

G. Hardy

B.A.(Socio.); M.A.(Eco.); Ph.D.(Pol.Sc.)

The July 1975 issue of "PROGRESS" ^(iv) contained the following "Advice to persuaders": 62% of all ideas are accepted only after they are presented for the SIXTH time! Without repetition 95% of people forget ~~it~~ after 16 days

advice

Let this be my justification for repeatedly dealing with the problems which prevent Georgism to influence legislations.

It is easy to blame our lack of penetration on the claim that our policies damage the interests of various "Establishments". But the 1960's and '70s have brought forth the flowering of a wide variety of "anti-Establishment" and unconventional, "alternative" socio-economic movements, and Georgism has still not made much headway.

Why have failed to capture in two decades of turbulence ~~xxxxxx~~ followers who were eager to embrace new ideals, new philosophies new economic solutions?

Our historic period is wedged between collapsing "Old-orders" and some developing "New-order" which has not crystallised as yet.

Our time is crying ^{out} for a new, and practical socio-economic philosophy and ~~xxxx~~ economic system!

I WARRAN TO BELIEVE THAT HENRY GEORGE HAS PROVIDED THE BASIS FOR SUCH A SYSTEM! We Georgists have a fantastic historical opportunity to capture the support of disillusioned humanity eagerly waiting for practical solutions, which are relevant to their predicaments.

Sub-title

Why have we then failed to capture this eager audience: students, academics, politicians, and the man on the street?

In my view, the answer is two-fold.

Firstly, - we have lost our credibility ~~because we~~ waste our very limited resources on wild claims based on one half of Henry George's social philosophy. Most of our efforts are concentrated on proving that removing land monopoly through the collection of Single Tax will resolve all social problems and will bring economic heaven on earth.

As a result we are dismissed as simplistic dogmatics who offer a panacea ~~xxxxxxx~~ claiming to solve all economic problems - without proper supporting evidence.

Secondly, - we have not prepared as yet legislative and budgetary proposals which are clearly relevant to socio-economic improvements and which are politically acceptable.

In the absence of relevant ~~xxxxxxx~~ data (valuations etc.) being available from government statisticians, we rely on the good works of Allan (Hutchinson) in Australia, and Steven Cord and his contributors in the United States.

However, to validate the amounts available as alternative government revenue and to extrapolate the influence of the collection of economic rent on various fields of economic activity remains a matter of speculation.

Instead of concentrating our meagre resources on this practical problem and the problem of convincing outsiders of our ideas - many Georgists waste their energies on promoting unsupportable proposals and preaching to the converted.

End title
IN THIS PAPER I PROPOSE TO do three things.

Firstly, - I want to show that Georgism aims to eliminate or to collect the benefits of all privileges as the basis of social justice and government revenue - not only that of landmonopoly.

Secondly, - I want to illustrate some of the wild claims which destroy our credibility.

Thirdly, - I shall outline some of the activities (in which I am currently engaged) on which we would need to concentrate our meagre resources - so as to realise in practical terms Henry George's ideals.

PART I } GEORGISM IS: "EQUAL RIGHTS TO ALL - Special Privileges to NONE, and NOT ONLY the Single Tax, as a Panacea !

Henry George has been a prodigious writer. It is possible to quote some of his sentences in a manner which is completely opposite to the man's clearly declared intention.

"Progress and Poverty" contains the following subtitle: "We must make land common property." (1) Marx himself could not have defined the aim of communism more succinctly !

It is quite obvious however that the meaning of this statement, put into the context of the book and the whole activity of George was: to take the "benefits" of land (i.e. natural resources) for community revenue in the form of the economic rent.

If we disregard the facts of his life, when he publicly fought most successfully his communist contemporaries on exactly this issue (2) anyone could claim to be a Marxist.

Taken out of context, many of George's followers choose to disregard the fact that he has declared himself from early days an opponent to all privileges. He dealt with the kinds of privileges, monopolies, restrictive practices etc. with which he was familiar, but has left no doubt that his fight for social justice included the fight against all of them.

According to the substantive Biography: "The Life of Henry George" (3) by Henry George Jr, he was a Free Trader since before he developed his views on land monopoly. He had his experience with the power of Railroad and Press monopolies and wrote a pamphlet against subsidies in 1870 (4).

He promoted the cause of Free Trade - which means the free, unrestricted exchange of goods and services - parallel and simultaneously with his views on the land question. We, in Melbourne do well to recall that on his official visit in 1890, Henry George spoke on the Land Question at his first public lecture, and his second lecture was on Free Trade - in spite of warnings, that his views will not be popular with the protectionist citizens of Melbourne. (5)

The central thread of George's philosophy and economic policy was based on his view that injustice, tyranny (political oppression) and poverty amidst increasing wealth (economic exploitation) are rooted in privileges of all kinds.

One of his last speeches, on the zenith of his popularity contained this:

XX
"Let us have done with this call for special privileges... I have never advocated nor asked for special rights... WHAT I STAND FOR IS THE EQUAL RIGHTS OF ALL MEN !" (6)

I am concerned, in the same way as many other well known supporters of George have done from J.A. Nock to Harry Pollard - that many over-zealous Georgists claim that we should disregard one half of George's views!

