

"Social Problems", 1985

THE GOOD SOCIETY!

"... who shall measure the heights to which our civilization may soar? Words fail the thought! It is the Golden Age of which poets have sung...! It is the glorious vision which has always haunted man with gleams of fitful splendor... It is the reign of the Prince of Peace!"



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The Challenge of Henry George

by Warren Samuels

Two important issues in the study of the ideas of Henry George and their reception by his and later generations have been raised in the investigations of Aaron Fuller, Gene Wunderlich and Terence Dwyer: the legitimacy of George as an economist and the significance of his analysis for economics.

Let me begin with Fuller's correct assessment of some or much of George's writing as **hyperbole**. If we mean by **hyperbole** that an argument is overstated, that excessive claims are made, then surely George's characterization of the moral and social regeneration to be expected from the single tax qualifies:

The sterile waste would clothe itself with verdure, and the barren places where life seemed banned would ere long be dappled with the shade of trees and musical with the song of birds. Talents now hidden, virtues unsuspected, would come forth to make human life richer, fuller, happier, nobler. . . . They need but the opportunity to bring them forth.

Consider the possibilities of a state of society that gave that opportunity to all. Let imagination fill out the picture; its colors grow too bright for words to paint. Consider the moral elevation, the intellectual activity, the social life.

Dr. Warren Samuels is professor of economics at Michigan State University, East Lansing.

But lest we denigrate George unduly, let us consider the hyperbole embedded in conventional practices in economics. First, limiting assumptions are used, and conclusions are drawn and then extended beyond the reach permitted by the assumptions. Second, partial equilibrium solutions are used as proxies for general equilibrium solutions. Third, as with Say's Law and the Coase Theorem, there is casuistic manipulation of assumptions to maintain the ostensible integrity and viability of certain desired conclusions.

George's immodesties are obvious; those found in more orthodox economic analysis are more subtle and recondite, but no less present and significant. Hyperbole lies without deceiving, Macaulay said, but our kind deceives even ourselves.

Why has George's legitimacy as an economist been an issue? He clearly had mastered economics as it stood in the 1870's, that is, principally, classical economics. The original definition of an economist "one who is conversant with, or a student of, economics (the science)" is more inclusive, but the

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EDITORIAL

Keith Forrand is a good citizen. He was in a fast food eatery when it was robbed. He gave chase in his car and caught the thief. For his pains, he was shot in the face. He sued Jack-in-the-Box for compensation and was awarded close to \$3 million.

One's sympathies are entirely with Keith, but hardly with either the suit or its conclusion. To hold a business responsible for the off-premises maleficence of a young hood provides further demonstration of the infinite capacity of our legal system to feed lawyers rather than dispense justice.

We now enjoy, if that is the word, one dedicated legal professional for every 410 citizens – up 50% in ten years. And law schools spew an annual 35,000 new mouths greedily to draw sustenance from mountains of work spawned by legislatures

Somehow, these lawyer filled factories produce 150,000 new laws every year, and each one buds a double handful of labyrinthine regulations.

These people have confused justice and law. Good law doesn't produce justice. Good law is the consequence of justice. With justice absent, a monstrous and near hysterical flood of legislation does no more than confirm existing injustice.

Lawyers who would tackle the problem, must first seek a just society. Do they know what it is?

hp

This is a magazine of opinion, comment and debate. The opinions are those of the Editor and contributors. Responsibility for unsigned comment rests with the Editor. Contributions and letters are welcomed. They should connect with the broad subject of political economy, which concerns itself with Man as a person and as a member of society.

(cont'd from front page)

more recent use of the term "one versed in the science of economics" includes George, even if it should, regrettably, exclude one or two of his critics. George actually was quite conservative; he largely accepted classical economics, and his theory of economic policy gave effect to the values of an

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As yet, none of these subjects have been accepted for the Annual Conference of the Council of Georgist Organizations, yet the Program will still be fun and informative.

We'll meet at Francisco Torres Conference Center, a short 12 miles north of Santa Barbara, little more than 100 miles north of Los Angeles, a scant 300 miles south of San Francisco, fewer than 3,000 from Boston.

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industrial capitalist system.

But in our time there is another sense in which the term 'economist' is used: to designate the members of a profession which, by its research, adds to the body of economic science; or, by applying the science, develops advice for decision-making on economic problems for government and business executives and legislators as well as private individuals; or, by teaching in academic settings, trains the next generation of men and women to qualify for the designation under one or another of its rubrics. The question of George's qualification for the designation arises because he ran up against the arrogance, hubris, and entry barriers of a newly professionalizing discipline.

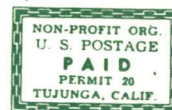
But it is not only professional snobbishness that must be called to account. George also was perceived as unsafe. Although he believed that his policies would extend and strengthen individualism and the system of nonlanded property, others, sensitive to any challenge to established property rights and to policies seemingly socialistic (George thought his policies would prevent socialism), considered his proposals anathema. Many believed he opened the door to even worse change, although the threat to landed fortunes was serious enough in some eyes. George, accordingly, was and has been suspect as an economist because he was a professional outsider (as the profession came to define itself) and because he raised issues which many believed it dangerous to associate with economics.

Even so heterodox an economist as Simon Nelson Patten would restructure economic theory to render it immune from dangerous conclusions such as those offered by George:

... economic doctrine must be recast so that it would rest wholly on present data. It will not accept socialism; and to free itself from the snares into which it has fallen through the careless statements of its creators, it must isolate itself more fully from history, sociology and other disciplines that give undue weight to past experience.

