

# PROGRESS

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

- POLICY
1. COLLECTION OF LAND VALUES OR GROUND RENT AS PUBLIC REVENUE.
  2. THE ABOLITION OF TAXES NOW IMPOSED UPON LABOR AND LABOR PRODUCTS.
  3. PROPORTIONAL REPRESENTATION FOR ALL ELECTIONS.

First published May, 1904.

No. 863

Registered by Australia Post  
Publication No. VBH 1433

JULY, 1981

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Price 20c, Subscription \$3.00 per annum

Posted within Australia  
(For overseas rates see last page)

## LET GEORGE DO IT!

By HERBERT MEYER

### Preamble

In the history of economic theory and practice 1979 is a good year to take stock of two fundamental anniversaries.

This, the year 1979, is the bicentennial of the first nunciation for the mathematical theory of economic despair — the Malthusian doctrine that war, pestilence, greed, disease and want are the God-given axioms of earthly existence.

But it is also, thankfully, the centenary of the anti-thesis of Malthus — the noble Georgian doctrine that one and only one remaining stumbling block lies in the path of man's age-long progress to achieve fulfilment and justice on earth as it is in heaven.

1779, 1879, 1979: Only three dates? But what dates! Place those dates in a one-to-one correspondence with their historical times and those dates and those times become pregnant with human meaning.

Let us therefore look backwards in order to go forward.

### 1779

In 1779 the American colonies are in deep revolt. War has raged between England and France for control of the world on and off for a century. In England the epoch of mercantilism is at the mercy of Adam Smith's revolutionary "Wealth of Nations" but three years printed. In France a dying tyranny of feudal extortion has not had the power, the glory, or the forethought to apply the only remedy "clear the way and let things alone".

The French economists, foremost of whom is Turgot have been dismissed for daring to announce and endeavouring to implement "l'impôt unique", "the single tax on land", which, in their theory, and as they endeavour to show in practice, is to replace all the multifarious indirect taxes extorted throughout the realm under which the French people despair, are in want, starved, diseased and at the mercy of greedy and rapacious indirect tax-farmers.

At this critical historical point when between them Adam Smith and the French economists hold out the torch of freedom, the clergyman Malthus lights the smoky candle of his "Divine God's will" stating that man is doomed by hunger, violence, pestilence, and vice to eternal drudgery and death.

The fatal doctrine of mathematical despair is published. And lo! All and every conservative, mercantile, monopolistic, clerical, landholding member of the gentry in all the world eagerly embrace the young cleric as their saviour. Malthus necessarily stunts Smith's progress and true free trade, the single tax, man's final emancipation are all temporarily postponed. But Malthus is and was and always will be wrong. Man is not forsaken by God. Man is not doomed by war, destroyed by pestilence, driven by vice, or damned by nature.

### 1879

In 1779 Malthus was wrong. It is a hundred years after Malthus. In 1879 the observable facts prove that Malthus was and is still wrong, as exactly one hundred years after the "treatise on population", in America one man, Henry George, proves conclusively and for all time that not only was Malthus wrong but that the remedy to all man's economic ills is a simple one. Henry George asserts once again that the doctrine of the French economists briefly obscured by "the treatise on population" was then and is still right "clear the way and let things alone".

Let us look backward once more in order to look forward. By 1879, in spite of Malthus, the world population has increased 200-fold, slavery is dead, serfdom abolished, manufacturing and exchange increased beyond all previous

### COMMEMORATION DINNER 1981

The Annual Commemoration Dinner to celebrate the Birthday of Henry George will be held at "The Victoria", 209 Little Collins Street, Melbourne, on Wednesday, September 9. Arrival 6 p.m., Dinner 6.30 p.m.

The Commemoration Address will be given by Mr. H. B. Every, Dip.E.E., Senior Vice-President of the Victorian Division, and Secretary of the Land Values Research Group.

Readers interested are invited to attend whether members or not, but please book in advance with our office (Phone 67 2754). Cost is \$10 but for full time students or those under 16 years is \$5.00.

measure, and yet with this progress relative poverty is still alive, still potent, still extant and still more strong.

At this stage one man, Henry George, publishes one book, "Progress and Poverty".

In that one book that one man places his times and all times in a one-to-one correspondence with the eternal call of unjust wealth.

*He who owns the land controls the earth.*

In that one book that one man explodes and exposes the one big lie that some men have the inherited right to dispossess all other men of their birthright in the land and render them not free but landless, homeless and hopeless.

In 1879 that book sweeps the world. That book lights a way of truth that can never again be extinguished.

### 1979

It is now two hundred years since Malthus, and Malthus is a mummy, and yet his malodorous and negative philosophy still is heard, discredited as it may be, still sneaked in under cover in such doomsday treatises as "The Blueprint for Survival", "The Limits to Growth", and "zero population target".

It is now 1979, and if Malthus is dead but not yet buried what is the fate of Henry George? Does "Progress and Poverty" still describe current events, still prophecy coming events, still hold out the answer?

It is 1979. Let us now look around us in order to look forward. It is 1979. Once again it is the worst of times, it is the best of times. The clerical revolution is in full swing as a primitive Islamic revival of obscure sectarian terror stalks the Middle East. Colonial wars have exhausted Asia, Europe and Africa, yet liberating native revolutions have overthrown oligarchies, tyrannies and autarchies throughout the world. The population is teeming, having more than tripled since 1879, yet stark starvation has almost been abolished. Man flies, and the gross national product is enormous, technology has solved every last problem of mass production, transport, agriculture and leisure. As a result surplus abounds in every field. And yet poverty, mass unemployment, armaments, tension, alienation, terrorism and sheer blind distrust haunts the globe. It is easily seen that everything and every possible plan has been tried and found wanting.

Feudalism, mercantilism, capitalism, chartism, universal adult suffrage, liberalism, socialism, communism, anarcho-syndicalism, nihilism, fascism, nazism, all political isms have been tried and all have failed.

In economics, bilateral free trade, bimetalism, the gold standard, Keynesian, fiscalism, monetarism, internationalism, corporatism, multinationalism, monopoly, autarchy, oligarchy, hegemony, vertical intergradation, horizontal intergradation, and zoll-verains, customs unions, common markets, have all been tried and have all failed.

In short every possible combination of every possible political and economic panacea has had its chance.

One hundred fatal years have passed since the economic gospel, the good news that shows the way to progress *without* poverty, to world free trade *without* world protection, to world peace *without* world armaments was first proclaimed and announced.

One hundred years ago, Henry George proclaimed the doctrine of the single tax on land value. One hundred years ago Henry George reasserted the only act necessary to "clear the way and then let things alone". It is the only economic and political doctrine which has never had a

chance to prove its worth in modern societies.

And yet it is a doctrine as old as nature and as divine as the word of God.

It is the simple doctrine that admits no right to any man to deny his brother's right to live.

It is the law that spoke to Moses on the mountain and has stated for all time, "*the land shall not be sold forever* — for the land is Mine — for ye are strangers and sojourners with Me."

The single tax on land is the modern elaboration of the doctrine that every primitive tribe, that lived in peace and justice with its self, embraced. It is the doctrine which raises no group against another group, it is the law which will render justice to poor and rich alike, to capital as to labour, to farmer as to consumer, to borrower as to lender, to higher as to lower, to sailor as to soldier, to lay person as to priest, to all as to one and to one as to all. It will do justice to all.