The result of their "selective Georgism" led to the unfortunate situation that ⁽¹⁾ death of Henry George his followers became to be known as "Single Taxers", claiming that one half of his teaching was capable of solving all injustices and exploitation, which the man himself did not claim!

That libertarian supporter of Henry George, Albert J. Nock, analysed the reasons for the decline of Georgism in 1939 and he blamed directly the promotion of this Single-Tax - "panacea" attitude for the loss of followers. (2)

Since then many other influential Georgists try to set the record straight, to reverse the decline brought about by the one-eyed Single Taxers.

In the January 1979 issue of "The American Journal of Economics and Sociology" (3) its Editor-in-Chief, Will Lissner, wrote the lead article: "On the Centenary of Progress and Poverty". The following ~~in~~ ^{is}

"Henry George's opponents alleged that he believed that land monopoly and the speculation it engenders was the sole cause of business depressions. This version of his hypothesis was examined, found wanting and dismissed by several distinguished economists. But... what George asserted was that 'MONOPOLY of land and all natural resources was the mother of other monopolies and that MONOPOLY is the cause of BUSINESS CYCLE SLUMPS.'"

"George did not believe in the Single Tax panacea which was pressed by some of his adherents because it fitted their... notions. No serious student of George, however, found the slightest evidence that George believed in the panacea. He disclaimed it, saying that if there were a panacea, it would be freedom."

"What about the Single Tax panacea, with which George's name is indelibly linked? As the Columbia Encyclopedia puts it in a cogent article: 'He believed that a single tax on land would meet all costs of government and even leave a surplus, besides unburdening labor and capital of taxes on their output.' This is a fair statement. But in George's day the cost of government ran about 5 percent of national product. ...it is not improbable that George's belief was correct for his time. But George ~~was~~ ^{also} ready to accept an income tax, and fees for service, if the revenue from land value taxes taking nearly all the economic rent was not adequate to meet government costs."

There are no data reliable enough to warrant a guess about what the situation would be today." -- writes Lissner.

"EQUAL RIGHTS", the official publication of the Henry George Foundation of America, printed the following in its Editorial (4) :

"Though we still maintain that land monopoly is the principal form of special privilege, it does not stand alone. It is now obvious that it is not the only monopoly with which our modern society is afflicted."

"... (Henry George) declared that 'we must break down all monopolies, and destroy ALL SPECIAL PRIVILEGE'."

The basic doctrine of Georgism is that all men should enjoy the benefits to be derived from free competitive enterprise and thus all should have equal rights, and none should seek or be granted special privilege."

When I discussed this subject with Harry Pollard, that pragmatic clear-thinker champion of Georgist logical thinking (10) at the San Francisco Centennial Conference in 1979, he said: "we still have some old Single-taxers, but our majority is Georgist..."

Harry Pollard is not only a logician, but he is one of the most successful publiciser of Georgism in our time (probably because he IS a logician). He has devised the INTERSTUDENT Program, which is a teaching method of Social Studies being purchased (!) by High Schools all over America.

Georgist

I have been attracted to Henry George's views for nearly 40 years and it was clear since my early university days that doing away with the injustices and economic ills caused by land monopoly will not solve all problems.

From early days, my activities were directed against the ill effects of all monopolies.

My first book, "Monopoly and the Individual" (11) deals in great detail with the development of various monopolies from Natural resources to Political (Hereditary, Civic &c), to Economic Monopolies (Restrictive practices; Concentration; Knowledge & persuasion; Parasitism) right to the rather insignificant monopoly of artificially created "Rarity".

I suggested that as the influence of monopolies varies, various appropriate measures are necessary to eliminate their exploitive effects. Whilst I wholly embraced the traditional Georgist land-tax to deal with monopolies in natural resources,

I dealt with "International Monopolies". (12) - "The extension of the suggested natural-resource rental beyond national boundaries would provide an immediate and equitable value-distribution of the world's natural resources. This single problem has caused most wars in history".

I read with interest that our English Journal, "LAND & LIBERTY", in its recent December 1979 issue supports this "utopian" proposal also.

In another book, "Society in Conflict" (13) I have developed a comparative table demonstrating the inter-relation of various social systems based on the ethical principles into political and economic privileges. I have shown how the relative differences of influence enjoyed by different privileged groups have shifted the benefits of exploitation from feudal lords, to capitalist robber barons, to members of "super-races" or other politico-economic "elites".

Through publications stretching across several decades I have promoted the principle that exploitation and the resulting conflicts and suffering are rooted in privileges, obviously INCLUDING the privilege of private retention of the economic rent.

I have also shown in a short paper in PROGRESS (14) that even if all economic rent is collected, exploitation through other monopolies will survive in exactly the same manner as that resulting from land monopoly.

"CONCLUSION No. 2: Restrictions on the free, competitive operation of market exchange of both goods and services permit the capitalisation of monopoly benefits into price, wage and tax rises - even if land rents are collected." (15).