The central theme of Georgian positive economics is clear and significant: the structure of individual opportunity sets has been formed, to an im-

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portant degree, through the evolution of landed property as an institution, and the distributions of income and wealth (as well as other facets of economic performance) reflect, in part, the identification and assignment of real property rights.

George raised two fundamental policy issues:

1) he questioned the terms of access to and use of land as channeled by real property and other rights, and 2) he asked whether the institution of landed property then extant was anachronistically suited to the enjoyment and wealth of **some** as contrasted with **all** individuals.

Whatever one's normative views on these matters, the positive analysis and the policy questions are fundamental. Both were anathema to an establishmentarian perspective once any actual or potential conflict between landed and nonlanded interests had been resolved.

The famous controversy between George and Francis A. Walker over the interpretation of data from the census of 1890, recalled by Wunderlich, is significant in precisely this regard. Data on landholding and their interpretation were important to both the analysis and the critical question of policy, for the data would help define reality and influence the probative value of alternative policy premises. The distribution of land ownership and the trends therein **are** important and certainly were deemed so by most parties to the controversy.

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Wunderlich, therefore, is absolutely correct in identifying the importance for policy analysis of 1) specifications of universe and of unit of observation and 2) data construction per se with regard to all "facts" pertaining to land. Manipulation of such "technical" matters could and did influence people's definition of reality.

George challenged the value system associated with landed property as it then existed as a pre-eminent institution in American society. In doing so, he also challenged both the theory and data construction upon which important areas of economic analysis rested. To a very large extent, the discipline of economics has sidestepped George's questions.

It is ironical to note, as Dwyer does, that in pressing these challenges George anticipated some of the developments of modern economics. We honor some of his contemporaries with the mantle of the profession for less. Perhaps it is fitting, now that a century has passed, that we answer George's questions in our fashion. ***TGS***

References

Aaron B. Fuller: Managing senior associate - consulting firm, Booz, Allen and Hamilton.

Terence M. Dwyer: Senior economist, Commonwealth Treasury, Australia.

Gene Wunderlich: senior economist, Economic Research Service, Dept. of Agriculture.

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Just as exertion would not exist without a person, so also would not the product. The exertion is traded for the product. Labor may satisfy another's desire directly with service, or indirectly with a material construct. The grounds for yielding ownership of exertion to the exorter also support ownership of the product by he whose exertion creates it.

Exertion will not be applied if ownership of its results is denied. This is the problem faced by a voluntary socialist collective. As Man 'seeks to satisfy his desires with the least exertion' any member of the collective who receives more exertion than he gives will enthusiastically commend the arrangement. But better producers, who lose exertion to 'equal shares' will tend to withdraw. As average production falls with the loss of the more productive, the collective will usually fail — unless coercive restraints are introduced.

A voluntary collective can prosper and remain free when its members are indifferent to material

returns. Psychological rewards may take their place, such as a the warm sense of belonging to a collective family or satisfaction from an active commitment to a religious or philosophical belief or even, perhaps, the exciting attention of a charismatic leader.

However, on the island our association rests on personal contract, so our first imperative was to determine warranted claims. We should feel rather content with the results of our heavy session, for we seem clearly to have confirmed a person's right to his exertion (Labor) and to the products of his exertion (Capital and Wealth). In each case, the creation belongs to the creator. Which leaves to be settled only the right to natural resources — the ownership of the island.

And there's the rub, for we are about to run headlong into the arms of another Creator! Tomorrow's parley is likely to take us on another long day's journey into 'right'!

(to be continued)

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Jackie Sherman PhD California

The Spring 1983 issue of **The Good Society** explains very clearly why your "unselfish crusade to help almost everyone else enjoy a better way of life" (from the article by Perry Prentice) strikes many public-school teachers as a very selfish crusade by middle-class people to avoid paying the taxes which provide what we in our country have come over our 332-year history of public education to

consider as essential services to our less fortunate.

Dr. Milton Friedman, a highly conservative economist from the Chicago School of Economics which provided us with the highly laughable concept of 'supply-side' economics, which has failed to work, has long favored the voucher plan for public education for the same reasons that I and most other teachers oppose it. It would provide less tax support for the public schools by siphoning off tax money to parents who want an education for their children other than what is provided in the public schools.

That is not necessarily or even probably a "better" education. Public schools teach every child who comes to them, including the emotionally disturbed and those with learning disabilities; and public schools provide a variety

of enrichments which private schools, except for a very few of the fabulously expensive, can never hope to offer.

Parents who prefer what is called 'basic' education for their children have always had the right to send their children to accredited private schools which provide such training, chiefly in the basic academic rote skills of reading and computation.

A nationwide siphoning off of such tax money as now supports the public schools to parents who prefer to send their children to private schools, most of which in country are affiliated with religious groups, would effectively destroy the tax base for public education.

When the voucher system was proposed in this state, teachers

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to own people. Bodies come with needs and requirements – and occasionally with dangerous inclinations. Bodies must be confined, perhaps manacled, certainly guarded, probably punished, sometimes chased. Ownership of bodies is a headache to be avoided. Although leg-irons may ensure a reluctant cooperation, they weigh as heavy on production as on the captive.

At the slave auction, the slave-owner does not buy a body. Rather does he try to acquire the capacity of a mind and body **meaningfully to exert**. A slave's attraction rests not in what he is, but in what he can do. Profit builds not with the body count, but with effective expropriation of the body's effort.

When the 'meaningful exertion' of a slave can be appropriated without need to secure, protect and discipline him, slavery becomes markedly more attractive. That is why it is so prevalent in the modern world.*

Who Claims Exertion?