What the divine law will not do is make any man the lord of the land. For the land is the Lord's, not the land-lord's.

To give or render tender homage to any man denies any God. To render rent to the landlord brings poverty in the midst of progress. It is time to announce the jubilee. The long postponed jubilee of the good news of Henry George. "And proclaim liberty throughout all the land unto all the inhabitants thereof."

### 2079?

2079. It is not necessary to wait another hundred years.

The world's problems are not insolvable. Man's ideologies have not done the job. It is time to let God and His prophet George do it.

Let George do it!

And, by George, that George is Henry George.  
1/10/79.

### EL SALVADOR

El Salvador is essentially an agricultural country. Two per cent of the population controls 60% of the land. The main crops — coffee, cotton and sugarcane — are grown, almost entirely for export, on large plantations. 350,000 rural families (93%) have no land. They work for starvation wages on plantations during the agricultural season, trying desperately to put something by for the rest of the year.

The average wage of city workers is \$4 a day. There is 40% unemployment and labour organisations are suppressed.

The government is controlled by a repressive military regime which has close links with the country's economic elite.

The present violence goes back to 1977. But in the last year alone, 8,000 civilians have been killed. Thousands more have "disappeared". There are 100,000 refugees inside the country. Food production is down by half.

From "In Unity" (Aust. Council of Churches),  
June, 1981.

### MAY FORUM

The lunch-hour forum on May 18 comprised a talk illustrated by slides on the effects of alternative methods of municipal rating systems, given by Mr. A. R. Hutchinson. The talk featured the dramatic changes that occurred when Malvern switched to site value rating in the fifties. Several municipal valuers attended.

## "NEO-GEORGISM"

Your featured article by Professor Bob Andelson in the May issue of Progress covers a wide range of subject matter, much of which is commendable common sense but, nevertheless, in some respects falls short of doing justice to Henry George.

Henry George was not an "omniscient oracle", but in laying the foundations for the newly discovered Science of Political Economy, he made fewer mistakes than any other economist the world has yet known; moreover, his works were really a crusade for justice, and political economy only the means to this end. No other economist has been similarly motivated.

George was human and, therefore, subject to the imperfections of human nature, but none of his marginal inconsistencies were fundamental or in conflict with the central truth of his teachings.

George also made the same mistakes as John Stuart Mill, on rare occasions to bend slightly with the tide in order to win friends and get results in his own life time, but even so, he never compromised with vital principles or "sold the truth to serve the hour".

The writer has never read a critic of Henry George, who really first took the trouble to find out what his writings were all about. Nearly all criticism has been based on assumptions and misunderstandings.

### The Rent Thesis

Let us start with Professor Cord's criticism of George's "all devouring rent thesis". One might as logically accuse Sir Isaac Newton of having "an all devouring gravitation theory". An understanding of the laws of physics in disregard of the law of gravity would be just as impossible as to attempt to understand political economy without knowledge of the law of rent, which is just what most of George's critics actually attempt to do.

Henry George is accused of failing to comprehend the "seminal contributions" of Marshall (meaning no doubt original research). The writer is not ashamed to line up with George in this regard. Marshall's definition of wealth defies the powers of logical comprehension, and even if this were possible, his formula would be totally irrelevant to the Science of Political Economy, which deals with the production and distribution of wealth.

Could George, who understood the value of time in a limited human lifespan, or any other student of political economy, be expected to delve deeper into the writings of one who demonstrated that he did not understand basic elements of his subject.

Yet Marshall, in Book IV of his "Principles of Economics," did recognise a "distinction — between land and other things," before kissing the subject goodbye.

Samuelson, who with Marx and Keynes, shares the distinction of being the inspiration of current "economics", does even better. It is not until his work "Economics" is two-thirds completed that the reader finds reference to the land question and the views of Henry George. Samuelson, in fact, agrees with George's basic propositions but loses them in a maze of extraneous and unrelated observations.

### New Classical School

The Institute of Economic Affairs, sometimes known as the Neo or New Classical School (which is most confusing), based on Von Mises, Hayek, Fisher, Friedman and others,

would set the clock back to the partial application of laissez faire, restore free competition, oppose monopolies and the Socialist Welfare State, but is silent on the land question, apparently unaware that such policies ultimately, would work in reverse, grinding labour and capital down to vassals of the land owners and hasten the drift to anarchy and dictatorship.

Instead of stretching our beliefs to accommodate the mental gymnastics of the Empirical economists (divorcing old barren reason from our beds in order that we may take the daughter of the Empiricists to spouse), with apologies to Omar Khayyam, would it not be better for Georgists to endeavour to reach a better understanding of the apparent inconsistencies which, when exaggerated and taken out of context, both divide us and retard the formation of a concerted organised movement, geared to get results.

The first message we should learn from George is to speak and write in clear and simple English. He never believed that coined words, obscure expressions and cliches, so dear to writers of the Empirical school, who appear to believe that what in reality is inability to communicate, is evidence of scholarship. In the engineering profession such methods would lead to disaster. If plans and specifications were obscure and ambiguous instead of being clear and concise, in this age of complex technology, every project would become a hazardous experiment, which is just what has happened to political economy: "When Hebes touched the poets' trembling ear with one supreme injunction, be thou clear."

### Basics

Let us consider briefly some of the basics upon which our movement must stand and upon which we dare not compromise.

1. All men seek to satisfy their desires with the least exertion. This is not controversial; it should tell us in effect that men will always strive against injustice which increases the exertion necessary to fulfil desires.

2. The law of rent is universally accepted but not so its importance. John Stuart Mill said, in effect, that no one could forecast the result of any legislation, who did not understand Ricardo's law of rent.

3. The laws of wages and interest are not generally accepted by our opponents, who believe that wages are paid from capital and not from production and, therefore, fail to identify the common cause of labour and capital.

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### FUTURE MEETINGS

Thurs., July 23, 1-2 p.m. Tapes of San Francisco Conference (Pres. Mr. W. Canfield).

Wed., July 29, 7.30 p.m. Members' Discussion Night. Tapes of San Francisco Conf. (Pres. Mr. W. Canfield).

Mon., Aug. 24, Film Night, State Film Centre, run by Melbourne School of Economics, 8 p.m.

Wed., Sept. 9 Commemoration Dinner (See p. 1).

### PROPOSED SPRING AND SUMMER SCHOOLS

Our Sydney friends are planning a Spring School in October and a Summer School in January next.

Details will be published as they come to hand.

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We must distinguish the difference between real interest and the returns from the State monopoly of fiduciary currency, together with all the distorted ramifications of the "money" market which flow therefrom.

Wages and interest *do* rise and fall together, and to obtain a clear understanding of the subject it is necessary to set aside the effect of monopolies, which cloud the issue. Labour monopolies, in general, are more effective than monopolies in the capital market. It might well be that in a Georgist society there would be a new relationship between labour and capital but once established, it is inevitable that wages and interest will rise and fall together, inversely with rent.

