

PROGRESS

An Australian Journal to Advocate the Rights of the People in the Land

- POLICY
1. COLLECTION OF LAND VALUES OR GROUND RENT AS PUBLIC REVENUE.
 2. THE ABOLITION OF TAXES NOW IMPOSED UPON LABOR AND LABOR PRODUCTS.
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SOME FUNDAMENTAL ECONOMICS

By HARRY POLLARD

From time to time, we have been dealing with Murray Rothbard's critiques of Henry George's analysis. Rothbard's remarks are significant because to a large extent they have been accepted as the given word on the subject of the "singletax", even though Rothbard shows clearly that he hasn't so much missed the boat — as missed the ocean. Whenever he has taken up the cudgels against Georgist theory, he has swung mightily at the wrong target.

Landlords and Tenants

To summarise earlier analysis, Rothbard accepts a land ownership mechanism that rests on the first claimer, even though such a contention would turn the first generation into landlords, and we who come after, into tenants. Nevertheless, when the value of land is low, and the settling is hard, such a crude allocation might be usefully expedient.

However, with increasing population and its accompanying increase of land-value, the first-comers and their heirs become joyful beneficiaries of Mill's "unearned increment". Custom, reinforced by the power of the State, establishes the privilege of levying a "tax" on the producers.

Ayn Rand's more attractive fantasy of honest and industrious farmers tending the soil with fierce independence must give way to sober reality. Most cultivators are renters paying as much as two-thirds of their crop to someone who inherited from the "first-comer". "Inherit" obscures the truth, for between first tiller and latest tenant is a sorry tale of fraud, violence and murder — with always a solicitous State ready to traditionalise the crime and confirm the legal ownership of the swag.

Land does not behave in the market place as do other things. Henry George recognised this — not an arduous exercise — and offered his elegant solution, characterised by the Austrian School's von Mises as "utterly incompatible with the preservation of the market economy"! In counterpoint, George's remarks about Austrian theory included the words "grotesque confusions"!

At the other end of the spectrum, Karl Marx, described by George as "the prince of muddleheads", gloomily warned that "Progress and Poverty" was the "capitalists' last ditch".

Contemporary Georgists would content that without solution to the land problem, the market economy of the Austrians is not compatible with individual freedom. Further, they would assert that failure by defenders of the free market to address themselves to this question is directly responsible for the word-wide slide into socialism. Virtually every legislative "remedy" of the western world is directed to an effect of the land problem. Of course, they never work.

Privilege — The Coercive Value

Value can be created in three ways and one of them is coercive. The most important "values" are created by production of wealth. They can also be created by "obligation". If I sign a paper obliging myself to pay you \$1,000 in the future, that paper has an exchange value. The act of accepting the obligation creates value — but, unlike production, it does not add to total wealth.

A third way to create value is to establish a privilege, or private law ("privi"-lege"). A privilege benefits one person at the expense of another. It's a "one-way-exchange" and is the child of coercion. The right to take from another without payment is saleable. With a private law, backed by force, value has been created without the production of wealth.

Price Measures Progress

One would expect that normal progress in the arts of production would reduce the amount of exertion "paid" for things and that prices would tend continually to reduce. The effort to maintain "stable prices" is essentially a political ploy without economic meaning. The price of goods to the consumer, over the long haul, will decline. Declining prices are a measure of advance of a civilisation.

Once produced and in the hands of the consumers, products tend to diminish in value as they are used. They wear out. So, prices suffer two declines — the downward trend that accompanies progress and, on transfer to the consumer, the lessening of value that accompanies normal usage.

"Price" may conveniently be regarded as the result of two influences. First, is the effect of alternatives. One may buy one thing, or one may buy something else. The "something else" may be another version of the same good, or it

may be something very different, which still takes the form of an alternative.*

Caddies and Chevies

In an imaginary static market, goods relate to each other according to their cost of production (exertion). Before you scream that this is "Marxist Labor theory of value", think for a moment. If the manufacture of a Cadillac costs you twice as much exertion as you would spend making a Chevrolet, but you can get only 50 per cent more for the Caddie in the market, how long will you continue to make Caddies? Presumably, you will transfer to Chevy manufacture and the Caddies will begin to disappear from the market — even as the Chevies increase.

Thus will Chevies and Caddies reach the market in proportion to demands that will recover their costs of production. In other words, prices will reflect the differing efforts that must be put into their manufacture. A market may be viewed as a counter laden with goods priced according to their cost to the producer.

The Price Mechanism

However, markets are not static, and a second influence makes itself felt. Although goods will "take station" according to their costs, varying inputs occur as people bring their production for sale. Changing supply will affect prices, just as the converse is true — changing prices will stimulate changes in supply.

This process, whereby demand is constantly fed by changing supply, we call the "price-mechanism". If Cadillacs take station in the market \$1,000 above the Chevrolet price, but the price difference opens up to \$1,100, Chevies will become more attractive to some buyers. Fewer sales of Cadillacs along with increasing sales of Chevies will close the gap and again the cars will take station \$1,000 apart.

