

Good Government

Incorporating "The Standard", published since 1905.

A JOURNAL OF POLITICAL, SOCIAL AND ECONOMIC COMMENT

No. 827 Registered for posting as
a Publication—Category B

APRIL, 1980

Editor **** JACK BRANDON

50¢

For INFORMATION call

759 1120. 419 3632. 638 7593. 699 7153

Published in the first week of every alternate month by the Proprietors,
The Association for Good Government
143 Lawson Street
REDFERN, NSW 2016
Australia

Viewpoint

THE MONSTERS PRODUCED BY GOVERNMENTS

To the extent that people allow themselves to fall into apathy, cynicism or despair because of the anti-social actions of governments there is created a climate in which legislators feel less and less constrained to observe any principles of equity or even responsibility in their assaults on those whom they are supposed to serve.

This has become particularly evident in the field of so called economic management in which, amid a proliferation of boards and statutory corporations, so many smaller producers and business organizations have been steadily strangled by bureaucratic red tape while the public payroll has exploded under the necessity of maintaining an inflated public service whose only perceptible achievements appear to be public disservice. Some measure of this explosion is reflected in the growth in the growth of New South Wales state taxation from \$337 million in 1968—69 to \$1,685 million in 1977—78.

One noticeable result has been that, unlike the depression of the thirties, the dead weight of bureaucracies and unions has inhibited the growth of back yard industries and small farming ventures that did so much to mitigate unemployment in those earlier years. Nowadays, in NSW, we have to live with at least 300 statutory bodies and 800 statutory committees employing about 115,000 people. In an article in the Sydney Morning Herald on the 22nd February, 1980 it was alleged that not one state minister knew how many of these bureaucracies he was responsible for, how much they spend or how many they employ.

This remoteness from control is one likely explanation for the type of anti-economic and anti-social behaviour that the public has come to associate with so much of the activities of these public authorities.

The media, in recent months, has carried various reports of the eccentric behaviour of the Egg Marketing Board toward those who want to produce and sell more eggs at lower prices. It has even had people gaoled for lowering prices when the professed aim of the government has been reduction of the cost of living. This became too embarrassing for a generally insensitive government but instead of ending the farce by abolishing the board and allowing people to enjoy better and cheaper eggs it timorously tried to palliate the board's crudities by making the penalties less draconian.

It is a farcical situation in which the living standards of taxpayers are so eroded by savage taxation that sustained demands for higher wages and welfare are generated while the taxation is wasted on the salaries of bureaucrats who restrict the supply of food and inflate its price.

The delusion underlying this aberration is that natural marketing is disorderly and depresses wages through too much competition; it must, therefore, be replaced by 'orderly' marketing which restricts or eliminates competition.

The practical outcome of this delusion is to be seen on the one hand in the monopoly prices of farms whose hens are licensed by the board to lay eggs in comparison with those whose hens have been unsuccessful in their applications for licenses, and on the other in the closure of a beneficial and economic avenue of employment as

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

well as the actual reduction of employment in other fields throughout the community. If the price of any commodity is increased the demand for all other goods is discouraged with resultant unemployment. The corollary, of course, is that low prices mean greater production and more jobs.

As it is more than 130 years since Sir Robert Peel's government in Great Britain demonstrated, by the repeal of the corn laws, some of the practical benefits that flow to people when governments lift restrictions on the production and marketing of commodities it is surely high time that the message penetrated the minds of our modern economic managers.

*** **

THE OPEN MIND

'The finding of arguments for a conclusion given in advance is not philosophy but special pleading.'—Bertram Russell, *History of Western Philosophy*, p.485.

*** **

MARX, CHINA AND HENRY GEORGE

'The starting point of the development that gave rise to the wage worker as well as to the capitalist, was the servitude of the worker. In the history of primary accumulation, all revolutions are epoch-making that act as levers for the capitalist class in its course of formation; but above all they are these moments when great masses of men are suddenly and forcibly torn from their means of subsistence and hurled as free and unattached proletarians on to the labour market. *The expropriation of the agricultural producer, of the peasant, from the soil, is the basis of the whole process.*'
—Karl Marx in *Das Capital*, Vol.1 Sect.24.

Marx might have been expected to follow through the logical inference of his analysis: If the basis for the power of accumulated capital to exploit a class of mere wage workers lay in the historical expropriation of the people from the soil, one would think that the basis for the destruction of that power would lie in righting the ancient wrong—would lie primarily in the restoration of the rights of the people in the soil, and that political action would be directed primarily to that end. And so, through the generalised access of labour to land, the accumulation of capital would become more evenly spread; no longer would there exist a class of wage workers who, landless, had no economic bargaining power. That is to say. Marx's 'capitalist mode of production' would evaporate.

The rapid accumulation of capital by the mass of the people is the quickest way for them to increase their general standards of living—for them to escape from the sheer physical tyranny of toil. But the rapid accumulation of capital through the efficient application of labour to

natural resources requires that economy in effort be maximized: requires the operation of a free market: freedom of entrepreneurship to produce and to exchange, freedom to privately accumulate, employ and enjoy capital, the fruit of one's own labours and productive investment: *Keynote*: the peasant works hardest who works for himself!

Such, of course, is anathema to the doctrinaire Marxist who shares with Marx his confusion of the power of 'capital' with what was really and historically the growing power of capitalised monopoly—monopoly in the ownership of the earth. The excesses of the Chinese Cultural Revolution are a fitting epitaph to Marx, as they are to Mao—the misdirected antipathy to private accumulation of capital and to the competitive economies of a free market, the confusion of effect for the cause. What a tragedy that Marx veered so far off-target; he has held the world back for a century.

It was left to Henry George, the American contemporary of Marx, to get it right. He wrote a classic entitled *Progress and Poverty* in which he showed that the mere labourer in an industrialised society was no better off than the landless peasant. And, from the same facts, he followed through the logic that Marx missed. Henry George proposed that, in the modern context, *the rent of land—all land—should be socialised*, thus enforcing its best use. When common equity had thus been achieved, then

although there might be privately held land, be it by the tiller of the soil or by the industrialist, nevertheless *the private ownership of readily reproducible capital would have no power to exploit*, and indeed, is to be encouraged. This is the good news needed by those emergent countries for whom Marxism is starting to appear to be a god with feet of clay and which is unnecessarily denying to them the benefits of Western technology and the modernisation that stems from capital increase. It is to George, not Marx, that these countries must turn. For China it means a reappraisal, a rediscovery, of Dr Sun Yat Sen.

K N GRIGG

*** **

THE GOOD SOCIETY

By STEPHEN CANTOR

(Published in *Cosmos*, April 1980)

Between August 20 and 25 1979 the Henry George Associations of many countries of the world met at San Francisco to celebrate the 100th anniversary of the publication of the book *Progress and Poverty*.

This book, written by Henry George, was first published in San Francisco in 1879. It met with tremendous success—two million copies sold within the first two years of publication, and was hailed as a masterpiece of clear thought and splendid style. That was a 100 years ago. But who knows about it today, who knows of Henry George today? For what was Henry George famous

in his days and what is this masterpiece all about? Some 250 delegates from widely dispersed countries found it important to come together to exchange views on these and many other questions.

Henry George was of humble American origin. At 14 years of age he went out into the world to fend for himself. In those days, the same as today, it was not easy to find a job. But worse, there were no employment agencies, no government supports and no job training establishments. It was tougher than today.

Henry went to sea, managed to learn to read and write and in his early twenties he found a position with a firm of printers. Thus he became familiar with the use and value of words. Quite early he observed the difference between rich and poor and it struck him in particular that, whilst there was obviously an abundance of all good things in the world, this abundance was not shared by all humankind.

Being religious by nature and blessed with many gifts from astute critical logic to an unshakable sense of justice, from convincing rhetoric to a deep insight into the values of human life, he set out to devote his life to political economy and social philosophy.

From his humble beginnings, he progressed to world renown in his time, and many of his friends and enemies ranked him next to Plato as one of the most profound thinkers of all times. Credit to his genius can be cited from many authorities, to mention just a few—Theodore Roosevelt, Henry Parkes, Woodrow Wilson, Bernard Shaw, Leo Tolstoy and, last but not least, all those excellent people who gathered at San Francisco last year, and who have kept the economic philosophies of Henry George alive over the last 50 years.