It is encouraging to note that Mr. J. Shergold, who as the Hon. Secretary of the Victorian Henry George League represented the "Traditional" view in opposition in 1977 (16), in 1980 wrote the following in complete harmony with my statements: (17) - "Remove land rents and the other forms of legalized monopolies would receive the rent previously flowing to land rents. As can be seen this harmonises

However "traditional" Georgists insist on demonstrating that a) resolving the land-question will eliminate all other monopolies without the need for specific measures against them; and that b) the effects of land monopoly are always greater than any other economic influence.

I fail to see how these propositions are necessary to support the validity of Henry George's crusade to bring "Equal rights to all - Special privileges to none."

The only reasons that I can find behind this line of action is a dogmatic adherence to previously held views despite of contrary evidence, or the hope that only a "simple" solution (panacea) to society's problems will be accepted as the "salvation" of mankind.

The tragedy is, that such a simplistic solution is so evidently irrelevant in dealing with the complex interwoven power struggle between contemporary privileged monopoly-pressure groups, that the energies spent on such propositions are not only wasted, but destroy our credibility.

IT IS TIME TO HAVE A CRITICAL LOOK AT OURSELVES.

I suggest, that

Instead of blaming the whole world for not appreciating and accepting the simplistic interpretation of Henry George's message, (while the original version was celebrated all over the world when George himself was its propagator) - maybe it is time to look critically at ourselves and see if this rejection is not our own fault!

In support of the panacea-theory, which is not supportable by convincing evidence, the "traditionalists" hang onto selected statements made by George and insist on treating these quotes as holy script, instead of the expression of the man's view on his contemporary society, within the limits of his contemporary experience and knowledge, and his later clarification. A good example of this is the already quoted subtitle from P. & P. (1).

This selective dogmatism is being used by the proponents of the "Single-tax panacea" view of Georgism in their attempts to "prove"

that landmonopoly is the single cause of all economic troubles AND that elimination of landmonopoly ^{alone} via the collection of economic rent must cure all economic ills.

I contend that this simplistic attempt is greatly responsible for destroying our credibility, and for Georgism being denigrated by most economists as a "fringe" movement, and for being considered even by our likely supporters as unrealistic, impractical and inconsistent.

This fact was brought home to me forcibly, when the former Director of the Institute of Public Affairs, (an influential Free Enterprise organisation) from whom I had sympathetic support for our "anti-monopolist" activities without having declared myself a "Georgist", wrote to me: "... the general view is that while there is a great deal of value in his (George's) doctrines, too much was claimed for them - for instance the concept of "the single" tax."

I cannot understand why "traditional" Georgists consider it either important or necessary to claim that the essence of Georgianism is - that land monopoly is the one and only cause of all economic ills, AND that the collection of the economic rent shall eliminate all possible injustices, OR that it will completely cure / all economic ills from inflation to speculation, to unemployment, AND that the amount of the economic / must be amply sufficient to pay for all "necessary" community functions irrespective of the state of technology or social development !

Why cannot one be "sufficiently" Georgist if one acknowledges that other "special privileges" beside of land monopoly have similar influences on exploitation, inflation, interest, wages, unemployment etc. quite independently from the special privilege of land monopoly.

How does Georgist philosophy and policy suffer if we agree with special privileges (monopolies) are wrong, and demonstrate how they exploit the weak and how they affect the economy simultaneously with land monopoly ?

Once we recognise that various special privileges can co-exist and exert their influences simultaneously, it is quite evident that their relative political and economic strength varies from time to time and from community to community.

As the feudal king's power over his subjects varied and declined the increasing strength of the nobles, the cities, the guilds and the Third Estate - so business monopolies in capitalist societies; racial and class monopolies in fascist and communist societies; licencing and regulating powers in bureaucratic societies and pressure group privileges in welfare societies compete with, and counter the influence of land monopoly.

Just as land monopoly enables the extortion of un-earned wealth from labor and capital, in direct proportion to the relative power of landowners over the other participants in the distribution of wealth - other special privileges enable the accumulation of incomes above that which would be obtained in free exchange. Their share is in direct relation with their strength to influence tariffs, money supply, the kinds and rates of taxes; with their power to obtain licences, to impose restrictions etc.

* of un-earned income

What have Georgists to loose by accepting the clearly existing facts that "other special privileges", are capable of causing similar ill-effects as land monopoly does ?

Does the acceptance of this reality reduce the validity of Henry George's views in any way ? Does it contradict him ?

No, the opposite is true ! Georgist theory and policies can be applied to eliminate all "special privileges" and to collect monopoly benefits for the community in a similar manner as Land Tax is collected.

It appears that my article entitled "GEORGIST CREDIBILITY AND THE INFLATION DEBATE" (18) has stirred up fairly wide interest in the subject.

Mr. C. Stanton & R. Mill, of London, U.K. (P.2. PROGRESS March 1980) chides me for being a "timid soul, worried about 'credibility' - somehow contrasting this, with George's concern for reason and for people who can think for themselves.

