

# Good Government

Incorporating "The Standard", published since 1905.

A JOURNAL OF POLITICAL, SOCIAL AND ECONOMIC COMMENT

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Australia

## Viewpoint

### A FUGITIVE EARL AND ABANDONED PROPERTY

The first Earl of Lucan was given extensive estates in Western Ireland for services to the British Crown during the reigns of Henry VIII and Elizabeth I. The services were part of the English operation of subjugating the Irish by a reign of terror which, as the noted historian J M Green wrote, 'tore all faith in British justice from the minds of the Irishry and sowed the seed of that fatal harvest of distrust and disaffection which was to be reaped through tyranny and massacre in the age to come'.

With five estates totalling 63,000 acres the Lucans were well insulated against the hardship and poverty to come. In 1873 the annual income from the estates was estimated conservatively at £17,400 and, with equal conservatism it would currently be £1,740,000, all from the toil of rack-rented Irish workers, who might as well have been given to the Earl as chattel slaves.

The Earl of Lucan was only one of many robbers appointed by the English to be supported in luxury by the Irish on the pretension that they had acquired ownership of the land of Ireland but the peculiar twist in this particular case is that the present Earl has disappeared. In November 1974 his children's nurse was found murdered and the police have been looking for him ever since.

Whatever outrage his tenants might feel at the circumstances of his disappearance it could be assumed that the fact would be a matter for jubilation and that his return would be about as welcome as a contagious disease. But the

endearing characteristic of the Irish of acting in unexpected and even erratic ways that, amidst all the tragedy to which they have been subjected, has added so much to the world's reservoir of charm and humour, has produced the paradox of the Irish tenants wanting the return of the Earl as much as do the police.

Of course there is a typically Irish explanation, which neither J M Green nor any other unenlightened outsider could possibly have foreseen. Having violently opposed the English occupation and all its concomitants of landlordism, taxation and even language for four centuries and never having admitted the legality of any English act during that time, particularly the usurpation of their lands, the Irish type of logic was irrepressible when the independence of Eire was finally Achieved.

Its expression was the adoption of the astonishing principle of buying back their own land from the descendants of the English landlords, who had been foisted on their ancestors with so much crime and violence and whose families had lived so luxuriously at their expense throughout their own repression, poverty and famine. With what sardonic grins must English lords of Irish lands have walked to their London banks to deposit the capitalised values of their 'rights' to live on the backs of their Irish tenants!

The Earl of Lucan was in the queue for his pay-off when his unfortunate personal involvement with the law prompted him to vanish. Part of his 'property' is the land on which the town of Castlebar stands. Economic activity there has given rise to a strong demand for

### THE PRINCIPLES OF GOOD GOVERNMENT

1. The true function of government is to maintain peace and justice. This does not include interfering in national or international trade or commerce, or in the private transactions of its electors save only as these threaten peace and justice.
2. A democratically controlled and just revenue is available to governments by the collection of all site rents as their sole and proper revenue, at the same time abolishing all taxes, tariffs and unjust privileges of every description.
3. A democratic system of representation by the adoption of proportional representation in multi-seat 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 electorate.

THE PROPER REVENUE OF A NATION IS THE SITE RENT OF ITS LAND

houses. About 1200 inhabitants want to sell their houses, ownership of which is vested in them although the Earl 'owns' the land on which they are built. Now they cannot find the Earl to complete the necessary legal processes and to accept payment for the freehold of 'his' land.

The local member of parliament says he may seek an amendment of the law to solve the impasse. Would it be too Irish to suggest that any such amendment should be based on the principle, for which the outside world understood the Irish to have been fighting for the past four centuries, viz, that the land of Ireland belongs to the people and not to a handful of ornamental loafers.

#### WELFARE—A HANDSOME LIVING FOR BLUE BLOODS

Whilst it has been alleged that the fugitive Earl of Lucan may be hiding in Australia, another aristocratic English Earl, who refers to his family's land-owning inertia as their 'enterprise' and who remains acceptably within the law, has recently visited this country on his honeymoon.

He is the Earl of Grosvenor, heir of the Duke of Westminster who is reputed to be the richest man in England. In the past year or so Australians have been staggered by the amounts of public money (about \$50,000,000) reported to have been wrongly paid out in Social Service benefits. In England each year the Duke of Westminster alone is able to extract about ten times that amount from the British public without causing the English equivalent of our Auditor General any increased blood pressure. His riches come from publicly produced rent, a source which is completely ignored by all socialist legislators, whatever their party tags.

#### RENT IS PUBLIC REVENUE

The rent of land is the natural public revenue; natural because it is demonstrably produced by the public and no individual can advance a logical claim to it. It is produced co-operatively by the presence and work of people in areas where they concentrate their economic and social activities in pursuit of their individual enterprises. Although it is always identified with particular areas of land, the landowner does nothing to produce it and, to the extent that the law permits him to collect it, the public, whose property it is, not only has to make up the loss by taxes, but is further disadvantaged by a pathological, speculative rent that can be exacted because the land, in such circumstances, acquires a market value.

The whole co-operative effort of thousands of people working and living in the 600 acres of London known as Mayfair and Belgravia is the biggest single source of the Westminster fortune. It was estimated in 1873 that the people in that area were paying the Duke at least £1,000,000 a year for the privilege of working and living on

'his' land. It would probably be a conservative estimate to put that income at the present time at £200,000,000. Of course he has other 'property', notably 7 other estates in Great Britain, among them 13,000 acres in Cheshire, 14,000 acres in North Wales and 100,000 acres in Scotland. In addition he has extensive holdings in Canada, Hawaii and Australia and probably many others hidden in company ownerships.

#### NOT A CAPITALIST

Despite modern 'economic' misdescriptions the Duke is a capitalist to only a minor degree. His great source of power is his grip on land to which he has no better right than any other individual. The two inescapable necessities in the production of goods and services are land and labour. In an earlier age fortunes were maintained by owning labourers (chattel slavery). The Westminsters have been in the vanguard of those who have demonstrated that it is more impersonal and respectable to secure a grip on the other necessity with equally degrading results.

The Westminsters are able to claim welfare from thousands of producers to keep themselves in luxurious grandeur and, whilst governments ignore the social nature of rent, they must raid with taxes what those producers have left so that they may provide, among other things, various types of welfare made necessary by landlordism.

The Earl of Grosvenor is doubtless an amiable young man whose recent marriage has been publicised by the press into a glamorous social event because he is the heir to such a fortune. In fairness the corollary of that fortune should also be given some attention because it involves impoverished welfare recipients, and unemployed anti-social groups rooted in under-privilege, and the unglamorous drop-outs who fritter their lives away around Piccadilly.

#### A SUGGESTION TO THE NEW POPE

Having served for so long in a Communist-dominated country, the new Pope could be expected to have a firm understanding of Marxian dialectics. Could this perhaps provide the opportunity for what is popularly called 'meaningful dialogue' with the Kremlin aimed at ending the armaments race and promoting freedom and brotherhood? There is a firm basis for dialogue in the following meaningful quotations:-

Karl Marx: 'The starting point of the development that gave rise to the wage labourer as well as to the capitalist was the servitude of the labourer. The expropriation of the agricultural producer, of the peasant, from the soil is the basis of the whole process.'

Cardinal Manning: 'The Land Question means hunger, thirst, nakedness, notice to quit, labour spent in vain, the toil of years seized

# THE ASSOCIATION FOR GOOD GOVERNMENT

Publishers of  
GOOD GOVERNMENT  
a bi-monthly journal  
of political, social  
and economic comment

143 Lawson Street  
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October 1978

Dear Reader,

## SUBSCRIPTIONS 1978-79

Subscriptions and membership fees are due with this October issue of Good Government.

