

Progress

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(For overseas rates see last page)

OUR PHILOSOPHY

We believe that the Earth is the birthright of ALL MANKIND.

We recognise that for most purposes it is essential for individuals to have exclusive possession and security of tenure of land.

We believe that those who have exclusive possession of land should COMPENSATE SOCIETY for being excluded therefrom.

We believe that such compensation paid annually would meet the costs of Government and permit Society to abolish all taxes on LABOUR and on goods produced by labour.

EQUAL RIGHTS FOR ALL AUSTRALIANS SPECIAL PRIVILEGES FOR NONE

Members of the Georgist Council of Australia work to liberate personal effort from taxation and to finance all government expenditures by the collection of Site Revenue from the value of all land. They seek to end land monopoly and to protect the great majority of humanity from exploitation.

AUSTRALIA TODAY

- Bludgeoning taxation on personal incomes
- \$100,000 million overseas debt
- 700,000 unemployed
- 500,000 inadequately housed
- Highest interest rates of inflation
- Soaring land prices
- Industrial anarchy
- Monopoly exploitation of consumers, workers and suppliers
- Collapse of large Companies
- Fear and uncertainty
- Deep sense of hopelessness
- Disillusion with established Political Parties and Institutions

THE ROOT CAUSE

Denial of Common Rights to the Land and Individuals to the product of personal exertion.

THE GEORGIST REMEDY

- Government with the consent of the governed
- Agree that the earth is the birthright of all mankind
- Collect site rental values of land
- Stop land monopolies usurping community created land values

Maldistribution of wealth caused by land monopoly is a violation of human rights and must be stopped.

"We would take for the community what belongs to the community, the value that attaches to land by the growth of the community; leave sacredly to the individual all that belongs to the individual." Henry George, author of 'Progress and Poverty', 1879.

SOME ENDORSEMENTS

Sir Winston Churchill, leader of Britain in World War II: "Land monopoly contributes no service to the community and contributes nothing to the general welfare from the process of its owner enrichment — the labour and cost of other people."

Adam Smith, doyen of New Right economics: "Ground rents are a species of revenue which the owner enjoys without any care or attention of his own and can best bear to have a peculiar tax imposed upon them."

Clyde Cameron, Minister Whitlam Labor Government, early seventies: "In 1910 the Fisher Labor Government was elected to office on the sole issue of the taxation of unimproved land values."

Abraham Lincoln, Republican President, U.S.A.: "An individual or enterprise should hold no more land than is required for their home and sustenance and prudent management and this much should not be permitted where it creates an exclusive monopoly."

Alfred Deakin, Second Prime Minister of Australia: "The whole of the people

have the right to the ownership of land and the right to share in the value of land itself though not to share in the fruits of land which properly belongs to the individuals by whose labour they are produced."

THE GEORGIST OBJECTIVE

- Abolition of Taxation
- Funding of Government services by the collection of site revenues
- Free enterprise and initiative encouraged
- Social and economic justice for all
- Honest open Government achieved through
 - * Proportional Representation
 - * Initiative and recall referenda

Georgist organizations are non-party and non-sectarian.

They offer:

- Active membership
- Regular discussion groups
 - * Contact access to books and periodicals with other interest groups, literature and distribution.
 - * Regular mailings of publications and other matter

We need your membership and financial support.

For addresses, subscriptions, etc. see page 8.

*The Compliments of the Season
are extended to all readers*

- End-of-year Social
Tuesday December 17, 6 pm.
- Dates for your Diaries
(See Back Page)

30 NOTABLE GREENS ON THE ECONOMIC REFORM OF HENRY GEORGE

Underlying all economic activity is property. Yet underlying ownership is the awareness that the first input into production, natural resources, cannot be possessed by having made them; they can only be claimed. And the claims each conflict with the rights of all. As Suquamish **Chief Seattle** noted in 1854, "How can you buy or sell the sky, the warmth of the land? The idea is strange to us. If we do not own the freshness of the air and the sparkle of the water, how can you buy them? . . . This we know. The earth does not belong to man; man belongs to the earth."

In our era, noted thinker, writer, speaker **Ivan Illich** refers to the environment as "the commons". How can this dilemma—the needs for privacy and for autonomy versus the needs for sharing and sparing Earth—be resolved? Over a century ago an American reformer came up with an answer.