Well, I believe that I fall into the category of men who think for themselves, even at the risk of offending some Georgists by re-thinking George's statements in the light of the developments which occurred since his time.

In fact, and still following the pattern of reasoning for myself, I would be prepared to abandon Henry George's views if I were to find that they do not stand up to the scrutiny of reason.

I am pleased to say, that I don't find this necessary.

Let us have a critical look at some of the arguments "traditional" Georgists use, to support their "cure-all" interpretation.

* * * * *

Mr. Mill, who evidently believes in opposition to the elimination of land-monopoly is a panacea, writes this:
"...the only politicians who ...resist and destroy every relic of land monopoly in their territories which they control are the communists..."

I find this statement quite inconsistent with the claim that the elimination of land-monopoly by itself shall resolve all economic ills and social injustices.

Either we are to disbelieve reports, including those published by communist governments themselves, being critical of their present state - or if Mr. Mill believes that all problems have been solved

by the communists Mill then what more need we do then to support communism?

* * * * *

Several Georgists are not satisfied to show that land monopoly has significant bad influence on economic ills, but they insist in their claims that it is necessary for Georgists to demonstrate that land monopoly is of the greatest significance under all conditions.

As I have attempted to show before, such a claim is not part and parcel of George's philosophy! Since there is seldom sufficient data available to substantiate it, especially in a more-and-more complex economic system, the result is at best a rather tenuous and debatable proposition. More often such claims are contrary to common experience and bring disrespect and destroy our credibility.

Such extreme claims are quite unnecessary to support our views and at the same time force us into a self-destructive, "no-win" situation.

INFLATION is one of the issues, where it is quite hopeless to argue that landvalue increase MUST ALWAYS BE the major cause of the depreciation of currency.

In some instances this is the case, without a doubt. But the original cause of inflation, counterfeiting of coins by the kings and printing of paper money without security is completely independent of land values.

During hyper-inflations, as experienced in several European countries, land values collapsed - in complete contradiction to this hopeless claim. The reason is that as all values, land-

values crystallise as a balance of a number of complex influences which converge into the factors of supply and demand. During reasonably stable political conditions, it is true that inflation stimulates the escape of funds into "real" assets which are likely to maintain values against depreciating currency. When however political instability threatens the possible expropriation of property; — when war or natural disasters threaten the conservation and productive capacity of property; — when economic restrictions on the use, controls on rents or taxes on property incomes are threatened — these influences negate the attractions of "real" estate. As a result demand for land and our ^{dispositive} claim discredits us!

One of the most futile and damaging argumentations occurred during the recent recession in Australia. An "Alice in Wonderland" situation was created when, in the midst of the crashing land-boom some Georgists spent a large part of their efforts to prove with selected statistics, that the facts known by the whole community were in fact an illusion only. While every housewife knew that inflation was increasing by 10 to 16% annually at the same time when property values and rents stagnated or even declined — Georgist energies were devoted to "prove" the opposite, exposing the movement to ridicule.

~~I fail to see why it is necessary for Georgist principles to prove that land values must increase more than any other economic indicators. However it was found necessary that my view, accepting the reality of other factors operating with equal or at times greater influence than land-monopoly, should be declared "non-Georgist".~~

I fail to see why it is necessary for Georgist principles to prove that land values must increase more than any other economic indicators. However it was found necessary that my view, accepting the reality of other factors operating with equal or at times greater influence than land-monopoly, should be declared "non-Georgist".

BUILDING ACTIVITY is an area which is naturally influenced by the basis on which local government rates or property taxes are raised. It is the area of our greatest successes, and in the past we could show with pride how changes in rating to Site Value instead of Improved Value has stimulated both residential and commercial development. We could demonstrate the benefits of Georgist policies particularly when economic conditions were stable, with little demographic variations, when employment conditions were similar, when regulations, building restrictions, taxation and rating, valuation procedures were uniform between localities.

In other words: all other influences being equal, changes towards Site value taxation promote building, development, productivity and general prosperity without any doubt!

Having established and proven this point, we cannot however disregard that the influence of other economic factors are not always equal everywhere, and indeed other factors which always influence economic activity independently of land monopoly do have greater influence on building activity as they become stronger in relation to Site-Value based taxes or rates. This is the case particularly when the proportion of the tax so revised is small in relation to other economic costs.

Some Georgists disregard this reality and the significance of the economic influence of other than land-monopolies on building activity, and feel that it is mandatory to claim that Site-Value based taxation is the greatest influence.

to the experience of most people involved in building and development and as a result it results again to discredit the whole of our ideals.

Once we establish the beneficial influence of Site-value rates and taxes, I find it is unnecessary to claim, that they are the only, or greatest influence. We can point out how other influences cause bad effects, and we can concentrate on eliminating the privileges behind those bad influences. Such line of action supports and promotes our policies without destroying our credibility.

Let us look at the various influences affecting building activity, Local rating systems ^{can} have a definite effect on improvements and building. It is obvious that if rates and taxes are collected on Site value and do not penalise improvements, new buildings etc. - this fact will attract development and demand for property.