In this fashion, thousands of goods find their "equilibrium price" position in the market and the price-mechanism will keep them hovering around it.

The Mona Lisa

At least this is true of the overwhelming business of the market which deals with similar and interchangeable goods. It doesn't happen with a far less significant activity where goods are priced for their specific, unique, or limited characteristics.

Thus, when you shop for Mona Lisa, you cannot pick between possibilities, nor raise or lower your sights. You have no alternative. If you want to buy Mona Lisa there is but one and there will be no more (but see below).

How the Free Market Works

The market value of a general trade good is profoundly affected by the "price-mechanism" — the process which opens and closes the supply spigot. Yet the price-mechanism works properly only when two conditions are met: when there is no restriction on the production of alternative goods; and when there is no restriction on movement of the goods to market — free production and free trade.

When goods cannot come to market, the action of the price-mechanism continues, but fails to establish a clearing price (when supply just satisfies demand). When production is aborted, or when existing supplies are kept from market, the price-mechanism process still seeks to force input by raising prices higher.

Thus, when an increasing price fails to produce another Mona Lisa, it continues to rise apparently with no end to the increase (the word is "priceless"). The price-mechanism

struggles to draw to market the non-existent alternatives, but does no more than provide incentive for theft and forgery.*

*Six "original" versions of the Mona Lisa have been authenticated!

Churchill's Comment

Said Winston Churchill, speaking to this point: "Pictures do not get in anybody's way. They do not lay a toll on anybody's labour; they do not touch enterprise and production at any point; they do not affect any of the creative processes upon which the material wellbeing of millions depends . . .".

Churchill was comparing "collectibles" with that most essential basis of all production — land. Why the comparison? Because land, like collectibles, in the market place is not governed by price-mechanism action. And there's the rub, for land "collection" does get in everybody's way.

Just like other things, land takes its station in the market. Unlike other things, market separation of locations is not related to production costs. Land requires no production. It was there before we were — and it will be there when we are gone.

Land takes station according to its value as an aid to production. This value to production is known as *Economic Rent*.* Simply put, land renting for \$2,000 a year may be expected to add \$1,000 more to production than land renting for \$1,000.

Community Created Value

Rent is directly related to the activities of the community as a whole. It is called a "socially created value" because it is. The value of a location would exist without the landholder qua landholder, but not without a surrounding community of individuals. Essentially, all that a landholder does — for a price — is to allow a producer to use a value provided by others.

It can be seen that a landholder's return is pure privilege. He does nothing, as a *landholder*, for his rent. Private law, reinforced by power of the State, ensures continuance of the "one-way exchange".

The first influence on land price in the market place is, like other things, the available alternative. But the alternative is always other land. There is no similar thing that may be substituted.

The second influence is, of course, the price-mechanism, but in crippled cast. For those necessary conditions of a free market — unrestricted production and mobility, are absent from the land market. Demand for land shown by rising prices, cannot stimulate production of more land, nor can it draw land in from elsewhere. Market response to rising prices — the arrival of fresh supply — is impossible. The mechanism that effects a "clearing price" for other goods waxes impotent in the land market.—From "*The Good Society*", August-September, 1981.

* Rent may be defined as the sum of advantages, less disadvantages, that attach to a location. Technically, it's the difference in value between a location and the best land that can be had for nothing.

VICTORIAN LAND TAX

Victorian land tax rose from \$28.8 million in the first half of 1984-85 to \$48.7 million for the corresponding period this financial year.—"*Financial Review*", 6/2/86.

UPSET AT N.A.V. CHANGES

There appears to be a great deal of confusion in the minds of supporters of Coburg Council's proposed change to the nett annual value rating system, according to Coburg Chamber of Commerce President, Mr. Sam Ganci.

"One correspondent to your paper mistakenly seems to think that owners of brick veneer houses will end up paying more, while owners of weatherboard houses will pay less under N.A.V.," Mr. Ganci said.

"The indisputable fact is that any resident who makes any improvement, substantial repairs or addition to their house will be penalised under N.A.V.

"If you replace a roof, side fence or even your old wooden windows, the effect is to increase the value of the property and, as a consequence, higher rates will be payable every year from then on.

"A major disadvantage of N.A.V. may be that there are people who are asset rich, but income poor," Mr. Ganci said.

"These could be widows who have been left a valuable property but rely on the pension for payment of rates," he said.

"I would suggest that in Coburg, which has a large aged population, there is a significant number of residents in this category.

"N.A.V. will harm some of the very people that supporters of N.A.V. are claiming to assist," Mr. Ganci said.

Claims have been made that 80 per cent of ratepayers would pay the same or less under N.A.V.

"Recently that figure has been reduced to 70 per cent," Mr. Ganci said.

"The question needs to be asked — has the percentage changed or has the Council computer confused itself?

"We do not believe that 70 per cent of Coburg ratepayers will pay less under the N.A.V. system.