Henry George is the author of the all-time best-seller in English on economics. His 'Progress and Poverty' (1879) has sold into the millions and has been translated into dozens of languages. The book called for shifting all taxes from labour and capital to land. Hence his reform was popularized as "the single tax". After using this collected rent for legitimate social services, the surplus would be disbursed to the citizenry as an equitable dividend. Back in America's 'Era of Reform', George and his proposal were well known and well received. George, an international speaker, was the third most popular American after inventor **Thomas Edison** and satirist **Mark Twain**, who sold tickets at George lectures. But George himself is not so important as his idea and its potential to harmonize economy and ecology. Here's what some greens have said:

One culture that lives in harmony with nature, (1) the **Australian aborigines**, testified at a British Parliament hearing in 1988 "our land claim doesn't take one piece of land from anybody". They wanted whites to recognize the sovereignty over the land and pay rent from which they could restore their culture. This remedy is promoted by the rock group **Midnight Oil**, whose lead singer ran for the Australian Senate as the anti-nuclear party nominee.

- Several Green Parties have endorsed the taxation of land values, including

the first, (2) the **Values Party** of New Zealand, (3) the **Green Party of Finland** and (4) the **Green Party of Scotland**.

- (5) The **British Greens** 'Manifest for a Sustainable Society' (1988) states "Without this (tax on land), the economic pressures of the present land system (including land speculation) will defeat all attempts to remedy ecological and allied problems."
- (6) The **Irish Greens** 'Manifesto' (1989) states "The land tax, used together with energy and other ('sin') taxes (and user fees) as a source of funding of guaranteed basic income, is a means of ensuring that everyone shares in the wealth of the land by virtue of citizenship."
- The platform of (7) the 1990 **California Green Campaign to elect Mindy Lorenz to Congress** called for shifting taxes from production to land, gradually reaching a 10% rate, and for paying a citizens' dividend.

Two proto-green groups stem from George's thinking. The oldest decentralist organization in America, (8) **The School of Living**, which has been publishing **GREEN REVOLUTION** since 1944, promotes George's land tax.

And (9) the **E. F. Schumacher Society's** outreach literature states "In his book 'Progress and Poverty' Henry George shows how the ability to monopolize land . . . can create prosperity . . . and lead to increased poverty . . ."

Several greenish groups have endorsed taxing land's economic value, including (10) **Friends of the Earth – Scotland** (1982), (11) the 1984 **North American Bioregional Conference**, (12) the **Planetary Initiative for the World We Choose**, (13) England's **The Other Economic Summit** (1985), and (14) the **Youth Section of the Brundtland Commission's** second annual (1990) meeting in Bergen, Norway.

In the early '80s, (15) **Ralph Nader's Public Citizen** in its booklet by its Critical Mass Energy Project stated "Reduce taxes on people and increase taxes on nonrenewables".

(16) The **Sierra Club** in 1985 rewrote its land use policy statement to include "Tax laws should be modified to . . . prevent low density sprawl."

- (17) The major environmental

organizations in Washington, D.C. jointly wrote a booklet, 'The Environmental Solution to the Deficit Dilemma' (1986), calling for reversing from loopholes for land exploiters to heavy taxation of land use.

Most recently, (18) the **Worldwatch Institute's** 'State of the World 1991' by Lester R. Brown et al (p.182) explains "Most governments raise the bulk of their revenues by taxing income, profits, and the value added to goods and services. This has the perverse effect of discouraging work, savings, and investment – things that are generally good for an economy. If governments substituted taxes on pollution, waste, and resource depletion for a large portion of current levies, both the environment and the economy could benefit."

Four green authors have endorsed George's idea. (19) **Kirkpatrick Sale**, founder of the New York Green Party and a **NATION** columnist, in his 'Human Scale' (1980) wrote "The Georgist principles provide a way for a community to secure its financial interest in a rational economy of usufruct, . . ."

(20) **Jonathan Porritt** in his 'Seeing Green' wrote "the Liberals have given up trying to get across the ideas of Henry George. And that's a pity . . . the way to break the monopoly of landownership . . . (is) some form of land tax."

(21) **Ernest Callenbach**, author of 'Ecotopia', said in 1988 in private correspondence, "if I'd heard of Georgism before publishing (his classic), I would have incorporated Georgist tax policies into its economic system."

(22) **Robert Gilman** in his magazine **IN CONTEXT** (1984 winter) wrote, "This alternative . . . is most closely associated with Henry George . . . George claimed that his land tax would be sufficient to pay for all the costs of government . . . Could it work? . . . the answer appears to be yes."