The extent of this influence is limited however by the savings that can be achieved under this system compared to other influences. For instance, the rates payable in Heidelberg Municipality in Melbourne were about 50% less on similar residential flats, than in the neighbouring Northcote, which raised its revenue from improvements. Since however this difference amounted to only a 50th of the income involved - its significance was limited to that extent.

Developers often found that ^(requirements, regulations and) local restrictions on the utilisation of land had greater bearing on their decisions. In some places the cost of sewerage, road-making etc. had to be born by the builder, and the same sized land could be used to build only lower and smaller buildings than elsewhere. Such conditions increased costs by 10-50% and were obviously of very great influence.

In the last few years in Australia there are very significant differences in new building activity according to different States and Cities. New dwelling commencements in 1979 increased by 22% in NSW, 16% in Queensland - whilst they have actually decreased by 2% in Victoria! (19/a)

I was interested for a number of reasons to find out the cause of such huge differences, which developed over a very few years. I was also stimulated by an article in the September 1979 issue of PROGRESS (19) which indicated that "the answer is found" in the change to Site-value basis in the rates raised by the Sydney Metropolitan Water, Sewerage and Drainage Board.

Having approached for confirmation a number of Sydney developers, builders and others who were closely involved with residential properties, I found with great disappointment that they have not even noticed the change, and that their decisions were based on entirely different influences.

The inducement for building did not come from reduced costs. In fact, property prices in Sydney have been over the last 3-4 years, 10-20% higher than in Melbourne with a significant boom and sellers market operating. 2. The reasons for the Sydney boom in contrast to the Melbourne recession are the following: 1) rising demand, reflected in prices and rents; 2) a net increase in interstate migration (whilst Melbourne's decreased); 3) increase in tourism (this is further accentuated in Queensland, where a 2.5% depreciation allowance exists on home units and flats classified as "tourist accommodation"); 4) there is a more confident business and employment outlook in Sydney than in Melbourne; 5) there is a comparative shortage in the stock of available dwellings, whilst in Melbourne there is still an unsold stock of both developed land and dwellings; 6) home finance is cheaper in Sydney than in Melbourne; 7) Residential investment in Melbourne was reduced by the introduction of a new Tenancy Act, which includes partial rent-control and places costly requirements on lessors - contrary to Sydney. (19/a)

It is quite clear ^{that} (extravagant claims made in disregard of real facts of life) discredit us hopelessly in the eyes of

the people whom we need to convince of the validity of our principles and the benefits of our policies.

This kind of claim, which disregards the clearly demonstrable influences operating simultaneously in the economy, maybe accepted by the blind faithful, who do not want to see the world as it is. But the effort is wasted, since it is directed to the already converted, whilst it destroys our chances to promote and have ~~our~~ arguments considered seriously by the outside world.

Once the ill-effects of Landmonopoly are attacked, it is unreasonable and contrary to Henry George's principles not to attack other special privileges such as regulations, restrictions, licences, ~~taxes~~ etc. which are all impediments of free exchange, including building developments.

To claim, that Site Value rating is ~~the~~ ^{greatest} economic influence is not possible and is not at all necessary to support George's principle: "Equal rights to all - SPECIAL PRIVILEGES TO NONE."

How long must Henry George's ideas be condemned to discredit or even ridicule because of unsupportable claims?

How long must we suffer Georgism to be banished from academic, popular and political acceptance?

Time is running out fast for the survival of free democratic societies, because they have no solution for the injustices of their income-distribution systems.

GEORGISM HAS THE PRACTICAL SOLUTIONS for the elimination of exploitation! We would be taken seriously, just as Henry George was in his lifetime, if we would stick to his principle: "Equal Rights to All - Special Privileges To None".

There is absolutely no need to go beyond that or to claim that one-half of his message (eliminating land monopoly alone) is capable of achieving all ~~benefits~~ ^{which} George has claimed for the elimination of all Special Privileges!

There are TWO basic policies which George has promoted to realise his principles:

- A) return the economic rent of nature to the community,
- AND
- B) ensure free exchange in the goods and services produced by the individual citizens.

Exploitation cannot be eliminated by those who propose to achieve this by Free Trade alone ("Laissez faire"), AND similarly, doing away with Landmonopoly alone (Single Tax - "Half-Georgism") is also bound to fail!

We Georgists, have the solution not only to satisfy the search for social justice, but also for the framework of society without political oppression and without economic exploitation!

"EQUAL RIGHTS TO ALL - SPECIAL PRIVILEGES TO NONE". Is this not the ideal principle for a free society? Free from class, racial, occupational, bureaucratic discrimination?

Is this not the practical economic policy which ensures that the benefits of nature, - together with the monopoly benefits deriving from licences, tariffs, restrictive practices which artificially increase the market-price of goods as well as services, shall be collected for the revenue of the community?

Is this not the policy which not only champions the cause of individual freedom (within the limitation of equal responsibility) - but also which crusades against all taxes which penalise the productive and creative citizens and consequently stimulates employment as well as increases purchasing power, wages, real wealth?