All this may sound impressive, but why has the average citizen not heard of, or learned about, Henry George? What economic axioms did he set up which brought fame to him in his lifetime and which are forgotten today? He was a contemporary of Karl Marx and almost everybody knows that Marx wrote *Das Kapital*, a book which never sold three million copies, whilst hardly anybody has ever heard of *Progress and Poverty* or the many other books by Henry George. What then, is the theory and the enigma of this writer?

Henry George was able to analyse the main reason for the phenomenon that progress, against all assumption, does not produce betterment for the masses of people, but only betterment for a selected few. The similarities of the social problems of 100 years ago, compared with those of today, are quite striking. Equally striking is the fact that in our social order and in our economic thinking very little has changed over the same period.

We are so indoctrinated with established systems, that we generally remain insensitive to anything that is different. It is a fact of life that great inequalities exist in the material and spiritual well-being of humans. Marx, as well as many other economists or revolutionaries before and after him, tried to solve the lot of

the average person largely by advocating force, the ultimate promise of triumph over inequality.

This, in a final analysis, is a popular appeal. We therefore still see the lasting acknowledgement of this theory in all its variations today. But where is the betterment for society, where is the promised victory for equality? The situation of increasing poverty in spite of increasing progress is still with us.

Egalite, Fraternalite, Libertè remain splendid catch-cries but little else. The poor remain poor and increase in numbers, while the rich get richer and decrease in numbers—in a direct ratio. Against this situation what has Henry George to offer?

Foremost, he realised that he was dealing with humans, not with sub-humans nor with superhumans. The creator did not create everyone equal in any of the kingdoms. Striving for equality, therefore, is not a moral issue. But creating conditions under which exploitation of the weaker can be reduced is essential. Certainly many such attempts have been made, but none so far has had outstanding success.

Poorness (poverty) is a relative term. It may be argued that, thanks to social changes, the poor of today are far better off than their counterparts of 150 years ago. If that is so why do we have today inquiries into poverty, starvation, undernourishment, along with strikes, revolutions and wars? Was Marx's promise a solution to the conditions which create poverty? The essence here, as in medicine, is that one has to attempt to remove the cause of the evil, not the symptom. Poverty is not the cause of social distress, but only a symptom.

Henry George knew that too, and he could not only see the cause of poverty but could also clearly demonstrate how to remove it: he advocated a change of outlook (*Weltanschauung*), a change of morality, a different way of distributing wealth—not by force but by providing lawful facilities so that the opportunities would no longer exist to accumulate large amounts of wealth.

Basically, the proposition is to reduce all taxes on production—corporate—income—sales—wages—excise—property—taxes, etc., and to transfer all these on to land value taxation.

The reasoning behind this is that all forms of commodity taxation depress the living standard of humankind, whilst taxation of land does not. Land is the only commodity on this planet which we cannot produce.

However, all our products, whatever they are, come from the land or the use of land. Whilst we live here we all have an unwritten right to the use and the benefits of this one commodity. Accumulation of land far beyond the needs of one individual, expropriates a fellow human being from similar such opportunities as enjoyed by the first.

Land speculation is probably the largest single contributor to today's inequalities in society. By taxing land, in particular unused

land—land held for speculation—land prices will be forced down. This is opposite to the effect of taxing commodities: tax on commodities increases the price of commodities. So far, governments of any particular shade are doing exactly this.

Here a quick word of warning: this is not a treatise on either the complete teachings of Henry George or on single tax. This is a complex matter and one which contributes to its unpopularity. Interested readers should do themselves justice by getting details from any of the existing Henry George Schools in the State capitals.

The proposition of changing from commodity taxation to land value taxation is an unpopular one—it is against our established habits. The small home owner and the small farmer feel themselves attacked without clearly understanding the issues involved. The large corporations, lending institutions, banks, or land developers know full well that such a move is directed against their traditional unearned (not deserved) income. To engage in such a change is politically unsound, therefore no government anywhere has ever dared to implement such a change.

Henry George was fully aware of these implications and difficulties, but he was a man of exceptional courage, integrity and faith, and with all his other qualities, he was capable of pronouncing his ideas and getting popular support. With his death in 1897 the driving force behind all these new humanitarian concepts vanished—there was nobody to carry on the struggle for a peaceful and equitable change of the established social conditions. And that is where we are today.

During the past few years there has been a gradual increase in the number of Henry George followers. The Centennial Conference at San Francisco showed that there are today a number of well established organizations carrying on the basic teachings of Henry George. That these organizations need unification to become effective has also become obvious.

Hopefully, they will be able to bring together individual interpretations of ideology to the benefit of a common platform. This will have to be a modernised version of classical thoughts, expressed in the idioms of the 21st century rather than those of the 18th or 19th centuries.

The need for economic change is becoming more urgent today than ever before. This change has to be non-violent, genuine and for the betterment of all, without taking away individual freedom or curtailing individual ability.

The benefit for effort exerted has to be restored to its true owner—the worker, regardless of his or her status. This is the crux of the proposition. The reasons for this are simple to see: we have today more of everything; science has produced changes within the last 10—20—50 years beyond imagination.

Nearly everything can be manufactured—except for land. The benefit of this multitude of output, however, goes only to a small extent to those who have produced it.

More and more people see themselves left behind, feeling disadvantaged. In desperation, they resort to a great variety of assumed remedies for their plight: food, drink, gambling, and no desire for responsibility. All of these, unfortunately, are supported by the free profit motives of other members of our society who have the means and the interests to encourage these manifestations. Henry George saw these things in his days only too clearly. Read his books and see for yourself.

There is now a vicious circle in that the more we progress scientifically—materially, the more we develop the abilities for supplying the demands of humankind. These goods finally exploit the weaknesses of the poor to the benefit (?) of the rich. One only has to stroll through any big city to observe this cycle. Sydney is no exception but San Francisco is a classical example. Although *Progress and Poverty* was written while Henry George was in San Francisco, its philosophy, moral and practical teachings apply universally.

Whether or not the Centenary Conference will become the political-economical watershed for 'More Progress and Less Poverty' only the future can tell. As an observer at this Conference one certainly is left with the impression that a strong neo-classical economic school is evolving which will invite the whole world to share in revised concepts of moral-economic-political theories.

The call will have to go to each world citizen and his or her response will decide the issue. Are we to struggle from depression to depression, from war to war, or are we going to have the courage and the honesty to let old, worn out concepts go, and have the strength to replace them with new, less ego-centric principles, suitable for a New Age?

*** **

TO THE EDITOR

Sir—It is not so much a question of survival of the movement that should disturb Georgists but rather its transmission from a feeble organisation, breathing on one lung, to the development of an effective voice in the promotion of sound economic thought. And as I Boorman (G.C. Oct.) in his enlightened comment rightly points out, this will not be achieved while Georgist thought remains warped by its 'obsession with land and land titles' and damaging catch-cries and slogans that have no validity.

Every society includes vast numbers of employed people who possess no titles to land but still enjoy access to land. The full earnings of this landless mass are not plundered by landowners when they appropriate the rent under the power conferred on them by their titles because the rent, as we know, is no part

of their earnings. The immediate victim of this plunder by landowners is the body politic or government which is deprived of its natural revenue.

The individual earnings of the landless in the economy are not lowered when the rent is taken, as rent is not a product of human effort but a gratuitous addition to the produce--a social bounty--arising from human association.

In a social economy, rent names that natural share of the market distribution of wealth which owes nothing to the economic effort of those who receive it from the market, being a part of the profit generated in the economy by the act of associating. For this reason it is clear that rent must be seen as the natural revenue which society is required to devote to the body politic to cover the cost of the legitimate functions of government. No individual has any moral claim to any part of it.

The residue after rent has been distributed is disbursed by the market in wages and interest to those who have outlaid their labour and/or their capital in production, the respective shares being maintained in equitable proportions by the force of competition. Hence to see rent as a differential in the profit of association that accrues to land users either as tenants or landowners is to see that in no sense should it be considered as 'a charge for land use or site value'.

