

the lower is the general standard of living. And of course it causes unemployment as well, and extra taxes are needed to support those who are producing nothing.

The main failing of our otherwise excellent private enterprise system is the huge amount of government granted privilege which is grafted on to it, and that is what will cause it to fall inevitably.

By far the biggest amounts of privilege in our existing organisation are the government granted titles to land sites and resources. A site title is in fact a government granted license which allows continued opportunity to the title holder, to all the advantages of a site, and deprives the rest of the community from such opportunity. Because there is an obvious limitation in the amount (but not necessarily value) of land sites, government can only give land privilege to any individual at the expense of depriving the remainder. The title to a site is of course an opportunity for employment. Deprivation of access to land deprives one of employment opportunity. It is estimated that some 30% of people in Australia are landless, and depend on title holders for opportunity to use land. Needless to say the title holders with sufficient land can extract a tribute from the landless as rent. They can also withhold sites from use in order to seek a higher level of tribute.

Government should steadily abolish all laws, which give special privilege to any industry, trade, individual, profession, union, or any association of able bodied people whatever. Government should remove the special privilege of site holding by steadily increasing site value taxation, as this is an entirely just and economic tax which encourages full employment of the best sites and encourages the full employment of people.

And that leads us to another cause of unemployment—the discouraging and preventive effect of Sales Tax, Income Tax and Pay Roll Tax etc. These act as deterrent fines every time a legitimate economic transaction takes place. A good government will steadily reduce taxation on transactions which cause prosperity, and will replace it with site taxation which itself causes prosperity.

Unless democracy is wise enough to steadily remove privilege from the private enterprise system, there will be continuing depressions.

If democracy foolishly tries to increase privileges then it will go the same way as Marie Antoinette.

The basic cause of unemployment is government granted privilege which allows some people to monopolise employment opportunities and exclude others. The Chairman of the ACTU is the head of

what is probably the biggest cartel of monopolies in Australia (the ACTU) and yet he would no doubt claim to be an anti-monopolist.

When privileges are wide spread, they more than cancel each other out, and they instead make everyone worse off.

Conservative 'ruling class' governments seek to maintain privilege for a small group at the expense of the majority.

Unfortunately Reform type governments, when elected, do not remove or reduce privilege. They proceed on the silly course of seeking to issue privilege to everyone, which only leads to deprivation. You don't increase income by 'redistributing' it, quite the reverse.

You increase real incomes by allowing maximum opportunity and the minimum of restriction and minimum of privilege. The primary function of good government is to prevent people from stealing from each other, not to organise or legitimise it by issuing privilege.

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#### LETTERS TO THE EDITOR

Sir — Your February editorial rightly deplores the fact that society in its ignorance, is unable to identify economic rent as the natural revenue of society. Unfortunately, we appear to be intent upon defeating our efforts to enlighten the community through the confusion that lurks in our own minds on the rent question, a confusion that inevitably creeps into and distorts the reasoning we offer the public in support of the Georgist proposition.

With due respect, I suggest that a thoughtful reader of G.G. must find himself really confused with what appears on page two. You say 'competition .... ensures that an increasing proportion of what tenants produce is not retained as personal income but paid over to land-owners as rent .... without any possibility of such payments being recovered by raising prices'.

This implies that tenants have a right to retain the economic rent and society therefore, should move to protect them against this legal robbery by land-owners since they cannot help themselves by raising the price of their products.

The 'thoughtful reader' now has to try and reconcile this 'right' of the tenant with the right of society to take the rent, a right which you demonstrate so well by showing that it is 'the corporate product of the people'.

Obviously, the perplexed reader must be led by this ambiguity into the conclusion that if the land-owner as rent collector is robbing the tenant, then the robbery must still exist when society assumes the role of rent collector.

