THE JOURNAL OF TAX REFORM AUSTRALIA INC.

(FORMERLY HENRY GEORGE LEAGUE — VICTORIA)

1) Progress First published May 1904

No. 986

AUGUST 1992

PRICE \$1 SUBSCRIPTION \$10 PA

Registered by Australia Post Pub. No. VBH 1433 ISSN 1035-1396

Editors: G. A. Forster, B.A., B.Sc.; H. B. Every, Dip. E.E.; E. M. Best

POSTED 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.

BOOK REVIEW

AUSTRALIANS IN POVERTY — (Melbourne 1979)

By PETER HOLLINGWORTH

(now Archbishop of Brisbane)

Review by W. A. Dowe (1992)

This review is called for by the wide influence of the book, the importance of the subject, and the efforts everywhere to publicise and relieve poverty while unaware of its causes, let alone the cure.

The book's concern for the poor, and its commendable good intentions, do not make up for its failure to justify its claim to explain poverty. Instead, it describes it in detail. The alleged 'explanations' and 'causes' (e.g. on pages X and 48-54) are naive; on analysis they all amount to: 'the poor* are poor because they are poor'.

The recommendations given are in similar vein, nowhere related to causes or explanations, e.g. (a) increased charity and counselling, and (b) assistance with budgeting and debtmanagement.

EXAMINATION OF POVERTY

As no real causes or explanations are given, and no remedy is even hinted at, let us examine the kinds of poverty, and show which kinds must be relieved and which abolished.

Poverty and its cause and cure were, historically and logically, first identified by the Physiocrats of the 18th century, continuing by degrees with (inter alia) Adam Smith, Ricardo and Bastiat, and finally and conclusively by Henry George with his "Progress and Poverty" (1879).

The basic cause is the oppression, greed and injustice of the political ruling class in civilised society, made possible and accentuated by the social inertia and ignorance of the masses and our leaders. Most of us have been dulled by the acute poverty which, over the past 6 centuries, has succeeded to the golden age and prosperity of the 13th and 14th centuries.

The historical cause of our social poverty is that our political rulers have made themselves the "owners" of the land (especially our city lands), and the abolition of this poverty consists of the restoration to the people of their natural rights in the land.

There are four main kinds of poverty, respectively arising from:

- Laziness, incompetence, neglect, waste, gambling, alcoholism and other self-afflictions. Their victims often also include other innocent people.
- 2. Malice, theft, violence, war, etc.
- 3. Accidents and misfortunes, such as fire, flood, storm, falls, collisions, quakes.
- 4. Political and legal injustices (i.e. misgovernment and bad laws) which create world-wide modern poverty, the devastating effects of which threaten the very existence of civilisation, and which should be our main social concern.

The first three kinds of poverty naturally concern us and we should do

all we can to relieve them. Number four is entirely different; not relief but abolition is the only effective way of dealing with it. How it can be abolished I will now try to show. Archbishop Hollingworth himself and his colleagues are continuously lamenting that in spite of all the relief the poverty grows worse.

CAUSE OF POVERTY

All over the world the basic and effectual cause is the same, but in this review I must confine myself to England and Australia. To discover the cause historically we must start with the Norman Conquest, which established a complete royal and military dictatorship. From the 12th century onwards the Norman nobility emerged and established itself as more and more independent of and opposed to the king and as rulers of the bulk of the land, ultimately its complete rulers, the most important stages being the Enclosures

INSIDE: -

- The way out of our present economic mess
- Divide and Rule?
- Dates for your Diaries Commemoration Dinner September 2

(See Back Page)

and the suppression of the Monasteries and the division of their lands among the 'aristocracy'. In consequence the English people are now landless and must pay the landlords for permission to live in their country (especially the cities and towns).

By oppression, force and fraud, all originating out of the royal and military supremacy of the feudal system, the ruling classes of England, for roughly six centuries from the 14th century onwards, have literally appropriated the bulk of the land from the people who now must pay the landlords for permission to live in and use their own country. This can be seen by any thinking person to be the basic cause of unemployment and the reduction of wages to a minimum, i.e. social poverty. The unearned appropriation by nonproducers of the immense economic rents of city and country lands is obviously the cause of the disinheritance of the working classes.

Australia has inherited this landlord system from England, and the force of its grip is so great that all benefits from relief are automatically sucked into the value of land and the pockets of its owners. Charity is no substitute for justice. What is needed to cure poverty is to restore the rights of the people in the land.

From now on in this review the word 'poverty' refers only to kind No. 4.

CAUSE AND CURE OF POVERTY

The cause has already been referred to and the cure may now also be mentioned, namely the restoration to the people of their rights in the land.

How can this be achieved without depriving the landowners of their free-holds or their titles, and without injuring them in any way? All that is necessary is to collect from them immediately the economic RENT of their land, excluding all improvements. This is just, because the rent is produced by the labour of the whole community, not of the landowners, and when it is restored to the community, replacing taxation, poverty will disappear.

The rent is enormous, sufficient to replace taxation, and can be easily collected by using the present machinery of taxation, similarly to the present Council rates in N.S.W.

It is not proposed to try to collect from the landowners any of the rents unethically collected by them in the past and used by them as their private (though unearned) incomes.

SUPPRESSION OF TRUTH

The truth of all this will be resisted

by those who benefit from the poverty of others. Truth cannot be suppressed by any positive action (2 Corinthians 13.8). The best that its opponents can do is to try to ignore it. The real friends of the poor will investigate and proclaim the truth.

Ignorance and apathy are our main enemies. Poverty dulls the understanding. To abolish social poverty successfully is to remove the social cause, by restoring the equal rights of ALL to the land.

THE CURE

How can this be done? Government must collect the enormous economic rent of all land, and use it, instead of taxation, to defray all normal costs of government.

Those who are really concerned with poverty can react to all this, either by (a) ignoring or evading it, or (b) by making the mental effort to investigate it.

The best book on the subject is Henry George's "Progress and Poverty", obtainable at low cost from W. A. Dowe, 19 George Street, Marrickville, N.S.W. 2204, Australia.

*Or from the addresses on the back page.