It is anticipated that production of Good Government will be back on schedule during the first few months of the new year providing that there are no undue printing delays.

A proposal to increase membership and subscription rates was considered at the last meeting of the Executive. However, it was decided not to increase fees in order that the journal and membership would be available to as wide a membership as possible.

Your continued support is requested.

*J. T. Webber*

J T Webber, Honorary Secretary.

## ASSOCIATION FOR GOOD GOVERNMENT

143 Lawson Street, Redfern, NSW, 2016.

1978-79

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( Supplement to Good Government, October 1978)



upon, the breaking up of homes, the miseries, the sickness, deaths of parents, children, wives; the despair and wildness which springs up in the hearts of the poor when legal force, like a sharp harrow, goes over the most sensitive and vital right of mankind. All this is contained in the land question.'

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### AUSTRALIAN SCHOOL OF SOCIAL SCIENCE

The 1979 SUMMER SCHOOL will be held at  
The Women's College, University of Sydney  
Carillon Avenue, Newtown.  
On 27th & 28th January 1979

All invited.

For further information write to  
Box 175, Post Office, LAKEMBA NSW 2195  
Phone (02) 750-9110 759-1120

### NATIONAL CONFERENCE IN MELBOURNE

The Executive of the Victorian Branch is asking other Branches to indicate the likely numbers of participants in a National Conference of Georgists to be held in 1979 in Melbourne to commemorate the Centenary of the publication of *Progress and Poverty*, also the subjects which members would like to discuss.

One subject which would be the appropriate topic of one Seminar is: 'How could we increase the impact of Georgism?' Another subject: 'Implementation of Georgist policies:  
1. Alternative Budgets; 2. Legislative Reforms. (Taxation etc.)'

Interested members are invited to contact the Association.

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### 'PROGRESS AND POVERTY' CENTENARY

1979 will be the 100th Anniversary of the publication of *Progress and Poverty*.

One of the events to commemorate the occasion will be a World Convention in San Francisco from August 20 to August 25, 1979.

Further details will be published as they are received, but intending visitors to the convention are invited to contact this Association.

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### BRITISH HISTORY'S DARKEST CHAPTER

By ROWLAND ENTWISTLE

One of the most significant chapters in the constitutional history of Great Britain is that which covers the restoration of the monarchy in 1660. It was not remarkable because it brought to an end the military dictatorship established by Cromwell. The termination of the so-called

Commonwealth was a foregone conclusion when the Protector died, and had he lived it could not have long survived. Cromwell maintained his army by means of a land tax, a form of imposition that has always been unwelcome to Land Lords. The effect of the tax was to confirm the Land Lords in their power over the country, and so—when the opportunity came—they were in a position to dictate terms to the monarch they restored as the symbol of their own authority rather than as a king in his own right.

It may be well to pause for a moment to give the Commonwealth its due. Torture, which was totally opposed to the law of England, but which had been used in every reign, was abandoned by the Commonwealth, and was never restored again. In Scotland torture was not abolished until 1708, in France till 1789, in Bavaria and Wurtemberg till 1806, in Hanover till 1822, and in Baden till 1832. The foundations of religious tolerance were established. The prerogative of royalty was destroyed, or at least made subject to Parliament, while the power and jurisdiction of Parliament as the supreme legislative and judicial authority were placed on an immovable basis.

Much of the revenue raised by James I and Charles I never reached the royal treasury, but was embezzled by his ministers. Under the Protectorate this income and expenditure of the Commonwealth greatly exceeded those of any monarch who had previously sat on the throne, and while the ministers and commanders took very good care of themselves, it is clear that public affairs were better managed than they had ever been before. The burden, however, pressed heavily on the great Land Lords, without the compensation of the sweets of office, place and power to which they had been used.

With the overthrow of the Commonwealth, the Land Lords returned to power. The restoration of Charles II was marked by a brief but extremely bloody and infamous revenge on all those who could be held in any way responsible for the defeat and execution of Charles I, and then the Convention Parliament got down to business, and a fiscal revolution followed.

Most historians have passed lightly over this significant epoch. Some just mentioned the fact that the feudal tenures were abolished, and that the excise was granted as a permanent revenue to the Crown, and others that the aristocracy obtained a release from their feudal obligations but did not release their tenants. Even Macaulay glosses over this event. At the commencement of the second chapter of the first volume of his history he says:—

'The history of England, during the seventeenth century, is the history of the transformation of a limited monarchy, constituted after the fashion of the Middle Ages, into a liberal monarchy, suited to the more advanced state of society in which the public charges can be no longer borne by the estates of

the Crown, and in which the public defence can be no longer trusted to a feudal militia.' He then states that feudal rights and tenures perished with the crown under the Commonwealth, and that at the Restoration they were abolished by statute.

The truth was that while the aristocracy freed themselves from their obligations to the crown, they expressly retained the obligations due to themselves from the lesser tenants, namely, all the manorial rights, including the great one of copyhold.

Lingard (Vol XI, pp. 195-6) throws a little more light on what happened. Referring to the grant made by Parliament to Charles II of £100,000 per annum in lieu of the feudal tenures, he says: 'Neither did they choose to pay the price of the benefit, though it was to be enjoyed exclusively by themselves. Originally, the authors of the measure intended to raise the compensation by a tax on the lands which had been relieved; the amount had actually been apportioned to the several counties by the committee, when a member, as it were accidentally, asked why they should not resort to the excise. The suggestion was eagerly caught by the courtiers and many of the proprietors. The injustice of compelling the poor to pay for the relief of the rich, though strongly urged, was contemptuously overlooked; and the friends of the motion, on a division in full house, obtained a majority of two.'

Burdensome and irritating as many of the burdens imposed by despotic kings may have been, they were the conditions attending the magnificent grants by the crown of the greatest parts of the lands of the kingdom, and they were not, as a whole, disproportionate to the vast benefit given and enjoyed. By Magna Charta they had been secured to, assessed, and regulated by the landholders themselves in Parliament. The annoyances and hardships could have been rooted out by Act of Parliament, but this was not what the Land Lords wanted. They desired to retain the splendid gift and get rid of the whole mass of conditions by which it was hedged in the bestowal.

By this act the Land Lords established that extraordinary value in their property which has made them the most astoundingly opulent and powerful aristocracy that ever existed, and has enabled them to overthrow the balance of the Constitution and thrust the people out of their rights.

This is but the beginning of the story. We owe to this period the device known as the 'National Debt', a matter which requires a chapter to itself. From the moment when the people paid, and the Land Lords received, through Government offices and appointments in the navy and army, from this moment begins the history of our boundless expenditure and the

rise of the whole of the modern system of taxation, of extravagance in public administration, of gigantic wars, and of the power of the vested interests by which we are mastered today under a yoke heavier, and more firmly secured, than any under which our forefathers groaned.

The petty tyrants in other countries were quick to follow the example of Great Britain. This country has the dubious distinction of having led the world, by the success of the great injustice here related, to erect a system which has made Christendom a byword and a reproach among the nations, which presents to future ages the amazing paradox of increasing poverty and enforced idleness side by side with a phenomenal growth in the production of wealth of every kind, and particularly of the primary necessities of existence.

It is for us to rescue civilisation from its sorry plight by going back to the point where Cromwell failed, to rebuild on the assertion of the common right to the land which our forebears entrusted, with such disastrous results, to the administration of kings, a new state of society in which economic justice will prevail, the only state in which men can be truly free.