(23) San Francisco **CHRONICLE** environmental columnist, **Harold Gilliam** wrote in **THIS WORLD** Sunday supplement (p.17, 1989 Aug 20), "Another way out of the (land) cost dilemma might be to look for some variation on the proposals of that 19th-century San Francisco economist and prophet-ahead-of-his-time, Henry George, author of the classic 'Progress

and Poverty", who had some unorthodox ideas about land-value taxation. Why not a land tax – paid when the land changes hands – to capture some portion of the increase in value resulting from population growth? And why not channel that revenue into incentives for affordable housing?" (Such as untaxing homes?)

(24) Social ecology founder **Murray Bookchin** in 'Remaking Society' wrote "The earth can no longer be owned; it must be shared. Its fruits, including (he adds) those produced by technology and labour, can no longer be expropriated by the few; they must be rendered available to all (and, he adds) on the basis of need." So the efficiency and equity of the idea George is brought back to the unworkable and biased idea of Marx.

(25) **Institute for Local Self-Reliance's** founder, **David Morris**, in his 'The New City-States' wrote "The discovery that (nature's) electromagnetic spectrum is a major source of wealth comes at a propitious time for municipalities; they have the authority to issue franchises for cable television."

Three green theologians have warmed to Georgism, including (26) **Matthew Fox**, founder creation spirituality, in his 'Spirituality Named Compassion' and (27) **John Hart**, author of 'The Spirit of the Earth' (1984).

(28) **John B. Cobb, Jr.** wrote, (George's) specific proposal about taxation can be supported on the basis of a shared rejection of the idea of land as only a commodity . . . Since this tax would rise as the value of the land rose, or would fall as it fell, there would be no basis for speculation in land . . . farmers would have no reason to oppose zoning that kept taxes on agricultural lands appropriate to the profits that can be realized from farming . . . Whereas a higher tax on buildings encourages holding land unused or allowing buildings to deteriorate, a higher tax on land encourages efficient use of the property."

Two green economists have pointed to socializing ground rent as a way out of our economic morass. (29) World Bank Chief Economist **Herman E. Daly** in his 'Steady-State Economics' (1977) wrote "the windfall rent from higher resource prices would be captured by the government and become public income – a partial realization of Henry George's ideal of a single tax on rent . . ."

(30) Ex-Bank of England economist **James Robertson**, most recently in his 'Future Wealth' (1989), wrote (p.105,6), "The proposal is for a tax on the site-

value of all land, the site-value being the value of any plot or area of land in its unimproved state, i.e. excluding the value of any building on it or other man-made improvements . . . This tax was first proposed by the 19th-century American economist Henry George, who argues – as we do not – that, if it were introduced, no other taxation would be needed at all . . . what we are proposing (is) a shift away from taxing the shadow – the artificial mirror economy of money incomes, value added, profits, capital gains, capital transfers, and so on – to taxing the substance – the real economy in which, when people occupy land, or use and waste natural resources, or pollute the environment, they do so to the exclusion and detriment of others. As a working hypothesis, we should envisage the eventual removal of all taxes on incomes and value added, savings and financial capital – resulting in no personal or company taxes as such, no VAT, and no capital taxes including capital gains or capital transfer taxes . . . Taxes will much more nearly take the form of rents and charges reasonably paid in exchange either for the use of resources that would otherwise be available for other people, or for damage caused to other people."

Institute for Geonomic Transformation.

LAND REFORM IN THE FAR EAST

By Rev. Archer Torrey

We should be aware of the great amount of land reform that took place after World War II, especially in the wake of General Douglas MacArthur. The land reforms in Japan, Korea and Taiwan had to do with MacArthur.

I know that the President of South Korea, Dr. Syngman Rhee, probably would never have implemented land reform had not MacArthur kept the pressure on him. As it turned out, the land reform was proclaimed in April 1950 and the Korean War broke out just two months later. The South Koreans had something – their own land – to fight for. There had been a rush to register for land in the two months before the war broke out and those who had not yet registered intended to do so as soon as the war ended.

Vietnam is the contrast, though very few of the veterans today understand the fundamental difference between the two wars. The Vietnamese government steadfastly refused to promulgate land reform and, as a result, the U.S.A. was

fighting to support landlords, not the people, and was doomed to failure.

In the case of Taiwan, the Chinese Nationalists had been committed to a policy of land reform from the beginning, as Sun Yat Sen was a disciple of Henry George. They had not been able to carry it out on the mainland because of the power of the great "warlords". I am sure that a careful examination of the facts would show that the warlords and the landlords were, if not the same persons, at least hand-in-hand.

The sad thing to see is the total failure to implement any sort of land reform in the Philippines. The contrast between countries with land reform and those without, even with excellent climates and highly productive soil, is startling. For instance, Bangladesh, which has nine times the productive potential of South Korea or Japan, and the Philippines, which has six times the productive potential of Korea or Japan.