4. The labour theory of property is a subject upon which Georgists can never compromise. To do so would be to deny the right of private property and accept the theory of socialism. After a reading of "A Perplexed Philosopher", how can such a complete departure from principle even be contemplated?

5. Land is not property. It can never be owned by Governments or by individuals. It must be held in trust as the source of life for this and all future generations.

Rent is the common property of the living generation.

6. The withholding of valuable land from use is the primary cause of unemployment and poverty.

7. Unless the economic rent, generated by the community and the services of government, which measures the relative advantages of the exclusive occupation of particular sites, is taken as the sole source of public revenue, the bargaining power of land holders will be superior to that of labourers and capitalists.

8. This will enable landholders to force wages to the level of subsistence and interest to the level of replacement of capital (subject to the effect of counter monopolies in the market for labour and capital).

9. When economic rent is taken for revenue it will be uneconomic to withhold or partially withhold valuable land from use. Landholders then will be obliged to compete with each other for labour and capital. The bargaining power between the three factors of distribution will then, under the influence of market forces, be equalised and result in a fair return to all concerned.

10. Taxation can be abolished when economic rent is taken for revenue.

11. The abolition of taxes including customs duties would result in increased production, which however, would not benefit labour and capital unless rent is taken for revenue. The benefit of reducing or abolishing taxation (subject to monopolies in the market for labour and capital), ultimately, will be to the advantage of landholders when private property in rent is permitted.

12. The proper functions of government can be determined by George's formulae. "Where the freedom of competition ends the sphere of the State begins", and "Whatever is a necessary monopoly is the function of government".

13. The essential functions of government will decline in a Georgist society and the rent fund will increase very substantially as taxes, monopolies and waste are eliminated, despite the increased share of expanding production taken by labour and capital.

14. It is agreed by Georgist and Empirical economists alike, that charges levied on the rent fund cannot be passed on as price increases.

The foregoing is the writer's abridged version of the essential teachings of Henry George upon which there can be no compromise.

### Remaining Areas

The remaining grey areas in Georgist economics are few and not really fundamental but, nevertheless, should be resolved if the movement is to gain the maximum impetus. These are summarised from Professor Andelson's article together with the writer's comments.

1. George's theory on the "reproductive modes" related only to the *origin* of interest, which he said arose from the natural reproduction of flora and fauna, often referred to as the fructification theory.

George did not record that not only the origin of interest, but also of wages and rent and indeed, the sustenance of life itself, depends on the reproductive forces of nature. What is common then to all the factors of distribution must cancel out.

The factors which govern the *return* to capital were dealt with most effectively by George. Physicists do not fully understand the origin of the universe; they have, however, delved deeply into the governing laws. The market, in a Georgist society, will determine the share of production which the use of capital will return to investors. It is our concern only to establish a fair field and no favours.

2. George's statement, apparently exaggerated, regarding the capacity of the earth to sustain population, was no doubt intended to counter the dismal prediction of Malthus regarding the niggardliness of nature. If the reader related George's views with those of Jose de Castro, in his book "The Geography of Hunger", the problem of overpopulation would be seen to be naturally self regulating in a just society.

In the meantime the short term problem of "overpopulation", due to the false teachings of economists and wickedness and ignorance of politicians, daily becomes more serious.

3. The writer has read all of George's works and never gained the impression that the underdevelopment of valuable land, as well as the total withholding of land from use, was not a serious adverse factor to be reckoned with.

4. Professor Andelson doubts that because of the enormous cost of national defence, that the rent fund could sustain the present needs of government.

When one considers that all taxation, other factors being equal, ultimately, is at the expense of rent; that we would abolish all monopolies, assuming these did not die naturally from outmoded inefficiency; that productivity and consequently the rent fund would increase enormously once incentive to labour and capital was restored; that genuine free enterprise would eliminate the waste inseparable from bureaucratic socialism; that the artificially created debt structure, based on government borrowing and the monopoly of fiduciary currency, would disappear, it is certain that public revenue from land dues would be more likely to be embarrassingly large than to fall short of requirements; sufficient even for the necessary peacetime expenditure on defence services.

### Warfare

Actual full scale warfare is another matter. It must be remembered, however, that wars are lost or won from current production; wealth cannot be borrowed from the future, but war debts, under present conditions, can be saddled on to posterity.

War is madness and there can be no scientific method of financing such. If some must give their lives, others must give of their wealth to the limit.

If we had a society in which it was not customary to transfer public debt to posterity, what a tremendous incen-

tive there would be to resolve international disputes by negotiation instead of by force.

Under a Georgist system of government, economic warfare, which in the past has been a major cause of bloody conflict, will cease.

How often have we heard it said — it will take a war to pull the country out of depression?

#### Other Matters

There are other matters not referred to by Professor Andelson, in which George was marginally inconsistent or upon which Georgists have mixed views, which should be tidied up in order to complete the analysis.

1. George explained that with proper management there is no reason why public administration should be inefficient. He then extended the argument to justification of public education, forgetting that such is not a necessary monopoly and, moreover, that governments cannot take sides on controversial issues which involve moral principles. State education, therefore, will produce graduates who believe in nothing. It is better to encourage firm beliefs in something, even if such are marginally wrong, than under the wing of the State, to generate mental agnostics.

2. Many Georgists believe also that the issue and control of a fiduciary currency is a function of government, forgetting that the facilities of making exchanges through banking establishments are not a necessary monopoly.

Neither does it appear to be understood that competition, in a Georgist society, would ensure the use of currency and negotiable instruments backed by real, readily exchangeable wealth, having intrinsic value quite independent of government.

Upon reflection, who would be naive enough to believe that governments can be entrusted with the issue of a fiduciary currency?

3. The Henry George movement will sooner or later have to make up its mind whether it endorses the taxing of land price; thus appearing to support the concept of confiscation of property by legal force and in so doing base revenue requirements on a disappearing fictitious value, or alternatively, whether it believes in collecting economic rent for revenue.

4. Perhaps the greatest misunderstanding within our ranks is on the subject of the shifting of taxes. George stated and most Empirical economists agree, that "taxes" based on land value cannot be passed on as price increases.

By inference it may be assumed that taxes on the processes of production *can* be passed on as price increases, which indeed they are, at each stage of production or merchandising prior to consumption. The important consideration, however, is: where are such taxes finally absorbed and by what factor in distribution — by rent, by wages or by interest?

It is generally believed by Georgists that taxes on land value are absorbed by the holder and that taxes on labour products are finally absorbed by labour and capital. This latter belief cannot be sustained; this is because of the inferior bargaining power of labour and capital. Apart from the exactions of monopoly, wages tend to subsistence level and interest to a level related to the replacement of capital.

It follows then that taxes ultimately are at the expense of rent. This is clearly implied in Book I Chapter 6 of "Progress & Poverty" but is not stated with the same clarity that applies generally to George's writings.

The two alternatives then are:

1. to collect economic rent directly for revenue, or
2. to collect economic rent indirectly for revenue by the processes of taxation.

The latter method fails because of the disincentive effect on production, because it encourages the withholding of valuable land from use, because this causes unemployment — the idle poor and the idle rich, who must be supported from the labour of others, because enforced idleness and the unearned right to be idle, are opposed to Divine order and to the nature of man. "In the sweat of thy brow shalt thou eat bread".

