract thinking intuitive perception.

One is reminded not infrequently of the book of the writings of Kristof Teilhard de Chardin. There is a similarity, for instance, between Sk 'Golden Men' and the superior type c is to lead the new 'movement' in hum in de Chardin's prognosis, as there manner in which the former are expected to 'emerge' to handle the revolution w Save the West.

Some ambiguity arises from the au certain terms and their context. For there is frequent use of 'power' or which success in reaching the object likely. It is not clear whether the powers of the human constitution or be acquired in a political, military, organizational sense. Possible confi lay reader is not dispelled by the suggestion that we are 'probably on another Dark Age', any more than in reference to enemies 'powerful and weapons' against whom 'we must conquer degeneracies and move more quickly than ever before'.

The new Dark Age, if it eventuates the normal processes of evolution' a new kind of man, carrying within him of a new kind of social organism'; 'bypass' the problems and let evolution work, or do we struggle and 'move me in defence'?

One clear and reassuring concept is in stressing the importance of the both in his unique contribution to civilization and as a characteristic. There is little talk of democracy and contempt for the collectivist ideology also are intriguing hints, such as from H G Wells on the idea of international business as a 'bridge' in the process of international tensions. Here we have inference that trade is, after all, civilization despite the widespread fear of the power of the 'multinationals'.

There is also an interesting and approach to the problem of unemployment. The author assumes that a large proportion of the present unemployed are unemployable because that modern technology has made them so. That this situation will be permanent must therefore be made in the new social organization for activities which will give these members a sense of belonging and a role in the provision of those higher preoccupations which the future will bring to the presumably salvaged West—leisure, artistic and other cultural pursuits.

This is a fascinating, if sometime book which will not lightly be put aside. It belongs in the category of works that

from their place in the bookshelves, demanding to be re-examined from time to time in the light of the 'Climate of Thought' to use the author's own neologism.

Published by Reaps House, division of the  
Reappraisal Society, Cremorne, NSW. 1979

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## THE LAND QUESTION

### IN NEW HAMPSHIRE AND VERMONT

By HEMAN CHASE, Alstead, New Hampshire USA

In *Yankee* for April, 1972, Doris Kirkpatrick of Whitingham, Vermont, has an article entitled 'THIS LAND IS MINE, or is it?' What she says is both moving and thought-provoking since it so well and poignantly asks some of the main questions now confronting those who have lived in Northern New England long enough and thoughtfully enough to be concerned for the things about it that we have loved but now see threatened by the onrush of modern 'progress', rapid population growth and city-type trends and problems.

Those concerned with the quality of human life and environment have had, in recent years, a new appreciation of many of the former features of our countryside and communities now that we see them in jeopardy.

We have loved our old winding tree-shaded country roads, our small villages whose very 'sense of community' pervaded the local store, church, post office and school, and our sense of closeness to local government, with its democratic town meeting and its officers known to us as neighbours, elected directly by us, and sharing with us the results of their wisdom or folly. There were the neat farms and closely cropped fields and pastures, the homesteads reflective of self-respect, hard work, security of tenure, and, in many cases, modestly gracious living.

Idyllic as these thoughts are, in retrospect, we are now being forcefully reminded that we and our region are an integral part of the economy and society of the whole country, even of the world. We are being showered by the 'fallout' of people and problems originating mainly in the industrialised and abnormally crowded cities and suburbs in the states to the south of us.

From that direction has come a growing demand for our land with a consequent phenomenal increase in the price of land. With added demands for schools, roads, and police, costs of government have multiplied, and, likewise, so has taxation.

Mrs Kirkpatrick has, in substance, asked how those of us, who have long held and loved our farm-sized tracts of land, can continue to hold them in the face of increasing taxation, the decline of farming on its former scale

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appropriate to our terrain, and con are by the onslaught of speculators developers with their fat pocket bc Ethan Allen called 'their infernal

Though he question springs from t problems of this modern age as they us here, still it is just a part of LAND QUESTION which, in its compreh can well be worded thus: HOW, OR ON AND EQUITABLE TERMS, CAN ALL PEOPLE TENURE AND USE OF LAND?

'Land', on political economy, des surface of the earth, the water and below, the air above—in short, all gifts of The Creator to Mankind—of absolutely essential to our very ex Since no man created any land altho dependent upon it, therefore land a must be regarded as our common heri since land is best used and most er separately held tracts, we see that of being shared as a common heritag essential to an orderly and just so

Mrs Kirkpatrick has decried the r rising taxation of land which is ma increasingly hard to continue to h cherished family heritage of 100 ac Since I have a similar holding, I t some moral as well as financial pre relinquish some of it, and so I can her feelings.