The population of the Philippines is 575 per square mile compared to Japan's 850 per square mile and still with its greater natural potential it has extreme poverty, as has Bangladesh.

It is sad that, outside of a handful of Georgists, there is no pressure to keep up and strengthen land reform in countries that have it. The press and academics ignore it, the politicians and landlords quietly work away to undermine it. Eternal vigilance is the price of liberty, and hard work the price of progress!

U.S. "Georgist Quarterly",
Summer 1991.

BASIC PRINCIPLES

"He who erects a house or improves a farm has a clear title to the building or improvement, but this gives him no title to ownership of the original and indestructible natural element on which he has built or improved. Nor is the right of ownership in the earth necessary to secure the right of ownership in what labour produces on or from the earth. What alone is necessary is to give the improver such right of possession as shall enable him to fully obtain the benefit of his improvement. And this right of possession that is necessary to the full ownership of improvements can be secured as well – nay, all experience shows that it can be secured far better – when land is treated as belonging in usufruct to the whole community than when land is treated as the absolute property of individuals."

Henry George.

PRESS LETTERS

THE CONSUMPTION TAX DEBATE

I am writing in reply to the letter "GST Warning" (The Advertiser, 23/9/91).

Tom Wood states that all goods and services, both personal and household, were raised by 15 per cent when Canada recently introduced consumption tax and he warns that the same would happen in Australia.

What he failed to point out is that under the Liberal Party proposal the present wholesale tax system would be totally abolished.

Many goods we all buy on a day-to-day basis carry a wholesale tax of 20 to 30 per cent and will immediately become 5 to 15 per cent cheaper when GST is introduced.

Australians should reserve their judgment on GST until all the facts have been announced by Opposition Leader Dr. Hewson and then make a decision as to whether or not this is to be the best option for our country to take up.

(Mrs) Sandra Sharp,
McLaren Vale.

Congratulations on having the courage to publish the letter from J. Smith, of Mount Gambier (The Advertiser, 20/9/91).

Not only does he/she correctly point out that a goods and services tax can only worsen the doleful state of the economy but is then so radical as to suggest an annual fee based on the unimproved value of land is the correct source of public revenue.

As a long-term supporter of this philosophy, I have always been puzzled at a seeming conspiracy of silence among politicians, economists and the media to ensure that this simple suggestion is never promoted.

Surely it is recognised that all wealth comes from the land. Everything we eat, everything we wear, everything we use and everything we do either comes from or is based on the land.

It can't be unreasonable, therefore, that exclusive use of any site should be conditional on the payment of an annual fee.

The Prime Minister, Mr. Hawke, continues to assure us that the policies of his Government are getting Australia on the right track and better times are just around the corner (how much longer must we wait?) and Dr. Hewson continues to "sell" the consumption tax

and thereby strengthens his position as Opposition Leader (in perpetuity?).

But until they do something about the injustice of a land tenure system that denies access for the majority and results in the ever-increasing gap between the richest and the poorest, we will suffer the phenomenal growth in the army of official and unofficial tax gatherers and snoopers and the continuing decline in community standards.

John E. Hall,
, Belair.

"Adelaide Advertiser",
29/9/91.

COURAGE NEEDED TO HEAL THE WOUNDS

Our country is drastically, if not mortally, wounded. No goods and services tax, however sweetened by hollow promises, will do more than exacerbate our state.

Taxation is lethal, having the power to destroy an economy and add expenses innumerable to society.

A government bent on raising revenue from fast-diminishing pay-packets and incomes demonstrates ignorance very profound.

If it knows better, it demonstrates cowardice of the same degree in not reforming the Constitution.

There is a natural, just and honest source of public revenue available – the property of the Creator, and in some measure the possession of a great many citizens and enterprises.

An annual fee, calculated on the unimproved value of this land, is the correct source of revenue for the Treasury.

It is an abundant and reliable source of funds because land, unlike wages, does not decrease markedly. People using land for their exclusive benefit need have no concern about security.

They may have perpetual leases or freehold titles to the holdings, but the government must be the landlord.

Visualise a world in which all taxation was abolished, along with the hideous side-effects of the present system. Courage and integrity are the first of many such qualities needed to set the reform in place.

Statesmen, not career politicians, should be available for election. At present we have a choice of various people in whom we see no hope, which

is why voters appear apathetic.

Proportional representation is the only fair voting system, which is why most States do not employ it.

