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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.

THE POVERTY OF ECONOMIC PHILOSOPHY

By Karl Williams

The year is 2092 and Kerry Packer IV has again increased every Australian's air levies. Some whingeing malcontents question our Airlord's right to privately own what was once considered to be the natural birthright of every person, but they are soon convinced that Kerry's great-grandfather worked extremely hard for the billions with which he bought the rights to purchase the Southern Pacific air licences in 2002. In return for his contractual obligations to maintain a specified level of air cleanliness, he won the "right" to extract an annual air rental from every air-breathing human residing in his dominions.

LOOK AROUND YOU, STOOGES!

Feeling a bit hot under the collar over this opening number? Do you reckon you'll look for a loose brick the next time you pass one of Packer's shining glass buildings? May I suggest, then, that you open the other eye and seriously question the justification for land ownership?

As no person ever produced land or natural resources, should they like air be the equal and common inheritance of all humankind? Is land something exceptional (or sacred, according to many indigenous peoples) or merely another commodity to be bought, sold and used as a means to profit? Does the Earth belong to us OR DO WE BELONG TO THE EARTH?

Despite the lack of pre-industrial technology, there have indeed been relatively peaceful and prosperous civilisations on this planet, when every person had equal access to work through free access to that essential factor in all productive effort land. He/she repaid the community or feudal lord for the use of this scarce resource, in proportion to the agricultural productivity or locational value of the land through their annual land taxes (more

properly called land rentals). Idle holders of note were thereby forced to put their lands to good use, or pass them on to those who would. In such societies where this large natural fund was collected for social welfare, as well as the maintenance of basic infrastructure and defensive needs, all other forms of taxation were unnecessary. In the West, this era ended in about the 13th century, with the gradual enclosures of The Commons.

CHANGING TIMES, TIMELESS PRINCIPLES

'Hang on, boy,' I hear you say, 'we're now living in an industrial society where different land uses and economic relationships have meant that we're playing a different ball game.' I grant you this, but as long as we're bound to these physical bodies which are in turn bound by gravity to the Earth, are we not just as dependent as ever on the Earth for our very existence? Here in our "land of sweeping plains" do we not find that all the seats are taken and as a result have to spend many years working to purchase "our" block. Concerning third World countries (where too often a handful of land-owning families "own" the land), Old World countries (with the titled land

barons and dukes) and outrageously expensive cities such as Tokyo (where unearned speculative profits for the few mean losses for the many), the issue of land ownership, and the whole economic system that is built upon it is more pressing than ever.

THE THIRD WAY

Western economies are controlled by economic quasi-illiterates, with little sense of history and even less understanding of a true sense of social justice. The few who have pleaded with Boris Yeltzin to NOT privatise Russian land, have been but voices in the wilderness — soon the rural families who have worked the land for generations will most likely be beholden to absentee landlords, who will progressively raise

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the rents as tax-funded infrastructure increases the value of their land.

Again, land has been confused with capital. Leave aside the philosophy for the moment – land is vitally different from capital because:

- it is relatively fixed in supply, and becomes a scarcer “commodity” as populations rise;
- the occupier does nothing to improve its value – this can only be done by the presence of surrounding population and infrastructure;
- it is essential to all forms of terrestrial life.

Marx wandered from this fundamental distinction, as have all prominent 20th century free-market economists. The last major economist to restate this distinction, was the American Henry George (1839-1897) who elaborated on the enormous consequences of basing a whole new civilisation on this timeless principle. How then do we translate these insights into a comprehensive, coherent and socially-just economic system? Here I'll simply assert that it has been done, but I'm not even going to start to explain how virtually every economic and social principle by which we live would be turned on its head. It's no panacea of course, (in fact most students of Georgist Economics readily acknowledge a number of mistakes in the original theory) but it holds out the equity of socialism and the liberty and prosperity of the free market system. If it could be briefly explained, it would have been adopted long ago, and to attempt such a simplification makes it sound very Mickey Mouse.

OUR MONASH MENTORS

It's very strange, don't you think, how our enormously influential economists, be they politicians or academics, have not seriously overhauled their theories despite decades of proven policy failures? This writer has this year personally approached every professor and almost every lecturer in the Economics Department in an attempt to open up the discussion on Georgist Economics. With five or six notable exceptions, he has been met with examples of the narrowest academic orthodoxy, outright hostility due to plain ignorance (about half of our learned teachers had not even heard of George or his predecessors) or mental ossification (i.e. “too old to change”). How much of their reaction was due to them protecting their absurd livelihood is difficult to ascertain. I was continually refused the opportunity for peaceful and polite discussion, much less

open public debate in our so-called “open learning institution”. At least no-one tried to burn my books!

SO WHERE TO NOW?

For the immediate future, there seems little hope of reforming our economics curriculum while those who have “sold out” continue to set the agenda. Those of you who wish to begin the private study of this philosophy and economic theory may contact me on (03) 754 8356. There's a lot in it for Greenies and peace activists, too. But for those mindless masses of soulless profit-seekers, I suggest you get in early and make a killing on the stock exchange if a public offer is made to subscribe to Packer Air Holdings. You mightn't have long to wait – the British Tories are at this moment seriously considering the privatisation of their water supplies.

Monash University,
“Lot's Wife” 19/10/92.