Idleness breeds degeneracy which manifests itself in crime, drug addiction, immorality, suicide, murder, rape, broken homes, anarchy and indeed, the starving millions in the underdeveloped countries.

Yes, Steven Cord might have been closer to the truth than he realised. The "all devouring" effect of collecting economic rent by the wrong method, by taxing labour products, is indeed akin to an "all devouring" plague of locusts.

George was guilty of no exaggeration; the collection of economic rent for revenue and the abolition of taxes is not a cure for all social disorders, but without this reform, few social problems can be resolved.

Finally, if Georgists had a better understanding of the teachings of their leader, and were prepared to reconcile his minor inconsistencies with his general philosophy, would we need a new title, or should we not be proud to march forward under a name that has endured and been respected for a century? Let us be known to others by the name we call ourselves — Georgists.

Not one person in ten, passing through the educational establishment would know the meaning of "Neo". If a distinguishing title is considered necessary, let it be — New, but in this event, which at best is a second choice, the utmost care would be essential to safeguard against infiltration by the Empirical school, as the Communists have infiltrated the Labour movement and largely destroyed its effectiveness. This eventually, either would destroy our movement or cause a major schism.

Graham Hart.

#### ALARMING TREND

A disturbing account of the increase in secret government appeared in "The National Times" of November 2. The following factors were mentioned:

- The virtual elimination of the legislature — particularly the House of Representatives, although the Senate has offered some minor resistance — from the workings of government.
- The consolidation of power in the hands of the executive, with the bureaucracy in political alliance, as it suits them, with the ministry.
- The delegation of power to statutory authorities.
- A drawing in of the judiciary into the political process.
- An unclear, but certainly increased role of Australia's secret intelligence agencies, and possibly those of a foreign power.

#### Comment

To overcome these trends, we need proportional representation, together with less secrecy and more open government, as well as some real advances in freedom of information.

#### MEETINGS ADDRESSED

June 21. Libertarian Club, by Mr. W. H. Pitt.

July 3. Carey Grammar H.S.C. pupils, by Mr. G. A. Forster.



## SOME ECONOMIC PRINCIPLES

*The following is taken from a roneoed booklet,  
"The Pseudo-Affluent Society,"  
by Dr. K. N. Grigg.*

### "Economy in Effort" — The Motive of the Market

"When we look at man's products as goods that have needed the expenditure of effort in order to bring them forth, we see that from the standpoint of the social whole of the exchange economy, the less arduous the acquisition of goods, the wealthier does society as a whole tend to be; whereas from the standpoint of the individual, the more arduous the acquisition of his goods by other people, the wealthier does he tend to become.

Thus we see a sort of conflict between the individual and society. Men as social beings seek ease in production, abundance of produce and reduction of price; where men as individuals prize difficulty in production, scarcity of their product and increase in its price.

Men as social beings are diffusive of good; men as individuals are appropriative of good. The good of the whole contrasts with the good of the part. This conflict can be resolved only by freedom of the market, or by what is called "competition", i.e. freedom to supply produce to the market.

Note that the desire of the individual that his product should have a high value, and the desire of all that products should diminish in value, are both derived from the fundamental principle that *man seeks to save himself effort*.

For in exchange I am seeking to save effort, and hence the more effort saved, the better the exchange; but it takes two to make an exchange, and my partner in the exchange is seeking to save effort just as I am. So both of us are hoping that our own product or service will have a great value-in-exchange; we both desire that the product we each sell will fetch a good price, i.e. we both desire that the product of our partner in the exchange will not fetch a high price. Each is trading for his own good, yet, strangely, both are trading for their mutual benefit. In this way, the conflict between the good of the individual and the good of the whole is turned into a concord of good, and into an ordination of individual good within the common good."

Dr. H. G. Pearce.

### The Heartbeat of a Healthy Economy

*Economy in effort* is the mainspring and motive of both technology and trade.

*Technology*, through invention, saves effort; it reduces the difficulties of bringing commodities into being; it reduces "tyranny of toil".

We may now perceive *The Motive of the Market*:

The motive of the market is the pursuit of economy in effort, whereby the residual difficulty left to both sides of an exchange shall be made as small as possible. And this leads us to a consideration of the *anatomy of value*.

The *value* of an article is bound up with the *difficulty of obtaining it*. We have seen that men pursue the saving of effort. Another way of putting this is to say that they pursue a reduction in the residual difficulty of obtaining an article. The word "residual" is the key. When an article is made easier to manufacture, the residual difficulty in its production is decreased. But such worth not its *true value*. Rather, it is an evaluation by the producer which may be entirely different from that of anyone else. For example,

he may discover some process whereby he can produce cheaply some article for which there is popular demand. And insofar as any buyer who lacked "know how" could not produce the article himself without that difficulty, there is a distinct "saving in effort" to the buyer; and this provides his motive for purchasing that particular article. Suppose, however, that some other competitor now enters the field. For the buyer there is still the same amount of physical saving of effort compared with what would be required of him were he to attempt production for himself. But the difference lies in the fact that, in order to command the efforts of the first manufacturer now faced with market competition, there is a drop in the amount of his own efforts that the purchaser is required to outlay *in exchange*. Thus there has been a drop in the difficulty of obtaining the article, i.e. there has been a saving in effort. There is still, of course, a residual difficulty in obtaining the article, governed by the price level at which production by the manufacturer is, to him, still worth while. In the event, then, it is this residual difficulty, determined in the higgles of the existing market, which is its *value*.

The *value* of an article is the residual difficulty in obtaining it, as measured by the amount of effort that has to be outlaid in order to obtain it under existing market conditions.

So then, men primarily pursue economy in exertion, and thus lessen *value*, because they manage, through exchange in the market, to lessen residual difficulty in supply. It is through lessening residual difficulty in supply that they increase saving in effort.

Market *value* is thus determined as a by-product to the quest for saving of exertion. It becomes the objective measure of mutual satisfaction. Both buyer and seller, approaching from opposite directions, pursue the quest of obtaining the maximum value to be obtained in exchange — of getting their money's "worth". And, at a point lying between them, the competitive interplay of their subjective evaluations of what, for many different reasons, a particular commodity is *worth* to each of them, leads to the establishment in the market of an objective *value-through-exchange* — that value of a commodity which is its only value in the economic sense, and which is commonly expressed in the monetary ratio of *price*.

*Value-through-exchange*, i.e. value established objectively in the course of exchange, is not to be confused with labour content, nor with utility, nor with worth, nor with desirability, for all of these are personal involvements which differ widely as between individuals. The particular saving in effort varies from person to person on both the buyer's and the seller's side. These savings in effort are part and parcel of their individual subjective evaluations — a function of their individual skills and inclinations.

To repeat, it is the residual difficulty, as assessed in the market, which constitutes *value* in its objective, economic sense. It is the mirror image of economy in exertion. It may be also noted at this point that the terms of an exchange may cause the *value* to be expressed either in *periodic* form (as in a lease) or in terms of outright sale.

By setting out this discussion in tabular form, we may illustrate that the determination of market *value* is a function of mankind co-operating in the midst of competition — the motive of the market:

Each person is both a buyer and seller of goods and services.

