

# Poverty and Unemployment: *The Cure*

*A few words from Morris Williams, the President of Tax Reform Australia, who was for fifteen years a member of the Victorian Legislative Assembly, where he consistently advocated Georgist principles both in parliamentary speeches and in personal contacts.*

*When Progress first appeared on May 2nd 1904, it achieved all party support. Henry George's book "Progress and Poverty", first published in 1879, was widely read in Liberal as well as Labor homes. His book climaxed with an "Ode to Liberty" and espoused each and every tenet of the great 19th century Liberal, John Stuart Mill, but most especially collection of the economic rent.*



*Originally, Labor people were so impressed they placed land tax number one in their platform. The rampant Conservative Milton Freedman, more recently endorsed land value taxation as the least bad tax. Henry George always stressed the produce of the site was created by the labour of the producer and belonged solely to him. However, any surplus over the economic rent attributable to the marginal site, belonged to the community for enhancing the site value through patronage and provision of public utility services.*

*A strong anti-socialist, George opposed government occupation of land and always supported private enterprise, provided it paid the appropriate rent for the exclusive use of land sites. He emphasised that community growth tremendously enhanced the*

*differential advantages of location. As an example, in 1837 Captain Henry Howey paid £140 for the Howey Court site on the corner of Collins and Swanston streets in Melbourne, valued at \$100 million in 1989. Site rentals worth hundreds of millions have been sent overseas from the earnings of Howey Court and other city sites over the past century.*

*The top 1 per cent of income earners own about a quarter of the Site Value of all privately owned land, and the top 5 per cent about half. At the bottom end, at least 30 per cent of income earners hold no land at all. These great extremes of wealth and poverty arise principally because of the failure of Governments to collect the economic rental on land, which is now worth at least \$600 billion. A National University study suggests an annual levy of 1 per cent spent on railways, wharves, roads, water, power and other deficient community services, would halve the current level of over a million looking for work and the 3 million living below the poverty line.*

*Higher taxes to pay for Mabo compensation, more jobs, and the Olympic Games should only come from collection of the economic rent. All three are closely related to past, present and future land values created by the whole community and not by individual possessors of choice locations.*

*Australian Government and semi-Government instrumentalities collect less than 5 per cent of the economic rent when it earns at least a third of the national income. Thus although, taxing sites may appear radical, it is the most liberal and least violent of solutions to society's current ills.*