

IT WAS IN the seventeenth century that the people of Europe first made significant and lasting contact with the "Indians" of the New World, whose ancestors probably crossed the Bering Strait from Siberia in Late Pleistocene times.

There was a gap of 10,000 years between the Indian culture of what are now Canada and the United States, which was comparable with the European Upper Palaeolithic, and that of the newcomers, whose technical equipment, especially in weaponry, would give them an overwhelming superiority in physical power.

Unfortunately, the latter's ideas in the realm of political economy were in direct variance with those of the people they found in possession.

Whereas the Indians still held to a primitive and true conception of land as a common inheritance, the Europeans, after passing through the feudal period, during which were still preserved some traces of the old Germanic tribal freedoms, had returned to the fateful Roman errors of private property and monopoly in land; and the resulting apparent over-population was impelling them, as it had impelled the Romans, to expand at all costs. The conflict that ensued is still in progress at the present time.

For example, it was reported in the *Vancouver Sun* (November 3, 1988) that the Supreme Court of Canada was about to begin a hearing of a case that "could set the stage for re-establishing aboriginal hunting, fishing and resource-use rights at their Pre-Confederation status in every region of Canada where those rights are not explicitly defined in treaties".

It began in 1984 when a Musqueam fisherman was charged with violating regulations governing net lengths. He put up a persistent defence, and went on in 1986 to win his case in the Court of Appeal of British Columbia,

# Canadian culture conflicts

By DAVID REDFEARN

which ruled that "aboriginal rights include a fundamental right of Indians to fish".

This was not enough for the Indians, but too much for British Columbia's sports fishermen, hunters and outdoorsmen. More importantly, *it was too much for the commercial fishermen and canning companies*, who have been using Indian fishermen as cheap labour. The results of the case, which could be far-reaching, will be awaited with interest.

From a similar motive of preserving the last remains of the traditional Indian way of life, Chiefs of the Mount Currie and Lytton Indian Bands are, according to a report in the *Financial Times* (November 18, 1988) appealing to the shareholders of Fletcher Challenge Canada for help in resisting the block felling of tracts of forest in the Stein Valley to the east of Vancouver.

The company has offered as a compromise to reduce by 45% the area of each block cleared; but the Indians are seeking a total cessation of logging operations in the valley.

The Chief of a Lillooet tribe said "They are our traditional homelands. We never signed any treaty. We were never beaten in war. We never made any agreement with the Government which would abrogate our rights. We want to maintain our forests in their natural wilderness state".

The Indians are up against it. Fletcher Challenge Canada is the second largest forest products group in British Columbia. Its pulp

## REFERENCES

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| 1. Christopher Hill, <i>The Century Of Revolution</i> , 1603-1714. Nelson, 1961. (A History of England, Vol. 5). | <i>Reasons For World Hunger</i> , Penguin Books, 1976.                   |
| 2. Susan George, <i>How The Other Half Dies: The Real</i>  | 3. Henry David Thoreau, <i>Walden</i> , 1854.                            |
|  | 4. Henry George, <i>Progress And Poverty</i> , New York, Appleton, 1879. |

and paper-making, saw-milling and logging operations have annual combined sales of the order of £1.12bn. It had a tax-paid profit in 1987 of £91m! It is with this kind of enterprise that power and influence lie.

Fletcher Challenge Canada and the commercial fishermen and canning companies of British Columbia have this in common, that they are among the 20th century representatives of big business founded on mainly rent-derived and land-monopoly-dependent accumulations of capital, which had its origins in the seventeenth. As Christopher Hill<sup>1</sup> puts it: "Industry was ceasing to be primarily the affair of the small master craftsman and the free miner: the London capitalist

and the enterprising landowner played an increasingly important part".

SUSAN George has devoted a book<sup>2</sup> to showing how land-and-capital monopoly, now grown to full size, exerts its great strength to achieve a maximum return for its shareholders, with a minimum regard for the well-being of the population in the places where it operates.

Though recognising that present systems of land tenure are the root cause of the growing division between the rich and poor of the world, and awarding first place to land reform in her suggestions about what needs to be

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## LETTER

# Keep your 'Turnover Tax'

ROGER DOUGLAS, New Zealand's Minister of Finance, was in Vancouver, British Columbia, on 27 November, 1988 to address the Canadian Tax Foundation. News reports were universally complimentary.

On the personal level it is easy to respond to the ebullient Roger Douglas. It is not as easy to respond with enthusiasm to his economic recipe, the principal ingredient of which is said to be the Value Added Tax - the dreaded VAT!

The VAT is a tax levied throughout the chain of production. In New Zealand it has been renamed the Goods and Services Tax (GST). It could equally well have been named the Turnover Tax in that it resembles the "turnover tax" that has been applied for decades in the U.S.S.R. The Soviets have certainly found their TT productive of revenue. One suspects its "productivity" is the feature attractive to other bureaucracies as well - weightier by far than considerations of efficiency, say, or equity (though the latter is always given lip service).

Canada's Finance Minister Michael Wilson is, like Mr. Douglas, a pro-VAT accountant. With the re-election of the Mulroney government, including Mr. Wilson, I was prompted to read Roger Douglas' *Toward Prosperity*,\* which was published in 1986 in New Zealand.

*Toward Prosperity* may be read partly as the biography of a man, partly as the description of an idea, a political party, a process. Or it may be read as a handbook for politicians. The story moves swiftly. It is personal, direct, interesting and even engrossing at some points.