To the *seller*, the market *value* of an article is "how much he can get for it" — how much of other people's effort it can command.

To the *buyer*, the market *value* of an article is "how much he has to outlay in order to get it" — how much of his own effort it can command.

To the *seller*, the market *value* which his article commands, offers him more of other people's efforts than it requires of his own. Hence, through a *saving in effort* he conserves purchasing power, i.e. he gains in purchasing power.

To the *buyer*, the market *value* of the article he wants, commands less of his effort than would be required of him otherwise obtain a similar article. Hence, through a *saving in effort* he conserves purchasing power, i.e. he gains in purchasing power.

As a *seller*, a man seeks the highest value for his own effort.

As a *buyer*, a man seeks the lowest value for other people's effort.

Subjective worth to seller (A) is less than objective *value* (*price*) (B) is less than subjective worth to buyer (C).

The point of *price* may shift towards buyer or seller, but at all times it is the place "where minds meet in the market".

The *seller* looks to a shift of price towards the buyer; and the greater his margin of saving (A-B) the greater is his incentive to produce and to keep on selling. Thus the economy is stimulated.

The *buyer* looks to a shift of price towards the seller; and the greater his margin of saving (C-B) the greater is his incentive to keep on buying. Thus the economy is stimulated.

There is a lower limit to the level of costs, which is set by the unavoidable difficulties and effort inherent in problems of production. This intrinsic, inbuilt cost gives to any article a pure "value-from-production". Both buyer and seller stand to *gain without hurting each other* if the *price* of an article, i.e. its *value-in-exchange*, is able to follow its *value-from-production* downwards.

We stated at the outset that the very purpose of scientific invention is the progressive reduction of the difficulties inherent in production — the reduction of inbuilt *cost*. The cry, "There must be some easier way to do it", is basic to human nature! And we stated that this is also the rationale of trade, which may be conceived as an invention whereby, through the free exchange of the benefits of economies in production, the difficulty of obtaining things may be further reduced.

So then through the marriage of technology and economics, goods may become easier to produce and easier to buy on a widened and unfettered market. More real *wealth* can then appear at less *value* and at lower *price*. That is to say, the obtaining of wealth then requires less expenditure of human energy; human satisfaction is then achieved with less tyranny of toil.

*This pursuit of the greatest value to be obtained in exchange, this universal seeking to save effort through co-operation in the midst of competition, this mutual gain in the market, this sought after peak in purchasing power, is the soul of economics.*

No matter what the political organisation of a social structure may be, the economic processes of the market —

based ultimately upon traits of human nature — continue unchanged; apples will always fall earthward in Moscow and Melbourne alike!

*Economy in Effort* is the ultimate, rational, economic human goal — the motive of the market.

### LESLIE FOX BAWDEN

On 8th June the movement lost one of its most valued members when our friend Les Bawden died. In paying a tribute to his life it would be difficult to cover all the avenues of service he gave to the movement in an adequate manner.

His interest began in the war years when he heard a lecture on Henry George at the Y.M.C.A. given by a Lt. Quasha of General Macarthur's staff. He was so impressed that he eventually joined the Henry George League in Melbourne and became a keen supporter. He served on the League Executive for many years until ill health forced his retirement, and he was President for several terms. He was active in helping to form the political arm of the League, the Henry George Justice Party. He was one of the candidates, with Mrs. Serpell and Mr. Pitt, whom they put up for the Federal Senate and later was also a candidate for the State seat of Box Hill. Unfortunately our members were not elected to Parliament but much valuable educational work was done through these campaigns. Les was Secretary of the Land Values Research Group for many years. This Group published many studies showing the incidence of rating systems in various districts.

Probably one of the best, some would say THE best, form of publicity for our movement during the 60's was the radio sessions the League was able to produce which ran for about 16 years on 3DB-LK. Les was on the committee producing these talks and contributed many of them himself. Years afterwards we meet people who mention these sessions with appreciation. Les was also a Director of the Henry George Club, the company which owns the building occupied by the League in Melbourne. He gave many hours of work in the planning and carrying out of the renovation of the premises when we were in George Parade. Although we eventually had to leave, the great improvement in the building enabled the Club to obtain a good price, which was used to buy our present premises in Hardware Street, which incidentally, are in the heart of the busy business district and so better for our publicity work.

Les Bawden was a Trustee of the Henry George Foundation, which administers the Trust Fund founded by the late Dr. E. W. Culley, which financially help many Georgist bodies throughout Australia.

As with most of our members all this work was in an entirely voluntary capacity. The keynote of Les's character was dependability. Give him a job to do and you knew it would be carried out efficiently and completely with the minimum of fuss. A friend of long standing referred to him as "our Rock of Gibraltar".

Les was a loyal member of the Church of England and was active in the Church of England Men's Society.

In his last years a stroke incapacitated him. Following this he bore five years of serious illness and weakness with quiet patience. We mourn the loss of a good friend and colleague.

Our deep sympathy is extended to his wife Amy, son Ken, daughters Pauline and Helen, and the family.

## S.A. Electoral Reform Society

### Annual Report, 1980

This year the Society celebrated its 50th anniversary. While this enabled us to look back at what has been done in the past and to thank those people and organisations who have supported the Society, we have also taken stock of our present position.

This will enable us to face what appears to be a very bright future. At the moment it is almost as if electoral reform is an "in" phase. Electoral reform is being discussed at all levels of government, within all the main political parties, and in many parts of the community.

This interest in electoral reform is also reflected in our Society. We have had a very active year, membership is the highest it has been for many years and is increasing, we are getting press coverage, and there have been many enquiries about the Society.

Of course the highlight of the year was the celebration to mark the Society's jubilee — a special meeting in July and the printing of the leaflet "1930 to 1980". The meeting was a success with representatives from a number of organisations attending. Jack Wright, president of the N.S.W. Branch of the Proportional Representation PR Society of Australia was the main speaker and his comments on electoral reform in the future were very thought-provoking.

While electoral reform is being discussed widely, unfortunately, it is not always the reform we would like to see. At least the recent Federal elections have shown once again that the single-member electorate system for the House of Representatives does not always give a fair result, and that the misuse of the PR system for the Senate can also give a distorted result.

The Federal elections gave us the opportunity to canvass Senators and Senate candidates on possible improvements to the method of electing the Senate. And now with the Australian Democrats and Senator Harradine (all supporters of PR) holding the balance of power, the ALP is showing an interest in electoral reform.

As foreshadowed in the last annual report, the Society made a submission to the State Government on the method we would like to see used to elect the Legislative Council.

Also in State Parliament, Robin Millhouse has re-introduced his motion calling for PR to be used to elect Assembly members. While there has been some debate, it has not been of a very high level.

All State MP's have been contacted this year, and in addition we have had discussions with many of them. Meetings have also been held with the Democrats and NCP.

The Society is supported by the Kimba Branch. Also this year there has been close contact with the N.S.W. and Victorian Branch of the PR Society of Australia, and the Municipal Reform Group in Tasmania. Recently we applied for membership of the PR Society, as the S.A. Branch.

Tribute must be paid to Fred Sharley who died late last year at the age of 86. He was a very active member of the Society for many years and because of his many letters to the press many people in this State still associate his name with PR.