Exertion is the external manifestation of each person. So, in our free community, to whom does it belong? Who may assert a right, a 'warranted claim' to it? It probably requires a less than profound philosophical insight to award ownership of exertion to the one who exerts.

But, philosophy is buttressed by an intrusive pragmatism. Exertion is a drag. The mind grows weary and the muscles suffer only so many contractions before they ache. The one who exerts is also the one who tires, who drops from fatigue, who requires rest to repair and renew. It is not without reason that 'we seek to satisfy our desires with the least exertion'.

We are also pressed by 'unlimited desires', but we find their satisfaction is married to exertion. Although exertion is not enthusiastically sought

* A convenient measure of your 'enslavement' is the percentage of your exertion which is taken without compensation. However, slavery is not determined by the amount of expropriation, but by its fact. If 1% of a person's exertion is taken non-contractually, he is enslaved. The house-slave enjoying a cot inside the mansion was not less a chattel than the field slave sleeping on an earthen floor.

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after, we must play out the scene. But, we act only as a means to receive. A successful alien claim to our exertion will promptly end the effort. In our free community, exertion will occur only when Labor's claim to it is clearly accepted.

However, libertarians unhappy with the self-ownership argument should note the Von Mises assertion, "Ownership means full control of the services that can be derived from a good". Perhaps it could be said that when you own your exertion (service) – that establishes your ownership of you.*

Political economy is a social science. Scratching my back is not within its province. But, if I scratch your back, the action has become 'social'. It is properly part of the study. Yet, the service would remain unperformed if you failed to agree that the exertion is mine. Should you not concede that the scratching (exertion) is mine, your back will be left to itch. Indeed, if you do not contractually accept my complete 'right' to the exertion, it will not enter the market.**

The performance of a service provides transitory satisfaction. Your itch has been treated. You are the direct beneficiary of the exertion. However, you may also enjoy my exertion at secondhand?

For example, my exertion may be used, not to provide you with an immediate service, but to bake for you a cake. When you buy the cake from me, you are receiving (in a sense) my congealed exertion, given substance by this material product. The question again arises. How may we establish the **right** to trade the cake?

The argument for the right to one's exertion applies also to the right to the products of exertion.

* Economic classicists including both Adam Smith and Henry George have suggested that exchange is really the trading of exertions. George further pointed out (SPE p. 497) that the value of one's exertion is subjective and therefore difficult to use as a common measure. Hence, in the marketplace, it is usual to compare products – the results of exertion.

** Time is also a factor. One exerts only because desires are expected to be satisfied. If this reward is delayed, Labor demands compensation. Thus is born 'Interest' – the reward for 'delay of satisfaction'.

fought it. Public education has been considered so important to us that it the first charge upon public funds — as set forth in our state constitution.

I have had for 12 years the experience of accepting students who transferred from the most prestigious private schools in the San Fernando Valley to the public high school where I taught. Both I, and other teachers of accelerated classes, were puzzled as to why the academic background of these students was so poor. They had apparently transferred to a public high school because of financial pressures to meet school fees, or because their parents were concerned that their private schools were not fully accredited to prepare students for the better colleges and universities.

Although, their entry grades were good to excellent, most made very average or below-average grades in the public schools; their grades had been artificially inflated in the private schools, I suppose to keep the parents happy. Private schools are not a panacea. A strong and healthy system of public education has always been a recognized alternative even for wealthy parents.

Henry George was one of many democratic (small 'd') reformers who opposed the raw exploitation of our human and natural resources during our Gilded Age. His career in Oakland, San Francisco, and New York was premised on his demand for equality of opportunity — that is, to allow the underprivileged, in his day about 80% of our population and now about 50%, a chance for a better life. He pro-

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posed that his "single tax" provide vast public works, including a free state university system crowning a free excellent public school system. Knowing his reputation, teachers' groups were interested in your message.

But the Henry George movement has left Henry George behind. I have never attended a local meeting which addressed itself to the harsh inequality suffered by Henry George's initial constituency, the poor and the workers and poor farmers. Instead it proposes to middle-class and upper-class taxpayers various and sundry methods of avoiding their obligations to their less fortunate fellow-citizens.

Henry George fully recognized that there is no free lunch, that public education is paid for by public taxes, and that public education provides the chief route of upward mobility for the poor. Speakers and audiences at local Henry George meetings recognize, naturally enough, that the taxes they pay are not entirely or even mostly spent on direct benefits to them: but what I find abhorrent is that they do not recognize that they have a social responsibility, that they are part of a public community, that they owe something to the society which has rewarded them with incomes and perquisites above the common run.

We are, as contemporary historians are fond of reminding us, in a second Gilded Age comparable in greed and insensitivity to our first, which brought forth Henry George. I am hopeful that the voices of the do-gooders and reformers, of whom I in my small

way am proud to be one, will ultimately propel this country into a new wave of reform.

For years I hoped that the Henry Georgists would be in the van of such a movement. But I have never heard a liberal speaker or proposal at one of your meetings. I have never read a liberal or compassionate article in your publications. Henry George's mantle is used now by the very elements of society which he so mistrusted, the greedy and acquisitive who exploit their fellows.

I remind you I took my first degree in economics from UCLA, so that I am on at least a speaking acquaintance with economic concepts. I think the Henry Georgists would benefit also from a few sociological concepts.