And since it is obvious that producers, as such, have done nothing to entitle them to the rent, it is nonsense to speak of them being robbed, no matter whether they are deprived of it as private revenue to landlords or as public revenue to government. However, this does not alter the fact that there is a huge ongoing robbery of producers. Indeed they are robbed not once but twice. Firstly through taxes which are a savage assault on their earnings by governments that lack the wisdom to recognise the nature and purpose of rent as their natural revenue fund. And secondly through the evil of what George termed speculative rent, an anti-social levy that landowners are able to impose on producers over and above the normal rent line set by producers in competition for superior sites. The normal rent line is determined by producers who assess the extent of the superiority of a particular site in terms of the additional return they might count on for a given amount of labour, and their bids are made accordingly. This bonus return, call it excess product, surplus product, differential in the profit of association or whatever, bears no relation to the amount or quality of the labour expended on a site, and hence it is absurd to think of it as a hire charge for the use of land when producers are forced to relinquish it.

On the other hand speculative rent which, more aptly, might be termed speculative rack-rent is a charge for the use of land arising from the withholding of land from use in the sure expectation by landholders that they will be able to extract higher returns in the future. The economic rent, though not in itself a

robbery of the producer when misappropriated, does beget the twin robberies of taxation and rack-rent which together are responsible for the appalling industrial conflict that now degrades human society as employers and employees wage war over what is left to them of the economic cake.

B DONOHUE
*** ** Croydon NSW
*** **

FIGHT THE GOOD FIGHT TO GAIN A SITE
Sir--In view of the spate of doggerel appearing in Good Government recently might I make a contribution:-

Rock of ages cleft for me
Let me pay the rent to thee
Otherwise the water flow
Will fill my purse with unearned dough.

Rock etc.

Perhaps above there will be pie
Abundant in the bright blue sky
But ere we all are Heaven bent
Let's try to get the bleedin' rent

Rock etc.
LIONEL BOORMAN
*** ** Eastwood NSW
P.S. This is not to be sung to a Rock tune.
*** **

Sir--Land is rarely mentioned by politicians and others who talk about our economy, yet it is a fundamental fact of life. Every one of us must use land every moment we live. For city and factory, farming and fishing, mining and forestry, horticulture and industry, homes and workplaces, cultural activities and sport. It is in the interests of all land users for land to be cheap, and suitable land to be readily available.

Now land has no cost of production--unlike everything else. It is supplied free by Nature, but to increase its usefulness people pay for amenities such as electricity and services such as mail collection and delivery. When the community has paid for these things out of taxation, the land is more useful and therefore more wanted. So the landowner finds he can put up the selling price, or increase the rent if he is leasing the land, or--and this is terribly damaging to the economy, he may hold the land out of use in expectation that even more amenities will be paid for out of taxation, and even more people will want it, and he can make even bigger unearned gains later on.

Meantime people are unable to get suitable land for their needs at economic prices--and it is the taxes they have paid which have helped push up the price of the land. Productive workers are squeezed between heavy taxation and high land prices for homes, farms and businesses.

We must stop penalizing with heavy taxes those who produce goods and services, and instead draw revenue from the community created value of land.
J H MORRIS
*** ** Melbourne
*** **

Sir—Why can't people get jobs? With every boom the price of land soars. (Look at the sixties — early seventies). High land price induces high financial commitments, eventually land price outstrips the ability of production to sustain it, so financial commitments cannot be met, so people stop spending, so production is cut back, so we get unemployed.

We must force down the price of land, because all production depends on labour applied to land or labour exerted upon land, be it in offices, or factories, or on farms or domestically, at home. How can we then force down the price of land?

We must claim back its community value and take the taxes off its use! The key lies in land value rating, which is widely used in Australia for local government finance. It must now be used on a much wider scale as a major tool for national economic recovery. The higher the land value rate or public land rental charge, the

less is it possible for social progress to be privately capitalised into speculative land price. Continuous employment at realistic wage levels become possible.

Cheaper land always means higher real wages: better land use means higher incomes. But just so long as production is heavily taxed and just so long as the price of land remains high relative to real wage levels, then we are going to continue to have chronic unemployment of both labour and capital.

Those who are not convinced should work out your own words of comfort for the eighteen-year-olds, unemployed today, who will be of marriageable age within the next five years, and tell how they're going to afford a \$10,000 — \$20,000 block of land, let alone get started on the house!

A SCHMID Melbourne
 *** **

TO THE EDITOR OF THE WAIKATO TIMES: NZ

Sir—My heart bleeds for the poor pottery workers. To think that the wretched Government taxes the products of their creative skill! But what about those other creative artists—the brick and tile manufacturers, and the workers in concrete. Surely their efforts should be freed from the rapacity of the tax-gatherer equally with the pottery workers.

I note that many protesting against the taxing of what might be called home industries show little concern for any but their own activity. So long as they get relief it doesn't matter from what source the lost revenue is recouped.

Many who listened to the radio programme dealing with the taxing of pottery articles must have noted the illogical and arbitrary nature of our taxation system. Officials quite ignorant of the industry to be taxed decide as to what is to be levied and what left free. We have too many

taxation officials similarly unqualified, and their number is growing every day.

Governments must have money so that they may discharge their essential and important functions of protecting us from pirates from abroad and from robbers within the country. It is the only function that governments are competent to perform, and the only ones they should attempt.

It is most important to the economic health of the nation how that money is collected. If governments tax production they become robbers, failing to perform one of those services for which they are set up. And they give some of their citizens a right of private taxation.

There can be no permanent progress until the taxation system is put on a businesslike basis. Fortunately, we have the basis of such a system in our unimproved values (land) rating system. A tax on the unimproved values falls on everyone, proportioned to the value of the community services that the citizen receives. No one can escape. (It would be better for the economic and political health of democracy if everyone owned the piece of land he occupies, and better still, if it were free of all debt).

Everyone must occupy a piece of land; there is no escape from that. But to be useful it must be supplied with community services; without them it is valueless.

That these community services command a price is shown where sections are bought and sold. The more services available the higher the price. If these values were collected by Government there would be no need for the taxing of goods and all the evils that flow from it.

We are being told constantly that more production is needed, that it is the only way to solve our economic confusion. (It should be obvious to all that a subsidy to offset the evils of the original tax is no answer). We need a taxation system that has no limits on achievements, no checks on the ambitious man, and no penalties on the successful one. Raise all taxation by means of unimproved values and abolish all taxes levied on production.

H T A McGAHAN New Zealand
 *** **

FREEDOM OF INFORMATION

SECRECY IS THE INCUBATOR OF CORRUPTION.

RALPH NADER

Reprinted from *Freedom of Information Newsletter*

Freedom of Information is about your right to know how your government operates—why it makes certain decisions, how it spends your money, how well it works, what its policies are based on and who benefits from its activities.

At present governments are really only accountable to you at election time. How well are you informed about the workings of government in between? *An effective Freedom of Information Act is one of the most important*

methods of ensuring the accountability of Government to the Australian people.

Australians were first promised Freedom of Information Legislation in 1972. In 1978 a Bill was finally introduced. It was largely produced by anonymous public servants taken from Government departments with a strong vested interest in continuing secrecy.

The 1978 Bill gives citizens a legally enforceable right to government documents but:

- * gives public servants broad discretionary powers to withhold information;
- * confers on Ministers the right to stamp a document conclusively secret, the citizen having no right to appeal against this right;
- * allows a public servant 60 days or longer to comply with a request and the power to ignore it altogether if it is found too inconvenient;
- * lists so many ill-defined groups of documents that are exempt from disclosure that, should the Bill be enacted as it is, the secrecy already existing in Australia will be enshrined in legal provisions.

This is why the Bill is widely referred to as the *Freedom From Information Bill*.

Public criticism of the Bill was so strong that the Government referred it for examination and public debate to the Senate Standing Committee on Constitutional and Legal Affairs.

This Committee's report, tabled last October, recommends over 100 changes to the 1978 Bill and connected legislation in the interests of greater disclosure of information and public accountability of public servants and Ministers. It is the result of widespread public participation in the work of the Senate Committee.

It is no longer possible for politicians to declare that Freedom Of Information legislation is an elitist issue which most Australians are not capable of understanding.

The apparent complexity of the issue has arisen only because opponents of such legislation have thrown up endless 'foils', maintaining that Freedom of Information legislation is too difficult to draft, too hard to administer, too costly to finance, too intrusive on the 'expertise' of bureaucrats. All these considerations have now been trounced by the public, through the Senate Committee and in other public forums.

