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H. B. Every, Dip. E.E.; E. M. BestPOSTED WITHIN AUSTRALIA
(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.

UNEMPLOYMENT A CURSE

By David Brooks

This article takes a look at the terrible condition called "unemployment". A new look at the subject is required and it is suggested that the conventional economic scholars' answers are neither good enough nor acceptable. Socialism is dead. It only remains to bury the adherents. Capitalism should be the next to fall. Are the Aboriginal people the only ones with a land problem? Perhaps the white man needs to recognise the value of the land.

It comes as a shock when the foreman, or department head, walks up to you and, with a sad look, hands you a letter. "Sorry, the market you know, please be off the premises within ten minutes." It had been rumoured for over a month . . . "They've fired 60" someone says. But it doesn't matter. I'm one of them. What do I tell the missus? What about that trip I promised the kids? How do I pay the mortgage? Hell I've been doing this job for fifteen years now. What do I do now?

Wonder what they've paid me?

Two weeks and one week for every year of service, less tax, (that bastard always gets his cut no matter what the circumstance). Won't go hungry for a few weeks. Let's clear out my locker. . .

The story is not new. It's an event that has been played out many times over many years by far too many people. The results are devastating for those affected. Far too many lose their home; suffer a marriage breakup; lose their self respect; some even suicide. They have been rejected by society; denied the right to earn their own living; forced to be idle; refused the chance to feed even their own belly. The situation in some cases is eased. After a K.G.B. type interrogation you may be allowed to claim a "job search" allowance. But

please remember, we have to keep the figures as low as possible, so . . . any excuse . . .

The political events of the past few years have been only a little short of amazing. The fall of the Berlin Wall and subsequent re-unification of Germany. The demise of the Soviet Union and defeat of Socialism. It has been well shown that anything is possible in the world of politics. And it does not have to take a lifetime. Even the long awaited demise of capitalism is a possibility. The reasons we elect people to parliament is to sort out the right from the wrong. To clearly stand in support of that which is good. To bring about reforms which will see the end to such injustices as unemployment. What we have got ourselves, as with just about every other parliament in the world, is a bunch of red and blue chooks with large mouths, no brains, and our well being to play with.

Only you, the voter, can change things for the good. And then only if you know what is and what is not good. To leave it to others is akin to leaving the crown jewels in the care of Ned Kelly.

Unemployment. Is it caused by fiscal policy? If so it is man-made. And the present federal government controls all fiscal policy. Have they really deliber-

ately put men and women out of work?

Perhaps there is another answer. Inability to pay the high price required for land can cause a total block in the economic system. This is a continually expanding society. How is it that a land shortage, created by high price, can be allowed to impede the progress and welfare of the people? And how is it that our political system continues to ignore this most basic of wrongs? Unemployment does no good for anyone, whether they be employee or employer. If there is a 15% unemployment rate then sales of everything are reduced by 15%. That is food, clothing and housing. (A new car! What's that?) The fear engendered into the rest of the working population reduces even further those sales. (Buy only what is absolutely necessary, we may be next.) Cash in hand is the only asset.

INSIDE:

- A Man-Made Trap
- Victorian Land Tax Changes
- Dates for your Diaries

(See Back Page)

No one gains from unemployment. Many suffer needlessly. The "conventional" scholars in economics have failed us. Who will stand for change? Who will stand for justice? Reform does not come from the top. It comes from those afflicted with injustice. And there is a damned lot of them around in Australia at this time.

With acknowledgements to

David Brooks

117 Minto Road, Minto, N.S.W. 2566

WHY?

R. D. Coyle

I first came across the teaching of Henry George when, in 1952, I read his best-seller, *PROGRESS AND POVERTY*, and was struck by the sincerity of the writer, and the simplicity and fairness of the economic system he was advocating. I thought this seemed the logical way to go.

As a boy growing up in Ireland I was taught by my parents that good will always prevail. When I asked "Why?" they replied, "Because that's how things are in this Universe". Remembering my parents' words, I ask if George's ideas are basically sound, in both a moral and an economic sense, and so provable in practice, why have they never caught on throughout the so-called civilized world? Why are people still denied the benefits that Henry George said would flow from the universal adoption of his economic system?

I must rule out ignorance because today's top economists and politicians are operating systems that are more complicated than those suggested by Henry George. I'm sure the Rulers of many countries must know the enormous advantage that using the Henry George economic system would confer on the great mass of the people. So, why don't they use it?

