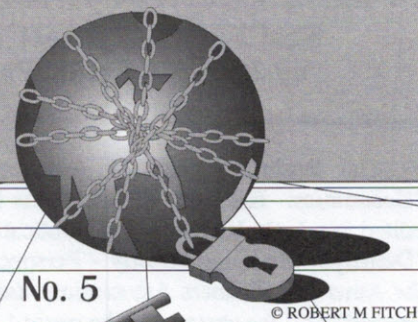


# GROUND SWELL

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## COMMON GROUND-USA CO-SPONSORED INTERNET FORUM

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An email forum, 10-16 October 2003, was entitled "Taxes Without Tears." It was the second forum of "The Simple Society's Alliance for Human Empowerment," organized by John Watkins. It began with an introductory message by each of eight panelists. A larger number of participants received the messages and also could send messages to the entire group. Common Ground-USA donated \$100 and designated Nadine Stoner, Herb Barry, Gib Halverson, Sue Walton, Chuck Metalitz, and Wyn Achenbaum as participants. Hanno Beck participated for the Banneker Center.

The seven e-forum panelists included five Georgists whom I know and greatly respect: Dr. Fred Foldvary, who chaired the panel, Jeffrey J. Smith, Edward Dodson, Dr. Steven Cord, and Dr. Nicolaus Tideman. The others were Paul deLespinasse and Dennis Logue. Notable participants were students of Fred Foldvary at Santa Clara University in California.

The participants initially received two essays: "The Henry George Canons of Taxation" and "The Adam Smith Canons of Taxation." In accordance with most email discussion groups, the comments by the panelists and other participants dealt with diverse topics and problems. A total of several hundred messages were sent to the participants during the span of seven days. Most of the messages were brief, printed in a single page.

Nicolaus Tideman in an initial statement suggested that states should tax localities and national governments should tax states. The right to secede by states and localities would ensure voluntary rather than compulsory acceptance of the tax imposed by the higher government. Similarly, individuals and groups would be free to move away if dissatisfied with the local tax policy. Several messages disputed this proposal but Tideman did not participate further. Panelist Steven Cord pointed out the value of knowing the formula for shifting property taxes from buildings to land. On the third day he withdrew from the "fruitless talk." The other Georgist panelists participated actively throughout. Paul deLespinasse was the only other panelist who participated substantially. John Watkins participated very constructively.

### Notable Messages

The majority of participants agreed that taxes should be de-

creased on income and sales while taxes on land, on other natural resources, and user fees should be more important sources of revenue. There was no consensus of support for Henry George's proposed "single tax" on land and natural resources, abolishing all taxes on the fruits of human efforts.

Some highly useful comments were contributed by Georgist participants. Fred Foldvary proposed "that city charters enable neighborhoods to go private and deduct the city's savings from the resident's taxes." Edward Dodson proposed "Exemption of the value of buildings of all types from the property tax." I believe that the term "exemption" has the important advantages that it implies the goal to abolish taxation of buildings and that it is more likely to obtain public understanding and support than the equivalent proposal for lower millage on buildings than on land. Jeffrey Smith stated "Government must collect first all publicly generated values before even attempting to collect any privately generated values." Steven Cord commented on a message "...you seem to be advocating land nationalization. You'd be giving the government more power than it has now." Sue Walton stated that the messages were too detailed and needed to be more practical.

Fred Foldvary asked for preferences on four taxation options. (1) Land rent, pollution charges, user's fees. (2) Distribute land rent equally, charge directly for government services. (3) Include wealth taxes. (4) Tax anything at an equal rate. John Watkins proposed six attributes of an ideal system. (1) All taxes visible to payers. (2) User fees or taxes related to cost of the services. (3) Nobody to be taxed for services to any other person. (4) Rent for the commons collected and distributed equally to all owners. (5) Services provided and taxed at the lowest possible government level. (6) Tax shareholders of corporations rather than corporations. Paul deLespinasse made four proposals. (1) Repeal social security tax and other payroll taxes. (2) Repeal all tariffs. (3) Abolish inheritance taxes. (4) Flat-rate income tax.

### Various Topics

Some topics were debated. Should tax rates be different on earned and unearned income? Fred Foldvary commented "Earned income comes from labor and unearned income comes from land." Should (continued on page 11)



## INTERNET FORUM (continued from page 1)

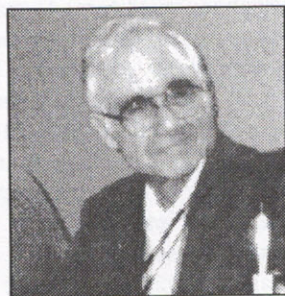
there be a wealth tax? Fred Foldvary stated "Wealth can be hidden, and the production of wealth can be inhibited by taxing it." Should pollution caused by cars be limited by a tax on gas or on the pollution emitted by individual cars? Although it is technically feasible to measure emissions by each car, a tax on gas has the advantage of simplicity. Are congestion charges desirable? Fred Foldvary stated that they are a long-term, permanent, necessary payment. The more general concept is peak-load pricing.

Students at Santa Clara University contributed useful messages. A few of the comments disputed Georgist proposals, for example stating that the present tax policies are satisfactory and that it would be dangerous to change them. These comments expressed the fear that motivates most people to accept the currently flawed tax policies.

John Watkins requested messages on the last day to discuss the objectives of a better tax policy. (1) What obstacles stand in the way of achievement? (2) Which organizations and individuals will be adversely affected? (3) What's the simplest way to overcome these barriers? (4) What priority should be assigned if societal resources must be rationed? The messages on that day generally did not answer these questions. In common with the messages on prior days, comments were diverse and generally argumentative.

## Conclusions

I believe that the email forum was stimulating and informative for most of the participants. Messages were generally concise and cogent. Several participants were experienced, articulate Georgists. The students at Santa Clara University provided a group of participants who were not previously committed either to supporting or opposing Henry George's proposals. In spite of efforts by John Watkins, the forum did not focus on a clear objective and did not reach consensus on any general conclusions.



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