Governments have certain cares and duties they must administer, but they have no place in any enterprise or industry which could be run competitively by private companies or individuals.

Should we ever be lucky enough to enjoy good government as outlined, we would still need to overcome opposition from bureaucrats, unions, land and media monopolists, to name a few obstructions.

About one-third of the present revenue, both used and wasted, would be required if taxation were abolished and revenue justly procured.

J. Smith,
Mount Gambier.
"Adelaide Advertiser",
20/9/91.

BENEVOLENT TAX

Unfortunately none of your writers in the tax issue (NI 220) realized that a tax exists which differs fundamentally from all others and which offers radical solutions to present injustices and the lack of incentives in existing tax systems.

Land tax – or Community Ground Rent – forces the handful of elite families who monopolize land to reimburse the community for their exclusive use of what should be the common and equal birthright of all. If used, it would compel the opening up of vast areas of unused or under-used land, would not penalize the hard-working farmer as it is not productivity-linked, and cannot be evaded.

Karl Williams,
"New Internationalist",
September, 1991.

RUSE OR REMEDY

I am amazed that the Coalition parties are trying to convince a majority of Australians that we will not suffer under a proposed Consumption Tax (Goods and Services Tax).

As the majority of Australians are low and middle-income earners, pensioners, or people on fixed incomes, I think a couple of examples should be provided to illustrate the appalling unfairness of a Consumption Tax.

Example 1: A wage earner with a wife and two children has a take-home pay of \$400. Out of this they spend \$300 on goods, services, entertainment, etc. With the proposed Goods and Services Tax (GST), they must outlay a further \$45 in tax. Therefore, this wage earner contributes more than 11 per cent of his pay in a consumption tax.

Example 2: A man on a take-home salary of \$1200 per week spends \$400 on goods, services, entertainment, etc. However, his contribution of \$60 in tax only amounts to five per cent of this man's salary.

We recently have had visits from people such as small businessmen from New Zealand telling us that the GST over there is fast becoming a disaster for all except the very rich, who have already found ways of avoiding paying the tax. Inflation apparently rose by 24 per cent in New Zealand in the first year of operation.

K. Gibson,
Chermside.
"Brisbane Sunday Mail",
22/9/91.

BARTERING NOT TAX MAN'S CONCERN

Reference to Ray Martin's *A Current Affair* on Tuesday night, August 27, 1991 and the segment on Bartering.

What God-given right does a private negotiation between two people, where money is not exchanged have anything to do with the tax man. Next they'll be telling us who we can associate with or else and they'll be putting taps on everyone's phone.

We won't be allowed to exchange some tomatoes for some bananas because that's depriving the greedy tax man. If you ask me that's Communism in the first degree. Here we see Russia is finally emerging out of their depressed Soviet Communist Regime and we are falling into it.

Can't we see how it has destroyed their country and its people. Don't we see the despair and deprivation of rights that these people have endured for years on our television set, and think I'm glad we don't live there. Watch out.

A. Reibelt,
Bellmere.
"N.N.C. News" (Qld.),
17/9/91.

TAXPAYERS STRUGGLING

Taxpayers struggling with the complexities of Tax Pack must inevitably welcome a change from the cumbersome and increasingly intrusive income tax set-up which drains so much energy

away from truly productive activity.

The widely-touted consumption tax, however, is not the way to change. Its disadvantages are numerous. It is particularly burdensome for low income groups and families.

Like all indirect taxes, by weakening purchasing power it operates to reduce real wages. And if a farmer or small businessman buys a can of petrol, who can determine or check whether it will be for business (tax refundable) or personal family reasons (tax payable)?

Certainly savings need to be encouraged. Why not then cut taxes on interest from genuine investment?

However, there is an effective alternative, viz. to draw upon community created site values as the main source for revenue.

Such revenue is simple to administer and impossible to evade – the sites are just there, and cannot be sent off to an offshore tax haven!

This method encourages optimum use of sites, provided that at the same time taxes such as payroll tax and stamp duties are cut out, and taxes such as income tax and sales tax are cut down.

Finally, there is a special ethnic advantage: citizens pay in accordance with the advantages they receive from the community, because site values are a reflection of the advantages, community-conferred, associated with exclusive occupancy of particular sites.

G. Forster,
"Mornington Mail",
26/9/91.

LETTER TO THE EDITOR

The widely-acclaimed demise of the Communist Party in the Soviet Union is welcome news, for, whatever the advocates of Communism may have intended, it has proved to be the master of despotic systems.

What does this demise mean to the "Western" world? It is hard to imagine that current Capitalist leaders would be advocating anything different from the status quo as it exists within their own countries.