(A) - The main task is to provide proof on how our principles and policies work in practice.

To have convincing proof we must collect data. This is one of the most basic and most difficult of our tasks, because of the lack of statistical information on valuations, on revenues collected from the utilisation of natural resources, from the amount of incomes deriving from restrictive monopolies etc.

2. Having collected what data we can, we must provide calculations.

Since we cannot hope to have all necessary data, we must make reasonable extrapolations so as to project the likely amounts which will become available as community revenue from the collection of the economic rent and from royalties collected from other monopolies.

We must also consider the ramifications of our measures such as the variations likely in the amount of available government revenue after our measures are realised; the economic effects on debts secured by inflated landvalues etc.

Much valuable work has been done in these fields by Georgists all around the world.

Perhaps the most extensive data collecting work has been conducted by the LAND VALUES RESEARCH GROUP and GENERAL COUNCIL FOR RATING REFORM both located in Melbourne, under the excellent guidance of Mr. A.R. Hutchinson.

The most notable contributors concerning the estimated revenue from the economic rent and the various after-effects of the collection of the economic rent are Dr. L. Hemmingway, Mr. Graham Hart in Australia and Prof. Steven Cord in the U.S.A.

I have also done both some data-collecting, some extrapolations and have been working for some time on Budgetary proposals in an attempt to quantify the revenue which can be expected in a Georgist system, and to define the variety and limits of government functions which are realistically compatible with the available revenue, Georgist

with

free enterprise principles and contemporary community attitudes.

My estimates of Australian Site values (20) show that on ultra-conservative calculations a 5% tax would have returned A\$ 3,367 Million on land alone. This amount was 15.75% of the Federal Budget Receipts for 1976/77. (21)

Prof. Steven Cord published estimates of Land Rents in the U.S.A. (21) recently. Since both data, time-scale and bases of comparison are different, comparisons of his results with mine can only be approximations.

Prof. Cord claims, that American Land-rent, together with estimated revenues from royalties, (mines, forests, oil) licence and franchise fees (broadcasts, taxis, airlines etc) adjusted for inflation will yield on a 10.5% basis - US\$ 440,000 Million, by 1980.

This amount represents 48% of all ¹⁹⁷⁸ taxes and 21% of the national income in 1978.

Now if we adjust my 1977 estimates to a 10.5% tax and relate that revenue to Federal Budget Receipts two years before, (to achieve some basis of comparison with the American figures,) - we

It is obvious from the previous short illustrations /that we can identify quite significant amounts as revenue for a Georgist government, but also that ~~xxxxxxxxxxxxxx~~ a great deal of additional information is needed to substantiate our claims.

"It is also clear that the projected revenue from our sources covers only about ^{capitalist} half of current taxation revenue.

There are ~~these~~ ^{Georgist} attitudes to this apparent shortfall.

- 2 The first one claims that "all taxation comes out of the economic rent", consequently, when all of the economic rent is collected the amount of this revenue shall include all present taxation and shall be in fact greater in amount.
- 2 The second attitude, which can be described as the dogmatic attitude is based on Henry George's belief that the economic rent will be sufficient to finance all "justified" government functions. The supporters of this view claim that governments should not undertake any functions, which cannot be financed out of a **Single tax on land**.
- 2 The third view, which I share, is that the revenue to which the community is entitled is a rental for the use of natural resources ~~for the community-granted licences, monopolies &c.~~ (land rent), together with royalties, fees etc. which permit incomes above those which could be obtained at free market conditions would exist.

2. The second attitude, which can be described as the dogmatic attitude, is based on Henry George's belief that the economic rent will be sufficient to finance all "justified" government functions. The supporters of this view claim that governments should not undertake any functions, which cannot be financed out of a **Single tax on land.**

2. The third view, which I share, is that the revenue to which the community is entitled is a rental ~~benefits of~~ for the use of natural resources ~~for the community-granted licences, monopolies &c.~~ (land rent), together with royalties, fees etc. which permit incomes above those which could be obtained if free market conditions would exist.

Whilst this community revenue may be used to finance government functions deemed necessary by ever changing community decisions, or it may be equally divided up in the form of a community dividend - it is quite acceptable that those functions which the community revenue cannot finance, be supplied on a fee-for-service basis to citizens who make use of the services.

From a practical point of view it would be useful if we could prove that the economic rent is amply sufficient to replace the present system of taxation which penalises production, causes unemployment and results in poverty.

Presently, politicians mainly but even taxpayers criticise our proposals because it seems, that the Georgist type revenue is not sufficient to finance more than a small part of present government functions, which even the majority of taxpayers consider desirable.

However the idea, that "all taxation comes out of the economic rent" has not as yet been substantiated.

The "dogmatic" Georgist attitude, based on selected quotes from his writings expressing the belief that the economic rent is in fact more than sufficient to finance "justified" government functions, contains a reformist appeal to "small government".