I believe the answer lies in a single word: power. Rulers like to feel in control; to be able to manipulate people for their own financial advantage. There have always been those who rule and those who are ruled. Rulers favour an economic system that makes them rich through the efforts of the ruled, who are invariably seen by their rulers as ignorant and often expendable. Example: apartheid in South Africa. Sometimes a people revolts against those who rule and eliminates them, but the system they set up is invariably worse than what they had: e.g. the various

Communist systems that have been tried and rejected.

Looking at the various non-Communist economic systems we find there are still those who work and those who believe that birth or destiny has singled them out as non-workers, people who live with the illusion that the mere possession of wealth, in whatever form, entitles them to live a life of luxury paid for by the masses.

People who milk the present economic systems to their own advantage are not going to change, especially if it means they'll have to give up some of their wealth so that less well-off people may enjoy a better life.

Having found the reason behind the apparent failure of the Henry George system to catch on, we must ask the question: How do we change things so that Henry gets a fairer hearing?

I've come to the conclusion the answer lies in spiritual education, which properly understood and used, cuts everyone down to size.

Under the searchlight of truth people realize that in essence we're all equal, all entitled to a fair share of the world's riches. They appreciate that in an ideal world there can be no place for bully boys or exploiters. They see that the Creator, who made everything happen, wants everyone to play the game, so that, in the final analysis, we're all winners.

Once people begin to think along these lines they'll try to find a better economic system than they have. This will be the time that Henry George will come out of obscurity, and "good always prevails", will be proved.

In this world progress never stands still, so another economic genius may come along and show us how the apparently perfect Henry George system can be improved.

The spiritual education that would give Henry George a break, if implemented, would improve every aspect of life. People would become more tolerant and the desire to go to war would lessen. This would allow money earmarked for armaments to be diverted to more worthy causes. Crime would eventually be eliminated. Instead of waiting for the Government or 'Somebody out there' to make it all happen, people would take up the challenge to make the world a better place. Even the Irish people might be persuaded to believe that in the 'Happy Land' there can be no 'bully boys' trying to get even because of past mistakes.

Abridged.

WHY SITE RENTAL REVENUE REDUCES LAND PRICE AND DOES NOT RAISE RENT

Land price is the capitalisation of the yearly rental profit, i.e. locational profit, that can be obtained from a site. The more of the yearly rental that is collected for the community, the more land prices will drop. The price of a piece of land can be estimated if we know the yearly rental that can be obtained for it and if we know the current rate of interest. Then the land price equals the amount of money that would have to be invested at the current rate of interest in order to obtain a yearly sum equal to the yearly rental. Thus if the yearly rental was \$3000 and the current rate of interest 10% then, since 10% equals $\frac{1}{10}$ th, \$3000 would be $\frac{1}{10}$ th of the money that needs to be invested. Hence \$30,000 would be needed. This equals the land price. Now, if \$2000 of the yearly rental were collected yearly for the community, then only \$1000 yearly would be left for the landowner.

If we now estimate the land price equivalent to a yearly rental of \$1000, using the above method of calculation, we find that the land price would only be \$10,000. Hence it is shown that the more rentals are collected for the community, the less will be the price of land.

Also, in most cases for tenant businessmen rents will not rise if the community collects more rental revenue because the landowners are already collecting all the surplus over marginal land. Any rise of rents for the tenant would force him to vacate the premises. On the contrary, if more rental or potential revenue is collected for the community from all land, whether used or not, the more likely it is that rents will fall somewhat. This is because landowners will be competing more for tenants in order to pay their site revenue.

Rents for tenants will only rise because of increased development or population traffic in the area. The greater the amount of this rent increase that the community takes through site rental the more we can remove the burden of taxation from industry and the mass of the community.

Australian Rights Movement,
P.O. Box 747
Nedlands W.A. 6009.

OUR AIMS

To liberate production from taxation, the earth from monopoly and humanity from poverty.

A MAN-MADE TRAP

Pity the Bangladeshis who, by the tens of thousand, were drowned in the last monsoon.

And those who will not survive the next giant wave that will flood their homes.

On the surface it looks as though they are trapped in the middle of an ecological nightmare.

From the north, three great river systems come sluicing down to the Bay of Bengal. Together, they carry enough water each year to cover the low-lying country – which, periodically, is precisely what they do.

