

Organisational Notes and Reports

AUSTRALIAN SCHOOL OF SOCIAL SCIENCE

Seminar on Taxation

On Sunday, November 5, the School of Social Science held a seminar on the subject of Taxation at Social Science House, Terrey Hills. This was well attended by both members and the public who contributed to a lively examination of the subject through a series of numbered, prepared questions accepted by various members of the audience.

On the subject of the 'Rights of Property', Dr. H. G. Pearce separated 'property' into 'private' and 'public', and pointed out that, in respect of the former, man had a moral right to his own products and that this was defined and demonstrated by the science of the Body Economic which was concerned with the distribution of wealth. This distribution took place through the market in the form of priced products and was channelled into the three avenues of distribution—economic rent, wages and interest. Answering the question: Is there property in the earth? Dr. Pearce said that there was, but only 'in common', and that this was the basis of the natural and sole revenue of governments, the economic rent. Mr. W. A. Dove, quoting the Oxford Dictionary definition of 'Taxation': "A compulsory contribution to government revenue," said that, in the light of the previous speaker's claim that man had a moral right to his own products, taxation was robbery. This, he contended, was true. Governments needed money in order to govern; this was, however, no justification for their robbing the people.

"There is," he said, "no defence in law of stealing." Mr. J. J. Brendon, answering the question: "Has a government the moral right to take private property or income by taxation?" said that no government could claim to be exempt from the moral law. If it was immoral for individuals to forcibly take the property of others, it was equally so for a government to do so. Not even the needs of government overrode the moral law: so long as there was an alternative revenue available to it, no government had a right to levy on the private wealth of its citizens, not even with their consent. And, of course, there was a perfectly good revenue available to governments in the economic, or site, rent. Furthermore, it was a just revenue. Mr. E. P. Middleton dealt with the question: "Do taxes increase prices?" and demonstrated how inevitably this was so by quoting from a list of company returns of gross profits and taxation paid, showing that, on average, companies paid approximately half their gross profits in taxes; this naturally had the effect of fixing prices at a level far above what they would be without the necessity to pay the taxation. Mr. L. B. Boorman, on "The Effect of Taxes on Wages", showed that it was only necessary to examine the process of the distribution of wealth to see how the portion going to labour (its wages) is inevitably reduced by taxation, especially in the form of income taxes. Mr. Gilchrist, referring to Mr. Dove's dictionary definition of taxation, considered that, so long as taxation was used as a levy on privileges it was good. Mr. Ebbage, on the question of whether posterity should have to pay taxes to meet our debts, quoted from the Commonwealth Year Book,

on the steady rise in the public debt of Australia, and the statement that a family of four now worked for six months to meet its tax obligations. There were, he said, fifty separate taxes in a loaf of bread. Mr. Otton, answering the question, whether taxes made goods scarcer or more plentiful, showed that, since taxes took a part of wages and interest this inevitably curtailed the demand for products which, in turn, restricted production.

After afternoon tea and a short interval of animated conversation, the discussion resumed contributed to by the following speakers: Mr. B. W. Carver, who quoted Tom Paine ("Governments are the badge of our lost innocence"), and referred to the Canberra leasehold system as an example of the proper way of collecting government revenue; Mr. Tom Perry, who said that, if the full site rent was taken as government revenue, the 'price' of land would disappear, though the rent would continue to increase with the increase of population; Mr. E. B. Donohue: "The whole idea of the 'rent of land' is wrong. Rent is not a payment for the use of land. What we are concerned with is the 'rent of association', for it is only in the market that rent arises, through the exchange of products. It attaches to sites in relation to their superior advantages over sites at the margin of production."

Mr. Dove, Director of the Australian School of Social Science, in closing the seminar, referred to the necessity to consider the subject of their discussions as a part of the science of political economy, in which it was essential to have clear definitions of terms and know exactly where and how one proceeded, step by step. This, of course, was what the School of Social Science existed for. Scientific study was the only possible method of acquiring knowledge of economic science. It demanded an intellectual approach, not an emotional one. Mr. L. B. Boorman, President of the School, presided.

SOCIAL SCIENCE CLUB

Club Evening

In opening the discussion on the subject of 'Restricted Practices', at the Club Evening on November 17, Mr. John Webber gave an outline of the provisions of the Australian Trade Practices Act (1967) and referred to the fact that the nature of the problems confronting the administrators of the Act was already becoming sharply clear, indicated by such statements as "already, 500,000 agreements had been registered in respect of the electronics industry alone" and "one agreement concerned 750 separate dealers and thus necessitated 750 registrations". Mr. Webber posed the question: "Should we be pleased we now have this Act, or thankful we escaped it for so long?" He remarked that statistics on similar Acts in the U.K. and the U.S.A. showed what a bonanza this legislation was to the lawyers.

The Australian Act was brought into being with the idea, as expressed by its original sponsor, Sir Garfield Barwick, that the Government considered there were trade practices "which denied the public the benefits of free enterprise". The speaker pointed out that New Zealand had already found that the system of registration of agreements, which the Australian Act requires,