Sorry Jackie, but justice must take precedence over charity. The Lady-of-the-Manor, who provided goodies for her underprivileged, rack-rented, peasants of yesteryear, is not unlike the modern State which gives food-stamps to its underprivileged. We can tax (or persuade) the privileged to divvy up some loot, or we can strike at the roots of their privilege.

I fear that 'liberal democrats' advocate charity mainly to massage their 'psyches'. Georgists prefer to tackle the heaping mountain of privilege that makes the charity needful. The Georgist task is just a smidgin more difficult.

Fred Foldvary

California

Regarding 'Our Natural Rights' and the alleged lack thereof, the 'proof' given was that on an island

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by himself, a person has no 'rights'. This was set forth as 'fairly obvious' yet it is by no means obvious to me. Just because a person does not 'need' any rights does not by itself prove that none exist. Just because one's life is then a matter of fact does not mean there is no right. A libertarian castaway would not necessarily shrug off the notion that he owns himself. 'Of course I own myself!' he could say.

'Natural rights' is simply a different way of saying 'natural morality'. In my book **The Soul of Liberty** I have presented a derivation of natural moral law, by which acts that you do to your own self are morally neutral, but acts that affect others can be classified, sometimes, as good or evil.

There are many moral codes that would prescribe acts that you do to yourself alone as good or evil, thus they would not even grant you full rights to self ownership. Perhaps God owns you and has given rules to follow.

So morality in general does prescribe, in one way or another, moral significance (even if neutral) to acts you commit by yourself. And the fact that good or evil do not come into play until another being is encountered does not deny the existence of natural morality as something inherent in humans.

Furthermore, why should equality be a 'sensible conclusion' to negotiation between two persons on the island? Why would not the stronger party decide it is to his advantage to enslave the weaker one? History has shown that social inequality is just as common, if not more so, than any recognition of
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equal individuality. If there is no natural morality then slavery is no more unnatural or irrational or wrong than social equality.

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Alone on the island, you may declare what you wish. It means nothing. A right is a warranted claim, a claim you can support with evidence and reason. Alone, to whom do you make your plea?

'Good' and 'evil' are expressions of value. Your expressions of value, relating to your personal well-being. You need no reference to other 'moral codes' for your decisions. You will simply choose advantage over disadvantage.

And, Fred, slavery is hardly negotiable. Contracts are freely made. Sensible people determining rules for themselves are likely to opt for equal treatment. Under attack, one may agree to anything, but this isn't a 'negotiated settlement of the terms of cooperation.'

Doris Gordon

Maryland

Thanks for the copy of your Spring edition. I found Harry Pollard's article, 'Our Natural Rights (There ain't no such thing as)', interesting. The question of the existence of natural rights seems to be an unsettled question among some libertarians.

He uses the term 'right to life'. We have been saying, instead, 'right not to be killed'. Suppose one individual has no desire to contractually cooperate with another but instead prefers to kill him or her? Should my desire not to be killed have to be negotiated with anyone?

Or, should someone's inability to negotiate a contract with another such as the preborn child with the mother, mean that the one with the power is free to kill?

Perhaps such questions as these will be answered in the next issue.

Does Mr. Pollard make the distinction between having inalienable rights and, on the other hand, having the ability to exercise those rights and having others respect one's rights? It seems that he may only be talking about ability and respect, not the concept of having inalienable rights.

(National Coordinator
Libertarians for Life)

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Doris, your 'right not to be killed' doesn't exist, except as a contractual decision. If someone is a 'rogue' and wants to kill, you're out of luck. However, understandings not to harm each other are likely to become explicit contracts (see Part II - Page 5). Furthermore, free people do not lack common sense. They are likely informally to act in concert against a threat - and also to do so by contract.

A contractual right cannot be inalienable. A contract is made and fulfilled by the individual who made it. There is no way you can make me keep a contract, should I choose to renege. Agreements are made and kept in the minds of the parties who make them. It may be useful to record them, but the record isn't the contract.

'Preborn' children cannot contract, so they have no rights. But, the mother will presumably have her own contracted rights. *TGS*

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aphid species (see table). A minimum of 10 randomly selected plants should be sampled (recognizing that plants along borders will have higher infestation levels), and the presence or absence of each species recorded rather than the total number of aphids counted. This 10-plant minimum sample provides reliability, and may result in lower error rates than the 0.10 level designed into the sequential sampling plan. If after 10 plants are sampled, the cumulative number of infested plants is between the no-treat and the treat control decision lines, additional samples are required. Sampling is discontinued for ei-

ther aphid species when the cumulative sum reaches or exceeds either control decision line. If 50 plants are sampled with no decision being reached, a decision is deferred until the next sampling date. It has been shown for other pests that sequential sampling saves up to 65 percent of the time taken by conventionally fixed sampling procedures having comparable error rates.

Presence-absence sequential sampling offers additional savings, because it is not necessary to count individual aphids. Another anticipated advantage is an improvement in timing of pesticide sprays and a reduction in the number of

sprays. Further research is being conducted at Wilder Ranch State Park to apply the use of the sequential sampling plans in an integrated pest management program for both fresh market and processed Brussels sprouts.

Carolyn Pickel and Robert C. Mount are Area IPM Specialist and IPM Field Assistant, respectively, University of California Cooperative Extension, Santa Cruz County; Frank Zalom is IPM Specialist, Cooperative Extension, Department of Entomology, University of California, Davis; Lloyd T. Wilson is Assistant Professor, Department of Entomology, University of California, Davis. This study was partially supported by California State Department of Parks and Recreation, Santa Cruz County Farm Bureau, County of Santa Cruz, and California Department of Food and Agriculture.