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## STRONG STATE-WIDE VOTE FOR LEGISLATIVE COUNCIL REFORM

Democracy in New South Wales had a double victory at the statewide referendum held on 17th June. Following the strong 82.6% vote in favour of reform, the NSW Legislative Council (the State's Upper House) will not only be elected by popular vote for the first time since members were first elected in 1856, but the quota preferential method of proportional representation to be used is the best voting system that could have been chosen.

The Association for Good Government pays tribute to:-

\*The Government and the Opposition for deciding on the quota preferential method of proportional representation voting.

\*Independent member Mr John Hatton, who steadfastly supported the quota preferential method of proportional representation even though he was opposed by all Legislative Assembly members, both Government and Opposition, during debate on the Bill, which, in its earlier form, provided for the unsatisfactory list system of proportional representation.

\*Members of the NSW Branch of the Proportional Representation Society of Australia, independent citizens and members of this Association, who have promoted the use of the quota preferential method of proportional representation for elections for over 50 years.

\*The 2,251,336 voters who supported the reform.

Voting was strongly in favour of the reform throughout all State electorates, with the highest vote in the metropolitan Sydney area. Some provisions of the Act, such as the procedure to be followed in the event of a mid-term vacancy, are not as we would wish. However, this does not detract from the significance of this legislation.

The Tasmanian House of Assembly, the Federal Senate and now the NSW Legislative Council use a voting method that is not rivalled in embracing the true principles of democracy.

Final voting figures were:-

Yes - - - 2,251,336 (82.6%)  
No - - - 403,313 (14.8%)  
Informal - - 69,727 (2.6%)  
Total Votes - 2,724,376  
Enrolled electors - - 3,072,678

J T WEBBER, Honorary Secretary,  
Association for Good Government.

For more details, see the article 'LEGISLATIVE COUNCIL REFORM ADOPTED' in this issue.

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## AUSTRALIAN SCHOOL OF SOCIAL SCIENCE

### TAXATION IS DESTRUCTION

*A Paper delivered by Mr Lionel Boorman at the Spring School held at Adyar Hall, North Sydney, on 8th October, 1978.*

Peter Cunningham, a surgeon in the Royal Navy, was Surgeon- Superintendent of Convict Transports to New South Wales. He made four voyages between 1819 and 1825 and spent two years ashore at one stage during that period.

In his book entitled *Two Years in New South Wales* Cunningham shortly dealt with the system of land grants and some of his observations are pertinent to this paper. He says, and I quote: 'It does not follow, because grants are first necessarily large, that the land should thus always continue in masses in the possession of large proprietors; for as new lands become remote, and population condensed in the old settled parts, artificial grasses and cultivation of green crops will unavoidably be introduced in the latter to sustain more stock, and divisions of the large grants among the proprietor's family naturally follow, to admit of a more perfect cultivation than a large tract of land can possibly receive from the capital and superintendence of the single individual: no wealthy and enterprising person will readily rent a farm in a new country, as long as the ambition of acquiring one of his own at a reasonable distance from a market, and at a cheap rate, has a chance of being gratified; therefore, a considerable portion of a large

tract would thus otherwise remain comparatively unproductive until men of capital found it more advisable to rent land in the old settled parts than purchase it in the new.'

Cunningham further says, and I quote: 'The utmost extent of land now granted is 2,650 acres, a capital of Five hundred pounds being required for each 640 acres. At the end of 7 years, you must have expended a fourth of the estimated value of your grant in improvements, to complete your Title to it, at which period you commence paying a Quit-Rent of 5% per annum upon the estimated value of the grant. The natural lands in this Colony have never been valued at more than Five Shillings per acre, therefore the value of 2,560 will be Six hundred and forty-two pounds two shillings and the Quit-Rent Thirty-two pounds per annum. It would be a great improvement to permit this Quit-Rent on first grants to be paid in wheat and beef, at market value; a plan that would suit the Government equally well and the settler better than a money payment. The great fault in the system hitherto pursued in this Colony has been that the terms upon which land was granted were either never enforced, or that there were actually no terms to enforce. By exacting a Quit-Rent at a given period, you oblige the settler to improve the grant, in order to make it sufficiently valuable to answer the demand of the Quit-Rent, instead of keeping it as a mere stock run, or leaving it in a state of nature, until its value should become so much increased by the condensation of population around, as to enable him to dispose of it to greater advantage. This increasing value of land, from increasing population, will often double the value of the grant in the space of a few years, without reference to a single improvement'.

It was interesting to see that a man like Cunningham saw Quit-Rent as the natural revenue and saw the injustice of the advantage given to some and denied to others by the private appropriation of rent where the terms upon which land was granted were either never enforced, or never imposed.

It was unnecessary for him to read Adam Smith because he could see in a growing Colony the natural laws of distribution of wealth already at work. Adam Smith before him had said: 'Both ground-rents and the ordinary rent of land are a species of revenue which the owner, in many cases, enjoys without any care or attention of his own. Even though a part of this revenue be taken from him in order to defray the expenses of the State, no discouragement will thereby be given to any sort of industry. The annual produce of the land and labour of society, the real wealth and revenue of the great body of people, might be the same after such a tax as before. Ground-rents, and the ordinary rent of land, are, therefore, perhaps, the species of revenue which can best bear to have a peculiar Tax imposed upon them'.

Before Adam Smith, the French physiocrats had seen that in the natural growth of Society there is developed a fund which is the natural provision for the needs of Society. They saw that this fund could be taken as the revenue of Society without depriving the individual of anything which was rightfully his, and they saw the necessity of taking this fund as the revenue of the State in order to create a just Society. They saw this fund as a surplus product—something more than the production of the individual. They saw it as a social product or a profit of association—the extra production of people working together rather than apart.

Ricardo, an English economist early last century, expressed the law of rent in a concise form—that is—'The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use'.

In other words, where there is a difference in production by men by reason of the difference in the productivity of sites the excess is rent.

The physiocrats saw rent as a surplus product. Adam Smith saw that it was a first deduction from the produce of labour and that it could be taxed without affecting the return to labour. Ricardo saw it as a differential, that is, the difference between what can be produced by labour on a particular piece of land and what can be produced by the same amount of effort at the margin of production. However it was left to Henry George to see the relationship between rent and land price or land value. It was he who saw that wages and the return to capital do not depend upon the produce of labour and capital, but upon what is left after rent is taken out and that no matter what be the increase in productive power, if the increase in rent keeps pace with it, neither wages nor the return to capital can increase. It was he who saw that land value arose from the private appropriation of rent and that the prospect of increases in rent created a speculative value in land. It was Henry George who saw that the enormous increase in the productive power through technology made an ever widening gap between rich and poor. He saw no moral justification for the private appropriation of rent but saw rent as the natural revenue of Society. He advocated the public appropriation of rent and the abolition of all taxation.

In spite of this, by far the greatest proportion of Income Tax is paid out of wages and as wage earners are by far the greatest consumers, most indirect Taxation is paid out of wages.

All taxation is drawn from production, whether it be Income Tax, Sales Tax, Petrol Tax or any other direct or indirect Tax—whether it be Land Tax, Municipal & Water Rates or whether or not the economic rent is taken in lieu of

taxation. Production through the effort of people is the source and the only source of all wealth and the only source of all revenue and, therefore, on the face of it, it seems reasonable for people to say: 'A Government must have revenue and therefore what difference does it make where it comes from?', but we must realise that all production is the reward for human effort. Some of it is the reward to the individual for individual effort and some of it the reward to society by reason of the superior productivity of some sites over other sites.