That there is an opportunity for the leaders of the Russian states to do the "right thing" is undoubted, but do they know what the right thing is? Alas, the answer is the same as for the capitalist West – No. The State owns all the land within the Soviet Union. Is it not then a simple matter of renting it out to the highest bidder? I did note that before they could use land (all of it?) in "East Germany" they had to find "owners". Perhaps they thought the land might disappear.

As any reformer knows, privilege does not die easily. Proponents of any privilege can be found years after the actuality has disappeared. Power is the most sought-after prize in the human repertoire. We need look no further than our own country for examples of "politics" (power-broking) to see what it can do for and to people. Communism is not quite dead, remnants remain in power in many places. Other than China, few, if any, are of any import, unless you live in one of those places.

For more than seventy years Communism has been a major player on the political scene. You are (were) either a "Capitalist" or a "Communist". Neither side wished to recognise the third force on the political scene. Communism had already usurped it and capitalists were happily rid of an enemy to whom they were slowly but surely losing ground. The side-runner with Communism has always been the Socialist, a pink version, basically the same as the red version, but not so revolutionary. What is interesting is that there is now no major opposition to "Capitalist" thinking. We are back where we were prior to the 1917 revolution. Our present Federal Government is a typical example of the hiatus that exists on the political scene. It is "Labor" (Socialist) in name but not in action (there are a few minor doctrines being adhered to for the sake of a few more years in power). Across the whole political scene there is confusion.

The third force may now resume its opposition to the monopoly capitalist system. We are beset by airy fairy pinks, pinker than pink, only a little socialistic, pale blues, do-gooders, and large groups dedicated to confused thinking and terminology. Big Brother may never come but it won't be for lack of trying on some politician's part.

David Brooks,
Minto, N.S.W.

DEBT

In June 1980 Australia's net external debt was \$6.9 billion (5.6 per cent of GDP). In December 1988, it was \$95.5 billion (30.2 per cent of GDP). Gross debt was \$121.2 billion.

"Progress Party of N.S.W. Newsletter",
June, 1991.

LETTER WRITING

Would anyone wishing to participate in a painless letter-writing scheme to promote Georgist ideas please contact the Hardware Street office.

SUCCESSFUL BOOK LAUNCH

Fifty people attended the book launch of George Charles' "Elementary Economics" at East Melbourne on July 9. Here is his reply of thanks to Keith Thomas for launching his book.

Many thanks to Keith Thomas who came from Canberra to give the address on this occasion, to the Henry George Foundation for printing the book, to Loma Sutton for her weeks of painstaking work on the word processor, to my son Barry for the cover design and Bryan Kavanagh for a number of graphs, my wife and family who have suffered for many years my interest in the subject, and to the many others to whom I am indebted.

Thanks to the University of the Third Age, who made it possible to produce the book for use as a text in the economic discussion groups. Thanks must go to Dick Croke who did the first editing and encouraged me to pursue the project. Gordon Wilson also gave me encouragement to go on. Keith Thomas' contribution was considerable and invaluable: his expertise, suggestions and encouragement gave the text a meaning and life above a mere statement of fact. Keith also did the index.

U3A members themselves, although they did not realize it, contributed much. Questions were raised which drew out points and these were subsequently incorporated into the text.

Thanks to those people who, over the years, encouraged me to go on, and to those who said I was wasting my time these latter spurred me on to greater effort. They issued a challenge which I was bound to take up.

I have always felt that there was a need to take a closer look at economics and why the development of the subject had not kept pace with the technology in other disciplines. It seemed a lost subject and I felt there had to be a good reason for this. Economics was an underdog which cried out for empirical fundamental research. The dire poverty, hardship and wars of people at the present time and throughout history make such an investigation essential.

Peoples and civilizations have pursued science separately from ethics and other humanities. Early in my life I came to the realization that economics was a union of these two branches of knowledge. Science and ethics were never separate and man in his wisdom or otherwise has seen fit to make them seem separate.

It became my hope that I could put together a short simple economic primer that was politically neutral in easily understood language. I have tried

to give an account of the natural laws and forces of economics by the same method that other sciences have used and which led to their successful applications. I sought principles which when applied would do something to dilute the enormous privileges and advantages that some enjoy to the disadvantage of others.

Education seems the ideal vehicle to pursue this end. The University of the Third Age presented the opportunity where this could be tested out, and I am grateful that this opportunity arose.