California property tax shifts before Proposition 13

Michael Arnold

Local government spending wasn't "out of control" as commonly thought

Before the passage of California's Proposition 13 in June 1978, substantial increases in many homeowners' property taxes received widespread publicity. Quite naturally, many people interpreted these increases as reflecting large increases in local government expendi-

tures, which they concluded had "gotten out of hand."

A careful examination of the data on total property tax collections and local government expenditures does not support the popular interpretation. After population increases and inflation are accounted for, neither total property tax collections nor local government expenditures in the three years preceding the election grew disproportionately with past trends. However, property taxes collected from single-family dwellings grew substantially in those three years and in comparison with the earlier period, even after accounting for inflation and the increase in single-family dwelling units. Moreover, a simple accounting model shows that, even if real local government expenditures per California resident had been constant from fiscal years 1975 through 1978, property taxes collected from each single family dwelling unit would have risen by a sizable amount.

The revenue figures show that actual total property tax collections rose substantially within each period as well as between periods (table 1). However, when increases in inflation and population are accounted for, property tax collections per California resident increased 1.3 percent per year between fiscal years 1968 and 1975. This compares with a 2.4 percent annual rate of growth in the three years preceding the

TABLE 1. Measures of total property tax collections and local government expenditures in California, selected periods

Category	Average annual changes, fiscal years:	
	1968 — 1975	1975 — 1978
Property taxes collected		
	%	%
Total property taxes collected	8.4	11.8
Real property taxes collected per Calif. resident	1.3	2.4
Property taxes/Calif. personal income	-0.4	0.0*
Local government expenditures		
	%	%
Total local govt. expenditures	11.0	12.2
Real total local govt. expenditures per Calif. resident	1.9	2.9
Real total local govt. expenditures per Calif. household	0.8	1.9
Real total county expenditures per Calif. resident	2.2	1.8
Real total school (K-12) expenditures per ADA †	0.6	1.3

Sources: Actual figures deflated using GNP deflator for "State and Local Expenditures" in U.S. Dept. of Commerce, *Survey of Current Business*. Households from the Center for Continuing Study of the California Economy data file. Expenditures and revenues from: Michael Arnold, "Shifts in California's Property Tax Burden Before Proposition 13," Working Paper 82-09, Center for Continuing Study of the California Economy, Palo Alto, August 1982; California State Controller's Office, *Annual Report, Financial Transactions Concerning Cities, . . . Counties, . . . Districts, . . . Special Districts* (four separate reports).

*Between zero and -0.05 percent.

†Expenditures for kindergarten through 12th grade per ADA (average daily attendance).

June 1978 election.

Further evidence that property tax collections were not rising disproportionately is shown in total property taxes as a share of total California personal income. They actually declined, although at a relatively insignificant rate, between fiscal years 1968 and 1975 as well as between 1975 and 1978.

The story on the expenditure side is similar. If local government spending was getting out of control, it was at a very slow pace. Total local government expenditures grew 11 percent between fiscal years 1968 and 1975, increasing to 12.2 percent in the three years preceding the election. However, after adjustments for inflation and population growth, these increases appear much smaller. Real total local government expenditures per California resident rose at a 1.9 percent annual rate between fiscal years 1968 and 1975, and only 2.9 percent between fiscal years 1975 and 1978. If households are used instead of population to measure the "units served" by local governments, the numbers are even smaller.

Real expenditures per California resident by all of the county governments grew at a slower pace in the three years preceding the June 1978 election than in the earlier period. Real expenditures per pupil (as measured by average daily attendance) by all of the schools grew only slightly faster in the later period. These conclusions are further supported by regression tests, which show that the differences between the two time periods in the growth of real local government expenditures per California resident were statistically insignificant.

Between fiscal years 1968 and 1975, there was little change in the pattern of property taxes collected on the different types of property (table 2). Roughly one-third of property taxes were collected on single family dwellings, one-sixth on other residences, and between 40 and 45 percent on commercial and industrial

property. By fiscal year 1978, however, the pattern had changed dramatically. In just three years, the share of property taxes collected on single-family dwellings increased by almost 9 percentage points, while those collected on nonresidential property declined by almost 7 percentage points.

Two simple calculations confirm that homeowners' property taxes had risen substantially during the three years preceding the June 1978 election, but they do not support the view that increases in local government expenditures were the main reason for these increases. First, while total property taxes rose by 11.8 percent between fiscal years 1975 and 1978, those collected on all single-family dwellings rose by 74 percent and those per single-family dwelling rose by 62.9 percent (calculated by multiplying the shares of property taxes according to property type by the total property taxes collected). Second, had real local government expenditures per California resident been constant between fiscal years 1975 and 1978, property taxes collected would still have risen 59.5 percent for all single-family dwellings and 49.4 percent for each single-family dwelling (calculated by holding constant actual total property taxes as a share of actual total government expenditures; this assumes the actual rate of inflation for the period 1975 to 1978).

Thus, increases in local government expenditures explain less than one-fourth of the increases in actual property taxes collected from homeowners. The bulk of the increase before the June 1978 election was caused by a shift in the property tax burden from commercial and industrial property to single-family dwellings.

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TABLE 2. Distribution of property taxes collected by type of property, selected fiscal years

Type of property	Taxes collected, fiscal year:		
	1968	1975	1978
	%	%	%
Single family dwellings	35.0	33.9	42.2
Other residences	13.4	13.2	12.4
Nonresidential property*	41.7	45.7	38.9
State assessed †	9.9	6.8	6.6

Sources: Single-family dwellings: California State Board of Equalization estimates published in William Oakland, "Proposition 13, Genesis and Consequences," Federal Reserve Bank of San Francisco, *Economic Review*, Winter 1979. Other types of property: estimates based on distribution of net assessed value published by Oakland.