The election of Chris Harte as president of the Society this year has meant a fresh approach and this has resulted in the committee working more effectively as a team. However, our efforts can only be effective with the help of members and supporters, and all who have assisted during 1979 are thanked for this support.

## LETTER TO EDITOR

### ECONOMIC RENT AND TAXATION

In spite of the arguments put forward by Mr. Hart and others I remain unconvinced of the truth of the statement that "all taxation is at the expense of rent". It is of little assistance turning to Chapter VI, book 1 of "Progress and Poverty" because at the time Henry George wrote, practically all government spending was for defence, public debt servicing and expenditure on the royalty, etc. All these expenditures and thus taxes were of little tangible benefits to the population. We have similar government expenditures today of larger magnitude and much additional government waste through duplication, bungling, etc.

Now, like 100 years ago, if there was more economy of government, as George called it, taxes could be reduced and these funds would probably find their way into higher rents. The vast majority of taxes today are, however, termed transfer payments where government takes money off some and gives it to others and in very many cases takes with one hand and gives back with the other to the same person.

Consider a family man with two children at school: a fair proportion of the taxes he pays is given back to him in the form of free education for his children. If this free education was abolished and taxes reduced accordingly he would have to spend his saved tax on paying for the education of his children. I fail to see how land rent would be increased by this lowering of taxes.

The same can be said for old age pensions, disability pensions, etc. Vast amounts are spent on these social services and, if abolished, would allow taxes to be reduced drastically. If this did occur then people would then spend their tax savings on insurance policies to provide for their old age and possible disabilities, etc. Here again it is difficult to see how this reduction in taxation would increase land values especially by the same amount as the taxes were reduced. In both these instances which amount to over 30% of total taxation the money has to be paid from either taxes or directly from the consumers pockets.

In 1976/77 when the total value of land in Australia as estimated by A. R. Hutchinson was in the order of \$100bn. the total money spent on education, health and social security was about \$13.5bn. If government completely got out of this field and reduced income tax by the same amount we could expect, according to Mr. Hart, that the value of land in Australia would increase by \$13.5x20bn. (capitalizing at 5%), i.e. \$270bn. or 270%. I doubt it.

Rent of a piece of land is the surplus that labour can gain on that piece of land over the worst land in use. To demonstrate that taxation is at the expense of rents, it must be shown that taxation reduces the difference between the rewards of labour on a particular piece of land and the worst land in use. I do not believe this can be done because, as I understand it, rent is the leveller. A labourer will receive the same wage, and therefore pay the same income tax, on good land as he would on poor land.

I am not saying that land rent would not increase if taxes on labour were abolished. I am saying that land rent will not increase by the same amount as taxes are reduced as the statement "all taxes are at the expense of rent" implies.

H. B. Every, Doncaster.



## SITE VALUE RATING

### UNDER ATTACK AND DEFENCE IN SOUTH MELBOURNE CITY

This city adopted Site Value Rating by poll of ratepayers in 1964. It was watered down to a 50% Site Value and 50% Nett Annual Value basis by the Council without taking a poll in 1977.

As three years must elapse between changes it was only possible for ratepayers to demand a poll to return to full Site Value Rating this year ended 30th June, 1981. Signatures to such a demand are being sought as we go to press. It is expected that it will be presented with the required number of signatures to ensure that a poll will be taken in August 1981 on the proposal for return to full Site Value Rating. But at the same time the Council has carried a resolution to rating on N.A.V. solely — the time for objections to be lodged to its proposal is 10th July, 1981.

What the upshot will be cannot be predicted at this stage.

The following two letters from the Vice President of the General Council for Rating Reform give an idea of the present position. They were published in "The Emerald Hill and Sandridge Times" of 28th May, and that of 11th June, 1981, respectively.

Sir,

"Your paper reported (EHT 14/5) that South Melbourne Council had taken preliminary steps to change the City's rating basis back to the original net annual value basis under which the values of owners' buildings and other improvements were rated.

That basis had been scrapped in 1964 when a poll demanded by the ratepayers had carried a proposal to change to the site value basis wholly and stop taxing their improvements. The proposal was carried at the poll by 10,949 votes to 6,506.

Following the change ratepayers responded to the stimulus of untaxed improvements with an upsurge of new building and regeneration which lifted South Melbourne from a run-down condition to a thriving and prosperous one. The business wards became highly developed and site values rose faster there than in the residential areas allowing low levels of rates to be maintained in the residential areas.

After the 1976 revaluation of the metropolitan area there was considerable concern among ratepayers in various cities including South Melbourne over the rises in rates generally whatever the rating basis.

The merits of changing to the shanty basis were discussed at a public meeting in the South Melbourne Town Hall at which I spoke for the site value basis. I pointed out that site value rating had been adopted by South Melbourne at a poll of ratepayers and not imposed by the council. It could be superseded by a further poll if demanded by ratepayers to re-test public opinion. But any new demand for such a further poll should obviously come from ratepayers who were dissatisfied with the current basis. And the initiative to change a policy established by a poll of ratepayers should certainly not come from the council itself.

The organiser of that meeting was Cr. R. Macey who assured all those present that *South Melbourne Council would not change the system except as the result of a further ratepayers' poll.*

But opponents of site value rating did not demand a poll and the council made the change to "shanty rating" without one.

Now it is again proposed by council to abandon the 50% of the total rates still on site value and to return to the full N.A.V. which turned the city into a near slum.

In response to our expressed concern in view of earlier experience we have received a letter from the council saying:

'In the event of such a proposal coming before the council I assure you that it will not be adopted without a poll of ratepayers.'

This letter addresses itself to the moral aspect of denying the ratepayer a democratic choice. Next week I shall argue on the economic benefits to the ratepayer and the municipality of returning site value rating. In the meantime I urge you all to sign the demand for a poll now in circulation."

Sir,

"My previous letter pressed the view that as Site Value Rating had been adopted by a poll of ratepayers as council policy it should not be scrapped except as the result of a further poll demanded by dissatisfied ratepayers.

As promised the present letter gives reasons why Site Value Rating is still the best policy for South Melbourne and should be retained at any further poll.

The case put in council discussions for change back to full N.A.V. Rating is simply that most properties would now pay lower rates under return to that basis. But little attention was given to the accompanying warning in the officers' statement that *the closer the council moves towards 100% N.A.V. the greater is the adverse financial effect on those ratepayers who are disadvantaged by it.*

That should have been regarded as the key factor but was not considered in depth. Although figures were given to councillors on three alternatives with different proportions of N.A.V., the corresponding computer figures to allow councillors or ratepayers to compare them with the full Site Value figures were not supplied.

However, equivalent figures for the magnitude of increases and decreases between full S.V. and N.A.V. were produced to the 1977 council following the previous revaluation. These can be taken as a rough guide to what can be expected now.

We consider only the extreme cases, where the rate increases exceed 50% under the one system as compared with the other. There were only 80 such cases where Site Value rates exceeded N.A.V. by a range of 50% to 75%. There were 295 where N.A.V. rates exceeded Site Value rates by the same percentage. *But there were 976 more where the N.A.V. rates exceeded the S.V. rates by between 75% to 500% and a further 86 in excess of that percentage.* More up-to-date figures may vary the results but will not affect the general picture of gross injustice in treatment between ratepayers under the N.A.V. basis.

