

WHY ARE WE NOT SUCCEEDING?

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The editorial "I-YOU Chat" together with the contribution by S. Gilchrist of Sydney in IUN No. 14 impel me to offer the following comment in the hope of assisting the process of arriving at the cause of the Georgist movement's lack of success which is rightly deplored.

No better illustration of the reason for this regrettable state of affairs is required than the very substance of Mr. Gilchrist's assertions of the alleged success of land value taxation in Australia; for these assertions spring from a misconception of the nature of economic rent.

Let us examine the paragraph headed "LVT Has Not Failed." Mr. Gilchrist makes the assertion that "some 25 per cent of the site value is collected." Without disputing the percentage (which for this purpose is irrelevant), it is important to ask what he means by the "site rent." If, as I suspect, the term is his own synonym for "economic rent," I unhesitatingly refute his allegation, for "LVT" as applied in Australia, is levied on all land subject to local government control, a very large proportion of which comprises private homes in which no form of production takes place, and from which, therefore, no economic rent arises. If, on the other hand, Mr. Gilchrist is not concerned, as I also suspect, with the collection of the economic rent but only with a "site rent" based on land values which are the direct result of the failure of government to collect the economic rent (the surplus product) and the permitted withholding of sites from the market, this is an entirely different matter and not the true revenue with which this movement ought to be concerned.

The point I make here is, I submit, of fundamental importance to this movement: We have for more than seventy years since George's death, been following a false trail, the path of "LVT". It has been all too easy to plod along mouthing a formula and living in a fantasy world in which, as stated in the I-You Chat - "we are right and they are wrong" - and making no real attempt to create a dialogue with "them" or to understand "their" inability to comprehend our formula.

I need do no more, I think, than quote Mr. Gilchrist's own words to demonstrate the chaos in which so many Georgists are floundering: "As for the various proposals to substitute some other term for 'land value taxation' - what does it matter what it is called so long as it is collected - rent, rental, economic rent, land tax, site tax, duty, or a rose by any other name?" Until Georgists are willing to go back to the task of applying critical analysis to what George wrote, instead of repeating half-understood slogans, this movement will continue to have no effective impact.

We may feel that we do possess the key to economic truth, but let us be willing to prove it on demand; which we cannot do as long as the kind of complacency and defeatism evident in the two contributions to IUN to which I have referred dominate our attitude to world problems.