Some of those who supported me may be disappointed that I did not give any particular thinker of the past sufficient emphasis. I make no apology for this because it is all too common to use the enthusiasm for a personality to detract from the principles he or she propounds. If we are not careful we can emphasise the individual and overlook the principle.

I would suggest that the fundamental science of economics is a simple study and it can act as a guide to stimulate interest in a subject which is so much in need of ideas and understanding.

I thank everyone for showing interest here this evening. I feel it is support not only for the endeavours of the Henry George Foundation but also for those of the University of the Third Age. I thank both organizations and the people in them from the bottom of my heart.

"Elementary Economics" is a clearly written outline of such topics as wealth, value, production and distribution of material wealth, public revenue, money, monopoly and profit, tariffs and free trade, inflation, "the establishment" and practical applications. There are some informative appendices, including the Danish experience of the late 1950s, and some very illuminating charts. \$7.00 is marvellous value for this 95 page book.

SOCIAL GATHERING

Mr. and Mrs. J. J. Brennan are having an "At Home" - 46 Elmhurst Road, Blackburn (phone 878 9630) - on January 4th, 1992, at 12 noon to welcome Cecil and Helen Stowasser from Western Australia. Cecil promotes the Australian Rights Movement which staunchly advocates the use of revenue from site values in lieu of taxation.

SOME CHANGES WITH HEWSON'S CONSUMPTION TAX

Some prices actually fall with a consumption tax because it would replace the current retail sales tax. Sales tax is higher than 15 per cent on many so-called luxury items.

Product	Now \$	New \$
Kraft Cheese Singles 250g	1.81	2.08
Edgell frozen peas 500g	1.23	1.41
Milo 575g	2.48	2.85
Nescafe 150g	4.49	5.16
Coca Cola 1 litre	1.12	1.07
Kleenex tissues 224	2.25	2.15
Sunwhite rice 1kg	1.08	1.25
Weetbix 750g	2.49	2.86
Heinz baked beans 440g	0.91	1.03
Kraft Vegemite 285g	2.09	2.40
Meadow Lea margarine 500g . .	1.85	2.12
Bega tasty cheese 500g	4.00	4.60
Steggles No. 15 chicken	5.15	5.92
Sliced white bread	1.22	1.40
2kg carrots	1.38	1.58
1 doz. medium eggs	1.90	2.18
Arnotts choc biscuits	1.93	2.01
Carton B&H cigs 25s	23.33	20.64
Colgate toothpaste 140g	2.09	2.01
Sorbent toilet rolls 4-pack . . .	3.29	3.15
	144.53	150.68

*Survey by Retail World, magazine of the Australian Supermarket Institute.

"Herald Sun", 16/8/91.

THE HIGH PRICE OF TAX

Leading academics from the University of Western Australia have been studying the tax compliance costs of Australian companies for the past year.

The results of the study, done in conjunction with the Australian Tax Research Foundation and the Business Council of Australia are an indictment of the Australian taxation system.

The complexity and inefficiency of taxes on business means it costs Australian companies five times as much to comply with them, as a proportion of revenue, as it costs British companies to comply with their corporation tax.

In fact, it costs Australian public companies at least \$600 million a year to comply with the tax laws.

GEORGIIST BROADCASTS

On 3INR, 96.5 band (FM), Mondays, 4.30-5.00 p.m.

Fairly wide range of reception in northern and eastern suburbs.

In the late '70s and early '80s, there was an unfortunate rise of inappropriate tax evasion schemes among a few Australian companies. Since then, the authorities have tried to close every perceived "loophole" with piecemeal and increasingly complex changes to tax laws and administration.

This has given reputable enterprises – the vast majority of Australian businesses – perplexing problems.

They must try to pay the "correct" amount of tax, know confidently what the "correct" amount is, and protect in a fair and proper way the cashflow of the business and the interests of shareholders.

On top of this, in the last few years the responsibility for tax assessment has changed from the Taxation Commissioner to the companies themselves.

In theory this should make the system more efficient, but the difficulty of interpretation and bottlenecks in getting rulings from the Australian Tax Office have had the opposite effect.

It means Australian businesses have to devote considerable resources to meeting their tax obligations.

This is compounded by the fact that they face increasingly high penalties if they unwittingly under-assess their tax bill.

The Government's inept handling of this issue is causing businesses to delay or cancel investment decisions critical to our economic recovery.

"Herald Sun", 1/8/91.