This in itself is an admirable aim in all free societies. An unfortunate difficulty arises, when the supporters of this view persist in the view that the revenue must be sufficient, no matter how much less it will be than present tax-revenues are, simply because Henry George, in his time has believed so.

This dogmatic reliance on the "holy script" in direct contrast to Henry George's spirit of critical reasoning, is most damaging to our interests. Without defining either the amount of the revenue or qualifying the functions, which we consider are "justifiable" government functions - we are forced onto ever changing arguments.

George himself did not do more than expressed his belief that the economic rent will be sufficient. (8) However the community in George's time had vastly smaller expectations from governments than citizens of our communities have.

It is reasonable to consider, that if George had foreseen the technological and social complexities of modern society he would have included amongst the justified government functions many which were not needed or even never heard of in his time. Traffic, health, safety and security problems - to mention a few - were of little consequence in the 1870s.

It is quite unlikely that today's citizen would not want to contribute more than 5% of the national income to government functions as the case was in George's time. What was "justified" in one community at one time, is not necessarily the same in different communities and at different times.

Hence such dogmatic attitudes, even though they are well-meant, only serve to discredit us. Without up-dating and relating George's beliefs to the requirements of today's society, without quantifying our revenue and defining what we consider as "justified" government functions - we can't expect to be taken seriously.

The third approach to the question of financing a Georgist government, which I subscribe to, is a pragmatic, gradual attitude.

It seems essential to me, that we should be able to estimate the amount of revenue to which the community is entitled (= fee for the use of benefits not created by specific individual effort).

Then ^{we} need to outline alternatives for the "justifiable" functions, activities and services on which the community is likely to spend its revenue.

It is probable that ^{much} current expenditure on unemployment benefits and similar re-distributive measures will become unnecessary, because of the benefits flowing directly from our measures and from their stimulating effect on production and employment.

It is still possible ^{that} the cost of some of the present government services will not be covered by our revenue. We shall be required to make alternative proposals to eliminate or reduce some government activities, or to finance them on a fee for service, subscription or insurance premium basis.

This pragmatic application of Georgist policies requires the preparation of a detailed "Alternative Budget" which can be compared on a cost-benefit basis with current government budgets.

In my view, our proposals will be taken seriously only if they are presented as a viable alternative to existing social and economic structures, and supported by well documented data on their likely effects.

I have been engaged on this work for some time and hope to have it incorporated in my next book.

It is not necessary that we come up with unchangeable, dogmatic proposals as to what ought to be "justified" functions or what proportion of revenue should be sent on various functions. These are "political" decisions designed to satisfy the greatest number of reasonable electors. The important fiscal principle is that the government is "entitled" only to a clearly defined amount of revenue to be spent, and that the community is "not entitled" to expect more government services than those that can be paid for out of such revenue. If additional services are wanted by the community then additional finance, fee - for service etc. must be raised.

But not taxation!

(3) After we have prepared economic, fiscal and political alternatives to contemporary social systems, our second most important task is to have our proposals accepted.

We have to be able to convince by reasoning and by other forms of persuasion the public, those who influence public opinion, the teachers and students of economic and political sciences, and the politicians that our proposals are not only just, but that they are practically sound and desirable.

There are many views amongst Georgists concerning the best forms of publicising or "selling" our proposals.

Some believe that we should emphasise the aspect of TAX REFORM. We want to do away with bad taxes and we want to reduce taxes!

Hugh McCahan of New Zealand says: "The work of this generation is to wrest the power to tax from the great Departments of the States and place it firmly in the hands of the people at the grass roots" - similarly, as the House of Commons has wrested the taxing power away from the King in the 17th Century.

Dr. Morgan Harris of the Henry George School Los Angeles, who is a Communications Consultant in private practice, in a pamphlet on the "Prerequisites of a public relations program", suggests that we should emphasise that Georgists want to "Un-Tax". We want to "TAKE TAXES OFF" - improvements, labor, incomes, wages, businesses and industry!

He suggests amongst many practical public relations attitudes that instead of "taxing" natural resources, we should talk about "charging people only for the natural resources they use". (24)

John Macrold, a former Hon. Secretary of the Victorian Henry George League argues that "Every single action or policy which Georgists wish the public to accept should be put forward on the argument of price, and nothing else. There should be no confusing appeals for "economic justice", the abolition of monopolies, or other similar calls..."(17)

Harry Pollard, author of the "INTERSTUDENT" Social Studies Program, which "sneaks-in" pure Georgist logical reasoning into High Schools and Adult Education Courses all over the U.S.A. relies on clear thinking and cleverly structured motivation beside his fantastically effective humour and wit.

His method is so successful that it is actually being bought as a teaching program by an increasing number of schools.(25)

The list of useful arguments is endless, and different persons can use arguments which suit their mould better than others can.

Then there is the old wisdom: "Horses for courses", ^{meaning} (that different groups of people can be influenced by different arguments.

I personally prefer the argument based on the ethical principle of Equal Rights and Equal Responsibilities, from which flow consistently all the political and economic projections, which ensure freedom from oppression and exploitation.