"If Coburg ratepayers look at their rate notices, they will see that capital improved value on which the N.A.V. rates will be based is substantially understated.

"An example was a rate served on a property which had a site value of \$35,000 and a capital improved value of \$35,000.

"This means that according to the rate notice, a five room weatherboard house on this land is worth nothing," Mr. Ganci said.

"It does not take a degree in economics to work out that at the next valuation, the capital improved value of this property will double and, incidentally, so will the rate charged under N.A.V."

Mr. Ganci said the Chamber felt that all ratepayers should be aware of all the facts before a decision to change Coburg's rating system is made.—*"The Courier"*, February 12, 1986.

P.R. NEWS

Ensuring Democratic Elections

On 6th December, 1985, the Senate resolved that the Constitution Alteration (Democratic Elections) Bill 1985, introduced by Australian Senator Michael Macklin in April, 1985, be referred to the Joint Select Committee on Electoral Reform for inquiry and report. The Society has indicated, in a submission to the Committee, that it considers that the Constitutional provisions relating to Parliamentary elections are inadequate and that alterations are needed.

If the Constitution is altered in accordance with the Bill, it will include a clear statement of the right of citizens to

vote, and provision for the jurisdiction of the High Court to be invoked by anyone whose rights relating to participation in elections may be in doubt. It will also limit variations between electoral divisions in the numbers of voters per member for elections of Commonwealth, State and Territory Parliaments. The proposed limitation of variation, if applied to quota-preferential systems in multi-member electorates, would ensure that, as nearly as practicable, each member would represent the same number of voters. This would be genuine one vote, one value. But limitations of variation in the enrolments in single-member-electorate systems, although it could reduce distortion in representation, would leave many voters in every electorate without effective representation. It would not give one vote, one value.

Although what is in the Bill is admirable, it does not go far enough. The proposed alteration of the Constitution would certainly not "ensure" that the Members of Federal, State and Territory Parliaments are chosen democratically, as the title of the Bill states. The Society has therefore recommended that the Bill be made consistent with the title by providing for insertion at appropriate places in the Constitution of requirements that laws relating to elections shall ensure that, as nearly as practicable, all votes are of equal value.

Tasmanian Voters Knew What They Were About

Under the headline "Heave-ho for the deadwood M.Ps.," Bruce Montgomery, in the *"Australian"* of 10th February wrote "Tasmania's Hare-Clark system of voting, unique in Australia, produced the most informed and informative election result in the State's political history at the weekend — the voters clearly knew what they were about and their message is equally clear". In the new House of Assembly, there will be 19 Liberal, 14 Labor and two independent members, as before. But the voters on 8th February replaced 17 of the 35 members of the House. Those replaced by others from their own parties included two Ministers and the Speaker and some senior members of the Opposition. Bruce Montgomery summed up the results neatly when he wrote "It is the voters' freedom to choose between candidates on each party ticket which has produced the radical changes of the weekend." Andrew Gunter, National Secretary of the Society, was in Hobart for the election. He was featured in an article in the *"Mercury"* on 12th February and was interviewed on ABC radio and commercial television. Another visitor was Dr. Paul Harris, research officer for the New Zealand Royal Commission on the Electoral System, which is obviously giving serious consideration to proportional representation.

Reform Likely in Western Australia

The A.L.P. again has a majority in the Legislative Assembly after the election in Western Australia on 8th February, but in the Legislative Council there are 16 A.L.P. members, 14 Liberal and four National Party. Mr. Hendy Cowan, leader of the National Party, said in the forum on "The Ideal Electoral System for Western Australia" in October, 1985, that the policy of the National Party included changing to "regional proportional representation" for the Legislative Council. He has reaffirmed his commitment to proportional representation recently, but still favours weighting of rural votes. Legislation for proportional representation for the Council now seems likely. Even with smaller quotas in rural electorates, this would be a very significant step towards democratic elections in Western Australia.—*"Quota Notes"*, March, 1986.

LOCAL GOVERNMENT UNDER THREAT IN VICTORIA

Over the last six months a serious threat has developed in the State of Victoria owing to the generation by the present Labor Government of plans to restructure local government, involving extensive amalgamation of Councils over most of the State.

There are 210 municipalities in Victoria at present of which the continued independent existence of more than half is threatened and a high proportion of the rest will be greatly affected by mergers.

Many Councils are not prepared to co-operate with the Local Government Commission in this matter and are taking legal action to challenge its proposals.

This paper is concerned that the proposed amalgamations may lead to Councils which have adopted site value as their rating basis in accordance with the choice of their rate-payers at rating polls over the years, may find themselves joined with others now taxing owners' improvements and be penalised in future.

The importance of untaxing owners' improvements in stimulating the type of development required in local Councils has not so far received much discussion. But it is vital to achievement of results sought under reconstruction so far as they are desirable.

There are very great differences in the degree of advancement made by the Municipal Councils according to which of the alternative rating systems they are operating under. There have been voluminous statistics issued by the Australian Bureau of Statistics Catalogue No. 5501.2, 1983-84. Those relating to the 40 cities rating site value and the 23 rating net annual values have been analysed and tabulated separately by the Land Values Research Group, and are being distributed to the City Councils for their information.