The principles of effective information access laws allow for the exemption of categories of documents which would clearly harm the country's interest. These principles are:

1. No documents should be disclosed which would invade a citizen's right to privacy.
2. Public servants must be required to make documents available with least possible delay.
3. No Minister should be empowered to stamp a document conclusively exempt from disclosure. All refusals to give documents to a citizen must be subject to appeal and independent review.
4. Broad exemptions must be very clearly defined and subject to independent review.
5. A general index of available documents must

- be made available to the public so they can easily identify documents they are seeking.
6. A public servant who, in good faith, gives a document which should not have been given must not be penalised.
7. A public servant who refuses to give a document which should have been given, unless in good faith, ought to be penalised.
8. The legislation must set down a timetable for the release of all documents in existence before the passage of the legislation.
9. No group of documents or government agency should be excluded from the operation of the Act by means of regulations drawn up after the Act is passed.
10. The cost to the citizen for documents should be minimal and should be set aside altogether if the citizen's request is for documents of general public interest.
11. The legislation must state that it will become operative within six months of being passed.

Effective Freedom of Information legislation will restore your right to know what is held in the national 'information coffers' on many matters, including business, taxation, pensions, health, social welfare, consumer protection, the environment, education, broadcasting and television, housing, defence, foreign investment, manufacturing, primary industry, transport, energy, immigration, women's affairs and aboriginal affairs.

*** **

LAND AND WAGES

THE WAGES OF LABOUR AS RELATED TO PRICE OF LAND

A Study of Two Australian Colonisation Schemes
by E J CRAIGIE, ex MP.

INTRODUCTION

American colonies had for nearly two centuries been the dumping ground for convicts from British gaoles or prisoners of war. When the establishment in 1782 of the independent Republic of the United States of America closed that avenue for disposal of the unwanted thousands, Lord Sydney proposed a plan for sending them to New Holland (Australia). The Prime Minister, Pitt, assented with a faint measure of interest since 'no cheaper mode of disposing of the convicts could be found'.

For this purpose the convict colony of New South Wales was founded at Sydney in 1788, and that of Van Dieman's Land at Hobart in 1803. These colonies slowly spread inland as the officials carried on sheep grazing for wool or farming by the labour of assigned convicts. Often convicts at liberty went to the unoccupied territory, without official sanction, built huts and grazed sheep or cattle which may have been obtained by depredation. They occupied land to which they had no title and became known as squatters. Their wool exported to England awakened great interest in the new colonies.

England's agrarian revolution consisting, partly, of the wholesale enclosure of the common lands squeezed the country people off the land. Consequent upon the application of power-driven

machinery in mills and the decay of handicrafts the industrial revolution brought great changes in the lives of the people.

Food was dear, wages miserably low, and unemployment widespread. England was believed to be over-populated. Pauperism was breaking down the country. But Australia was a vast empty possession which could be used to relieve the population pressure at home where painfully manifest sorrows could be remedied by emigration of free persons.

Other Englishmen believed in the possibility of making profitable investments. The Australian Agricultural Co. with a capital of £1,000,000 began operations in New South Wales in 1824, while a year later the Van Dieman's Land Company acquired a great estate in the southern island.

PART 1: PLAN FOR WESTERN AUSTRALIA

Fired by Stirling's report that the land on the banks of the Swan River 'of all that I have seen in various quarters of the world, possesses the greatest natural attractions; it is not inferior in any natural essential quality to the plain of Lombardy', an association of English capitalists planned to establish plantations there. They proposed to grow produce that would find a ready market in England such as sugar, cotton, flax and tobacco in competition with America. They proposed to raise sheep, horses and cattle.

This colony of a company was a plan to transplant the English manor system into a vast area of unoccupied territory. The planters, i.e., settlers with grants such as 50,000 acres, would be lords of the manor—absolute owners of large estates. There were to be no convicts in this free colony. Instead the manual work was to be done by servants as indentured labourers at three shillings a day, from which the cost of food and clothing was deducted. But the settlers were to pay the cost of transport of the servants from Britain to Western Australia.

The British Government would not give financial help, but its Colonial Office granted each settler units of 40 acres for each £3 (i.e. one shilling and sixpence an acre) invested in money or goods transported to the colony. Some took pianos, carriages and costly furniture, whose monetary value was accepted as qualification for larger land grants.

The British Government, however, undertook to maintain a civil and military establishment for the protection of the settlers and to enforce the indentured labourers to keep their contracts as servants to the capitalists.

Of the settlers, the best known is Mr Thomas Peel, a relative of the famous Home Secretary, Sir Robert Peel. Mr Peel received a free grant of 250,000 acres of land, an area about 40 miles by 10 miles, on condition that he spend 1/6d per acre importing labourers and 4/6d per acre improving the land. Altogether he invested £50,000 and aspired to be one of the founders of 'new majesties of mighty states' so to make a name for himself, like Penn and Delaware in America, as well as to invest his money to advantage. Mr Peel had agents who persuaded

other English capitalists to join the association which raised and sent out £200,000 of capital as seeds, implements, tents, cattle, sheep and horses. The Surrey family of Henty were among the settlers who emigrated to Western Australia.

SWAN RIVER SETTLEMENT

The Swan River area in Western Australia was claimed for the British Crown by Captain Fremantle, R.N., from Sydney, early in 1829. Captain Stirling, R.N., arrived in June as Governor of the new settlement and determined that the port (Fremantle) should be at the mouth of the Swan River, while the administrative capital (Perth) was located several miles upstream where the river water expanded into broad but shallow lagoons.

Meanwhile, in quick succession, more immigrant ships arrived with settlers and indentured labourers. Contact was maintained with Sydney and Hobart by the ships bringing foodstuffs to the infant colony. Governor Stirling decreed that first choice of land be given to holders of the largest grants. Consequently all land around Perth was soon taken up in 50,000, even 100,000, acre blocks, with the result that those entitled to smaller holdings were pushed out to the perimeter, and so created a very scattered community. For such primitive conditions, with no roads or public works or shops, a large labour force on each estate was essential. Hence land holders entered into competition with each other to secure more labourers. As a result, Professor R C Mills writes that: 'Indentured servants caused a considerable amount of trouble

to their masters; that they were continually asking for more (wages) than their indentures provided; and at times they deserted'.

Governor Stirling relied on his Land Regulation (August 28, 1829) which provided that indentured servants or assisted persons must fulfil their agreements before they could obtain land in Western Australia. But there was ample free land in Eastern Australia, so the record of the discontented labourers reads: so soon as they obtain liberty they embark for either Hobart or Sydney.

Peel himself did not reach the Swan River until December, 1829, when he arrived with 300 people, men, women and children, whom he had bound by indenture to work upon his land. By the end of that year 25 ships had called, there was a total population of 1,300 persons and 525,000 acres of land had been allotted.

Thus, at the beginning of the Australian colonies the traditional economic position of Britain was reversed. For there was a reputed shortage of land in Britain and a surplus of labour competing for limited opportunities resulting in high prices for land and low wages for labour. At the antipodes the early historic situation was a surplus of free or near-free land with a shortage of labour, thus associating a lower price of land with higher wages.

The year 1830 found the colonists building houses in the semi-wilderness, clearing land, cultivating, tending stock. One thousand more

immigrants arrived. But Peel was not a successful leader of men, he knew nothing of pioneering and lacked the personal qualities of an organiser. His labour force melted away; they could earn more by working for other settlers. Although he did secure the punishment of some for breach of indentures, others were liberated by the magistrates, and he gave permission to others to leave his service. By the middle of 1830 all were gone except one black servant. Mr Peel was monarch of all he surveyed but he surveyed only solitude.

DIFFICULTIES ENCOUNTERED BY EMPLOYERS

In his book, *England and America*, Edward Gibbon Wakefield had some interesting comments to make concerning the plight of employers. He relates the account of Mr Peel, who attempted to establish the Swan River Colony. He states that: 'Mr Peel's motive for moving to the Swan River, with a capital of £50,000 and some hundred people, was a grant of 500,000 acres of waste land, and the motive with which these people accompanied him, was the hope of high wages for cultivating waste land, or the prospect of obtaining waste land of their own.' (page 119)

Wakefield makes it very clear that the type of worker most desired by these capitalists (?) who were interested in establishing the new settlement, was those who were practically destitute and unable to move from one place to another on their own account, because of their limited resources. Such a class were likely to be submissive in the new colony it was proposed to establish. Concerning them, he said: 'But those who would most desire to come in search of high wages are the poorest of the poor in the old country; so poor as to be unable to move from one part to another part of their own country, people who live from hand to mouth, never having any property save their own thews and sinews... These, however strong their inducement to emigration, cannot move without assistance. If they are to move at all, the cost of their passage must be defrayed, or at least advanced by somebody.' (page 1833).