The truth, of course, is that the tenants are not deprived of any part of their personal earnings by landowners when they hand over the rent; (we are not now considering the incidence of speculative rent) that they are not a landless group forced to come to terms with either land-owners or society for the use of the land they rent, lease or buy; that what they do pay for today is the opportunity, not for access to land as the totally misleading article 'Justice and Land Tenure' appearing in the same issue of the journal takes as its theme, but for access to rent or the privilege of augmenting their incomes by that bonus which attaches to their particular site—an excess or differential in the income they can enjoy there over and above what they could get on an inferior site.

Until we are able to eradicate such confusion in our own thought through a more adequate grasp of the nature of economic rent, we seem doomed to go on damaging our public image.

I take no pleasure Sir, in having to direct this criticism at your otherwise excellent editorial but I have been running a bit of a fever since I had the painful experience of listening to a prominent Georgist on one of our most popular television programmes, making a pathetic attempt to explain our proposition in terms of hospitals and street sweepers. This is the only way I can get it out of my system.

E B DONOHUE

Croydon NSW

Mr Donohue's criticism of the 'Viewpoint' article is, of course correct. Rent does not reduce wages. Degraded politically into land values, however, its speculative advance is at the expense of wages, and one is continually faced with the necessity of discussing it in two senses. From the tenor of the paragraph in particular and the article generally I do not think that an inference of a right of tenants to retain rent can be substantiated any more than it could be from 'Progress & Poverty', in which the same ambiguous usage occurs.

Any contributions from Mr Donohue or other sources that could assist in maintaining interest in the subject whilst avoiding this double usage would be most welcome. EDITOR.

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Sir — Further to J C Shergold's letter (*Progress*, Aug. 1978) and other recent observations that Georgism is not winning, and why, I believe we must take serious note of some simple if unpalatable factors which appear to have been ignored to date.

According to P Raskall in the current Journal of Australian Political Economy (reported in Aust. Financial Review, Aug. 3) the richest 1% own almost three times (22% against 8%) the wealth of the poorer 50% of Australians.

The richest few percent—'the establishment'—quite obviously control Australia, including the media and education sectors. Institutions of both know well that they won't survive if they vigorously promote single-tax or other boat-rocking theories which put 'the establishment' at risk. Their grants, advertising revenues, etc, will dwindle whilst the would-be reformers are hounded and persecuted for good measure and as grim reminders to the rest of us to stay in line.

Just look at the delicate task of getting even a Gough Whitlam into academe without jeopardising funds, or observe as in *Progress*, Dec/Jan 1978, that an academic expert on city land wheeling and dealing (Dr I Sandercock) could write a book about it with '...only a few lines...' mention of Henry George. *Progress*, Aug 1978 also laments that Susan George, another land reform author '...has apparently never heard of her great namesake...' and admits that George Hardy, as 'Antimonopolist' could not be outspokenly Georgist.

The problem is not what arguments to use on the public but how to get to their eyes, ears and intimidated minds. Georgists are, effectively, a minor and ex-communicated splinter from a brainwashed society of closed minds. Compare us, e.g. with the negroes in 'Roots', kept in complete ignorance to maintain their docility.

This situation will continue whilst wealth and power remain concentrated, as illustrated above. The prerequisites for dispersing them and their respective corollaries of poverty and brainwashing intimidation are the opening to public scrutiny of wealth, its ownership, all business and government revenues, expenditures and contracts and open government from cabinet levels down through the bureaucracies.

As admitted in 'Interview With a Crusader', *Progress*, Aug. 1978, The Henry George League is a pariah in this well-trained society, '...had the approach (George Hardy's) come direct from the League, they would not have invited us...'. On the other hand I believe the simpler policies of open business and government are politically saleable in a community continually paying lip service to their need, even whilst moving toward more secrecy, e.g. Freedom of Information Bill.

Nothing less can overcome the brainwashed apathy which presently foils all direct attempts to spread the more complex single-tax idea.

Energies should, I suggest, be turned to achieving openness first, unpalatable as that may seem to enthusiastic Georgists. Can this be debated in *Progress* now, I wonder, or are Georgist minds also closed?

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