From the south, the tropical cyclones come charging into the coast, demolishing the fragile eco-system on the mudflats.

But this is a man-made trap.

The deaths are not the result of natural calamities, for these people ought not to be living on the silt on the edge of the Bay.

They are social castaways, marooned on mudflats because they were driven off good land by private property rights in land.

As landless peasants, they had no option but to move further away from the high ground and on to *chars*, the low-lying tracts from which they eke out a precarious existence.

BANGLADESH, then, symbolises an anomalous legal and economic situation, one that afflicts every non-socialist country in the world today.

No amount of foreign aid is going to allieviate the Bangladesh family's vulnerability to inclement weather.

The fundamental reality is laid bare by the fate of the children.

- 870,000 children below the age of five die of malnutrition or disease every year.
- Nearly 30,000 pre-school children are blinded each year by Vitamin A deficiency.
- A quarter of the child population works for a living.

Curbing the high fertility rate would not solve the structural problem: it would merely alter the numerical degree of suffering. Fewer babies merely translates into less business for the mortuaries.

We are not arguing against family planning programmes. Merely emphasising that these would not translate into higher living standards or better levels of educational attainment.

Western agencies, then, ought to be emphasising knowledge, and we are not referring to the "green" variety – higher yielding crops. Bangladesh did adopt these improved variety of seeds. But that has not meant more food in bellies: in the last 25 years, the average Bangladeshi consumed fewer calories.

So where did the value of that improved productivity go? It was eaten up in the form of higher rents for the landowners rather than higher *per capita* incomes for the sharecroppers.

Whether we like it or not, there is one solution only to the plight of Bangladesh: a reversion to the communal philosophy of land tenure, the one that pre-dated the arrival of colonial Britain.

That does not mean a retreat to tribalism. Peasant farmers generate higher yields when they work on family-sized farms. The collective form of enterprise, in the modern era, has been thoroughly tried out by the socialist countries of nearby Vietnam and Cambodia.

And they failed.

THE SOLUTION is an economically simple one: the socialisation of rent.

That fiscal policy has its tribal antecedents; and western agencies – such as the World Bank, the United Nations, UNICEF even – could disseminate the information to make it possible for economically under-developed countries like Bangladesh to adopt a modern variety of the policy.

There is only one snag: the political will. But once the possibilities have been laid out for the people, it is up to them to apply the solution.

Bangladesh, after all, is supposed to be a democracy.

"Land & Liberty",
July/August, 1991.

30 KILLED DURING STRIKE OVER VAT

At least 30 people were killed and 46 injured in South Africa as the nation geared up for a two-day general strike. The action was in protest against the imposition of a value-added tax on basic foods and medical services. ("Age", 5/11/91).

Eleven miners died and 32 were wounded at a gold mine in Welkom in the Orange Free State.

DEATH OF MR. LEW ELLIS

We regret to report the death of one of our South Australian stalwarts, Mr. Lew Ellis, who was a vigorous champion of our principles. For many years he was a trustee of the Henry George Foundation. He was a catalyst behind site value rating campaigns in South Australia on numerous occasions. A photograph of Mr. Ellis on his 80th birthday (right).



DID YOU KNOW?

The days are long gone in Britain when royal births had to be witnessed by a host of officials and the public. This was to guard against the substitution of a live baby in the event of a still-birth.

The father would take the child out to the crowds and, to prove that the baby was of the royal line, he would place his foot on a special stool and set the infant on his knee. Thus, from the French *genu*, a knee, we derive *genuine*.

As for the common man, each year all peasants and smallholders had to parade before their lord and kneel on a piece of turf cut from their land. In this way, they acknowledged that both the man and the land were the property of the lord. Humility is derived from the Latin *humus*, meaning soil.

Graeme Donald.

In Canberra, when a zoning change to a more intensive land use in this capital city is approved, the increase in land value is subject to a betterment levy which can be as much as 100% in the case of leases of less than five years.

LETTERS TO THE EDITOR

RENT

I entirely agree with Dorothy Davies ("Progress" April, p.6) that rent is often a confusing word. We should use the words that outsiders understand.

The first necessity is to attract attention. That is comparatively easy if we are keen enough, but in itself it does little good. Those we attract must go further than be interested, they must follow up, by discussion and reading, until they acquire some knowledge of economics. Not until they understand rent do they understand economics, and then the political steps for abolishing modern poverty amidst plenty.