Having shown the alternative to taxation, having shown that there is a fund for the provision of Public Revenue which is now being privately appropriated, we now turn to the destructiveness of our present taxation system. Firstly, the present system of taxation is an assault on wages and it allows of the existence of land price which is a further assault on wages, and an ever increasing ransom to be paid by each succeeding generation.

Our present mis-directed system of taxation results in an enormous waste of human effort which could otherwise direct itself to some gainful pursuit, either material or cultural. We have thousands upon thousands of people, some of them amongst the best brains in the community, trying to outwit the Tax gatherers and thousands of Tax gatherers trying to catch the outwitters. Every business man is himself conscripted by Government as a Tax gatherer for Government.

Having explained that there is a fund available for Society's revenue and that the present system of taxation is an assault on wages, I should not need to go further, but let us deal with some of the destructiveness of taxation. Payroll Tax—a penalty against an employer for giving a just reward for services rendered and a levy upon the wages of the employer. Tariffs—a restriction on the freedom of people to trade with each other, a subsidy for inefficiency. As Governments throughout the world create unemployment, they in their ignorance turn to bigger and bigger tariffs, thereby creating a greater strangulation of of trade and commerce and creating greater unemployment so that it becomes a vicious circle. Sales Tax and value added Tax—increasing the price of consumer goods and thereby reducing wages. The avoidance and evasion of all these taxes creates a great body of liars, perjurers and informers and Governments themselves depend for their revenue, not on the surplus product, not upon the surplus product seen by the physiocrats but upon TABs and poker machines and lotteries. How can we expect individuals to be responsible if Governments themselves are irresponsible but, as we are the electors, the ultimate fault lies with us.

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## A PARABLE

By LEO TOLSTOY

I see mankind as a herd of cattle inside a fenced enclosure. Outside the fence are green pastures and plenty for the cattle to eat. While inside the fence there is not quite enough grass for the cattle to eat. Consequently, the cattle are trampling underfoot what little grass there is and goring each other to death in the struggle for their existence.

I saw the owner of the herd come to them, and when he saw their pitiable condition he was filled with compassion for them and thought of all he could do to improve their condition. So he called his friends together and asked them to assist him cutting grass from the outside of the fence and throwing over the fence to the cattle. And that they called charity.

Then because the calves were dying off and not growing up into serviceable cattle, he arranged that they each should have a pint of milk a day for breakfast. Because they were dying off in the cold nights, he put up beautiful well-drained, and well ventilated cowsheds for the cattle. Because they were goring each other in the struggle for existence, he put corks on the horns of the cattle, so that the wounds they gave each other might not be so serious. Then he reserved a part of the enclosure for the cattle over 70 years old.

In fact he did everything he could think of to improve the condition of the cattle, and when I asked him why he did not do the obvious thing, break down the fence and let the cattle out, he answered, "If I let the cattle out, I should not be able to milk them".

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## SOME REFLECTIONS ON MACAULAY AND KEYNES

Urquhart Adams of Peace River, Canada, while away many fruitful hours reading the classics as well as current literature. He passes along this statement by Macaulay: 'From the time of Ethelred the Unready until the American Revolutionary War, practically the whole of England's revenue was derived from taxes on the rental value of land. From that tax we now (1858) take less than one-fiftieth part'.

Mr Adams sees in this a warning that history will revert to the age-old pattern of oppression of the many by the few; and these few, using the weapon of land monopoly, will gain more and more control and force compliance to their dictates. Force will generate counter-force and a return to the barbarism of the Middle Ages when millions were burned at the stake for non-conformance. Free political institutions can continue only if there is economic freedom such as land value taxation would afford.

In a more contemporary vein Mr Adams quotes and takes issue with Lord Keynes who said,

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'usury and avarice and precautions must be our gods for a little while longer still, for only they can lead us out of the tunnel of necessity into daylight'.

To this he replies, the noble lord advises us not only to accept vice as a guide to conduct, but to bow down and worship it. Avarice is a vice synonymous with covetousness—one of the 'seven deadly sins'—and usury has always been condemned as unrighteous. History records a long struggle between the forces of good and evil, and until Lord Keynes published his credo, it was understood that good was better than evil, virtue better than vice and freedom better than slavery.

Not all men have accepted that view. There have always been those who preferred vice and crime to virtue. In our generation we have seen one of the world's most advanced nations taken over by a gang of thieves and murderers, with the consent of the great majority of its citizens, and in the belief that, as Lord Keynes puts it, this gang would lead them into daylight. What a difference between his philosophy and that of Henry George who advocated mutual helpfulness, cooperation, justice and fair play to 'lead us into daylight' and enable us to reach higher levels of civilisation—perhaps even to insure our survival in this nuclear age.

(Henry George News, Feb 1965)

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## VALUE OF LAND IN NSW

The Association has received the following from the Department of the Valuer General:

I refer to your letter dated 4 September, 1978 requesting the total Unimproved Capital Value of all land in New South Wales.

The total Unimproved Value of land, valued by this Department at the end of August 1978 is \$30,074,325,464.

This amount does not include the majority of Crown Land and some Local Government areas not yet valued by the Department.

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## ARRESTING QUOTATIONS

"Avarice and injustice are always shortsighted".  
ADAM SMITH,

*Wealth of Nations*, Book III, Chapter 11.

"The Party system does not consist, as some suppose, of two parties, but of one. If there were two real parties, there could be no system"  
G K CHESTERTON, *A Short History Of England*.

"Whoever hesitates to utter that he thinks the highest truth, lest it should be too much in advance of time, may reassure himself by looking at his acts from an impersonal point of view.... It is not for nothing that he has in him these sympathies for some principles and repugnance for others."

OCTOBER, 1978

He with all his capacities, and aspirations, and beliefs, is not an accident, but a product of the time...

He must remember that while he is a descendant of the past he is a parent of the future: and that his thoughts are as children born to him which he may not carelessly let die"

HERBERT SPENCER

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abolishing poverty by freedom. Economic rent is unalterably public revenue, even if governments pervert it into private pockets. Far from being evil, it is nature's greatest social gift to man, and it is time we listened to George and started to collect for the public benefit as intended.

W A DOWE

Lakemba NSW

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#### A SCIENTIFIC TAX NEEDED?

(Published in The Waikato Times 7.7.78)

Sir — Until we have, for the sake of a better term, a scientific taxation system, no permanent progress is possible. So long as we rely on the income tax, sales tax, taxes on the so-called luxuries of the wage earner, beer, tobacco, and betting, prices must continue to soar. Wage earners will be justified in asking for higher and ever higher wages to offset their higher costs.

When one hears wage earners saying that taxes on luxuries keep down other taxes one is inclined to say that they deserve what they get and deserve to be taken for a bunch of suckers. Unfortunately, the taxing of goods for public revenue creates far more serious complications, complications which if not neutralised will eventually destroy what semblance of British liberty we still possess.

Governments are set up to protect the persons and property of men. or in the words of a great lawyer, to protect the just rights of the community and its members. Or to quote Adam Smith, the sovereign's (Government) first duty is to protect the society from the violence and invasion of other independent societies, and secondly, the protecting of every member of the society from the injustice or oppression of every other member of it. In other words, protection against pirates from abroad and from robbers within the country.

With the help of other nations we have so far escaped the horrors of invasion, though we came perilously close to experiencing them just on 40 years ago. From robbers within the country we most certainly haven't enjoyed protection. Indeed, Government, which is set up to maintain justice between the members of the nation is the greatest robber of all; not only does it rob the producer but gives selected groups rights of private taxation.

