

## LETTER TO THE EDITOR

"A Statement of the Aims" of the Georgist Movement in Australia has been published in "Progress" (Sept. 91). The first item calls for the "abolition of taxation" without any modifying phrase such as "save taxation on all land (on site) values".

The unqualified statement is unwise, for two reasons. The first is that it is an insult to all the Georgists who spend hours knocking on doors, talking to people, organising meetings and making submissions to government—all with the purpose of retaining and extending land value taxation and site value rating.

The statement would indicate that "we" are opposed to land value taxation, yet on other pages of "Progress", taxation of site value is advocated.

It is futile to try to explain that, when we say something, we really mean something other than what can only be accepted as the normal meaning of words. To suggest high-handedly that we should all accept the dogma is a bit much! To say that government will "collect site revenue" and to pretend that it is not "taxation" will surely be treated with scorn. Site taxation is assessed and the site holder is liable for payment in the same way as any other taxation as far as the enforcement of collection is concerned (this would also be the same even if the revenue is called rent, or site rent or site revenue). What we need to impart is that the payment is a just one and the system causes prosperity.

It is silly to pussyfoot around pretending that site revenue is not a tax in the sense accepted by most people.

What has to be stated is that it is the best form of taxation. You don't fool the people by using pretend words.

Note on page 2 of Progress Nov. 91 quoting a number of Environmentalists there are at least four mentions of the desirability of land tax.

Georgists should not be bullied into avoiding the words "land value taxation" because a few forceful Georgists have a semantic thing about the word "taxation".

"All taxes are not theft". Site value tax (and rates) are just and economically sound payments for value received from the community.

The second reason for using "site value taxation" in preference to "rent", is that rent is a confusing word. It is confusing because it usually means in the mind of the public the 'whole' rent including the rent of improvements (as in net annual value). No one likes paying rent because it tends to be oppressive and seems unjust, since it at present is a payment by disadvantaged people to privileged people. Even land owners dislike the thought of paying rent.

Despite the claims that valuers can separate site rent from the rent of improvements, this appears a doubtful proposition because there is no separate market for site rent. On the other hand there is clearly a market for land titles which is well used by Valuer-General's departments, and has been successful over many decades. Naturally, valuers will say they are capable of valuing anything, but there is no history or record of the regular assessment of site rent as a tax base or for anything else.

A further reason for advocating uniform site value taxation is that it can be gradually intensified from the present low rate to a high rate without disturbance of the economy. It has been done to a moderate extent!

Let the Georgists who want to advocate Rent Collection do so. Good luck to them. We are all aiming roughly in the same direction.

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