

PRESS LETTERS

Unemployment also due to monopoly and privilege.

The feature in *Poverty Watch* (July *Greenshoots*) contained much information on our employment tragedy. However, there is only a half truth behind the exhortation: "Let us lift up the burden from the poor and place it where it belongs . . . on the community generally."

The additional truth is the exercise of various forms of monopoly and privilege (in an economic and legal sense). This statement is also preferred to the simplistic "soak the rich" attitude, which does not adequately analyse the various ways in which riches are obtained.

The statement that projected tax cuts for 1994 and 1996 are excessive overlooks the radically different effects of different kinds of taxes. As regards the reference to the boom and bust cycle, perhaps the chart below sheds some light, viz. the major role of land prices.

The statement that "these problems can be tackled directly by, e.g. tax changes to discourage debt and speculation, support for industry development . . . and moderating wages increases . . ." does not go far enough. A change in revenue methods to encourage all genuine economic activity and to deter all sterile speculation is needed. And demands by wage-earners to keep up with other economic indicators should be understood in the light of the following.

For the period 1978-88, increases in Australia were: CPI 128%; AWE 146%; GDP per capita 171%; Taxation 200%; Melbourne home sites 171%; commercial land prices 450%. Behind these figures lies the key to much of our current economic mess.

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"Greenshoots",
(Baptist Social Justice Group),
August 1992.