

FORUM ON FAIR SHARE OF THE COMMON WEALTH

by Dr. Herbert Barry, III, Pittsburgh, PA

John Watkins, founder of The Simple Society's Alliance for Human Empowerment, has organized email forums relevant to Henry George's proposals. A forum on "Taxes Without Tears," 10-16 October 2003, was summarized by me in The November-December 2003 issue of Groundswell. I contributed one of eight opening statements for "Common Wealth: a fair share for everyone" on 9-13 April 2004. Three of the other opening statements were by Edward J. Dodson, Fred E. Foldvary, and Jeffrey Smith, who are among the leading Georgists. The other opening statements were by Julian J. Edney, Jan Narveson, Daniel Pink, and Steven Shafarman. Most of the communications in the forum were by these eight participants. The timing of the forum, beginning on Easter weekend, might have limited the participation.

Opening statements by Jeff Smith and Steve Shafarman suggested that sufficient taxation of land and other natural resources would enable a substantial, universal, uniform citizen's dividend. Agreement with this proposal was expressed by John Watkins, Fred Foldvary, and Ed Dodson. An additional participant, SusMita Barua, stated that it would alleviate the debt and interest payments that impoverish many people. Other comments were that a universal assured income would greatly enhance human happiness, and that it would provide an equal and thereby fair share of the common wealth.

I argued repeatedly against the citizen's dividend. Harry Pollard, in numerous comments on the Land Theory email discussion group, has declared that the funds for a citizen's dividend would be meager because full government collection of rent from land would drastically decrease the purchase and rental value of land. I also believe that a citizen's dividend would prevent the government from abolishing all taxes on products of human labor and enterprise and would curtail creation of facilities that increase prosperity for all residents. The only support for my opinions came from two participants who did not make opening statements. James Manousos commented that a uniform citizen's dividend is inconsistent with greatly different individual needs. He also suggested that government assistance of the less able should not be regarded as charity. Instead, it is needed to preserve civilized life. David Stallman stated that societal- government distributions and transfers of wealth would de-motivate individuals. I believe that Henry George, who advocated abolition of taxes on each person's earnings, would have opposed a uniform, universal, unearned citizen's dividend. I do not agree with him on every issue. I suggested during the forum that taxation of less than 100% of the rental value of land would be beneficial because it would encourage people to accept the risk and responsibility of owning land.

The participants expressed general agreement that a minority of the population own and keep too much of the wealth from land and other natural resources. Proposed remedies varied. Jan Narveson advocated maximal individual liberty. Daniel Pink condemned the power of large corporations. Julian Edney emphasized the need for governments to coun-

teract greed and inequities. Several participants complained that governments do not adequately represent the citizens. John Watkins advocated an emphasis on user's fees. For example, school taxes should be replaced by fees from the parents of the school children. Fred Foldvary urged a change from mass democracy to small-group democracy. I suggested that local governments should obtain most of the tax revenues and make most of the funding decisions.

Nadine Stoner and I are members of the Simple Society's Alliance for Human Empowerment. We hope and expect that John Watkins will sponsor further forums relevant to Henry George's proposals. They provide a useful medium for Georgists to communicate and discuss our remedies for the obvious deficiencies in government policies. The next forum, beginning on Friday, 7th of May, is on the role of mentoring. Students and novices benefit greatly from individual guidance by experienced and sympathetic mentors. For information on this and other programs, the email address of John Watkins is johnw@simsoc.org.

Following is the text of my opening statement for the forum on Common Wealth.

A small minority of individuals and corporations control most of the wealth and obtain most of the income. Socialist and Communist doctrines of communal ownership fail to remedy the problem because they grant privileges to the government officials, whether they are elected or seize power. A saying by government employees in the Soviet Union was "We pretend to work and they pretend to pay us." An effective remedy needs to expand incentives and opportunities for constructive and remunerative activities. Equality should not be obtained at the expense of individual liberty and the free market. Accordingly, Winston Churchill stated "The inherent vice of capitalism is the unequal sharing of blessings; the inherent virtue of socialism is the equal sharing of miseries." Henry George, in his book "Progress and Poverty" and subsequent writings, advocated individual liberty and also a fair share of natural resources for everyone. He therefore proposed that individuals and corporations should be free to buy, use or neglect, and sell land and other natural resources but that governments should tax the full rental value of these properties. Taxation of the products of labor and enterprise therefore can be abolished or greatly reduced. Assessed valuations and tax rates on land and other natural resources are prevalently too low. Instead, governments should obtain maximal revenues by taxing owners of natural resources. Abolition of taxes on buildings, sales, and earned income will stimulate constructive activity. Taxes on unearned income, capital gains, and inheritance should be reduced to the greatest extent feasible. Philanthropic aid for underprivileged and disabled people will be expanded greatly by the larger number of wealthy people.

With the exception of the broadcast spectrum, most natural resources are permanently (continued on p. 7)

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located in a limited geographical area. Most tax revenues accordingly should be collected and spent by local governments. The community is the source of improved facilities, such as roads, reservoirs of water, sewers, and public transportation, which increase the value of the land and thereby augment the communal wealth and future tax revenues. Individual citizens have more influence if the local community controls schools, allocates help for needy people, protects the free market from monopolistic controls, and performs other social services.

States or provinces, nations, and the United Nations also have responsibilities to protect the rights of property owners, preserve free markets, and help needy people. A fair share for everyone must not become a victim of the doctrines of Libertarians and Anarchists. If each person recognizes the need for a fair share for everyone together with the need for individual liberty, all levels of government will protect both paramount values.

(Dr. Herbert Barry III is chairman of the Pittsburgh chapter of Common Ground-USA, as well as the Secretary of the Board of CG-USA. He also serves on the Boards of the Center for the Study of Economics and of the Robert Schalkenbach Foundation. He may be emailed at barryh@pitt.edu.) << - - -