They are also printed below with this article, separating the metropolitan and country cities. They show, for each city, the number of properties, the rate for the city in \$000 and the average rate payable per property.

Similar analysis is being made for the Shires.

RATING UPON VALUES OF OWNERS' SITES — OR ON THEIR OWN IMPROVEMENTS?

There are 65 cities in Victoria — 40 rate on S.V., 23 N.A.V., two 50/50. 1983-84 information from Australian Bureau of Statistics, No. 5501.2, Table 3.

23 Cities Rating on Net Annual Value.

City	No. of Properties	Rates \$000	Av. Rate \$
COUNTRY CITIES (6)			
Geelong	6,898	3,011	436
Bendigo	13,465	5,717	425
Ballarat	14,934	5,779	387
Shepparton	9,824	3,806	387
Colac	4,162	1,320	317
Geelong West	6,680	1,567	235
Total (6)	55,963	21,200	365

City	No. of Properties	Rates \$000	Av. Rate \$
COUNTRY CITIES (17)			
Mildura	7,166	3,190	445
Hamilton	4,125	1,693	410
Sale	5,590	2,149	384
Swan Hill	3,733	1,328	356
Wangaratta	6,610	2,351	356
Ararat	3,208	1,103	344
Benalla	3,445	1,151	334
Warrnambool	9,401	2,922	311
Traralgon	7,419	2,282	308
Maryborough	3,559	1,085	305
Newtown	4,383	1,331	304
Wodonga	7,606	2,237	294
South Barwon	15,432	4,523	293
Echuca	3,604	1,035	287
Castlemaine	3,043	849	279
Moe	6,850	1,901	278
Horsham	5,289	1,423	269
Total (17)	100,463	32,553	327

Average rate excluding Melbourne — \$516.

40 Cities Rating on Site Value.

City	No. of Properties	Rates \$000	Av. Rate \$
METROPOLITAN CITIES (23)			
Oakleigh	21,309	9,397	441
Kew	11,105	4,704	424
Coburg	20,732	8,721	421
Doncaster	31,614	13,047	413
Camberwell	35,857	14,532	405
Ringwood	14,820	5,478	370
Nunawading	33,566	12,192	363
Keilor	30,414	11,017	362
Croydon	13,971	4,916	352
Box Hill	19,060	6,538	343
Knox	35,287	12,118	343
Heidelberg	23,147	7,851	339
Essendon	23,794	8,026	337
Sandringham	12,907	4,347	337
Waverley	41,453	13,613	328
Moorabbin	39,703	12,968	327
Broadmeadows	33,010	10,503	318
Malvern	19,599	6,236	318
Mordialloc	12,672	4,011	317
Dandenong	21,685	6,817	314
Springvale	29,446	8,933	303
Frankston	31,611	8,981	284
Chelsea	10,864	2,769	255
Total (23)	567,626	197,715	348

City	No. of Properties	Rates \$000	Av. Rate \$
METROPOLITAN CITIES (17)			
Melbourne	23,205	47,522	2,048
Port Melbourne	3,906	4,000	1,024
Collingwood	7,575	5,546	732
Richmond	10,882	7,345	675
South Melbourne	11,720	7,789	665
Fitzroy	8,818	5,433	616
Williamstown	10,573	5,394	510
Footscray	21,452	10,375	484
Sunshine	32,706	15,525	475
Altona	12,325	5,822	472
Berwick	14,741	5,876	399
Prahran	26,142	10,231	391
Brighton	14,172	5,481	387
Northcote	21,973	8,478	386
Hawthorn	16,231	6,242	385
St. Kilda	27,549	9,127	331
Preston	30,656	10,096	329
Total (17)	294,626	170,282	606

The remaining two cities not included above are Brunswick and Caulfield, using Shandy rates (50/50).

COUNCIL LOOKS AT RATE CHANGE

A change of rate calculation for Malvern residents in 1986-87 will be the item of discussion at a special Council meeting on Tuesday.

The meeting follows a report from the Town Clerk, Mr. Peter Birrell, detailing the programme for changing to a rate base of net annual value.

Malvern properties are now rated on site value.

Mr. Birrell said a computer readout would be sent to every ratepayer in Malvern detailing the present rate under site value and the proposed rate under net annual value.

He said that if a tenth of the ratepayers objected to the proposal then a poll on the issue could be forced.

If the proposed change was knocked back at a poll, it could not be forwarded for consideration until at least three year later.

Mr. Birrell said that if the rate change was unopposed, the Council could alter it within 12 months.

Malvern Council will know by the end of May whether there is going to be a poll.—“Regional Progress”, 5/3/86.

Malvern 3144
Dear Sir,

Malvern City Council is proposing to abandon rating the Unimproved Value of the land (Site Value) and charge ratepayers on the value of their homes and improvements to their property (Net Annual Value).