Note: Numbers may not add because of rounding.

*Includes commercial and industrial property.

† Includes personal property of utilities.

There is enough money involved to justify detailed evaluation

Navel orangeworm, considered the most important insect pest of almonds in California, caused annual damages estimated at \$35 million during 1978-80. Research at the University of California shows that orchard sanitation (removal and destruction of mummy nuts), early harvest (just at or slightly after 100 percent hullsplit), and the use of an occasional in-season spray will reduce damage from navel orangeworm (NOW), *Amyelois transitella* (Walker), by as much as 70 percent.

Despite this evidence, growers usually like to see the economic feasibility demonstrated before they adopt new practices. They want to know: (1) how much the recommended practices will increase costs; (2) how much benefits can be expected to increase; (3) if unit costs are influenced by the size of the operation; (4) how benefits and costs behave for varying levels of pest damage; and (5) how price received for the crop affects the feasibility of the recommended practices.

One way to provide such information is through the use of partial enterprise budgeting, which allows one to relate changes in revenue and costs to changes in management practices and to impute the net benefits to the particular practices as they are added or removed from the budget.

The model production unit

For this analysis, a hypothetical 320-acre almond operation was established to identify the scale of operation and to provide some basis for judging the reasonability of results. Per-acre partial budgets were then prepared to reflect the results of using various insect pest management practices to deal with NOW damage. These budgets can be adapted to any size of operation by adjusting overhead costs.

The model assumes that all almond acreage is bearing, planted at 75 trees per acre, with 214 acres in the Nonpareil

11

"Social" Problems: Not pandering to me gen.
But who came to aid when Ruben failed. Best adjusted
Have most social concern.

1. 1st, he attracts yr. attn. Good journalist.

a. Danger of social breakdown: looting, vagrancy, unleashing
savage nature of man. ^{Vulnerability of complex society to}
~~subvert~~ ^{subvert, many action.} Extravagant vulgarity

b. R.s. + orgd. mts. run govt. ^{Must}
change system. (Like Marx.) (Quiz: who was President?)

c. A pop. means A social pressure. Frontier
will close. (Just as P & P used Malthus to focus on land gen.)

d. Idea of equality spreading; actual equality
declining. Worker divorced from means of prodn
(again like Marx)

e. Churches have been captured by rich,
speak for them. Politicians, professors, preachers.
he is disgusted w. them all; but most of all w.
preachers, for he sees religious motivation as the
central force for social reform.

f. March of concentration

Geog. in cities. O' crowding. (Contrast
savannah in P & P. Living in NY?)

Walker, LCR

Conc. farming, indy, rails + ships
Elevator has left ground floor. No more
chance to get started.

Worse than that, even if all began again
equal, a tendency to conc. is inherent in social system
— not in people, who are not that different.

These concentrating tendencies are only hinted at here. 2

The chance to make it in small business is dying fast.
We must learn to deal w. bigger - must act socially.

g. Horrors of almshouses - truly Dickensian. Contrasts

Newport rich.
2.

Then he motivates you

We can all be rich. Now we are like
hungry dogs jostling for pail of milk. Then, wd.
all be contentous.

~~How to motivate others?~~

To prove how much latent potential there
is, he cites Civil War. Despite all the
waste, living standards rose in North. &
ended up w. more \$, too. Why? Demand!
All of a sudden he sounds like J. M. Keynes.
Keynesians said this of W.W. II.

Later he shows a diff. approach from
Keynes. But they are alike in motivating us w.
HOPE. Vast latent potential ~~is~~ prodn. stifled
by bad instns. No gloomy TANSTAAFF.
No Phillips Curve, the Malthusian thry. of
New Animal Science.

3. Then he tells you how to motivate others

Duty, religious duty, more potent for social improvement than idea of self-interest. sympathy a stronger social force than selfishness.

The selfish will sell out.

What is yr. duty? Work for the vts. of others.

Do not depend on mere intellectualism, either. Seek justice, emanated by idea of brotherhood of man. (cf. sterile model builders of academia: bloodless, gutless, + w/o hope of positivity)

Who are his role models? Moses, Jesus, Jefferson, + Mazzini (who ~~let~~ lectured Italian workers on their duty to others)

Moses = justice. Practicality.

Jesus = benevolence p. 86

Celsewille, "thy kingdom come on earth")

For skeptics, Jefferson.

For fortune builders - you can't take it w.

4

you. ... for his reward, he wants to be good & faithful servant.

4. Rts. of Man

Gifts.

(neglects Brigham Young, ~~War. Bradford~~ anti. polygamy)

Wd. have liked War. Bradford, who managed to become very successful w. only one wife.

5. Unempl.

Divorce of labor from land.

Taken a pass at macro.

Δ coal prodn. Δ demand by coal workers; but also by coal buyers, who now get coal cheaper.

Weakly developed, too bad. Left a vacuum filled by false prophets. Mtd. have stayed out of politics.

Land w/ held from labor by

a. O' price

b. Land for sterile cons. - deer parks

c. Cattle replacing people. Ireland. Machines, like cattle, just Δ demand

How cd. they tell?

for land. If no more land machines displace labor.

R. vs. A. L. V.

Suggestive, not definitive. Lots of loose ends.

6. Slavery & slavery

Slavery only very where land cheap.
(Historians now rediscovering this)

Wage slavery works better.