To arouse interest first, by contact and discussion, then induce the outsider to read the introduction to "Progress and Poverty". After interest is aroused induce him to study Book 3 of the same book, and then a chart illustrating Ricardo's Law of Rent. I will post a free chart to anyone who requests it. It should teach him to understand, as Henry George wrote, that Rent is surplus.

Production

Superficial errors or slips should not worry us. Even George committed them, and we find two of them in April "Progress", i.e.

- (1) Rent is not the price of monopoly, but will flourish even more when monopolies are abolished, and
- (2) Rent is not in essence a payment to a landowner but is the surplus product.

W. A. Dowe,
19 George Street,
Marrickville, NSW 2204.

WHAT IS RENT?

Page 7, April's "Progress" gives a pontifical sort of quotation from Henry George: "Rent is the share in the wealth produced which the exclusive right to the use of natural capabilities gives to the owner".

Although it accords with the writings of Adam Smith, David Ricardo and most of the other classical economists, the wording says nothing as to the process whereby rent occurs.

Those writers, and Marx likewise, seem all to have looked at rent from the viewpoint of the recipient owner who keeps it as his personal income, but the productive process appears only when we look from the perspective of the occupiers who have to pay.

Their work requires assistance from the providers of defence and security, plus facilities such as transport, communications and public health. Along with the producers' own labour costs and those of their suppliers, everything gets reimbursed by the ultimate consumers.

Obviously, the natural site rental – not the monopoly additive – is the market worth of the facilities supplied by the public servants and is therefore what occupiers should pay to the landowners for passing on to the government.

Leaving nothing then to be distributed as a Marxian 'surplus', or as a Georgist 'unearned increment', this approach lets the market settle the figures for everything. Site rentals then, applied as government revenue, would ensure that each of us would eat bread in the sweat of our own brow.

W. H. Pitt,
Nunawading, Vic.

RECOMMENDED ACTION RESPONSE

Whilst sympathizing with the hopes of those proposing letter writing to newspapers or a politician, I feel the idea would be more profitable if directed to encouraging the adoption of Proportional Representation for all elections, especially since the Society's recent success in Canberra.

Though local papers might, the daily newspapers won't print letters that advocate S.V.R. Georgists shouldn't need the reason explained to them (the same reason that politicians won't support S.V.R.). However, municipal council elections are due this August, and every August, so letters advocating the Hare Clark system for elections should be acceptable to local papers, particularly if they are controversial.

If you read your local paper, you will see the usual attacks on councillors due for re-election beginning, or equally outrageous statements being made by them. Our "local gem" is to legalize marihuana and develop a marihuana industry to create employment. Councillors are elected unopposed because those standing against them have always been defeated by the exchange of preferences to exclude anyone not wanted. Proportional Representation would eliminate this.

Without wishing to discourage them, I think it is only fair to remind our advocates of recommended action that hundreds, if not thousands, of excellent

letters have been written by Georgists to politicians since the turn of the century. A response from Simon Crean to the Danish experiment letter differed not one whit from all of the other banal responses politicians make. Accordingly, I urge our advocates to apply their collective wisdom to drafting letters to achieve Proportional Representation, which I am convinced will provide us with the route to the eventual introduction of S.V.R. anyway.

Dorothy Davies,
Mornington, Vic.

GOVERNMENT REVENUE

With the letters of Syd Gilchrist (Feb. '92), Ivan Robinson and Dorothy Davies (both April '92) in mind I would like to comment on nine months' experience displaying the signs "ALL TAXES ARE LEGALISED THEFT!" and "RAISE ALL GOVERNMENT REVENUE FROM SITE RENT!", prominently on my small van in its Melbourne/Canberra/Sydney travels.

Hundreds of people have reacted positively, one last week was negative.

Conservatively, scores have asked for further information, no-one has questioned the first statement "ALL TAXES ARE LEGALISED THEFT!", so we should capitalise on the P.R. value of that – they all start off on our side! Our job is to keep 'em there not alienate them by exposing them to our own internal confusion (hostility?) over terminology as demonstrated by two of the three "Progress" letters referred to above.

ALL enquiries begin the same way – "what is site rent?". The second query is invariably "would it raise enough money?"