Site Value rating was adopted by a vote of the ratepayers of Malvern in 1955 by a majority of almost two to one. Six years later, in 1961, the Council proposed to change back to Net Annual Value and ratepayers were forced to take up a petition demanding a poll of ratepayers on the issue. Site Value was returned by a majority of more than 2½ to one (25,681 to 10,140), as expressed by the will of the people.

Why is it that the Council proposes to place the rates on homes and improvements when public demand is for raising revenue in a way which gives people an incentive to improve their homes without incurring a penalty in higher rates? Financially, Malvern is one of the lowest rated cities in the metropolitan area. The average rate per property is \$318, whereas the average rate for the 17 cities rating N.A.V. is over \$600.

Why is it that Malvern Council is prepared to force rate-payers to take up a petition to get over 4,000 signatures in order to have another vote to retain Site Value rating, which they, the people, have overwhelmingly voted for in 1955 and again in 1961?

Surely the responsibility to demand a further poll on the same issue should rest with those who are dissatisfied with the site value system and want to change back to N.A.V.? The Council proposal, as stated, is the wrong way round. **It would force Malvern citizens — who have already twice carried polls to obtain and retain site value as the rating basis,— to demand a further poll on the proposal they have already twice rejected.**

It is up to Malvern citizens wanting change to N.A.V. to get the signatures themselves to a demand for a poll on that proposal instead of trying to sneak it through Malvern Council by subterfuge, which would compel those not wanting change at all to demand a poll simply to retain what they have already won twice.
11/3/86.

A. R. HUTCHINSON, Vice-President,
General Council for Rating Reform,

Latest information is that Malvern Council confirms it is proceeding with its reversion proposal. Volunteers to help collect the necessary signatures to ensure there is a poll are requested to write to the above address.

PROGRESS and POVERTY
By HENRY GEORGE

The world best seller that inspired people like Leo Tolstoy, Sun Yat Sen, Winston Churchill, Aldous Huxley, Albert Einstein, Bernard Shaw, Prof. John Dewey and many other great writers, thinkers, politicians and economists.

No man's education is truly complete unless he has read this book.

“No man, no graduate of a higher educational institution has a right to regard himself as an educated man in social thought unless he has some first-hand acquaintance with the theoretical contribution of this great American thinker.”

John Dewey,
Professor of Philosophy,
Columbia University.

WISDOM

Ashley Mitchell, life-long U.K. Georgist, was once asked for advice for active Georgists: “A time will come when the world is ready to accept our philosophy and proposals; it is important that you who believe in it be prepared for that moment.”

PRESS LETTERS OF INTEREST

HENRY GEORGE AND IRELAND

It was exactly at the start of the Fenian Land War that Henry George in America published his economic treatise "*Progress and Poverty*". (An enquiry into the cause of industrial depressions and of increase of want with increase of wealth—The Remedy.) In this book, George advocated the socialisation of ground-rent and set alight a fuse that is still burning to this day. George made an historic intervention in the Land League campaign when he was despatched to Ireland by the editor of the New York newspaper "*The Irish World*" to cover the Land Leaguers.

Two days before Henry George sailed on 15th October, 1881, Parnell, Dillon and O'Kelly had been sent to prison under the Coercion Act. From that moment until the end of 1882, Henry George endeavoured to hold Michael Davitt to the old war cry of "The land for the people!". He failed but was fair enough to say of Michael Davitt: "He is a noble character and by far the best of the lot."

While Henry George had tried to rally Michael Davitt to the pure truth of the single tax on the site value of land, Davitt demurred and made his peace with the Parnellites and parliamentary reform. Once again, the course of justice was set back by the cowardice of a "great Irish leader".

While unable to convert Parnell or Chamberlain or, indeed, keep Michael Davitt steadfast, Henry George went on to gain acclaim not only from many Irish like Bishop Nulty of Meath and Fr. Edward McGlynn (the priest excommunicated by the Pope for holding that the land belonged to the people) but made converts world-wide as diverse as Leo Tolstoy, Sun Yat Sen, Frank Lloyd-Wright and Milton Friedman. As Henry George foresaw in the moving words from his greatest work which are now inscribed on his tombstone in Greenwood Cemetery, Brooklyn:—

"The truth that I have tried to make clear will not find easy acceptance. If that could be, it would have been accepted long ago. If that could be, it would never have been obscured. But it will find friends—those who will toil for it; those who will suffer for it; if need be die for it. This is the power of truth."

The truth which both in Ireland and throughout the world Henry George had tried to make clear, both in his life and his works, was once again recently ignored in Ireland by Fianna Fail when the then Taoiseach, Jack Lynch, carelessly and catastrophically abolished rates, causing, as Henry George would have been the first to point out, an inevitable resultant economic collapse of the country which has inexorably ensued.

But Irish politicians are not the only dullards in existence. The British Prime Minister is about to abolish rates in Britain. Michael Davitt was not the only lost leader and politician to ignore the truth for the expediency of what appeared to be at the time overwhelming political advantage.—H. I. Meyer (B.Arch.), "*The Irish Post*", 15/2/86.