The individual on his own produces damn all, and that little would soon disappear on his death. But when two men combine to a common purpose, something beyond their individual strengths, they produce something that belongs to neither as individuals, but to them in their collective capacity. Civilisation is such co-operation on a vast scale.

Government, the agent of the community, fails to collect these values of co-operation from the individual according to the value he enjoys from from the protection of the community, but allows

#### LETTERS TO THE PRESS

##### PERVERTED RENT

(Published in Sydney Morning Herald 18.10.72)

Sir — The early Christians were accused of atheism because they denied that Caesar was a god, so perhaps we should not be surprised when Alan Wood (Aspect, SMH, 11th Oct.) informs us that Henry George regarded economic rent as the source of poverty and other evils, and that his 'solution was simplicity itself: tax this abhorrent rent out of existence'.

He follows this caricature by much confusion on land-tax, giving no indication that he has read *Progress and Poverty* seriously, and certainly showing no way out of our present morass of high and growing taxes, fantastic land prices, bureaucratic semi-socialism, unemployment and poverty, as George did.

Henry George regarded rent as the true public revenue and the peak of the natural economic order. He saw nothing whatever wrong with it, except that it is being stolen. He affirmed that poverty results from gigantic historic injustices, chief of which is the misappropriation of rent, under perverted government, into the private incomes of land-owners. In consequence of this great robbery governments are deprived of their natural revenue and are obliged to resort to unjust and destructive taxes which are pyramiding to our ultimate destruction.

George's brilliant and radical remedy for poverty (not for all human ills) is to restore the rent to the public treasury and to abolish all taxes as far as this great reform will permit. The effects of it are described at length in *Progress and Poverty*.

Our present Land Tax is far from perfect, and works quite a lot of injustice. But David Jones Ltd. and all producers suffer from many far worse taxes. May we have from David Jones Ltd. a complete list of all the taxes paid by the company, with details of the amounts paid, please. Many businessmen in the city pay thousands of dollars in income tax without grumbling, but complain bitterly about much smaller matters.

Henry George's main proposal is directed to lifting taxes and restrictions from traders and producers, restoring free competition, and so

them to fall into private pockets, principally of those sitting astride the trade routes along which the trade of the country passes. But the soldier, the sailor, the policeman must be paid and the Government to get the wherewithall resorts to the taxing of goods, of course making them dearer. Here you have the reason for ever-increasing prices, the reason why most things cost more than when largely hand-made two centuries ago.

Until the taxation system is put on a scientific basis we must expect continuing industrial strife.

H T A McGAHAN

Matamata NZ

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#### LETTER TO THE EDITOR

Sir — Full employment, full production and falling prices will not be achieved until we remove the two great barriers to prosperity, namely our present tax system, and the price or rent obtained by private owners for the use of land.

High taxes on goods, services and materials raise the price of everything we buy; stifle initiative, hit the poorest hardest, greatly increase the cost of social services and give justification for continual wage claims to offset increased living costs.

In addition, everything we try to do to make the economy more prosperous inevitably leads to increased land prices or land rents or profit from the situation. Thereby production is choked back, the major part of the nation's wealth drained into the hands of a few and hopes of prosperity dashed for the mass of the people.

Thus if we wish to build new towns or more roads, if we try to help people to buy houses through generous mortgages or improved construction methods, if we try to help the unemployed by more allowances, always the result will be an increased demand for land and a consequent rise in land prices and land rent which cancel out most of the benefits we hoped for.

There is one essential remedy, namely to take all site values for the Nation in the form of an annual rent payment on all marketable land, on the basis of site value and whether the land is used or not.

At the same time the public collection of site values would make possible the elimination of most of the evil taxes that at the moment stifle production and raise prices.

In this way, and this way only, can we achieve full employment without raising prices.

J MORRIS Melbourne

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#### WHAT IS THE TRUTH?

The truth is, and from this truth there can be no escape, that there is and can be no just title to an exclusive possession of the soil, and that private property in land is a bold, bare, enormous wrong, like that of chattel slavery.

The majority of men in civilized communities do not recognize this, simply because the

majority of men do not think. With them whatever is, is right, until its wrongfulness has been frequently pointed out, and in general they are ready to crucify whoever first attempts this.

But it is impossible for any one to study political economy, even as at present taught, or to think at all upon the production and distribution of wealth, without seeing that property in land differs essentially from property in things of human production, and that it has no warrant in abstract justice.

(P 358 'Progress and Poverty' by HENRY GEORGE)

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#### 1978 HENRY GEORGE ANNIVERSARY

The Henry George Anniversary was held on Wednesday, October 18th at Cahill's Restaurant, Park Street, Sydney. The commemorative address, delivered by Mr A S Furniss was received with warm appreciation and is reproduced below.

Dear friends, we have gathered together today to commemorate Henry George, a great man whose inspiration and insight of a hundred years ago will help to guide an unbalanced society onto a more rational path of justice and equity. I almost said back onto a path but on reflection realised that our society has never really been on that path.

There have been times when the working man didn't have to struggle so hard to exist, for instance in the time of Merrie England. We are told by Professor Thorold Rogers that in those far-off days the working man's wages were relatively higher than they have been ever since. Although he wasn't what we would today call a free man, the working man was able to maintain a family in food, clothing and shelter and still have time to devote to community or church work. We are told the great cathedrals of England were built by the workers in their spare time.

Today man is free in the sense that he is nobody's bondsman except by his own choice. He can come and go as he pleases, or rather as he can afford to. Whereas the earlier man was well able to feed, house and clothe his family he was not free, while our free man of today is not always well-fed, clothed and sheltered.

Here I quote Henry George in *Progress and Poverty*: 'Paradoxical as it may appear, the emergence of liberty from feudal lords has been accompanied by a tendency in the treatment of land, to the form of ownership that involves the enslavement of the working classes. This is now beginning to be felt all over the civilized world in the pressure of an iron yoke which cannot be relieved by any extension of mere political power or personal liberty and which is mistaken by political economists for the pressure of natural laws, and by workmen for the oppression of capital. This is clear—that in Great Britain the right of the people as a whole to the soil of their native country is much less

fully acknowledged than it was in feudal times. A much smaller proportion of the people own the soil, and their ownership is much more absolute. The commons, once so extensive and so largely contributing to the independence and support of the lower classes, have, all but a small remnant of yet worthless land, been appropriated to individual ownership and enclosed. The great estates of the Church, which were essentially common property devoted to a public purpose, have been diverted from that trust to enrich individuals. The dues of the military tenants have been shaken off, and the cost of maintaining the military establishment and paying the interest upon an immense debt accumulated by wars, has been saddled upon the whole people in taxes upon the necessities and comforts of life. The Crown lands have mostly passed into private possession. The English yeoman is as extinct as the mastodon. The Scottish clansman, whose right to the soil of his native hills was then as undisputed as that of his chieftain, was driven out to make room for the sheep ranges or deer parks of that chieftain's descendants. The tribal right of the Irishman was turned into a tenancy-at-will. The vast majority of the British people have no right whatever to their native land save to walk the streets or trudge the roads'. *Progress and Poverty*, 1878, pl49.

So from feudal times when many men were slaves but there was no unemployment, we have moved into a time of free men, many of whom are unemployed because they are denied their birthright which is equal access to survival conditions, the land. The transition for the individuals who suffered this separation was sudden and brutal. Viewed from today, the whole process of enclosure continued progressively over several hundred years during which time the industrial revolution took place. For anyone suddenly and forcibly separated from the land, their work, their means of support, the pain and poverty of unemployment is just as real today as it was then.