My next point is that Site Value Rating gives as near perfect fairness to all ratepayers as it is practicable to achieve. Under it *nobody is asked to pay upon the value of his own buildings or other improvements located on the site.* He is asked to pay only in proportion to the value given to his site by the continued existence of the council services

accessible to it.

Site Value Rating encourages and stimulates the building construction industries. The mere assurance it gives that ratepayers making improvements will not attract rate penalties for doing so removes a barrier that is raised where owners' improvements are taxed and which ultimately produces slums.

South Melbourne was such a run down city (in parts) until the rate basis was changed to Site Value in 1964. It is disappointing to see the Valuer cited in your last issue as saying he did not think the adoption of Site Value Rating had really caused the upsurge of regeneration in South Melbourne. It is ominous that with the evidence before him he can contemplate or recommend return to the stagnating influences that had paralysed it before.

Both in the metropolitan municipalities (including South Melbourne) and in country councils adopting Site Value Rating it has been accompanied by upsurge of building construction which has at least doubled within the first five years of the change.

The building and construction industries are vital as the source of employment and of demand for the materials they use. In the metropolitan area they have been in recession for several years but are far less affected in the Site Value Rating areas than in those still taxing buildings and improvements.

On the matter of the rate hikes from 1976 onwards it should be pointed out that these have not been caused by the Site Value Rating. They are the direct result of the council's own actions in introducing an Interim Development Order and its restriction on commercial building in the St. Kilda Road area which is South Melbourne's "golden mile". To limit building permits there to a plot ratio of 1.5 automatically made it uneconomic for users to buy land at the high land prices then prevailing the St. Kilda Road area. It was the substantial rate yield from this area which had enabled the rates in the residential areas to remain low.

But it should be obvious, following the recent removal of the I.D.O. and of the low plot ratios linked with it, that the Site Values are already rising again. The process will accelerate with the amendment No. 150 to the Melbourne Metro Planning Scheme announced on 1st May which treats the St. Kilda Road area as a major centre. It can be expected that land values in that area will rise again to benefit all ratepayers *providing the Site Value Rating basis is retained.*

It is therefore urged that all ratepayers sign the demand in circulation to obtain a poll of ratepayers on the issue."

### SEYMOUR SHIRE

It has been confirmed that the poll demanded in 1979 in the shire of Seymour for a poll of ratepayers on a proposal to change from Net Annual Value to the Site Value basis

will be taken in August 1981. Notice has also been published by the separate Seymour Waterworks Trust and the Seymour Sewerage Authority that if the poll is carried they also will change their rating basis to Site Value.

### HOW SUBSIDIES HARM THE FARMER

British agriculture is in a mess. Not because farmers and their employees are incompetent. Last year their contribution to the net national product increased by 11%. The problem is a financial one, the source of which afflicts farming throughout the Western world.

Difficulties do not arise because insufficient money is diverted into agriculture, which happens to be the most heavily subsidised — and protected — of all in the private sector. Indeed, because of the failure to confront elementary economic theory, the underlying problem would not be solved by simply paying more money to farmers.

It is true that farmers receive a very low return on their investment: 3% p.a. This, despite the artificially inflated price of food ordained by the Common Agricultural Policy and the 15% tax on food imported into the U.K. So the latest demand from the National Farmers' Union president, Richard Butler, for a price increase "as a matter of urgency" would not have the desired effect.

#### Why?

It is true that farm workers are among the worst paid in Britain. A large proportion of them suffer the indignity of having to rely on state welfare handouts, without which they could not afford to buy the food that they grow to feed their families. The Ministry of Agriculture is now to enquire into the reasons for this apparent paradox. Whatever action may ultimately be taken through the statutory Wages Board (which meets annually to fix agricultural wage rates), the relative condition of farm workers will not be improved.

#### Why?

The central question, of course, is this: where is all the money going? The answer is to be found in David Ricardo's theory of economic rent. Money that is pumped into farming is converted into higher rents and land values. Thus it is that land — and above all, farmland — has produced the highest yields for investors in the past decade. *Out-performing* investment in other assets, and *increasing* faster than inflation and the rise in wages.

But this is cold comfort for the working farmer. For while average farmland rents have been increasing, the net income received by farmers has been declining. Farmers in Northern Ireland, where land prices are the highest in the U.K., recorded the lowest incomes.

George Inge of Savills, a British real estate agency, calculates that farm rents took 36% of net farm income between 1965 and 1975, rising to 40% until last year, when the share going to landlords rose to 61%.

The distribution of income in agriculture is clearly unsatisfactory. Tenants are the worst hit: but farmers who own the land that they occupy do not enjoy immediate benefits from high land values, which will in the main accrue to their heirs. *Land & Liberty* has in the past demonstrated that a reform of the fiscal system, incorporating land value taxation, is in the wisest interests of agriculture. Farm leaders perform a disservice when they restrict their proposals to demands for ever-more subsidies from the taxpaying consumers, subsidies that positively harm the people who devote their lives to producing food for the rest of us.

*from Land & Liberty*

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## PRESS LETTERS OF INTEREST

### TAKE CARE WITH VOTING SYSTEMS

Senator Evans's letter (15/4) about fixed four-year terms canvassed a "modified party list system" for Senate voting. Such systems are not in voters' interests.

The proposal would prevent voters from ranking each candidate in the voter's order of preference and instead force us to rank them in pre-selected pairs. He admitted that difficulties would include "making for some strange bedfellows in the major party tickets".

In the past when an unpopular Senate candidate has been on a party's ticket, voters have purposefully altered the straight-down-the-ticket vote to bypass that person. This freedom to choose would be removed. One would also have to bypass a coupled wanted candidate, possibly put there as bait.

Mr. Wran, proposing the new NSW Upper House system, wisely chose the Senate system rather than party list systems suggested. The only list system ever used in Australia, for South Australia's Upper House, was replaced by the Senate system.

Claims that the smaller quota gives disproportionate influence for minor parties and independents are false. The Senate's proportional representation system becomes more proportional as the number of positions to be filled increases.

The number of senators per State should be an odd number. If increasing it from 10 to 11 were unpopular, why not reduce it to 9?

List systems would remove Senate voting further from the goal of reform: Tasmania's near to ideal Hare-Clark system, supported by all parties there.

Geoffrey Goode, Beaumaris, "Age" 23/1/81.

### COUNCIL VOTING

I was pleased to hear that the State Government, under pressure from Lance Milne and Mr. DeGaris, has agreed to revise the voting system for the Legislative Council.

Preferences will in future count where as only the selected few did in the past. But most importantly, we will in future be able to vote for individual people, not just some political party.

What is unfortunate is that while the Government has decided this, it has not first cured its much greater ills in the Lower House.

At the last State election the votes of more than 40% of the people of S.A. played no part in electing a member to Parliament, more than 40% of people have no representation of their views in State Parliament, more than 40% of people were denied the right to have their vote count.

The State Government quite rightly sees its proposed system of proportional representation with optional preferences as being the most democratic system yet devised, but why then doesn't it apply it to itself.