WELFARE STATE A FAILURE

Governments apparently prefer piecemeal solutions to present-day social and economic problems.

Economists are apparently suspicious of any theory that claims to cover a wider spectrum of problems.

The welfare state, despite its laudable aims, has clearly failed in many respects.

Despite massive expenditure on social services, the quality of life for a growing part of the population continues at below acceptable standards.

Poverty still persists, especially among particular groups, when the capacity for wealth production steadily increases.

Unemployment remains far too high, especially when so much needs to be done in our economy.

Housing access is increasingly difficult for many, yet under-employment in the building industry persists.

Welfare standards are reduced as governments cut back on public expenditure.

The use of the money-printing machine has been proved disastrous, as it has been found that unemployment and inflation are not necessarily alternatives, but can occur and increase simultaneously (stagflation).

Most frictions in the wealth-generation process, many inequities

and conflicts in society, arise from failure to ensure equitable access to sites, and to the associated taxation policies arising from this.

Radical reform of our revenue system, paying proper attention to the location factor, is essential for a better society.—G. Forster, Canterbury, "*Geelong Advertiser*", 18/2/86.

RATING REFORM

The General Council for Rating Reform is concerned that Coburg Council is considering changing its rating base from site value rating to net annual value rating.

Site value rating charges ratepayers in proportion to the value conferred on the site by the Council services. This is fair and equitable and spreads the costs of running the municipality and encourages improvements to homes, factories and commerce.

Net annual value is unjust because it taxes citizens based on what the ratepayer does in adding value to his or her property. It discourages improvements.

Councillors who think change to net annual value will improve the city are mistaken. Let us look at the rate performance of four adjoining site value cities, and compare them with four adjoining N.A.V. cities.

If we take Coburg, Broadmeadows, Keilor and Essendon, which all rate on site value, and compare them with Sunshine, Footscray, Altona and Williamstown, which rate N.A.V., we find the average rate per assessed property for the S.V. group is \$360 compared with \$490 for the N.A.V. group. The N.A.V. cities rates are \$130 greater (36 per cent) than for the S.V. cities.

The average rate per property for the 23 cities on S.V. rates in Melbourne Statistical Division is \$349, while the average for the 17 cities rated N.A.V. is \$607.

Coburg Councillors should take another look before they submit themselves to the judgment of the ratepayers on the question of changing the rating system.—A. R. Hutchinson, Vice-President, General Council for Rating Reform, "*Coburg Courier*", 12/2/86.

BURNIE TO ADOPT HARE-CLARK SYSTEM?

The Hare-Clark election system may be used to decide the outcome of the 22nd March municipal election at Burnie.

It would be the first time the Council had used the system, although it has been used by other councils, including the Hobart City Council.

A special resolution enabling the Council to use the Hare-Clark system is expected to be confirmed at its 17th March meeting.

At past elections the Council has favoured the Legislative Council method of distributing and counting votes.

The Hare-Clark system is used to decide the outcome of House of Assembly elections.

Supporters of the system say it tends to faithfully reflect the wishes of the electors.

It is also said to favour the team approach to elections.

Rolls for the election close next Friday.

The retiring Councillors are former Warden and now President of the Tasmanian Farmers' and Graziers' Association, Cr. Bruce Stewart (Harford Ward), Cr. R. Campbell (Sassafras) and Cr. Pat Mackey (Sherwood).—"*Advocate*", Burnie, Tas., 22/2/1986.

IT WORKS. SIMPLE, NO PROBLEM.

Goodness gracious me.

General Marcos is not so clever, not so clever at all.

Well, he has to seem to get more than 50 per cent of the vote—that's his problem—when all he had to do was pass the right laws, a few right laws.

It works, it's simple, it works here no problem, and then he could have been elected legally, too, quite legally, with only 35 per cent of the vote.

It works here. There's no doubt about that . . . all legal and democratic.—Betty Birsks, Qld., "*Brisbane Courier Mail*", February, 1986.

A FISHY SMELL

Why is it when the price of petrol goes up we pay the five to six cents increase (because we are tied in with world pricing), but, when the world price drops, we don't get the full benefit of the decrease?

Am I the only one who smells something fishy?—J. D. Neary, "Brisbane Courier Mail", 31/1/86.

Editor's Note: The unlimited rapaciousness of governments is of course once again evident.

DECLINE OF ARTS MIRRORS SOCIETY

I endorse James Egan's letter "Wake up to the con that Picasso exposed" (24th January). The letter was a criticism of modern art. Pictures such as *Blue Poles* are not primarily works of art but indicators of the state of society and, as such, of historical value.

The decline in graphic art is typical of the decline in all the arts — sculpture, literature, etc.

The inference is that, in a declining civilisation, third-rate efforts are likely to take precedence over first-rate.

If humanity survives the bang or the whimper, future historians will point to our contemporary society as a period of decadence, just as we regard the decline of Rome. Our art will be evidence of that decline.