\* *Toward Prosperity, People and Politics in the 1980s, A Personal View*, by Roger Douglas and Louis Callan, David Bateman, Auckland, 1987.

Roger Douglas has been able to dissipate somewhat the stench of VAT (in my nostrils at least!) in several particulars. Reassuring on the philosophic side are: 1) his unwavering commitment to individuals as opposed to institutions; 2) his abiding concern for the low man on the totem pole; 3) his respect for the allocative function of the market; 4) his insistence on linking the tax and benefit systems; 5) his apparent grasp of the land question. Arising from these concerns, New Zealand instituted welfare and other measures along with the GST, thus tempering its regressive effect.

Reassuring as well, since his coming to office in July 1984, is the drastic and proven simplification of tax imposts within the New Zealand revenue system, not to mention the dismantling of a host of subsidies to industry and agriculture. To accomplish such changes requires clear-headedness and conviction. Even in a unitary and comparatively small country it cannot have been easy.

If British Columbia could cut itself off from the land mass of Canada and drift a few hundred miles toward Hawaii it could be another New Zealand. However, B.C. is at the mercy of a federal administration that is hell-bent on instituting VAT while it gives little promise of mounting the counterpoint measures. In any event, there is less hope that such measures will be taken in a federal state.

It would be valuable to have a New Zealander's assessment of Mr. Douglas' program and accomplishment even though the experience would not be directly adoptable in Canada. As it is, when Mr. Wilson gets through with us I fear Canada is going to have the worst of both worlds.

Mary Rawson,  
Vancouver, B.C.

HENRY GEORGE  
SESQUICENTENNIAL  
CONFERENCE

A CELEBRATORY conference to mark the 150th birthday of American reformer Henry George will be held in Philadelphia, the city of his birth, from Saturday July 29 to Sunday August 6.

This will be the 18th conference staged by the International Union for Land-Value Taxation and Free Trade, and will be held jointly with the Council of Georgist Organisations.

Plenary papers have been invited from scholars, which will then be published by the Centre for Incentive Taxation in England in conjunction with Shepherd Walwyn Ltd.

The conference will be held at the University of Pennsylvania. Charges:

- Conference fee: \$40 (£22.50)
- Accommodation: \$395 (£220).

IU bookings should be through 177 Vauxhall Bridge Road, London, SW1V 1EU, England. CGO bookings should be through their New York office.

## Murder of a champion

**SAO PAULO:** Landowners have gunned down the 44-year-old farmer who has opposed the exploitation of the Amazon rain forests. Francisco Mendes was assassinated at his home in Xapuri, in the state of Acre, by the son of a cattle rancher.

The 21-year-old assassin's father is reported to have had a land dispute with Mendes, the founder of the Union of Forest Peoples, an alliance of Indians and rubber tappers.

Mendes championed traditional methods of living and working in the forests, and he organised the blockade of machines sent in by landowners to clear the trees for cattle farms. *See Page 23.*

**EDINBURGH:** Landowners are being given hundreds of thousands of pounds in return for not planting trees in special nature conservation areas.

The payments are made by the Nature Conservancy Council, which Scottish environmentalists predict may pay millions of pounds more to landowners who have discovered a loophole in the law.

Explained Mike Thornton of Friends of the Earth (Scotland): "The NCC's policy is an ill-conceived device for giving large cash handouts to well-off landowners for doing nothing."

One Scottish farmer is quoted by *The Guardian* (Dec. 31, 1988) as stating: "It's a famous scam which a lot of people are taking advantage of. If you've got a nice meadow or some open peatland, you apply to afforest it. Because it's a site of special scientific interest, you get rejected and you get compensation."

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done, she has apparently not heard of Henry George's solution of taking rent for public revenue, which has already achieved some satisfactory results, even in partial applications.

The existence of this contrast between the states of the very rich and the very poor in Canadian society suggests a good reason why the Indian tribes are reluctant to forsake their old way of life, and adopt that of the white man.

One is reminded of Henry David Thoreau's story<sup>3</sup> of how Winslow, afterwards Governor of the Plymouth colony, paid a ceremonial visit to Massasoit, an Indian chief, and how, during a stay of two days and a night, was given nothing to eat but his and his companions' share of two fishes, which were all that his host had in the way of food.

The Indians evidently considered that an apology was no substitute for a meal: so they all tightened their belts and said nothing. On a subsequent occasion the visitors were fed sumptuously.

If you lead the primitive life, in fact, you are

all hungry together when there is no food; but, in a city, you can go hungry while others gorge themselves.

Henry George, in a memorable passage<sup>4</sup>, stated that, though "he was no sentimental admirer of the savage state", if a choice were possible, he considered it would be wiser to choose to be a savage in preference to being a member of the lowest classes in such a country as Great Britain.

Probably the Indians of British Columbia suspect that most of them would be consigned to the lowest classes, and feel the same.

Let us imagine, however, a Georgist Canada, in which land was available on equal terms to all, rent was devoted to public needs, wages were a full equivalent to the value created by labour, and capital was accumulated wages rather than, as now, accumulated rent.

I suggest that, in these circumstances, the temptation to opt out would be minimal, and that the problem of Indian lands would sooner or later solve itself.

*A successful start has already been made with site value rating in some British Columbian cities.*