The first question is easy to explain in simple terms but what Georgist can answer the second? We have collectively failed in this area (sidetracked into semantics?), and I suggest our efforts must be concentrated here to produce realistic estimates – an annual Georgist budget?

I have found it easy to portray ALL TAXES as arbitrary, unsystematic, opportunistic and illogical GRABS for money wherever a Government sees an opportunity – indeed THEFT!

The concept of site rent can be explained as the logical payment for the use of something – in this case land. No one expects to have the free use of any other commodity (cars, tools, TVs, video movies, etc.) so why should land be different? No one I have put this question to has come up with an answer,

much to their own surprise! Nor have they ever treated my spiel with scorn as suggested by Mr. Gilchrist.

I myself argued strongly with Bill Pitt against the use of the unwidely used (unused?) term "site rent", and in favour of the more initially understandable "land tax", but I now see the logic and the P.R. advantage to us in condemning ALL taxes as immoral, unethical and unnecessary. It is simpler to lump them all together and bag the lot of them than to explain why some may be acceptable whilst others are not. A CLEAR distinction can then be made in favour of a simple, logical and just source of revenue – site rent. To this end I suggest that in all our literature we always use both terms – in the form "land tax/site rent", to emphasise the difference to both outsiders and confused insiders. It took me a long time to "wake up" to this now obvious and logical difference but I can now express surprise as to how Georgists of long standing remain confused. Perhaps repetitious use of the suggested notation will cause "the penny to drop". None of us can afford to be illogical or confused in the presentation of our platform and we must be collectively consistent.

Mal Booth,
Hensley Park, Vic.

PRESS LETTERS

WATER PLANS ARE ALL WET

Melbourne Water's announcement that it proposes to continue the move away from rates based on property values (to a so-called "user-pays" system) is an atrocious decision.

Within the existing metropolitan area, private tracts of land are still being held out of use.

There is little incentive for their owners to play the game – that is, to compete – so, they hold land out of use at their whim, until it can be sold at a suitably speculative price.

Melbourne Water apparently doesn't realise that these dead pockets add massively to social and infrastructural costs, as new development is required to "leapfrog" over them.

It is obviously the intention to continue to reward these vacant landholders (as currently under the NAV rating system) on the shallow pretext that they use little or no water.

Melbourne Water should not need reminding that water falls freely out of the sky.

What we have to pay for are the dams, reservoirs, and mains – which collect and distribute our water.

As Melbourne's population grows, or as we waste water, there are clearly greater demands on this infrastructure but Melbourne Water's charging system in no way gets to grips with the greatest cause of escalating costs – massive urban sprawl into our hinterlands created by the inefficient use of land.

Melbourne Water and the State Government should have their eyes opened to the timeless equity of site value rating – where we *all* have to pay on the basis of the land we hold. Under this system the "non-users" pay their fair share for water services which pass their land and add to its value. In the process, the vast majority of us would have far-smaller water bills.

Melburnians are justly proud of our water engineering feats, but the new charging system is social engineering at its worst.

Bryan Kavanagh,
Glen Waverley.
"Herald/Sun", 13/4/92.

SITE REVENUE: KEY TO ECONOMIC SANITY

(The following excellent letter was submitted to "The Australian", October 1991.)

The Australian middle class only has its own apathy to blame for being bled dry by taxes. There is a clear alternative to our present complicated and anti-productive tax system, and a sovereign remedy to most, if not all, of our economic ills: Site Revenue.

In a Site Revenue economy all taxes (from income, payroll and sales tax to excise, tariff and stamp duties and imposts on financial transactions) are ended. Instead, the annual rental-value (as fixed by the free market) of sites privately occupied is collected to be the sole source of public monies. These sites may be on land (industrial, commercial, residential, agricultural etc.), on or in water (e.g. moorings, oyster leases), or in the air (high-rise, flight-paths, atmospheric pollution, broadcasting bands).

Sites are in limited supply and were provided by Creation, not made by humanity. This gift must not be negated. The value of sites is created by the entire community, not by the site-holder: this, and this alone, should be socialized. The only vestige of this proper socialization in Australia, Land Tax, is now under unwise threat, especially in

Queensland. Economic sanity is impossible unless those granted monopoly tenure over sites pay due Site Revenue back to the community. All other forms of revenue impede production and initiative or coddle incompetence.