Henry George, the social philosopher, 100 years ago, discussing the possibility of such a decline, wrote: "For instance, there is an enormous difference between Grecian art of the classical period and that of the lower empire, yet the change was accompanied, or rather caused, by a change in taste.

"The artists who followed this change in taste were in their day regarded as the superior artists. And so of literature.

"As it became more vapid, puerile and stilted, it would be in obedience to altered taste, which would regard its increasing weakness as increasing strength and beauty. The really good writer would not find readers: he would be regarded as rude, dry or dull."—Arthur Cannon (Kennington), "Sun", 19/2/86.

ELECTORAL JUSTICE

R. Ryan (2/3/86) claims that the Democrats rule Australia with only 8 per cent of the vote since they can force a dissolution. This is a gross misrepresentation of the facts.

The Democrats have no power to rule but do have some power to stop the Hawke Government from introducing irresponsible legislation. This is good since the Hawke Government represents 50 per cent of the nation only, and therefore has no universal mandate.

On the other hand, in Queensland, no party has any power to stop irresponsible legislation from Bjelke-Petersen, even though his Government only obtained 37 per cent of the vote. This is bad.

Tyrannical and irresponsible government will only cease when we replace single constituency preferential voting by proportional representation, as in the Senate system.

In such a system a voter's choice of candidate is not confined to his own constituency and every vote helps to elect a candidate of the voter's choice. Constituencies, should, of course, be of equal size.—C. H. Stowasser, Herston, Qld., "Brisbane Sunday Mail", March, 1986.

TAX "REFORM"

Sir—If an extravagant socialist government wished to lay the groundwork for eventual heavy increases in taxation, without losing office as a result, then surely it would aim to replace highly visible direct taxes with those that remain indirect and unseen, calling it tax reform to encourage unthinking acceptance?—B. Mason, "Canberra Times", 21/4/1985.

LAND VALUE TAX

My advocacy of land value tax (L.V.T.) in "N.J." 5/80, p. 7 (see also p. 14), 5/83, p. 13, Feb./Mar., 1984, p. 7, and condemnation of indirect taxes, June 1984, p. 13-14, have triggered no opposition and we are STILL awaiting the relevant policy ballot foreshadowed by Dr. Eckerin in "N.J." 6/83, p. 8.

We cannot wait indefinitely to resolve our horrendous unemployment, inflation, taxation and poverty problems, which all other parties, too, are ignoring. I therefore propose the following policy ballot items, all justified in the above references, with which we all apparently agree.

- L.V.T. to progressively replace indirect taxes and, eventually, income tax, too, as social services, industry assistance, etc., dwindle with natural prosperity.
- L.V.T. to apply at a flat, uniform (within each State/Territory) rate on the UNIMPROVED value of land, as already determined for municipal rating purposes.
- L.V.T. exemption be initially allowed up to a land value of \$50,000 for the site of the principal private residence.
- L.V.T. for the Commonwealth, States and Territories requirements to be collected by Municipalities through existing rating administrative systems and passed on to the respective Treasuries.
- Municipalities to permanently and publicly display maps showing all land divided and subdivided, ownership both nominated and beneficial and current valuations.
- Land valuations to exclude speculative content (no longer applicable) and be subject to democratic appeal processes within each Municipality.
- Land re-valuations preferably to take place annually and at least biennially.
- Grants by the Commonwealth from income and indirect tax revenues to States, Territories and Municipalities (other than equalisation grants) to be phased out, allowing the latter to raise such revenues directly from L.V.T.
- Income tax deductions for rates/land taxes to be abolished.

I undertake to promptly answer any belated objections — in same Journal — if the copy is sent to me in time.—B. Mason, "Aust. Democrat Nat. Journal", February, 1985.

SITE RENTALS v. ECONOMIC RENT

When does anyone in business enquire as to the "economic rent" of a location? Hardly ever, for the practical questions mostly concern the rental!

We who advocate collection of site rentals as the naturally occurring public revenue surely do so on the basis of practicality, the justice being self-evident.

I feel certain that the term "economic rent" is not the sensible proposition that Mr. Dowe ("Progress", February) deems it to be. However, if he can utilise it to provide wordings that would be practical for legislation purposes, I might perhaps be convinced.

W. H. Pitt, Nunawading, Victoria.

IDENTITY RENT

Mr. Dowe agrees with me that rent is surplus product.

I have it on his authority ("Progress", February, 1986, p. 6) that "... economic rent should be taken for the community".

I have had a vision of him collecting it. Everybody — business houses, factory owners and housewives alike — put out their surplus product on the nature strip, like bundles of papers under a brick. (How big the bundles and how many bricks Mr. Dowe has yet to tell me.)

Now along comes Mr. Dowe in his cart, with his plodding old draught horse to collect the surplus product.

In all sanity, the only practical proposal is to collect the assessed annual rental of the sites. The Government would, I should imagine, collect this, either on cheque or bankcard.

