

Strategy: Time to Decide

Under "Which Route to Justice?" Tony Vickers (*L&L*, Autumn 2000, p.3) opens a most significant debate for the Georgist Movement. Will it gather strength by "small fiscal steps" or by the "frontal assault" of George's philosophy?

The "frontal assault" was the route George himself adopted in his lectures and writings; and it was the route he spelt out in his crucial utterances. The method of "small fiscal steps" seems to have originated from those around him.

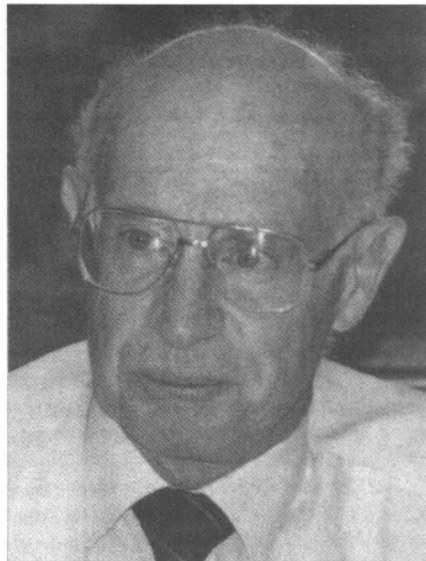
In the concluding chapter of *Social Problems* George says "Social reform is not to be secured by noise and shouting; by complaints, and denunciation; by the formation of parties, or the making of revolutions; but by the awakening of thought and the progress of ideas. Until there be correct thought, there cannot be right action; and when there is correct thought, right action will follow". That is the "frontal assault".

The Science of Political Economy begins "The place I would take is not that of a teacher, who states what is to be believed, but rather that of a guide, who points out what by looking is to be seen". That is the "frontal assault".

It is strange to see the article in *Land and Liberty* imply that the enunciation of basic moral and economic principles and their implications — the "frontal assault" — is not even an "alternative way" to justice.

George was reluctant to adopt the term "single tax" to describe his philosophy; it was only "the method he would take to apply it", according to his son. George said that it was "the fiscal side of our aims", and even "a misnomer". One can think that it was a "misnomer" because it implied that the aim was simply to replace all existing taxes by one tax upon land values.

While the US has had its two-rate property tax, Australia has had its "land tax" and "site value rating". The gradual imposition of land value taxation is certainly closer to what George proposed. Yet, besides proving c. 1920 that the collection of the full economic rent by "Twelve Steps of One Penny"



FEATURE LETTER by RICHARD GILES

in the Pound of land tax was far more difficult in execution than what it seemed; the Melbourne Georgist Fred Hodgkiss wrote: "The Land Taxer's ideal — of rising symmetrically from an all-round minimum Penny to an all-round minimum Twopence, then a basal Threepence, and thus by successive minimum steps — in Australia shows no glimmer of realisation". Accenting the difficulty of getting to the "12th Penny", some in Australia presently advocate not even trying. Instead, they say, aim for a tax mix which has a proportion of land tax that will not be difficult to attain; that will still collect a substantial part of economic rent; and that will at the same time yield an increase in land values that attracts property owners. The reader must be left to judge whether that or the two-rate property tax exudes the spirit of Henry George.

One reason why it has been so easy to blow over so much of site value rating in Australia

in recent times is that no one knows what site rating was about anyway — few even knew in the early 1900s. This is the trouble with "fiscal reforms". In this regard one might see the recent Goods and Services Tax (GST) as a prelude to an assault upon land tax.

TIME IS RUNNING OUT for the Georgist Movement. In Australia less than a handful try to undertake full-time propagation — I say "try" since it is regrettably true that much time is consumed by attempts to get funding — and there has been no significant education undertaken for more than a generation.

Why is the movement imploding? I suspect the reason has to do with the debate about "small fiscal steps" or "the frontal assault".

In Australia there is too little education in the basic philosophy and economics of Henry George to attract more than the few individuals who "see the cat" after a handful of classes. Most of us need more exposure to Henry George than a few lessons. Those who claim to know all about Georgism without coming to classes — they have learnt it from someone or been convinced by a leaflet — are generally of the "small fiscal step" kind. They are confident that if they spend enough money they are going to convert the world. They denigrate reading and education; it all seems like wasting time. "Let's get on with it."

One of the wisest Georgists produced in Australia, the teacher of a whole generation of devoted Georgists (I refer to Mr W.A. Dowe), emphasised reading. I initially thought he was wrong. Now I know he was right. The world is not refashioned by pieces of legislation; it is done by changing minds.

The basic moral and economic principles which George pointed out are still there and, as he said, they are simple to see for those who will look — far, far more effective and comprehensible than fiscal arguments about some small addition to land tax or the land component of the two-rate property tax. George was not a fiscal reformer; he was a social reformer.

The Export Myth

Sir, All countries can't export more and import less!

If half the countries in the world want to export more and import less, then the other half must import more and export less. Export wars, in fact, are the direct result of workers in all countries being underpaid. As a result they cannot afford to buy the goods their own

country produces. Hence the need to export the surplus goods, hence export trade wars and often consequent real wars.

Inversely, if we were to export far less meat it would not lead to increased unemployment. If we send less meat to other countries they will send us fewer of their goods. Hence we would have

to produce those goods for ourselves. Hence work lost in the meat industry would be gained in other industries.

The more we export and the less we import the poorer our country becomes in terms of real wealth. We may have more foreign money but we have fewer foreign goods and at the same time

have given the foreigner more of our goods. Our real reason for exporting is to import. We send out the goods that we can produce more cheaply and import the goods that other countries can produce more cheaply. C.H. Stowasser, Australian Rights Movement Mapleton, Australia