Site Revenue would force governments to live within their budgets, and the utilization of sites to maximum economic advantage. Sites unused, or held merely for speculative purposes, would perforce be disgorged. The major cause of environmental abuse, inflation, boom-bust economy, rich-poor gap and (equally with attempts to legislate for morality) public graft, and the crippling price of sites (but not of improvements upon same), would all be destroyed.

Work (at a minimum as a comfortable, independent peasant) would become available to all willing to labour with hand or brain. Having options to wage-slavery, workers would be in a good bargaining position as against capital, so trade unions would become superfluous and co-operatives be fostered. Welfare dependency would be decimated. Political power would decentralize, with Site Revenue being collected locally and remitted inwards through regional to national level. Investment would be forced into productive, rather than speculative, enterprise. Foreign investment could no longer parasitize upon our community.

Politicians, bureaucrats, academics, trade union leaders and the welfare lobby are all well aware of the Site Revenue case, but all co-operate (recklessly and informally) to quash it, without advancing viable arguments against it, so as to divide the community and preserve their own vested interests. Middle Australia and the environment are the big losers.

Site Revenue is neither Communist nor Capitalist: just common sense. It is about time Australia too had its own revolution, took the strong medicine of Site Revenue and led the world.

David Spain,
Bundall, Qld.

"The Georgist approach retains its appeal because it would do away with taxes on working and saving. Another excellent argument for it is the mess of a system our government has concocted in the process of rejecting it."

Jerry Hester,
"Kansas City Star"
3/4/91.

JUSTICE OR AID?

The letter of Jean Falconer opens up the theory of the Rev. T. R. Mathus (1716-1834) which was that population will outstrip the food supply of the earth. It was a worthy and early contribution to economic thought which of course gave way to further development.

It has been demonstrated that the Mathusian theory was a narrow view of economics looking at the population question in isolation. Biologists have pointed out that for every mouth born into this world there are two hands, a brain and the mobility provided by legs to enable it to sustain itself provided it has an equal opportunity with all others to have access to natural resources from which it can draw its subsistence.

Mathus implied it was the niggardliness of Nature that caused poverty and not the mistake of mankind. In the early 18th century the dogma of religion was considered infallible. (Compare with the Inquisition and Galileo).

We now know that mankind, in his wisdom or otherwise, has upset the condition of equal access to natural resources. Some people have become more equal than others. People are divided into a privileged landholding class and a disadvantaged landless class. The disadvantaged are at the mercy of the advantaged.

As the "Review" very well knows where poverty and starvation is greatest alongside is to be found a concentration of greatest riches of a few. Where poverty thrives it is found that the land and its fruits are monopolized by a few. Large numbers of disadvantaged people compete among themselves to get employment from the few landholders and so reduce their earnings below subsistence level.

The points made in "Editor's Note" Review Summer 1991-92 shed worthy light on Jean Falconer's letter and it can be seen that in an affluent society usually the birthrate is low and in a poverty-stricken society is high. This is a natural phenomenon for in nature it is found that areas which have poor fertility or are subject to droughts most plants shed great numbers of seeds to provide for survival of the species.

Because compassionate people feel the economic situation needs improving there are welfare and charity workers trying to alleviate the suffering that exists. Since the beginning of time, charity has served the purpose of the exploiters of human beings. Charity has taken over the necessity there was to

care for the chattel slaves where the slaves were "freed" into economic slavery.

Charity thrives and it is supported of course by those who are the advantaged people of society. Charity is an invention of mankind to circumvent natural justice and preserve privilege.

The greatest charity that the human race can receive is the education that will lead to economic justice. All else is a facade to help some workers to disguise their ignorance of economics. People that recognize that there is something wrong with our economic system in the waters of life grasp at the straw of charity.

There is a great necessity for the work of your organization and it should never lose sight that one day charity must give way to economic justice. Charity is marginally tiding us over the transition stage to justice and at times also it seems to be retarding it. Despite this charity must go on, it cannot be relinquished. Until justice is acceptable the old must live alongside the new.

Soon there must be a turn-around from asking what can be done for the disadvantaged people of the world to why are some people disadvantaged. The latter question is in the realm of humanity and reason and the answer to which is always and freely available to all at the Melbourne School of Economics.

George Charles.
Sent to the organ of
Community Aid Abroad.