I am trying to take a broad and i view of the Land Question. I have o in most discussions and articulate, matter on the subject, *only the sec present land owners is considered*. as if non-owners had no rights, not or potential rights, or as if they intruders in a society belonging ri present land owners—all of a piece once held by some, that only proper should be allowed to vote: 'Let tho the country govern the country'!—s pretty crude idea in a country prof ideal of equal opportunity for all!

Henry Hazlitt, in his excellent 1 *Economics In One Lesson*, says: 'The economics consists in looking not m immediate but at the longer effects or policy; it consists in tracing t consequences of that policy not mer group but for all groups.' Surely n gainsay the wisdom of this dictum.

If Mrs Kirkpatrick and I are to p wisdom in our thinking on social qu will be forced by our own integrity the Land Question not only from the of the fortunate landed class that but also from the standpoint of peo at present landless—in the tenant but who have a desire for land owne right and natural as ours.

One of my earliest lessons in fairness to others—and quite illustrative of people's equal rights to land—was given me as a young boy when I would often ride with my father on the train from Bellows Falls to Boston, in good old 'Steam Car Days', of course. With only a few on the train at first, we had our choice of seats. Taking one near the centre of a car, we would push forward the back of the next seat ahead so as to enjoy the luxurious spaciousness of two, sitting on one seat with our feet up on the other, with the wide view of the two windows. My father explained that this was all right when there were plenty of seats for everyone but that after the cars had filled up with people from Keene, Fitchburg and Ayer, we must relinquish the second seat for others and content ourselves with the one seat we really needed, just as we would wish others would have done for us.

In all justice, my father's explanation expressed the Christian way in which we must regard the needs and rights of others, whether they come on the scene—the train or the earth—early or late. If each new generation of people, landless at first, are to have places of their own, this can come about only through the relinquishing of land on the part of those who can spare it, or, who have more than they really need. And if this can be brought about only by increased taxation of land, then such taxation is seen as a means of distributing the privilege of land holding more evenly and equitably than at present, also as a means of bringing down the price of land which, as we now realize, is acting as a shut-out of the next generation, the destruction of farming, the exclusion of new elements of labour and capital—in short, the stagnation of communities.

And what has brought about the alarming rise in land prices? The price of land in any region is a matter of Supply and Demand.

*On the supply side*, although in our two states there is vast unused acreage in actual existence, what counts as 'supply' is whatever lands present owners would be willing to sell now, and such lands are becoming increasingly scarce. Some are not interested in selling today, even at today's prices because, with present trends continuing, by holding land longer they know they can undoubtedly get far higher prices a few years later. Others are reluctant to sell at all at any price because, quite understandably, they fear the loss of their former privacy, their long-cherished 'peace and quiet'. Knowing something of what the influx of hundreds of new city and suburban people of all types can do to a formerly quiet community, with their incessant traffic, their barking dogs, and their motorized kids, I am in great sympathy with those who will not risk the destruction of rural peace by selling to just anybody.

*On the demand side*, first we must recognize the nation-wide growth of population and the consequences to be expected in the land market, here as everywhere else. But added to that is

the growing repulsiveness of city life engendered the desperate desire, on the part of all those who can, to move to rural surroundings, relatively unspoiled so far, and to quiet spacious places of their own. They can usually have more than average much from their citified background and so they do not regard today's inflated real estate prices here as any great obstacle. For developers there is now a large market of such prospective purchasers and so they buy up large tracts of land at wholesale and then sell off the land—with or without improvements—in suburban-sized lots at inflated prices. Of course most 'developments' are the 'dog house' in the eyes of those who wish to preserve rural values. Another phase of the demand for land is that of those who buy for the unsounding purpose of 'investment', or, in other language, speculation. Buying today, they hold land for a period of years and then sell at a profit. Since the annual taxes on such land are nowhere near equal to the average annual growth in land prices, such investors are bound to succeed. This is a social evil; it takes areas out of use by the next generation, needs land, and the financial gains added to the growth and progress of society are only a small contribution that owners have made to the sum total of goods and services purchased with money.