7. What should we do?

No public debt. Used for:
war

wasteful p.w.

support corrupt govts. abroad
bondholders then support whole structure.

No standing army

a. Secure = etc.

b. Gov't. leave. Jeff. Leave to local.

c. New occasional needs new duties

Socialize rails, utilities, p.o.

Reg. currency

Education

6

8. Summary

Motive, religious duty

Socialize land thru tax

Socialize rails + utilities directly.

Maybe restrict banks from deposit expansion

Retire ~~part~~ nat. debt

Demobilize armed forces

Can this man be a Libertarian? A far
shot.

"Spaceship earth"

So many ideas, now commonplace & cliché, originate in George.

LCR

Cultural lag

Spaceship earth

Water seeks common level

Conservation

Votes for women

Debilitating factory work. "Modern times"

Ecs. of scale. Use of telephone ~~is~~ to replace face to face.

You can't take it with you.

Cap. of N.Y. is extravagant vulgarity

Get ~~in~~ ^{on} elevator at ground floor (he says, board train before quins speed) (over)

Extremely religious. Repeats, we must ^{seek justice, animated} appeal to by idea of brotherhood of man, not "interest" -- bcs. interest can be bought.

Hastily written. I.e. they sell out. Not mere intellect.
Not closely reasoned. Hence revealing.

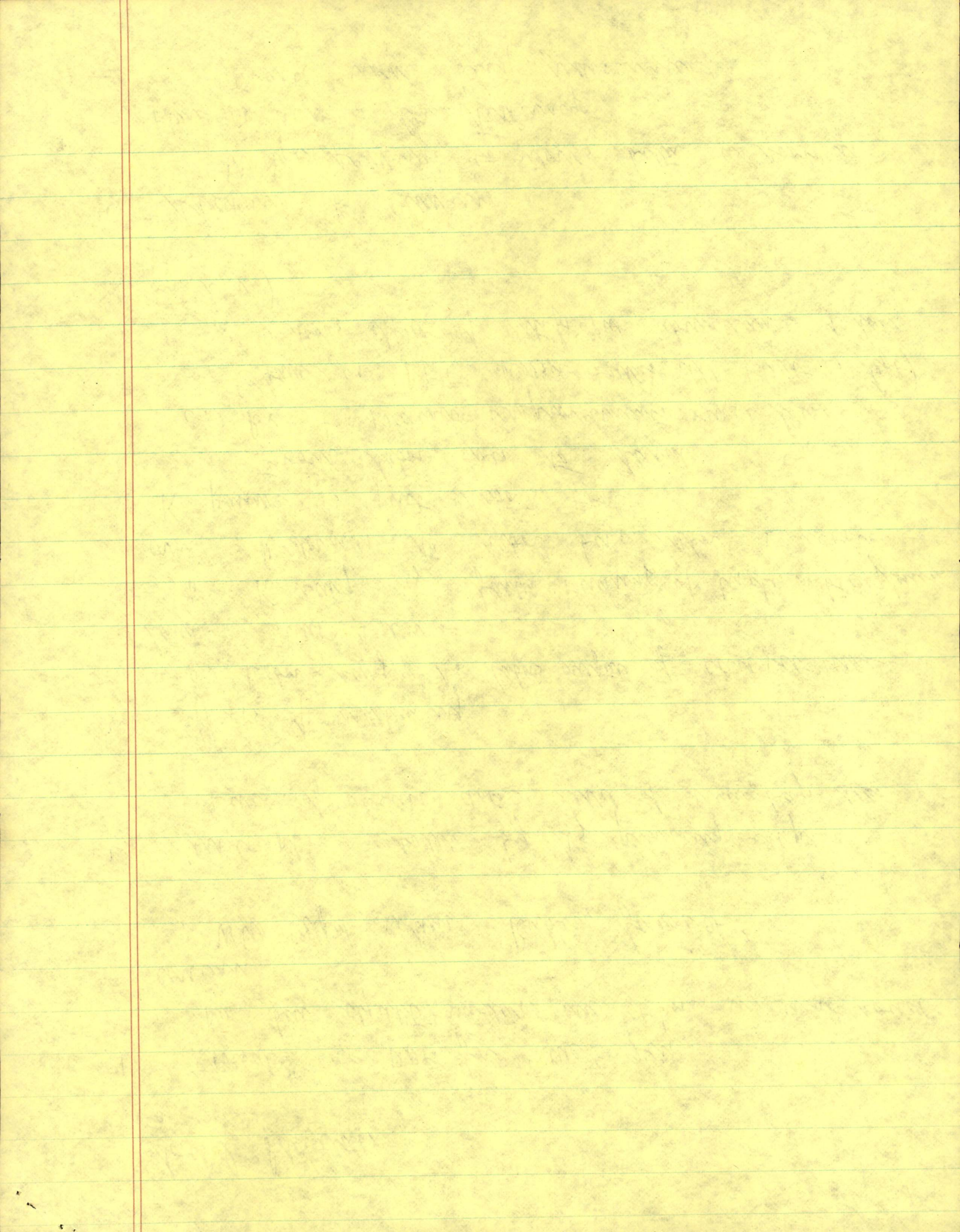
Occasional contradictions

Admires Gellu; Mazzini

Workman divorced from means of production.
Alienation

Social Problems

1. "social" -- not for "me" gen.
But best adjusted indivs. are those w. most social concern.
Who helped when Rubens fainted?
2. Unempl. -- solve by Δ g primary empl.
Level of ocean det. level of crime, bays, seas.
3. Effects of machinery
 - a. Labor-savg, Δ s labor's output if can get more land. Thus Δ l.v.
 - b. K-savg, e.g. faster tanning of hides. He glances over. Redounds to labor but labor is active — K passive, is just labor's tool.
From labor, goes to land.
 - c. Rv + transit improvements raise l.v.
(Same as PFT, Robber takes all that is left)
(O' looks effect of artificial abundance of land on l.v.)
4. Slavery & slavery.
Wage slavery ~~to~~ works better, as soon as there is rent. Or Tenancy.
Truth now being rediscovered.