Indeed ever since this transition from feudal times began, unemployment has been present to some degree, varying with the seasons and the fluctuating demand for goods. At the present time it has been exacerbated by the undue interference in the free flow of trade in the market place and by the manipulation of national money standards by governments.

Meddling with the money by kings and others in high places is by no means a new or recent practice as an attempt to stretch the purchasing power of a few at the expense of the rest, all unsuspecting. We must point the finger at Lord Keynes for having made the practice 'respectable' if we dare use that word to describe an act of theft. Keynes put the proposition that a little inflation could provide the funds to create a few extra jobs and backed it up with an argument which was more emotional than logical. He said that the harm done to those robbed of the

purchasing power of their pay packets was insignificant compared with the misery spared those unemployed who could now have work. To do this of course governments had to have control over the issue of money.

Well we all know what has happened—a little bit of inflation seemed such a good thing to the politicians that they increased it bit by bit until the whole show practically stopped from the indigestion caused by too much of a good thing. And the myth persisted for a long time that unemployment and inflation were connected in some causal manner. But that has changed now. It became obvious to them eventually that more inflation wasn't in fact the way to reduce

unemployment, it seemed to be getting worse. So they went into reverse and finally concluded that there was really no fixed mathematical relationship between inflation and unemployment.

Australia is currently hailed as world leader in the fight against inflation but our unemployment doesn't take any notice one way or the other. We can be somewhat thankful for the slowing down of inflation, but the robbery won't in fact cease until we achieve zero inflation. So they have learned the truth of how to control inflation but lack the desire to eradicate it entirely.

That leaves unemployment as the great unsolved riddle. They have found a new name for it—structural unemployment! It is not seasonal or due to fluctuations in demand but is more a function of our social, political and economic structure. To me, this is a good sign, a step in the right direction. It is a wonderful discovery if it leads to the action necessary to correct the structure, and rid us of unemployment. Somebody might just do that. We all know what is needed but would be too easy, to listen to a ready made answer. In another ten or twenty years someone might claim to discover it. Henry George did and we all have read his books about it. Furthermore we have all tried, still are trying to spread this gem of wisdom around, and know only too well the frustration of it. I do think it a good thing though that they have named it structural unemployment. It could lead to something.

There are a few other signs as well which might gladden the hearts of Georgists in Australia. Not because they are good and beneficial but rather because they show that things are getting into a worse mess all the time. This must eventually lead to a clear and relatively simple solution.

Take taxation for instance. The current Australian income tax law is based on the first Act passed in 1936 which consisted of 100 pages. By 1974 it had grown to 500 pages and today in 1978 it has reached 700 pages, all to the delight of what is called the tax avoidance industry. *Industry* if you please. Tax avoidance in this country has become a highly

developed and respected art form, and the popular attitude is to beat the tax man if you can. In disputes with the Commissioner for Taxation the High Court has recently been favouring the taxpayer and there have been some noteworthy cases.

The much-talked-about Curran schemes were born out of one such decision. Mr Curran was president or manager of the Sydney Stock Exchange and he devised a scheme whereby a share trader, having bought a company would declare a free bonus issue to himself of all the unissued shares and then debit his share trading account with the full face value of those shares as though he had actually paid for them. The Commissioner disallowed it, Curran appealed and the High Court upheld the appeal.

This meant that anyone on a high income could, by becoming a share trader, convert his income to a loss and pay no tax at all. Very soon Curran schemes were being hawked about by live-wire salesmen or merchandisers as a recent article described them. Brian Maher a used car salesman from Sydney recently retired a millionaire to the Gold Coast. A friend had told him he was mad paying taxes and that he should diversify into loss companies. At first he had to look for customers but soon they were looking for him. Inflation and the soaring incomes of the professions—doctors enriched by Medibank, lawyers and architects enriched by the property boom—sent many seeking relief from their 66¢ in the dollar tax burden. Somehow the taxation department forgot to tell the government for a year or two until a revenue shortfall approaching \$1,000 million was discovered, and Treasurer John Howard is now making a show of plugging some of the leaks.

Curran schemes have been stopped but they haven't done anything about family trusts as yet. Let's take a look at what one can save with a family trust. Assume there is a family of husband, wife and three children aged 8, 10 and 12 and a business having a net income of \$40,000 before deducting proprietors wages.

1. If the business is owned by the husband then he will pay tax of \$16,000.
2. If husband and wife are equal prtners then each will pay \$5,760, totally \$11,520, a tax save of \$4,560.
3. If \$3,750 is distributed to each of the children and the balance allocated equally between husband and wife, then the children will pay no tax, as \$3,750 is the maximum non-taxable income for single people, and husband and wife will each pay \$3,400 tax totalling \$6,800, a tax saving of \$9,280.

This is possible if the business is owned by a discretionary trust. (Figures taken from *National times* article and unchecked.)

Many government members have admitted to having family trusts, including the Prime Minister and ex-treasurer Philip Lynch, now Minister for trade.

A commentator on the radio neatly described our society as suffering from the bigger, better,

brighter syndrome and lamented the deteriorating quality of life. He should have added faster to his phrase because of the get-rich-quick fast buck, fast foods to take away, instant tea, coffee and potatoes, and patent medicines which now include the antibiotics to cure you quickly. Time saved is devoted to making more money or to more enjoyment of leisure.

However the faith in patent medicine is somewhat misplaced because our ills usually arise from some combination of poor living habits such as overeating, not enough exercise, inadequate rest, excess of alcohol or tobacco intake or too much stress and worry. My experience has been that unless you remove the excesses and restore the balance to your life the mere reliance on patent medicines is not going to restore lasting health.

A parallel situation exists with our present social ills of unemployment and poverty. There is no patent medicine to cure the complaint. The only remedy is to restore the balance and see that justice is done. Henry George has shown us the major imbalance and how to rectify it. Keynes' idea of a little inflation is like a patent medicine, allowing the patient to continue his bad habits while believing that the pills will work a miraculous cure. As we have found out it doesn't last and the complaint has become chronic. Seek out the excesses, restore the balance and health will return. That is the formula. There is no fast cure.

The imbalance in our social structure is a lack of Equal

Access

To

Survival conditions,

or EATS. This phrase was coined by our Melbourne colleague George Hardy. I don't know whether he is aware that it provides the acronym EATS but this could be put to good use in future propaganda.

The way to rectify the imbalance is to provide EATS for all by making ground rent public property. That is to say that the annual unimproved value of all land sites ignoring improvements, must be devoted to public revenue. This will enable the major part if not all, of the taxation burden to be removed from labour, goods and services. The mechanics of making rent public property is a simple matter compared with trying to carve up the land into lots of equal value for the present and future population. The people acting freely as individuals in the market place will ensure equal allocation of survival conditions now and in the future.

Our problem as Georgists is how to communicate this wisdom to others in such a way that it will be accepted and acted upon.

Very few people are blessed with the combination of charisma, motivation, dedication, energy and fluency which would enable the achievement of spectacular results. Henry George was such a one. Our own A G Huie, known

personally to many of you but only by reputation to me, possessed a combination of talents which fitted him to lead the Sydney movement for many years. His achievements were gained through great personal sacrifice. Such unique people do not walk through the door every day, but we all harbour the secret hope that the next new recruit might just be the one we need. I personally experience a great sense of frustration at not being able to contribute more.