For many years now the Electoral Reform Society, a non-political body, has advocated a system of proportional representation in S.A. using seven electorates each electing seven members.

If the Government does not now adopt this proposal then it will be seen to be grossly hypocritical, not using the system it thinks best.

Now is the time to move to proportional representation, with optional preferences, and optional voting. Then people would have a more accurate representation of their views in proportion to the way they vote and we wouldn't have so many people denied the right to have their vote count.

Political parties would also be represented in a closer proportion to the support they receive.

Let's see just how honest this Government is.

Colin D. Nieass, Parafield Gardens, "Adelaide Advertiser".

### INSTITUTIONALIZED OPPRESSION

We should all bear in mind that the Prince of Wales, nice bloke that he is, nevertheless personifies that centuries-old injustice rooted in British history — the landed aristocracy.

For what caused the sturdy yeoman of England to become vagabond and beggar, filling Newgate and the prison hulks? What led men, women and children to be transported to the Antipodes, or driven, as so much human rubbish, across the Atlantic? Or why did free men, in their thousands and tens of thousands, leave the shores of their birth and endure unspeakable hardships in seeking a better life at the farthest ends of the earth?

The answer is to be found in the Enclosure Acts, right from the time of Henry the Eighth, when England, Scotland and Ireland

commenced to be turned into a sheeprun, the countryside forcibly depopulated, and its people starved.

Even now the process is at work when we perceive that the land speculator like as not gets his knighthood and that thousands upon thousands of the young people of Australia are, were it not for the dole pittance, no better off than the landless peasants crowding into the city slums of Asia.

It behoves the Australian people, therefore, to take stock of who might suitably fill the office of Governor General. The incumbent should represent the vital interests of the people, rather than their institutionalized oppression. The issues that lie beneath have an import for the people of this nation compared with which the transient vendettas or personal ambitions of politicians of the moment are of no consequence.

Kenneth N. Grigg, Canterbury (Submitted to "The Age").

### HUMAN RIGHTS

The letter from the renowned Geoffrey Clark ("Church Scene," April 24) should not be allowed to pass unnoticed, as so many letters of more than usual importance do.

Human rights are probably the most important subject in the world today, with theological as well as social and individual implications. The dire consequences of disregarding them are plainly to be seen everywhere, not only in Russia and Ireland. But most of us are blind, particularly in respect of property rights.

Property is a right, and it arises entirely from the exertion of labour. There can be no right of property, i.e. ownership, in anything which is not the product of labour.

Conversely, any product of labour is the rightful property of its producer or producers or of anybody who can trace his title, by exchange or gift, to the producer or producers. Any other assumed title rests on force or fraud.

It is impossible for land, i.e. the earth, which was given to the children of men for the use and benefit of all, ever to be property in any rightful sense. Similarly, human beings can never rightfully be property. Slavery is a gigantic wrong.

The origin of the two closely-knit institutions of slavery and land-ownership is conquest, followed by oppression and fraud.

When synod "legislates" justly on property rights it must, if its deliberations are based on logic, distinguish between these fundamentally different kinds of "property".

Mr. Clarke is on firm moral ground when he protests against the ignoring and abuse of human rights. The Standing Committee's report is riddled with the fatal defect of knowing nothing of human rights in general and of property rights in particular.

But even the report carries a gleam of truth when it states:

"Justice is giving a person what is due to him". What is due to him, in truth is the products of his labour and equal rights with all others to the full and free use and enjoyment of the earth.

How full rights for all can be achieved can be discovered, first by studying the Old Testament laws on the land and on liberty, and secondly from the master-writer on the subject — Henry George.

As Tolstói, another great writer on the subject, said, "People do not argue with the teaching of Henry George — they simply do not know it".

(Mr.) W. A. Dowe, Lakemba, NSW, "Church Scene", 22-5-81.

### LAND TAX IS THE ANSWER

Graham Moss (any relation to Stirling Hill?) in Britain's Wasting Acres reviewed by Tim Cantell (BD March 6) apparently offers no blueprint for a resolution of the land crisis.

Yet illustrating his review is a slogan which although a hundred years old is forever new, "idle land mean idle men".

Strangely enough exactly 101 years ago the sole remedy to all idle land throughout the world, both rural and urban, was proclaimed in Henry George's book *Progress and Poverty*.

That remedy is still available and it is imperative that the architectural profession, which is the very agent of eliminating idleness of and on the land by the constructive act of building, now be seen to be in the vanguard of those who know and are not frightened to call for the last great revolution: the single tax on the site value of land.

Britain had a land tax for 600 years (1066-1660) at four shillings in the pound sterling and in those 600 years achieved its greatest and most consistent strength.

The Liberal Party has at last once again placed a site value rating plank in its political platform.

The Labour Party is toying once again with some form of land tax.

The Conservatives are determined to de-rate local taxation and thus commit political suicide.

There is nothing so powerful as an idea whose time has come.

The time for the single tax is here. The time is now.

Herbert Meyer, Edgware, Middlesex, U.K.,  
"Building Design", 13-3-81.

### EGG BOARD SLATED

The Victorian Egg Marketing Board should no longer be able to set prices for eggs and its powers should be greatly reduced, according to recommendations of a committee of inquiry studying the board's operations ("Age", 21/5/81).

The committee found that many of the board's activities were inefficient and expensive and that its accounting procedures were unsatisfactory. The committee report said: "Since the establishment of the Victorian Egg Marketing Board in 1936, the egg industry in Victoria appears to have existed in a continuing atmosphere of distrust and dissatisfaction among producers, producer organisations, board agents and distributors and the boards of the other States."

The committee's main recommendations are that:

- The board no longer have power to set prices for eggs or egg products and that prices be set by the market.
- The board be denied power to grade, handle, sell or manufacture eggs and egg products.
- The board withdraw from export activities.
- Producers with fewer than 500 hens be exempted from registration and that those with fewer than 1,000 hens be exempted from paying levies.
- The board be moved and its Keysborough premises be sold or otherwise disposed of.

#### Comment

It is to be hoped that the committee's recommendations are adopted. The Egg Board in fact has totalitarian powers. Marketing arrangements should be voluntary, not coercive. Consumers would get a far better deal without the present Board.

Do you know the difference between a depression and a recession? When you are laid off it's a recession. When the boss is laid off, it's a depression.

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## THE HENRY GEORGE LEAGUE

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

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

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

Subscription for "Progress" alone within Australia is \$3 per annum posted (for which stamps will be acceptable). This is nominal only to extend our message to new contacts who we hope will later become members. If you appreciate the newspaper you are invited to obtain new subscribers.

Subscription rates for "Progress" posted to overseas countries are £2 (stg.) to Commonwealth countries, and \$4 for other countries.

### MEETINGS

Held at 31 Hardware Street.

#### EXECUTIVE:

Thursday, 9th July, at 7.30 p.m.

#### MEMBERS DISCUSSION NIGHT

Wednesday, 29th July, at 7.30 p.m.

(See page 3 for further details.)

#### LUNCH HOUR FORUM

Thursday, 23rd July, 1.00 p.m.

## MEETINGS OF OTHER BODIES FOR WHICH "PROGRESS" IS THE OFFICIAL ORGAN

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

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

Thursday, 16th July, 19th August.

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

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