5. Public debt & indirect tax.

- a. Opposes public debt
 - i. It facilitates war
 - ii. It let Eng. lenders ponder to corrupt khedive of Egypt, then win int. from poor fellows.
 - iii. Forces unwise p.u.
 - iv. Lets past bind future.
 - v. Boudhden class supports corrupt govt.
(e.g. banks today wanting Russ. invasion of Poland; or maintain OPEC.)

6. Fun. of govt.

- a. secure equal rts. Jeffersonian
- b. Opposes standing army, navy.
 - i. Part of class system
 - ii. Self-serving, corrupt.
(Altho later he prefers direct public employ. to contracting, & refers favorably to loyalty of soldiers)
- c. Favors local govt.
- d. Wd. direct gov. of all unneeded fun. so it can do what it must. Law of 4s conc. & complexity requires it to do more:
 - own rails, p.u.
 - issue & control M

- p.o. Writes favorably of it.

e. Govt. employees give "faithful + efficient" work in:

colleges

army, navy

p.o.

f. R.R. employees have no more int. in R.R. than gov. employees.

Stockholders get robbed, too, by "adventurers"

g. Contractors corrupt govt.

E.g. of school texts.

7. ch. 1: As impotence of social gov.

a. Danger of social breakdown, looting, rape.

b. Promise of solution. Need for social sci. to catch up w. engineering etc. (later called cultural lag.)

c. Not a thing of mere intellect. Must seek justice, animated by religious gospel of brotherhood.

Ch. 2 Political dangers.

[1868-76, U.S. Grant

'76, Hayes stole election

'80, Garfield, uninspiring. Biggest issue

was who shd. be apptd. N.Y. customs collector.

Shot by office-seeker. Poetic justice, he had opposed civil service reform.

Rosevelt vs. James Blaine, struggle to control Repub. party, a main issue.]

[Clerk Arthur was President]

R.V.s run govt.; buy both parties. Timid reforms won't do much.

New politicians make a business of gaining power, then selling it.

~~We~~ We do not even get cheap govt. Versailles wd. be cheaper than new cap. of N.Y., a "monument of extravagant vulgarity" - What wd. he say today!

Ch. 3. Δ pop. means Δ social pressure.

Ch. 4 2 opposing tendencies

Idea of equality spreading; actual equality disappearing. Worker ceases to own land & K.

Religious refs. abound. Deplores capture of church by rich.

Ch. 5. March of Conc.

a. Ag. to pop. in cities.

Causes: steam & machinery

b. Big firms getting all land.

They grow.

(Walker debate) (L & R)

c. Easy to make it at start: Villard, Stanford.

But not now: big trees shade out little ones.

d. Bigger ships, fewer captains.

e. Very pessimistic bleak forecast of future opps. for small bus.

(Pick, "parasites")

Ch. 6. The wrong in existg social conditions

If we evicted everyone out, tendency to inequality wd. remain itself.

There are many, selfish vices, gambling, etc.

Ch. 7. Is it best of all possible worlds?

People resist idea that social improvement is possible.

Scorn reformers as they did Jesus, who was a social reformer. (no proof offered)

Horrors of almshouses. Truly awful. Dickensian.

Contrasts rich & poor, vividly.

Ch. 8. That we might all be rich.

We can be .. happy & secure, not envious.

Now we are like hungry dogs going for a pile of swill.

Beaters churches for ~~not~~ accepting unequal distribn, blessing it in name of Christ. Poor always w. you — "until the coming of the Kingdom" — "on earth"

Civil war & living standards & wealth in north. bes. "the demand caused by the war"

stimulated productive forces into activity. --- the North grew richer." p. 76

p. 77 lower wages reduce "the fund which creates the demand for other labor" — i.e. aggreg. demand.

But, p. 79, deplora "unproductive consumers" as cause of poverty.

Ch. 9. First Principles

Great fortunes come from appropriation, not produ. or saving.

Workers get so little bes. beggars + thieves get so much. p. 84

Moses precedes Christ; justice precedes benevolence. A society based on justice is practical.

Charity shd. not be left to just. beneficence. It makes us beggars. Give us rather our natural rts.

Don't demand your own rts. so much as the rts. of others. The idea of duty is more potent for social improvement than the idea of int-nat. sympathy a stronger social force than selfishness. The selfish can be bought.

You can't take it w. you. Be faithful to the Lord -- thou good & faithful servant.

Mazzini -- spoke of duty.

Ch. 10 Rti. of Man

Jeff; Rti. of Man: mimic England.

Take wife, get allotment of land

(Mormons were doing it - but George condemned polygamy)

Ch. 11 Dumping garbage

Eng. ship Irish to America. Same time, buy Am. land, to exploit them further

In Ireland, good land in sheep & cattle;
no pop. Dense pop. found on bad land. p. 108

Ch. 12 O'prodn.

Δ prodn. in any indy. tends to stimulate all.

- Δ prodn. in primary indy, due to land spec;
makes off all.