As taxing authorities observe the rising land prices that many land sales are now being made, their thinking is like that of the old farmer who was asked how much he thought his litter of young shoats was worth. He said, 'figure they are worth just what the first feller's'll fetch'. This is the basis of the concept of 'fair market value' for the assessment of land, a concept which is one of the unnatural causes, mentioned above, leading to the present high prices of land. The skyrocketing of assessments and taxes, of course, striking terror into the hearts of those who actually need land in considerable quantities, such as farmers and foresters, and who wish to maintain holdings suitable for rural life, as well as all who wish to keep the countryside to keep some of its distinctive rural charm and values, its open spaces, its unspoiled stretches of road, and so on, get too high for the moderate means of living of the valuable but endangered class of residential citizens, then speculators and developers alone make money enough to survive, regardless of the resultant effects on the community environment.

Last year a friend said to me, 'Since you are a devotee of Henry George, you must be against the rising taxation of land'. I have said to him, on the contrary, that I was not; very true, the famous Georgist doctrine does include the increase of land taxes up to the annual rental value, it also includes the simultaneous abolition of all taxes on the products of labour: incomes, sales, stock, trade, tools and machinery of production.

dwellings, buildings, and all other 'improvements'. Obviously, the practice of the first part of the doctrine *only, without the second part* would be ruinous to society and the economy.

And so it now threatens to be; virtually, it is *double taxation*. 'Land Value Taxation' is based on the very sound idea that the actual value of land is a measure of all society's benefits to the individuals living and working on land in the midst of the growing benefits of such elements of civilization as roads, schools, hospitals, libraries, industries, businesses, services, public utilities, fire protection, police, and so on.

But 'price' and actual 'value' are not necessarily related. Today's inflated land prices do not necessarily reflect any improvement in those socially created advantages of civilized regions. What they definitely do reflect now in our region is the sickness of our urbanized society, the inordinate weight and wastefulness of government, the dislocations of war, and a taxation system which rewards land speculators, denies the coming generation land of its own, and penalizes productive enterprise and thrift.

Where is informed statesmanship to come from to lead us in the direction of fundamental reform—this one or any other—having to do with the just distribution of wealth and privilege? From some particular level of government? I fear not. Men able to attain office, at any level, are too likely to be, perhaps from way back, a part of the 'system' of things as they are. Such men have usually adapted themselves to politics and its demands of the 'game' far more than they have been schooled in the basic, Two-And-Two-Make-Four principles of economics and its dire admonitions to society, and far more than they have themselves pondered moral questions. Office holders are likely to be a part of the status quo.

A good example of this is a U.S. Senator I met last year at a small political gathering in a private home. In a moment of relaxation, he asked me about the price of land in our district. On being told the trend—steadily upward—he revealed his very common humanity by saying, 'If any of you run across any large tracts I could buy 'right' as an investment, do let me know'. You can clearly see how, with respect to the *Land Question*, this very decent and friendly man, at heart devoted to the public good, was *not* actively or consciously seeking a solution as, in his high public position he should have been; instead, he himself was 'part of the problem'!

I believe that among private citizens, uncommitted to advocacy of special interests, will more likely be found the motivation, the objectivity, and 'concern' for mastering the *Land Question*. I believe that the Georgist doctrine is the road to that end. It is an idea that is slowly making progress, not only through academic study, but very much so by way of a

'back door', so to speak—the gr facts of social and economic life

They say 'Nothing is so powerful whose time has come'. Articles like those of Doris Kirkpatrick should help to arouse popular interest and thought, to the end for many long-needed ideas shall  
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#### EQUALITY ORDAINED BY NATURE

With every increase of population land rises; with every decrease is true of nothing else save the like the ownership of land, are monopolies.

The tax upon land values is, most just and equal of all taxes upon those who receive from social and valuable benefit, and upon the proportion to the benefit they receive by the taking by the community for community. It is the application of property to common uses. When a citizen pays by taxation for the needs of the community will the equality ordained by nature. No citizen will have an advantage over another citizen save as is given by his industry and intelligence; and each will fairly earn. Then, but not till labour get its full reward, and natural return.

(P 421 'Progress and Poverty' by Henry George)  
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#### MONTHLY MEETINGS HELD AT 143 LAWSON STREET, REID

1st Monday, 6 p.m.

Australian School of Social Science  
(No January meeting)

2nd Tuesday, 6 p.m.

Henry George Foundation  
Association for Good Government

3rd Wednesday, 7.45 p.m.

Social Science Club  
(No January or February meeting)  
October meeting is held as the 100th Anniversary Commemoration.  
December meeting is held on 2nd Monday

LAST Thursday, 6.15 p.m.

Proportional Representation  
(No December meeting)

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By HENRY GEORGE

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