However, subsequent events proved these British 'capitalists' were in for a rude awakening. On arrival at Western Australia they found that despite the limited resources of the immigrants they were unable to keep the people they had employed in a state of subjection. The following passage from Wakefield's book is very illuminating on this point: 'Every scheme of this sort, that did not establish a kind of slavery, has failed the moment it was tried. On the principle of the redemption system, that of payment by a capitalist for the poor immigrant's labour, many schemes have been tried, and have failed, in Canada, New South Wales, Van Dieman's Land, and South Africa, not to mention the Swan River... Nor is there any difficulty in finding poor labourers willing to engage with colonial capitalists for a certain term of service in the colony. The difficulty lies in this: that without some kind of slavery the capitalist has no security for repayment of his outlay, that the labourer, as soon as he reaches the colony, laughs at his engagement; that what the

capitalist brings to the colony in the shape of labour ceases to be labour the moment it reaches the colony; or, at all events, is never labour over which he who paid for it has any control. During the last 15 years some thousands of poor labourers, to speak within compass, have been conveyed from England to English colonies at the expense of colonial capitalists, and under engagement to work for those who had paid for their passage. "There is no instance on record," says Mr Arthur, the greatest capitalist of New South Wales, "where settlers have been able to prevent their indentured servants, hired in England, from becoming dissatisfied, and then leaving them after their arrival." At the Swan River, the first settlers had hardly landed before the Governor was requested to punish indentured labourers for refusing to work for those who had brought them from England.' (p.186)

WHY WERE LABOURERS INDEPENDENT?

What was the reason for the independence manifested by these labourers brought to Western Australia to work for Mr Peel? Let Mr Wakefield express his opinion regarding it: 'Those who went out as labourers no sooner reached the colony than they were tempted by the superabundance of good land to become landowners. One of the founders of the colony, Mr Peel, who, it is said, took out a capital of £50,000 and 300 persons of the labouring class—men, women and children—has been represented as left without a servant to make his bed or fetch him water from the creek. The writer of the first book concerning the colony states that, landing in Cockburn Sound with goods taken from England, he did, with some difficulty, procure workmen to place his goods under a tent, but that there, for want of workmen to remove them, they remained until they were spoiled, as the tent became rotten. In such a state of things it was impossible to preserve capital. While Mr Peel was without servants his capital perished. The capital taken out in seeds, implements, cattle, sheep and horses, cannot have been less in money value, than £200,000, and the labourers must have amounted to 1,000 at the very lowest.' (Vol.2, p.33).

Mr Wakefield quotes, as his authority for this statement, Mr Elmsley, who was Mr Peel's agent.

Wakefield goes on to ask the reason for the capital perishing in the new colony, and then gives this interesting answer to his own question: 'Why has so much of the capital perished that was taken to the Swan River? For want of labour wherewith to preserve it. Why do the new settlers that remain in the colony wish for a supply of convict labour? Because they have no free labour.' (p.116)

This answer supports the contention of Georgeists who understand the relation of Land to Labour. It should be taken to heart by those Socialists who insist that 'Labour is exploited by Capital'. To those who hold this erroneous view we put the following query: 'If £200,000 worth of capital owned by the capitalists at the Swan River colony was not sufficient to exploit the labour of one of the immigrants brought from England, what amount of capital is necessary, under similar conditions, where land would be

free to all, to exploit the millions of workers in Australia and all other countries?"

SWAN LAND PIONEERS

The slow and halting progress of this giant skeleton of a colony is portrayed in Dr J S Battye's *History of Western Australia* from which most of the facts in this paragraph have been drawn.

Mr Peel's concession had the Murray River as its southern boundary with Peel's Inlet and Cockburn Sound on the west, and stretched north beyond Rockingham (named after one of his ships). Its headquarters, now extinct, was Clarence on the coast between Woodman's Point and Naval Base. Peel, a disappointed and embittered man, did little to improve his vast estate, but retired to a squalid hut near present Mandurah. Priceless articles served utilitarian duties among the general decay where Peel lived the last 30 years of his life in a mixture of latifundia and poverty. From 1832 onwards Mr Peel was a member of the Legislative Council which advised the Governor on regulations relating to conditions of land holding. He died in 1862.

Professor R C Mills observes that other free settlers engaged in a scramble for land in which these colonists took up far more land than they could cultivate.

Bunbury today stands on portion of another estate where Colonel Latour secured a grant of 103,000 acres and set headquarters at Port Leschenault. He made no immediate use of this territory, but in London negotiated a sale of portion of the free-grant land to a company which promoted the abortive settlement of Austral-Ind for pukka sahibs

At Albany there was an early settlement where the labour shortage was partly met by indentured coolies from India. Near Cape Leeuwin there was a settlement at Augusta. In other districts settlers had the well-known names of Brockman, Stone, Dale and Shenton.

At the close of 1829 there were 850 permanent residents with 1,000 more migrants on the way from Britain. As Professor Ernest Scott remarks: the curve of the population figures shows how the colony fared. In 1830 there had been as many as 4,000 persons in Western Australia. The greater part of them drifted away, and in 1832 there were only 1,500.

Early in 1831 new land regulations reduced the land grant unit by one-half, that is, 20 acres for each £3 invested. By the end of 1831 over 1,000,000 acres had been granted, and 200 acres were under cultivation, of which 160 acres produced wheat. Upstream from Perth, at Guilford, the land was surveyed in blocks of 4-5 acres each, and these were granted to servants who had completed their term of service. There was transport by boat along the Swan River from Fremantle to Perth and Guilford. Brick and tile making had been established.

On January 1, 1832, the system of making free grants of land was given up, and the further areas of land were sold. The capital sums of purchase money received were taken to be revenue together with the tariff taxes on alcoholic

spirits. A council was set up in February, 1832, with Mr Thomas Peel as one of the four representatives of the land holders, whose term of office was duration of residence in the colony. Its business included the regulation of land tenure.

Settlers returning to England and reports of failures had dried up the stream of migrants, so the colonists urged Governor Stirling to visit London, explain to the Colonial Office the causes of the initial failure and secure further support from the Home Government. Colonists provided his outfit and passage, and, leaving in August, 1832, he was absent two years, received a knighthood in London, and returned in 1834 as Sir James Stirling.

Meanwhile the area under grain, 435 acres in 1832, was 600 acres in 1833, and in 1834 rose to 809 acres. Grinding the corn to flour was done by windmills. Wool production was 5,884 lb., and the vines, olives, figs and peaches were growing well. The troops were suitably housed in Barrack Street. The colony had turned the corner. Little by little the growth continued. By the end of 1835 there were 1,570 acres of crop and 3,545 head of sheep, while in 1838 there were 16,816 sheep and exports of wool worth £1,935. Many of the more capable servants had become settlers with land of their own to cultivate, but few migrants arrived to replace them. Hence there was a scarcity of efficient labour for hire.

One of the original conditions of the free grant of Crown land in 1829 was a clause accepted by every holder that the Crown reserved the right to impose a fine of sixpence per acre upon all lands not improved to a certain degree within three years.

The Governor had deferred putting this clause into operation, but nine years of opportunity had now passed. Hence, in February, 1838, Governor Stirling decided that this charge was due and gave notice that if not paid by the settlers it would be levied on the land (i.e. as a quit rent). Dr Battye observes: 'This was one of the wisest moves made during the infant years of the settlement, as it tended to increase the revenue at the expense of other than bona fide settlers, and to throw open good land which was not being used.'

This, too, was the view taken by the public at first, but before the date of its enforcement (December 31, 1838), Sir James Stirling, the Governor, who had nursed the infant colony, had resigned. During his rule 1,624,727 acres of land had been alienated.

HALF A CENTURY OF STRUGGLE

The next Governor, Mr John Hutt, had previously been Governor of a district in Madras, and was acquainted there with the problems of land tenure and settlement. Arriving early in 1839, Governor Hutt gave further notice that free grants under land regulations of 1830 remaining unimproved would be charged a quit rent of one shilling per acre. Further, in accord with an original clause of the free grant, that all land still unimproved after ten years should revert to the Crown. Governor Hutt also insisted that land around springs of water

should be resumed for general use of all settlers.