While we wait for a newly inspired leader to arise, we must continue to seek new approaches, because everything we have tried so far hasn't had the desired effect. And that is not to say we haven't been trying. A lot of good work has been done, but we still have a long way to go.

Ruling out militant action, we are left with propaganda as our main activity and this must be directed either toward the people or the politicians.

#### THE PEOPLE

Our seasonal seminars held at Terrey Hills and recently more central locations have not been lacking in organisation, choice of suitable speakers and thought-provoking discussion on the day. We can only ask, where were the throngs of people we sought to reach? What must we do to drag them away from whatever they were doing and apparently liking better?

'What's in it for me?' they probably asked themselves, and passed it over when there was no promise of excitement, pleasure, mystery or monetary gain. On my desk calendar a few weeks ago was one of those neat sayings attributed to somebody called Bolinbroke and I quote: 'Plain truth will influence half a score of men at most in a nation, or an age, while mystery will lead millions by the nose'. Perhaps our straightforward, truthful, logical story has to be dressed up a bit to get the man in the street in. Equity and justice don't make newspaper headlines without the human element or hard luck story to go with it. 'Pensioners swindled by con men', or 'Widow with nine children evicted and sleeps in the street' are the sort of stories that seem to sell papers. Whether people will go to public meetings about them I don't know. Public protest meetings about the location of a new airport or gaol are fairly well attended. If we were to calculate how many dollars per week the average wage-earner stood to gain within one, five and ten years, that might get a few in. If we can't calculate it then a guesstimate would do; dollars and cents are readily understandable. Lectures, talks and classes don't attract large numbers but at peak viewing times TV reaches a huge number of people. The nation could be gradually educated by a series of 30 second capsule commentaries possibly with animated visual messages at the same time—Henry George cartoons if you like—if we could afford it.

There is potential for good results through radio as well using similar techniques but with the best possible professional assistance so that the effort is not wasted. This applies to TV also!

People who are willing and able to think independently are in a distinct minority even amongst academics. Highly intelligent people along with the less intelligent masses are prone to fixed modes of thought and something fairly drastic has to happen before they are willing to reconsider their long-held preconceptions. They must first be excited, disturbed or threatened in some way before any great numbers are motivated to reconsider. This has been well proven by people such as John Wesley, Adolf Hitler and even Henry George in speaking directly to a crowd. Not only is the content of the message important but also the performance of the speaker if he would move his audience to the brink of change and beyond. He must motivate them.

If the people can be moved sufficiently to change their habitual voting tendencies then the politicians will change their policies to match the wishes of the people. They dance to the tune of the strongest lobby. Our problem is that we have not won public support and action so we cannot expect to command political leverage.

#### POLITICAL ARENA

Assessing our present strategic situation, the idea of a Henry George lobbyist lurking round the corridors of power seems to hold more promise than trying to educate the masses. For a start the number of politicians is much smaller.

From observation politicians in power—governments—do mostly as they please until checked by an aroused electorate. The electorate submits with surprising endurance to the will of successive governments and rarely raises its voice between elections. When it does however, government usually accedes.

A good example of government giving in occurred with the recent federal budget and the so-called newsboy tax. It was proposed firstly to reduce mothers' family allowances in cases where children took a part time job such as selling of delivering newspapers. On the other hand, by attributing income to a non-working wife and children a man can avoid enormous amounts of taxation through a discretionary family trust. After the first wave of protest from the people and some government backbenchers it was proposed to leave the family allowances untouched but make the 'newsboys' pay 25% tax on their earnings. The second wave of protest caused them to drop the whole plan entirely. Here modification wasn't sufficient to calm the sense of outrage which remained high until the tax was dropped. Strangely however the family trust continues without any noticeable outcry.

Something in the budget which hurt my pocket and many others too I'm sure, was the extra 3 cents per litre on gasoline but there has hardly been a whimper about that. What I am trying to demonstrate to you is that the electorate as a whole will accept numerous hard measures from government and display sensitive reaction to very few. The attitude is almost that we have been to the polls and voted and really don't

wish to be bothered again until next polling day. So the government ought to get on with its job even if a few hard measures are necessary. That includes just about anything which doesn't hurt our feelings, but when that happens we are compelled to raise our voices.

From these observations it is not a huge leap to imagine a switch from income tax to site-rent-for-revenue being calmly accepted by the people. Look at what the Fraser government did to Hayden's Medibank. How many complained about that? It doesn't stretch the imagination too far except that we haven't been in there feeding our ideas to the politicians. This is a job which has to be done face-to-face with treasurer Howard and all the others in turn down the line to the newest opposition back benchers. There needs to be a good and ready supply of printed material for follow up work.

Full-time professional rent-for-revenue lobbyists are needed in every State as well as the federal arena, with New South Wales, Victoria and Australian Capital Territory leading the way. I would be interested to learn of such lobbying in other states and the degree of achievement. It has not been done to any great extent in NSW except possibly by the Proportional Representation Society. They have recently achieved a great success in the Legislative Council, thanks to the efforts of enthusiastic people working in their spare time and the cooperation of one independent Member of the Legislative Assembly who held the balance of power. A classic piece of strategy pulled off to near perfection. Imagine what might be achieved by a full-time enthusiast!!

Finally, something which could be of great interest and potential for the Georgist movement came to my attention recently. I had occasion to contact a friend who is a member of a newly formed community up north near Bellingen. The land is held in trust for the members by a cooperative set up as an umbrella cooperative, the function of which is to shelter and help such new communities to get established. The umbrella cooperative is properly registered and legally able to hold land for any number of other groups. The groups have all the advantages of the cooperative itself including safeguards, without having had to go through the hoops of official registration.

The Registrar of Cooperations has given it his blessing probably because a lot of cooperatives fail. This way the groups have a chance to try their ideas without upsetting the statistics too much. If it works that's fine but if it doesn't it is only one more failed cooperative instead of 8 or 10. Groups under the umbrella may come and go without too much trauma. So far it is working very well.

Well it might be a bright idea for a Georgist group through the umbrella cooperative (or under it) to establish a subdivision on leased crown land. All the lots in the subdivision would be

leased to the holders who would build their own homes on land which hadn't cost a huge sum of money to purchase. Run along the lines of Fairhope, Alabama, it could be a wonderful piece of Georgist propaganda. A three-dimensional full size model for all to observe and emulate.

We all have our obligations and commitments and we all do our little bit for Georgism in the direction we feel best able to make a contribution within our capabilities. And that is as it should be. We cannot count on the arrival of a new front-runner to lead us through the stormy times ahead and so we must endeavour to carry the banner ourselves. Our striving must lead to eventual success.

We will long remember Henry George for he has shown us the way.

Three cheers for Henry George!!!

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## SIR SAMUEL GRIFFITH AND INDIVIDUAL RIGHTS

Sir Samuel Griffith retired as Chief Justice of the High Court of Australia in 1919. Prior to that appointment he had been Chief Justice of Queensland and, earlier in his career, Premier of Queensland. In 1939 Mr A Douglas Graham delivered the John Murtagh Macrossan Lecture to the University of Queensland on the life of Sir Samuel Griffith. The following extracts are of particular interest in illustrating the affinity of the political and legal philosophies of Sir Samuel and Henry George:-

One Bill, which he brought forward in 1890, but did not attempt to pass, calls for a special mention. This was a remarkable measure, which he termed The Elementary Law of Property, and in which were laid down certain principles of Natural Law, which declared that all persons should have equal rights to life and freedom of opportunity, that the right to take advantage of natural forces belonged equally to all members of the community, and that all land is by Natural Law the common property of the community and that every man is entitled to the full value of his labour, which value could never be less than sufficient to keep him and his family in health and reasonable comfort, and which further provided that Positive, or man-made law should not be permitted to restrict any of these natural rights except so far as such restriction would be to the common advantage of the community.