NEW ZEALAND PRIVATIZATION FURORE

The privatization issue is active in New Zealand, especially with a proposal to sell off the Port of Auckland. Our New Zealand correspondent Bob Keall reports:

"The privatization process seems to be an insidious way of affirming private property in land values. However, there is shining through the realization that leasing may provide an acceptable reconciliation."

One newspaper report quoted the old adage:

"The law that doth punish the man or woman,

That steals the goose from all the

Common,

But lets the greater felon loose,

That steals the Common from the Goose.

CAPITALISM, COMMUNISM AND LAND

Now the Synthesis.

Edited by Richard Noyes.

Shepherd Walwyn. £14.95.

Who is not either despairing or having doubts about a lasting solution being found to the economic sicknesses which have been destabilising nations both communist and capitalist, and having such disastrous effects on the planet? This book shows how the tension can be resolved.

It comprises a collection of ten papers which explore the synthesis of Capitalism and Communist Socialism; they were in preparation before the startling events during the last months of 1989, which corroborated their thesis. Included is a recent open letter addressed to Mikhail Gorbachev which was signed by three Nobel prize-winning economists and a list of distinguished scholars.

The effect on me of reading the book as a whole was liberating: Gramsci's 'Pessimism of the intelligence, optimism of the will' was synthesised into confidence. Three of the papers spontaneously roused what would be seditious thoughts, were there not the possibility for Constitutional change. What emerges is a new light on different facets of the philosophy of Karl Marx's contemporary, Henry George, which Marx repudiated at the time, whereas President Roosevelt held George to be one of America's greatest thinkers. Last December Milton Friedman in the *Wall Street Journal* raised the importance of Henry George's philosophy.

The distinguished American editor, Richard Noyes, believes in the coming Millenium with all its dimensions. 'History is giving birth', he declares with 'the world at the crossroads of a new epoch' after two centuries of industrial strife. What is needed is 'a holistic philosophy'. Necessity will produce a new paradigm which will incorporate duty toward the planet, making it no longer possible to separate social from environmental issues. Of Henry George he says, 'His vision of a new society and economic efficiency rests on two inalienable rights: the freedom of the individual, and the right of equal access to the fruits of nature'. Henry George distinguished between land as land, and land exploited for wealth.

Leo Tolstoy was a committed follower of Henry George's philosophy with its underlying spiritual element, and

understood exactly what he was getting at in *Social Problems and Progress & Poverty*. He went so far as to present a proposal for land value taxation to the last Czar; it was turned down flat (unwisely). In much the same way our Labour Government threw out (unwisely) the recommendations of the Peckham Pioneer Health Centre, in favour of Beveridge's mis-named National Health Service with its built-in defects.

Fred Harrison, Director of the Centre for Incentive Taxation, echoes Richard Noyes' call in his 'Post-Socialism and the Single Tax: a holistic philosophy'. He had investigated the structural defects which have been deliberately kept intact in the foundations of market systems around the world by governments conspiring with vested interests. He gives a thoroughly disturbing rationale for why everything is breaking down, and comes up with the answer.

Sir Richard Body, the organic farming conservative (sic) MP delineates the bugbear as 'protection'. He declares that 'nature is on the side of free trade', land explicates magnificently in 'Protectionism, Rent and the dynamics of Agricultural Degradation'. It amounts to an absolute indictment of protection. He uses the word 'land' in the wider sense of 'natural environment', which he suggests Henry George did, and proposes the re-introduction of the concept of husbandry with its careful farming. He shows clearly how free trade in food would bring down land prices, to immediately reduce the demand for intensive farming. Down would come the present demoniac demand for pesticides with their pollution of person and planet, caused for so long by agricultural protectionism.

Henry George likened the mentality of owning land to that of slave owning. It can be imagined that if the planet could, she would divest herself of all vested multinationalising individuals who claim to own any part of her. Boris Yeltsin is quoted as saying, 'People here do not understand the concept of buying and selling land. The land is like a

mother. You don't sell your mother'. It has the ring of Chief Seattle's despair.

Now *the Synthesis* provides a sound case for the planet, our future, taking precedence over man's self-seeking desires. The book may provoke a revolution.

That is, in one's thinking; once thought, things begin to change. The very idea of man owning a mountain is absurd, is it not?

Rodney Aitchtey
"Contemporary Review",
Dec. 1991.

VICTORIAN LAND TAX CHANGES

Family homes and investment property will be hit by new land tax provisions on family trusts, to take effect in Victoria on January 1, next year.