These notices were certainly in the interests of the bona fide settler, but met the most strenuous opposition from the land-holding colonists. However, in accordance with notices already issued, a few grants of land were resumed and 100,000 acres were marked for resumption in 1840. Land revenue showed a large increase, being £2,639 for 1840, and £3,183 for 1841, then dropped back to £880 (1842) and £622 (1843). The export of wool reached 50,000 lbs in 1840 and the population was 2,350.

In October, 1839, Governor Hutt summoned a meeting of the Legislative Council to consider a Bill for the augmentation of the revenue by an assessment on land to provide defence against aborigines with police protection for the settlers. Again the opposition of the colonists compelled him to abandon the plan.

Making resumption and quit rent a grievance against the Governor, the colonists sent their petition in 1839 to the Home Secretary in London. Lord John Russell replied in April, 1841, with instructions to the Governor:

- (a) to grant the fee simple on all improved lands;
- (b) to grant the fee simple on one-fourth of all unimproved land provided that the rest was surrendered to the Crown.

To produce an increased revenue, another instruction fixed the sale price of Crown land at a minimum of 12/-, later 20/-, an acre. Its effect was to give settlers a higher price when selling their surplus land and to reduce sales of Crown land. Hence the revenue fell and the colony was deprived of the fund which had been used to bring out more labourers:

Further, Russell advised the introduction of a land tax of ½d. per acre. Governor Hutt moved (1841) to do so, but his action was nullified by the colonists.

A shortage of labour in 1840 continued, and in 1848 Governor Fitzgerald's inquiry among the leading land holders showed they would be willing to relieve the situation in regard to the shortage of labour by receiving convicts. Wages, of course, would be a minor matter. Ten thousand convicts were introduced from 1850 to 1868, together with an equivalent number of free immigrants, at the cost of the Home Government.

Growing slowly for 60 years, Western Australia had a population of 460,000 in 1890 when it became a self-governing colony. Then the great discoveries of gold opened its modern era.

PART II: THE FOUNDATION OF SOUTH AUSTRALIA

Following the attempt to establish the Swan River colony in Western Australia, some influential men in Great Britain took action to found a colony in South Australia. This proposal was to follow the plan outlined by Mr Edward Gibbon Wakefield, which incorporated the following principles: 'That no free grants of land should be made, but that the land should be sold at an upset price of not less than 12/- per acre nor more than 20/-. The money so obtained

should form a fund for giving free passages to qualified labourers and mechanics, with their wives and families; the colony to bear all its own charges, and to have the principal management of its own affairs.'

The attempt to establish the colony in South Australia met with many official rebuffs. Despite this fact, early in 1834, an organisation under the name of 'The South Australian Association', under the chairmanship of Mr W W Whitmore, MP, was formed, and because of the persistent efforts of this body a Bill to establish South Australia as a British province was introduced into the House of Commons and received the Royal Assent on August 15, 1834.

Under the provisions of the Act all public lands were to be open for purchase for cash at a minimum price of 12/- per acre. A Board of Commissioners was to be entrusted to arrange for the sale of the land, and to give title in fee simple to all purchasers.

Many clauses in the Act made it very difficult for the promoters of the colony. One such clause provided that no part of the expense of founding or governing the colony should fall on the Mother Country. Power was given to the Commissioners to borrow money on the security of the colony to the extent of £200,000, and it was stipulated that of the sum borrowed £20,000 was to be invested in Exchequer Bills in the names of trustees to be appointed by His Majesty.

The clause in the Act providing for the investment of £20,000 in Exchequer Bills proved a source of great anxiety to the Commissioners, inasmuch as it prevented them from exercising their general powers until they had invested this said amount, and until £35,000 worth of land had been sold.

The first Board of Commissioners worked for six months in an endeavour to sell the required quantity of land, and not being successful tendered their resignations. On May 5, 1835, new Colonisation Commissioners were gazetted, and the first regulations for the sale of land in South Australia were published in June, 1835. Being of the opinion that 12/- per acre was a low price the Commissioners fixed the price at 20/- per acre, or £81 for a lot consisting of one town acre and a country section of 80 acres.

With a view to stimulating interest in the purchase of land orders, priority of choice in regard to town acres and country sections was offered to the purchaser of land orders secured in England. Another inducement to buy land orders early was that those who did purchase the 81 acres, and also paid the price of 4,000 acres of land, or upwards, would each enjoy the right of a special survey, in any compact district not exceeding 16,000 acres, and would be permitted to select his 4,000 acres from such district before any other application would be considered.

Despite these special offers made to stimulate the sale of land orders, very little interest was shown in the proposed new colony. notwithstanding that special agents were appointed, and a considerable quantity of printed matter and maps were circulated, less than the required quantity of land was sold, and

it was feared the scheme would be a failure.

THE ANGAS FAMILY TAKE AN INTEREST

In this, the darkest hour for the promoters, a wealthy merchant, Mr George Fife Angas, showed interest in the proposed colony. He suggested the formation of a joint stock company to raise sufficient capital to purchase the quantity of land necessary to enable the scheme to operate.

Strong opposition to the proposal made by Mr Angas was shown by the Commissioners, but after some delay, and as no other alternative presented itself, they gave consent to it. It is of interest to note that the purchase of the unsold quantity of land necessary to establish the colony was not made without a concession. The offer by the Angas group was on the basis of 12/- per acre, and this was accepted; and so as not to clash with earlier sales, the size of the country sections was altered to 134 acres and one town acre, instead of 80 acres and one town acre; and this constituted the difference between a 'preliminary land order', of which there were 437, and one subsequently granted.

This purchase by the Angas group of 13,770 acres removed the main obstacle facing the Commissioners, and on November 19, 1835, the required sum of £20,000 in 3 per cent consols was invested, as required by the Act founding the colony.

It is of interest to record that when Mr George Fife Angas passed on to learn the great secret, his son, John Howard Angas, became, in due course, a millionaire land monopolist.

During his sojourn in South Australia he played a very prominent part in public life. The land held by him was sufficient to enable many hundreds of families to produce a good living. However, instead of it being made available to them on equitable terms, it was held as a close monopoly, and provided employment for only a few station hands and boundary riders. The late Mr J H Angas was strongly opposed to any sound policy of land reform. Not content to manifest his opposition during his lifetime, he made provision in his will to ensure that this opposition should continue when he was no longer here to voice it.

In his will, dated November 23, 1904, it is stated:

Clause 9: And I declare that without limiting their general powers authorities and discretions, my trustees shall in the administration of the trusts of this my will be invested with the following special powers authorities and discretions, namely—

(a) Power to withhold from any of the foregoing legatees institutions or objects (except those in Schedules A and B) (Schedules A and B comprise legacies to relatives) and either absolutely or conditionally payment of any one or more of the foregoing legacies interest or other benefit under this my will for any reason or reasons which my trustees in their absolute and uncontrolled discretion shall think good and sufficient (which reason or reasons they shall not be compelled or compellable to disclose) without limiting such general power especially if in the

absolute and uncontrolled opinion of my said trustees (the grounds for which opinion they shall not be compelled or compellable to state) any such legatee or legatees or any official or officials of any of the said institutions is or are supporters of any such mischievous schemes of class taxation as the single tax or any progressive land tax or any similar scheme of class taxation.

There is a quotation which says that to 'Speak reverently of the dead is a wise maxim'. We are of the opinion that when dealing with the early days of South Australia, and the pioneers associated with its colonisation, it is just to readers that the deeds of pioneers who are alleged to have 'opened up the country for settlement' shall be placed in their true light, so that false ideas shall not be promulgated.

SURVEY OF THE CITY OF ADELAIDE

The survey of the town acres was commenced by Colonel Light and his assistants on January 11, and completed by March 10, 1837. On March 17, a meeting was held, and at this gathering the holders of land orders, or their agents, determined the order of the right of choice, and on March 23, 1837, the selections were duly made.

The unselected acres were sold by public auction on March 27 and 28, the prices ranging from £2/2/- to £14/14/- per acre—the last mentioned figure being the highest amount paid for any town acre. It was paid by Mr W H Gray for an acre in Hindley Street. The total amount received by the Government for the whole site of the City of Adelaide was £3,856/8/-, and it is of interest to know that the *unimproved land value of the city as assessed under the 1950 valuation for State land tax purposes is £19,434,590.*

The first South Australian land boom occurred in connection with these town acres a short time after the original sale had taken place. Acres selected at 12/- per acre were sold at from £80 to £100 each, while in some cases for land in more favoured positions, owners asked as much as £250 per acre. The boom was short-lived, and later the prices went back to one-fifth of the boom figures.