As I have said, Sir Samuel did not proceed with this Bill, which was in fact merely a declaration of beliefs rather than a positive enactment. But some thirty years later he again brought the principles declared in the Bill before the public. Shortly after his retirement from the Bench, he published an article upon what he termed 'The Fundamental Error' of all social life, which he declared was a 'Mastery Rule' whereby the great majority of people had to obey the command of a small minority. And he urged that this Mastery Rule should be done away



with and a Fraternity Rule be established in it stead. And he suggested that if the community at large could be taught to regard the principles of Natural Law as set out in his Elementary Law of Property as axiomatic, in the same way as they regarded many other rules of right and wrong, the world might at length attain to a Fraternity Rule, which, he said in conclusion, would be "No more than Christ's command to love thy neighbour as thyself" than which, he added, "there is no truer democracy".

## THE DRAFT BILL

### TO DECLARE THE NATURAL LAW RELATING TO THE ACQUISITION AND OWNERSHIP OF PRIVATE PROPERTY

(Sir Samuel Griffith: 22nd July 1890.)

#### PREAMBLE.

Whereas it is essential to the good order of every State and the welfare of the People, that all persons should have and enjoy the fruits of their own labour, and to this end it is expedient to declare the natural laws governing the acquisition of private property: Be it declared and enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of Queensland in Parliament assembled, and by the authority of the same, as follows:-

#### DEFINITIONS

**LAND:** The term 'land' means land in its natural condition resulting from the operation of natural forces unaided and undirected by man, and does not include any improvements made upon it.

**VALUE OF LAND:** When the term 'value' is used with reference to land, it signifies the extent of the difference between the advantage of having the use of the land in question and the advantage of having the use of the nearest other land the use of which can be obtained by mere occupation without making payment to any person for such use.

**RENT:** The return or payment demanded by persons having, by positive law, the right to the exclusive possession of lands, for the permission to use that land, is called 'rent'. Rent is therefore a measure of the value of land.

**LABOUR:** The term 'labour' includes all modes of exercise of the human faculties, whether of mind or body. It therefore includes the function of supervision or organisation of other labour.

**WAGES:** The immediate remuneration of labour is called 'wages'.

**PROPERTY:** The term 'property' includes all forms of material things in the possession of man which have a value for the purpose of exchange or use. It also includes inventions and other immaterial results of the exercise of the faculties of the mind.

**PRODUCTION:** The term 'production' includes any act or series of acts by which labour is applied, either directly or indirectly, to property, and the result of which is new property, or property in an altered form, or in a different place. It also includes the exercise of the faculties of the mind or body, the result of which is property, although the exercise of those faculties was not applied to property.

**CAPITAL:** The term 'capital' means and includes all forms of property not being land which are in use for the purpose of production. It therefore includes as well property which is consumed or destroyed as property which is not consumed or destroyed in the process of production.

**INTEREST:** The term 'interest' is used to denote either the immediate return derived from the use of capital for the purpose of production, or the payment received by the owner of capital from another person by way of return for the use of that capital. Interest is therefore a measure of the value of the use of capital.

**PRODUCTIVE LABOUR:** The term 'Productive labour' means labour applied for the purpose of producing some property which is, or is intended to be, of greater value than the value of the property (if any) to which the labour is applied.

**NET PRODUCTS:** The terms 'net products of labour' and 'net products' mean the net increase in property resulting from productive labour, after allowing for the cost of production.

**COST OF PRODUCTION:** The cost of production may include all or any of the following elements:-

1. The replacement of the property which is consumed, or destroyed, or altered in form, or changed in place, in the course of the process of production;
2. The wages of the labour engaged in the production;
3. Interest on the capital used in the production;
4. Rent of the land used for the purposes of the production;
5. Incidental expenses not falling under any of the foregoing heads.

**POSITIVE LAW:** The term 'positive law' includes all written laws enacted by a competent legislative authority. It also includes all unwritten rules declared by any competent and judicial authority to be in the law of the State.

#### FIRST PRINCIPLES

Equal Right of All Persons to Life And Freedom of Opportunity.

All persons are, by natural law, equally entitled to the right of life, and to the right of freedom for the exercise of their faculties; and not person has, by natural law, any right superior to the right of any other person in this respect.



#### Natural Forces Common Property.

The right to take advantage of natural forces belongs equally to all members of the community.

#### Land Common Property.

Land is, by natural law, the common property of the community.

#### Positive Law.

Positive law is the creation of the State, and may be altered or abrogated by the State from time to time.

#### Functions of Positive Law With Respect To Natural Law.

The application of the natural law of equality and freedom may be modified by positive law, so far as the common advantage of the community may require, but not further or otherwise.

#### Private Rights To Land.

The rights of individual persons with respect to land are created by, and their incidents depend upon, positive law.

#### Property The Result Of Labour.

All property, other than land, is the product or result of labour.

#### Measure Of Wages.

The natural and proper measure of wages is such a sum as is a fair immediate recompense for the labour for which they are paid, having regard to its character and duration; but it can never be taken at a less sum than such as is sufficient to maintain the labourer and his family in a state of health and reasonable comfort.

#### Ownership Of Net Products.

The net products of labour belong to the persons who are concerned in the production. If one person is concerned in the production the whole net products belong to him. If more persons than one are concerned in the production the net products belong to them, and are divisible amongst them in proportion to the value of their respective contributions to the production.

#### Application Of Labour To Property.

When labour is not applied directly or indirectly to property, the whole products belong to the labourer. When labour is applied directly or indirectly to property, the person who is lawfully entitled to the use of that property is deemed to be concerned in the production as well as the labourer.

#### Rights Of Possessors Of Land Receiving Rent.

When for the purposes of production the use of land is required, then the rent (if any) payable for that use is a part of the cost of production. The person who receives the rent is not, by reason only of his permission to use the land, concerned in the production but may otherwise be concerned in it. He is therefore, not entitled, by reason only of such permission, to any share of the net products.

#### Rights Of Occupiers Of Land.

For the purpose of ascertaining the net products of productive labour applied to land, and the persons entitled to share in these products, the land to which the labour is applied is to be considered as if it were capital, and were the property of the person who for the time being is entitled to the possession of it. The amount of that capital is to be taken to be equal to the value of the land burdened with a perpetual rent equal to the rent (if any) payable by him for the time being.

#### Ownership Of Products.

The share of net products coming to each person who contributes to the production from which they arise is the property of that person, and may, subject to any positive law, be disposed of by him at his pleasure during his lifetime or by will.

#### Enforcement Of Rights To Share Of Products.

Any person entitled to a share of the net products of any productive labour may enforce that right by proceedings in any Court of competent jurisdiction.

#### Duty Of State.

It is the duty of the State to make provision by positive law for securing the proper distribution of the net products of labour in accordance with the principles hereby declared.

#### SHORT TITLE

This Act may be cited as 'The Elementary Property Law of Queensland'.

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1st Monday, 6 p.m.

Australian School of Social Science  
(No January meeting)

2nd Tuesday, 6 p.m.

Henry George Foundation and  
Association for Good Government.

3rd Wednesday, 7.45 p.m.

Social Science Club.  
(No January or February meeting)  
October meeting is held as the Henry George  
Commemoration.  
December meeting is held on 2nd Wednesday.

LAST Thursday, 6.15 p.m.

Proportional Representation Society.  
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