THE GALBRAITH ARGUMENT

Bert Anderson (President, Bay Area Common Ground) wrote to Prof. John Kenneth Galbraith of Harvard University about Henry George and received the following in reply:

"Dear Mr. Anderson:

I am afraid this is not a very useful idea. I am certainly very much aware of Henry George, but he was also very much, in my view, a creature of his time. Had the public grasped the incremental value of land when it was first being

settled, that is one thing; now it would be to discriminate against those who happened, however wisely or unwisely, to move into real estate. I am not sure this will persuade you, but I am not sure that the means you propose would have any very substantial effect. If you are disposed to keep trying, by all means do so.

Yours faithfully,
John Kenneth Galbraith."

"Wisely or unwisely" is a rather jejune choice of words. The "wise" ones grabbed land for themselves, the "unwise" ones did not. Does Prof. Galbraith mean it would have been all right if the Single Taxers got to the New World before Columbus? Since they did not, must we never, ever, touch the rent of land for revenue, but rather tax everything else?

Actually, in a rudimentary way, "Single Taxers" were in the New World before Columbus. Natives of North and South America believed in and practised common property in land. However, European settlers were not much impressed and went on grabbing as much land as they could.

Prof. Galbraith gives his own prescription for the world's woes, in the United Nations *Development Forum*:

"Economic assistance – a solid flow of economic resources from the rich to the poor – is basic to hope for improvement in the poor countries."

In other words, to paraphrase Tolstoy, the rich should do everything for the poor except get off their backs.

U.S. "Georgist Quarterly",
Summer 1991.

SCENERY AND TAXES WERE STUNNING

By Frank Nelson

Your *Equal Rights* editor and wife, Eloise have just returned from a most enjoyable two-week tour by auto of historic and picturesque Nova Scotia. Despite having made no advance plans or reservations, we had no difficulty

finding accommodation each day. We were told this was due in part to a scarcity of visitors this year, with tourism and business down more than 15%. We saw few cars from the States. Of course, the recession in both countries helps account for this. While costs were moderate, taxes were steep. We felt that taxes also played a major role in this loss of trade.

This belief was reinforced by the opinions of local merchants and businessmen, as well as by those of fellow travellers from the provinces. Most felt the 7% Goods and Services Tax (GST), imposed this year, on top of the prevailing 10% medical care sales tax, was the culprit. If you think U.S. sales taxes are bad, how about Canada's 17%? U.S. citizens can apply for a GST rebate if they are willing to collect all receipts and apply for it. What a pain!

A touring Canadian small businessman told us he has had to hire an additional office clerk just to deal with the GST paperwork. He and his wife (and a zillion other Canadians) had been shopping in the States to escape taxes on clothing and other big-ticket goods.

A British Columbian lawyer told of losing two engineer clients who left for the U.S. to escape Canadian taxes and regulations.

We tried to ignore paying the \$2.40 per gallon gasoline price, most of which is a tax to promote energy conservation.

Being non-smokers, we were only nominally interested in the local TV newscasts showing the daily struggle of border customs inspectors trying to prevent the smuggling of cigarettes into Canada – a losing battle.

In their wisdom, Canadian authorities have imposed a whopping "sin tax" on a pack of "butts" . . . what in the U.S. costs \$2.00, now sells for about \$7.00 per pack in Canada.

Throughout history, high taxes, tariffs and embargoes have always made smuggling profitable.

U.S. "Groundswell",
Sept./Oct. 1991.

GOOD GOVERNMENT

The bi-monthly for serious thinkers
Official journal of the

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Mal and Erika Booth are travelling in Australia promoting Georgism.
This photo was taken in Albury.

FOOD FOR THOUGHT

It is not capital which employs labour, but labour which employs capital.
(Progress & Poverty Bk.3 ch.5).

Wealth consists of natural products that have been secured, moved, combined, separated or in other ways modified by human exertion, so as to fit them for the gratification of human desires.
(Progress & Poverty Bk.1 ch.2).

Nothing which nature supplies to man without his labour is wealth.
(Progress & Poverty Bk.1 ch.2).

DATES FOR YOUR DIARY

- Lunch-hour videos, Series, 12.30 p.m. 1st Monday of month.
- Executive Meeting: 7.30 p.m., Thursday, December 12.
- Melbourne School of Economics – 10.30 a.m. Tuesdays.
- End of year Social: Tuesday, December 17, 6.00 p.m.
- Georgist Council Meeting: Friday, November 29, 7.30 p.m.
- Annual General Meeting: Tuesday, February 17, 8.00 p.m.
- Social Gathering – see page 6 – January 4, 1992.

DEADLINE FOR PROGRESS:
Noon on 12th of previous month.

The views expressed in articles are those of the writers and not necessarily of Tax Reform Australia Inc.

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