The practical policies of Proportional Representation and Community Revenue raised from community created benefits, (such as Site-Value or Natural-Resources-Rental-Tax together with Royalties and Licences fees) - flow as direct consequences of our basic liberal principles.

The facts that our fiscal policies don't only serve social justice, but they also succeed in eliminating institutional poverty, reduce unemployment, stimulate production, promote creativity, increase purchasing power, reduce inflation and eliminate unearned "windfall profits" come almost as side-effects!

It is the beauty of Georgism, that it has advantages for all interest groups; workers, business people, farmers, shopkeepers, taxpayers, consumers, manufacturers, *the life-styles, etc.* *"alternatives"*

2. In today's society everyone is exploited to some degree by some special-privileged group. We are against all forms of un-equal rights or special privileges, monopolies -and I can show how our policies remove this and result in Tax-relief; lower costs and prices; more competitive and better supplies; increased prosperity and reduced poverty.

PUBLICITY AND PUBLIC RELATIONS are vital to our ability in getting our message across.

The best and most effective way to influence the decision-makers is personal contact. We need to establish good working friendships with politicians, economists and economic journalists, Budgetary draftsmen *etc.*

Since our numbers are low, it would be necessary to multiply the efforts of our very few publicists in the form of a national publicity campaign, using the most up-to-date methods.

We would need to direct specially designed publicity to special interest groups: talking in turn the language of academics and laborers. We could design special issues of our journals to deal with problems and distribute these issues directly to the *special interest groups.*

Above all, we must use the language and terms used and understood by non-Georgists. Instead of forcing our idiosyncratic and not understood terms on the world.

We need to relate our solutions to contemporary problems and issues. Instead of expecting outsiders to make the effort to understand our meanings.

It is well to remember that the main "object" of the Henry George organisations IS to spread the ideas principles and policies of Georgism. Without influencing members of the outside world, old Georgists and with them the possible reformation necessary to save free societies will fade away.

We need the most diversified efforts to publicise our views. Unfortunately however we apply self-defeating restrictions on what is a "sufficiently" Georgist view - in direct contrast of Henry George's appeal to independent thinking. Our efforts spent on internal paralysis must be re-directed to promote the common object!

Provided, that we do our home-work and properly substantiate our proposals, AND PROVIDED that we avoid discrediting ourselves with dogmatic, unnecessary and unsubstantiated wild claims - we can present the world with a viable alternative social system to supplant the failed capitalist and socialist orders and show the way out from the disintegrating "mixed economy" of the doomed Welfare Society.

REFERENCES: FOR PART I.

- 1 - "Progress and Poverty" 52nd Anniversary Edition. Henry George Foundation, London. - p.234.
- 2 - "HENRY GEORGE" by A.J. Nock (W. Morrow & Co. New York, 1939)
"....On the Marxians..."
- 3 - ^{"THE LIFE OF"}
"HENRY GEORGE" by Henry George Jr. (R. Schalkenbach Foundation
New York, 1943. - p. 170
- 4 - Ibid. - p.216
- 5 - " " p.534
- 6 - " " p.605
- 8 - Vol.38, No.1. pp.3-7; Sponsored by the R. Schalkenbach Foundation. New York. U.S.A.
- 9 - Autumn 1977. - Editor: Percy R. Williams; Ass. Editors:
Prof. James L. Busey and Prof. Steven Cord.
- 10 - Harry Pollard, President of Henry George School of Los Angeles, USA.; Editor: "THE GOOD SOCIETY" the official journal of the Henry George Schools of Social Science, formerly "The Henry George News".
- 11 - REFORM PUBLISHING CO. - 1964, Melbourne, Australia
- 12 - "MONOPOLY AND THE INDIVIDUAL", as above, p.186.
- 13 - REFORM PUBLISHING CO. - 1973,
- 14 - "PROGRESS" is the official journal of "The Henry George League"
p.6.- September 1977: "GEORGISM: Traditional 'Single Tax' versus modern 'Anti-Monopolism'".
- 15 - "PROGRESS", Sept. 1977, - p.7
- 16 - Ibid p.9.
- 17 - "PROGRESS", March 1980, - p.3

PART II.

- 18 - "PROGRESS", October 1979, - p.11
- 19 - " " " , Sept. 1979, -p.3.- "How New South Wales is beating the Home Building recession". by A.R. Hutchinson.
- 19/a - "ANZ Bank Business Indicators" March 1980, Melbourne

PART III.

- 20 - "PROGRESS", August 1977, p.10 - "Site Values of Australia 1/7/1977.
- 22 - "Catalyst" by Prof. Steven Cord. Published by The Henry George Foundation of America, 1979.
- 24 - Weekly Hansard of the Australian House of Representatives
No.12, 1978, - p. 254
- 23 - "Budget Paper of the Australian Government No.9- 1978/79"
p. 12.
- 24 - "Henry George - Prophet of the Good Society" by Morgan Harris (3959 Shedd Tce.-Culver City, Calif. USA.
- 25 - "INTERSTUDENT" Program"- Box 655, Tujunga, California, USA.