INTERSTATE CRITICISM OF S. AUSTRALIAN SETTLEMENT

Mr George Sutherland, MA, who wrote a book: *The South Australian Company*, records criticism which came from colonists in Australia who were interested in the working of land and the employment of convicts or assigned servants in New South Wales. As their comments are of interest and illustrate the working of the minds of these land monopolists, we give the following quotation from Mr Sutherland's book:

"Criticism of a still more destructive kind came from Australia, more especially from some of those colonists and investors who were interested in the working of the land and the employment of convicts or assigned servants in New South Wales.

"The 'Sydney Herald' on October 26, 1835, after quoting from the 'Standard' the official announcement that 'the King has appointed certain gentlemen to be His Majesty's

commissioners for carrying into effect the South Australian Act' struck the keynote of the new indictment against the scheme when it said: 'In the formation of the Swan River no objectionable principle existed, and besides the distance of the Australian colonies rendered consultation on the subject immaterial; but this new colony, perfectly unshackled by prison discipline, by military governors, and by immense civil and legal establishments, and wholly independent and free, threatens to annihilate the other colonies. If it be successfully established the colony of New South Wales will probably become an inferior subordinate and subservient appendage to it.' The 'Herald', in short, confidently predicted that no governor would be able to maintain New South Wales as a penal settlement if Southern Australia were established as a free colony with a governor appointed by the Crown. 'Besides,' continued the article, 'let our landholders be fully on the alert to another important consequence. If the new colony prospers, with her land rates at 12/- per acre as the minimum price, we shall soon have the land in this country raised to the same price, and will probably be required, besides, to pay handsomely for the privilege and honour of employing convicts'."

AN IMPORTANT OFFICIAL DOCUMENT

An important document associated with the early settlement of South Australia is in existence, and it is of great interest to all who are interested in the Land and Labour questions. It is the first report of the South Australian Commissioners, and it was received in England by the Secretary of State for the Colonies on June 24, 1836.

We have already indicated that under the South Australian Colonisation Scheme land was sold under the preliminary land orders for £81, that being the purchase price for 80 acres as a country section and one town acre. The money received from the sale of land did not go into the public treasury. It was used as a fund to send immigrants from England to South Australia. The reason for this, as given in this first report, is as follows:

'It is essential in the prosperity of a new colony in which there are neither slaves nor convicts that there should be a constant supply of free labourers willing to be employed for wages. If there be not a constant supply of labour for hire, no extensive farm can be cultivated, no large or continuous work can be carried on, and the capital imported must perish for want of hands to render it reproductive.'

The document goes on to show how this cheap labour could be obtained—'Now, in order to secure that constant supply of labour for hire, two things are necessary: It is necessary that the requisite number of labourers shall be conveyed to the colony, and it is necessary, when so conveyed, they should continue as hired labourers until the arrival of other emigrants to supply their places in the labour market.'

These two clauses, it will be noted, make it very clear that the founders of the colony, and the Commissioners, were keen to be able to have an assured supply of cheap labour. This cheap

labour was brought from the Old Land, and the important question was: 'How in an alleged free country was it possible to retain that supply of labour when it reached the new colony?' The next part of the report shows clearly how this problem was to be overcome. It states:-

'Hence in determining the proper price of public lands in the new colony, two points have to be considered: first, the price necessary to convey to the colony the number of labourers required to cultivate the land in the most profitable manner; and, second, the price necessary to prevent the labourers so conveyed from acquiring property in land before they had worked for wages for a sufficient period. In order to accomplish the latter object, it is not improbable that, at an early period after the arrival of the Governor, it may be desirable to raise the price of public lands over one pound per acre.'

Here, then, was the key to the situation. To secure an adequate supply of cheap labour the price of land was to be increased. It was realised if the price was allowed to remain at the original low level it might be dangerous to the land monopolists who were so keen on securing cheap labour. The Commissioners said: 'Should public lands continue to be obtained at this price, and should wages be such as to enable industrious mechanics to realise a moderate sum in a few months, there would be considerable danger lest the habit which prevails in old countries of associating the idea of wealth and station with property in land, might induce them to purchase small freeholds, and to cease to work for wages, in order to become isolated cultivators on their own account'

What a terrible position to contemplate! If the price of land was not increased, an immigrant 'might be induced to cease working for wages' and proceed to work out his destiny as a free man. Such conditions were anathema to these monopolists, as it meant them losing control over the labourers, and the Commissioners in their report claim such a state of affairs—'Would be disastrous alike to the capitalists and to the labourers.' Their main reason for expressing such an opinion was—'That capital would waste and perish for want of means to use it.'

These paragraphs should be studied by Socialists and all others who hold the opinion that 'Capital enslaves Labour'. It is evident the Commissioners and the Capitalists had a much clearer conception of the economics of the question than is held by many labour leaders of this day.

Another point worth consideration in regard to the fear expressed by the Commissioners and the early South Australian capitalists is one we have frequently met in our propaganda for a just system of land tenure. It is frequently asserted that assuming land is available on just terms to labourers, such a condition would not benefit them as they have no capital to work the land. We ask: 'How did these early settlers obtain the capital they needed for production?' It is certain they did not bring it from England. Apparently those responsible for such a

contention as the one stated are not aware that all capital is a product of labour applied to land. The early monopolists understood this economic fact, hence their desire to raise the price of land so that labourers could not get possession of it.

HOW TO AVERT A LABOUR SHORTAGE

Recognising the danger of a shortage of labour for hire if the price of land remained at £1 per acre, the Commissioners go on to say: 'We, therefore, venture to hope that your Lordship will approve of our having authorised the Colonial Commissioner to advance the price of public land, should the labourers conveyed to the colony by the Emigration Fund begin to cultivate small farms on their own account before the arrival of other labourers to work for hire in their stead.'

So far as the Commissioners were concerned it was unthinkable that these immigrants should be permitted to cultivate land on their own account and thus deny the landholders the power of exploitation they possessed under the existing system. An increased price for land showed them the way out of their difficulty, but something else troubled these Commissioners. They were alive to the fact that it would be useless to increase the price of land in South Australia, whilst allowing land to be purchased at a low price in other colonies; so, under the heading of 'Difficulties Encountered, Obstacles to be Removed', they said:

'Were the price of land in any district raised sufficiently high to take out the proper supply of labour, while in some adjacent district land should be sold at a lower price, or be granted gratuitously, those who obtained their land at a lower price, or for nothing, would be in a condition to offer higher wages to the emigrant labourers than those who had expended a portion of their capital in contributing to the Emigration Fund by paying a higher price for land. The emigrant labourer would be attracted by the higher price of labour and the lower price of land, and thus the capitalists who contributed to the Emigration Fund would be deprived of the supply of labour for which they had paid.'

TO KEEP LABOURERS AS HIRED SERVANTS

From the foregoing quotation we see that should any of the adjoining colonies offer land to settlers at lower prices than was asked in South Australia, or should such land be granted without payment, the holders of that land would be in the happy position of being able to offer higher rates of pay than the South Australian landholders, and thus attract labourers from that colony. To prevent this dreadful tragedy the Commissioners suggested that: '*The price of land in every colony should be increased*'.

We have already indicated that the money received from the sale of land was used as an Emigration Fund. Adults of each sex, not exceeding 30 years, were to be brought to the colony in equal proportions. To keep them as hired servants certain regulations were framed dealing with the sale of land, and they make interesting reading. Section 5 says:

GOOD GOVERNMENT

'The sole condition of purchase shall be the payment of money, at the rate of £1 an acre, and nothing, whether above or below the surface of the land, will be reserved for the Crown....In the event of there appearing any tendency to injurious dispersion among the colonists, the Colonial Commissioner shall have authority, after the expiration of three months from the date of the first sales, to raise the price of land to any sum not exceeding £2 per acre.'

The regulations point out that the money is used to send labourers to the new colonies, and goes on to say—'By means of this regulation it will be seen that the buyer of land may have his purchase money returned to him in the most valuable shape. Whatever the line of industry that any capitalist may intend to pursue in the new colony, all the workers whom he may choose to engage for that purpose will be set down in the colony free of cost to himself.'