Melbourne property lawyer Mr. Christopher Farrell, of Darvall McCutcheon, said the "vast majority" of family trusts would be affected by the Land Tax (Revision) Act of 1991.

Professionals and business people use family trusts in Victoria to protect property from creditors and in case they are subject to legal action, he said.

At present, land tax is only paid on properties where the land value alone is more than \$180,000.

The new Act would tax land worth between \$4000 and \$3,037,000 at 1.5 per cent.

Land worth \$180,000, held in a family trust, would attract a \$3000 yearly land tax bill, Mr. Farrell said.

The owner would pay no land tax on the property if it was held in his or her own name, he said.

The Act targets special trusts, including discretionary trusts, which are the form adopted by most family trusts.

"Australian"
26 March, 1992.

A bureaucrat is someone who renders something feasible to become impossible.

THE "TRICKLE DOWN" FROM GST

Canada has had five years' experience of a Goods and Services Tax that substantially rearranged the revenue system.

Since then, lots of the cash it brings to the government has gone in attempts to persuade the populace to love it. Some no doubt do, but these are the landholders and those in the highest bracket for Income Tax. Meanwhile, the general populace wriggles uncomfortably under the effects of the promised 'trickle down'. Accompanying a huge increase in unemployment, they see increasing profits by banks and enormous defalcations by bank employees.

The profits come from loans, now increasingly turning sour, to real estate 'developers'. While the latter were living in increasing splendour, and similarly their sidekick contacts within the banks, low-income Canadians have been increasingly hurt by hard times.

The comment has caught on that they are 'increasingly tired of being trickled on'.

One good thing may result. Perhaps it will finally convince the Canadians that any tax is a bad tax and that the only good form for public revenue would be the universal levying of Site Rentals.

By making it costly to withhold land from reasonable use, this would end the power and the profits of those who monopolise both city and rural locations, thereby extracting rents and prices that come through the sweat and suffering of others.

Unlike the effect of the GST, the benefits of Site Rental Revenues would seep upwards and raise the living standards of those who currently are at the bottom of the social pile. The whole community would benefit.

W. H. Pitt,
(Detail from Mary Rawson,
Vancouver.)

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The bi-monthly for serious thinkers
Official journal of the

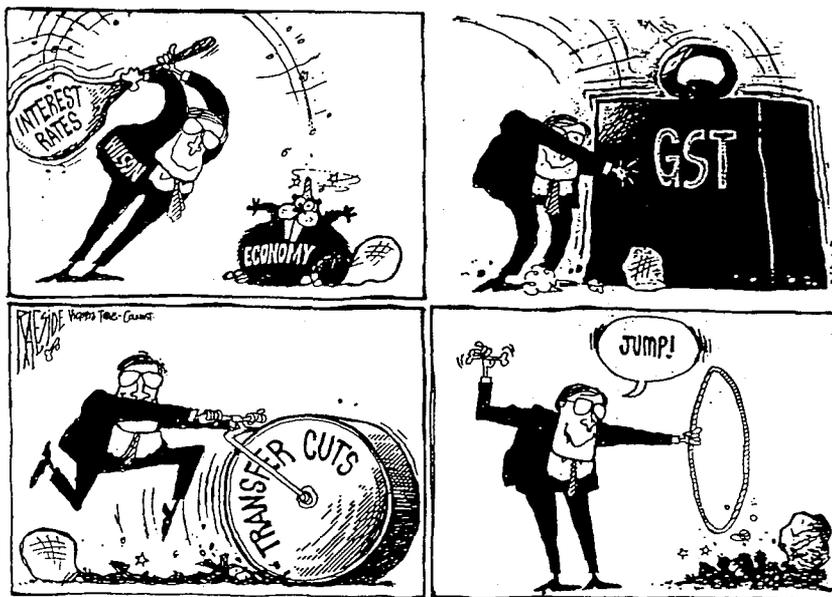
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FEBRUARY 27, 1991 Michael Wilson is at a loss to explain the lethargy in Canada's economy.

DATES FOR YOUR DIARY

- Lunch-hour videos, Series, 12.30 p.m. 1st Monday of month.
- Executive Meeting: 7.30 p.m., Thursday, July 9.
- Melbourne School of Economics – 10.30 a.m. Wednesdays.

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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