There is no gainsaying the fact that these monopolists knew their job, and did it well. They pay a low price for land they acquire, and then the money is used for the purpose of sending cheap labour to South Australia for the purpose of exploitation on that land. It was a well thought out scheme that indicates how astute were those who conceived it.

A COLONY WITHOUT SLAVES OR CONVICTS

The Commissioners' report goes on to state—'Without either slaves or convicts, capitalists of every description will obtain, without cost, as many labourers as they wish to employ; and engagements which labourers may make for a term of service will be maintained. The means of securing all this is a *proper price for land*.'

This official statement should cause every reader to 'see the cat'. Although there were neither slaves nor convicts, these landholders were to obtain, 'without cost', as many labourers as they wished, and conditions were to be so arranged that when these workers entered upon their agreements there was no danger of them leaving before the stipulated time. It is hard to distinguish the difference between such conditions and slavery.

Here in the Commissioner's document, an official paper, we find evidence in support of the economic truth that *control of the land means control of the people who can exist only by having access to natural resources from which alone can be obtained those necessities which are vital for the preservation of human life*.

HOW TO ABOLISH WAGE SLAVERY

These illuminating extracts from the South Australian Official Report and from Wakefield's work dealing with the Swan River Settlement should prove to every open-minded reader that land monopoly is directly responsible for wage slavery. Possession of land is the *key to all production*. One has only to realise that every thing we eat, drink and wear, all the tools and machines needed for production, all the raw materials used in factories and for house construction come from the land; therefore, it should be apparent that those who control natural resources have the power of life or

death over those who have been dispossessed of their right to land. Where the land is held as a close monopoly by a privileged few, the many can live only on the terms dictated by those in possession of the earth. The land question and the labour question are inseparable. The land question is the most important one that has to be faced in every country of the world. If our legislators knew as much about the relation of land to the labour question as these early Commissioners and Mr Peel, and had the courage to apply that knowledge to the affairs of State, there would soon be a more just distribution of wealth.

The solution of the social problem lies in the collection of the rental value of land for public purposes and the removal of the tax burden that now presses upon all forms of industry. This is the fundamental reform.

*** **

MONTHLY MEETINGS HELD AT
143 LAWSON STREET, REDFERN

1st Tuesday, 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
(No December meeting)

Reproduction of any of the literary contents of
GOOD GOVERNMENT is permitted with due
acknowledgement.

The opinions of contributors of signed articles
are not necessarily those of the publishers.

PEOPLE IN GLASS HOUSES

'I have not done the calculations but I suspect we could fly a steer to Europe in a first-class Qantas seat, feeding it canapes and champagne the whole way, and still sell it at the going price in Europe.' — Mr Lynch.
(*'Sayings of the Week'* Sydney Morning Herald, 9.2.1980.)

Does he also suspect at what price a Japanese or German car could be sold for here if it were not for him and his colleagues?

*** **

JOB OPPORTUNITY

ECONOMIC HISTORY RESEARCH ASSISTANT

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

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

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

A CLEAR PICTURE

But so simple and clear is this, that to see it fully once is always to recognize it. There are pictures which, though looked at again and again, present only a confused labyrinth of lines or scroll work—a landscape, trees, or something of the kind—until once the attention is called to the fact that these things make up a face or a figure. This relation once recognized, is always afterward clear. It is so in this case. In the light of this truth all social facts group themselves in an orderly relation, and the most diverse phenomena are seen to spring from one great principle. It is not in the relations of capital and labour; it is not in the pressure of population against subsistence, that an explanation of the unequal development of our civilization is to be found. The great cause of inequality in the distribution of wealth is inequality in the ownership of land. The ownership of land is the great fundamental fact which ultimately determines the social, the political, and consequently the intellectual and moral condition of a people. And it must be so. For land is the habitation of man, the storehouse upon which he must draw for all his needs, the material to which his labour must be applied for the supply of all his desires.

(P 295 *'Progress and Poverty'* by HENRY GEORGE)

*** **

BAD GOVERNMENT

'A nation is never ruined but by its government, and then only when a government does not fear the people.' —Thorold Rogers, in *Six Centuries of Work and Wages*.

(From *'Good Government'* April 1967, p.8)

*** **

KEEP UP YOUR READING!

BOOKS FROM THE ASSOCIATION FOR GOOD GOVERNMENT

By HENRY GEORGE

Progress and Poverty	\$5.00	Rebel, Priest and Prophet—Biography of Dr Edward McGlynn (Stephen Bell) ..	\$4.00
Progress and Poverty (abridged) ..	\$3.00	Dictator Democrat (Berens & Singer) ..	\$0.60
Science of Political Economy	\$5.00	Back to the Land (Dr Thomas Nutty) ..	\$0.60
Protection or Free trade	\$4.00	Economic Liberalism (Knud Tholstrup) ..	\$0.60
Social Problems	\$4.00	Why Put Up With Inflation (K Tholstrup)..	\$0.60
A Perplexed Philosopher	\$4.00	The Faith of an Engineer (Sir Ronald East)	\$0.60
The Condition of Labour	\$2.00	Science and Civilisation (Ivy Ackroyd) ..	\$0.50
Depression Inflation and Employment			
(A R Cannon)	\$3.50	Democratic Elections:	\$0.30
The Law (F Bastiat)	\$1.00	Your Vote— Effective or Wasted?	\$0.30
My Neighbour's Landmark (F Verinder) ..	\$1.00	Land-Value Rating (Lord Douglas of Barloch)	\$1.00

ORDER FROM THE SECRETARY—PRICES INCLUDE POST

IF YOU AGREE WITH the principles of Good Government as set out on page 1 you are invited to support our work in one of the following ways:

1. Join the Association for Good Government. The annual subscription is only \$5 and includes a one year subscription to this journal.
2. Take a one year subscription to Good Government for \$3 (Australian) posted anywhere by surface mail.
3. Give a subscription to Good Government to a friend.
4. Buy a book from the list above for yourself or a friend.
5. Send a donation to the Association.
6. Write an article or a letter to the editor, expressing your views in agreement or disagreement.
7. Attend any of our meetings listed on page 1, at our rooms at 143 Lawson Street, Redfern, or other functions advertised from time to time.

Please make all cheques or money orders payable to the Association for Good Government and mail to the Association at 143 Lawson St. Redfern, NSW 2016, Australia.

Print clearly in block letters all names and addresses—identification is important—mail too easily goes astray.

To the Association for Good Government:

I wish to join the Association.

Please send Good Government for .. years.

Please accept my donation.

Please send these books.

Name.....

Address

.....

..... post code

..... cash

Remittance enclosed \$ by cheque

..... money order

HENRY GEORGE LEAGUES THROUGHOUT AUSTRALIA & N.Z.

VICTORIA

READ PROGRESS

official monthly journal of the

HENRY GEORGE LEAGUE

31 Hardware Street, Melbourne 3000

Annual subscription rates

\$3.00 Australia and Oceania

2.00 British Commonwealth Countries

\$4.00 All other places



QUEENSLAND

THE LAND RENT LEAGUE

1 Bird Street, Herston Qld 4006

Phone 52 3192

»LET'S ALL MEET ON COMMON GROUND«

SOUTH AUSTRALIA

HENRY GEORGE LEAGUE: Monthly Meetings held at 161 Greenhill Rd, Parkside, SA 5063. Enquiries to: The Secretary, 24 Hawthorndene Drive, Hawthorndene, SA 5051. Tel: 278 3918

WESTERN AUSTRALIA HENRY GEORGE LEAGUE

PO Box 93, Wembley, WA 6014

TASMANIA HENRY GEORGE LEAGUE

GPO Box 1370P Hobart Tasmania 7000

NEW ZEALAND

HENRY GEORGE LEAGUE PO Box 951 Wellington N Z

Enquiries: Mr R D Keall, 45 Dominion Street, Takapuna, Auckland N Z

THE PROPORTIONAL REPRESENTATION SOCIETY OF AUSTRALIA NSW BRANCH welcomes people interested in ensuring effective representation in Parliaments and other elected bodies through the use of the quota-preferential method of proportional representation. For free copy of pamphlet 'Democratic Elections' send stamp to GPO Box 3058, Sydney NSW 2001 Telephone enquiries 498 5559

Membership subscription \$3 a year