If Mr. Dowe can, in legislative terminology, spell out any other way whereby the rent may be "taken", I am sure we are all waiting to learn it.

Ken Grigg, Canterbury, Victoria.

MORE ON ID CARDS

ID cards will not stop the massive tax evasion achieved through cash transactions. Furthermore, the great tax rorts of the 1970s were stamped out eventually by determined judicial, legislative and investigative action without the benefit of an ID system. It seems to me excessive for the Government now to want to impose a compulsory card on millions of Australians who are not in the rip-off business and who want to go about their personal financial dealings without feeling that an omnipotent bureaucracy is placed to inspect every decision and dividend.

The proposed gains from reducing social welfare fraud would seem to be even less significant than the tax gains. Last week, the Minister for Social Welfare, Mr. Howe, told Parliament that net annual overpayments for social welfare were less than \$20 million, or less than one half of one per cent of a total welfare bill of almost \$15,000 million. Again it seems excessive that the Government should want every Australian compulsorily to carry a card.

The Government's report to the joint committee makes it clear that the ID card would be of little value in fighting organised crime. The report says Federal Police have indicated that "there are no real grounds for anticipating any impact on the level of organised crime generally".

The report adds: "The only relevant factor is that the ease with which organised crime has used the banking system in the past would be decreased by the proposed requirements in respect of certain banking transactions. Organised crime, particularly in the drug trafficking area, would be quick to identify possible methods of avoiding the inconvenience caused." Again, the case for compelling all Australians to possess IDs diminishes.

In its report, the Government reveals its sensitivity to criticism of the ID system on civil liberties grounds. "... without appropriate safeguards . . . some of this criticism would be well-founded," it says. There are two things to be said about these weasel words.

First, they carry the inbuilt assumption that it is OK to diminish individual rights so long as "appropriate safeguards" are provided. Rubbish. It is better not to touch the rights of individuals unless the social benefits are much more obvious than they are in the case for ID cards. A promise of safeguards does not overcome objections.

Second, the safety of safeguards is not always certain. The temptation will be greater for any government to get rid of troublesome safeguards than to get rid of an ID system which allows far greater control and inspection of the lives of individuals. That way real danger lies.—Geoffrey Barker, "The Age", 20/2/86.

ANOTHER VIEW

If the Federal Government has its way, we shall all have our own personal identity card and number in 1987. But will this expensive national identification scheme really be worthwhile?

Serious doubts are emerging about its cost-effectiveness to achieve even the limited objectives of curbing some forms of tax evasion and social security fraud, and flushing out illegal immigrants.

The Government seems to be winning the propaganda campaign against those who oppose the scheme on civil libertarian grounds or fears of a totalitarian future.

It is interesting that some of the most vehement opposition has come from the extreme Left and Right, precisely the type of people most likely to use identity data for the forms of political and social control they profess to abhor.

For reasons of bureaucratic reticence and political sensitivity, the Government has not disclosed its ultimate intentions or all the facts and figures on which its enthusiastic marketing of the national identification scheme is based.

Until it tells us more, we — and more specifically, the Senate — are entitled to be sceptical and suspicious.—Claude Forell, "The Age", 4/2/86.

COUNCIL CRITICS ARE VINDICATED

An Oakleigh accountant and a rating reform group have been vindicated over their criticism last year of notices sent by Oakleigh Council to every ratepayer.

The vindication came in a letter from Local Government Minister Mr. Simmonds to accountant Mr. Allen James, who has a business in Atherton Road.

Mr. Simmonds wrote on 12th February that the notices did not comply with the Local Government Act.

Both Mr. James and the General Council for Rating Reform had said the notices — sent prior to the municipal elections — were misleading.

General Council for Rating Reform spokesman, Mr. Allan Hutchinson, told the "Standard Times" last July that the notices underestimated this year's rate bills by about 10 per cent. Council revenue, about \$10.2 million in the current year, would fall short by the same amount, he said.

Mr. Hutchinson branded the figures as "phony". He said many ratepayers "who appeared to make a saving will in fact find out that they could be paying more".

The notices were supposed to help people decide a referendum question on whether to retain the Site Value rating system or switch to Net Annual Value. They compared the bills individual ratepayers would face under the two systems.

With the city's largest ratepayers — the major businesses and industries — firmly opposed to the change the referendum was soundly defeated, by a majority close to two-to-one.

The Council, which had an A.L.P. majority before the election, had campaigned hard for the change.

Mr. Hutchinson asked Oakleigh Council at the time, through a letter to Town Clerk, Mr. Barry Prebble, to re-compute the figures and send out new notices.

But Council's only official response at the time was to say that the figures had been prepared by a computer bureau which had been handling its rates notices for several years.

Mr. James first wrote to Mr. Simmonds on 5th July and wrote again shortly after.

Mr. Simmonds replied on 12th February, saying: "I understand that you were aware that an examination of the statutory procedures carried out by the Council was being undertaken by Mr. R. Phyland, Assistant Senior Local Government Consultant.

"He has reported on these matters, including the question of the calculation of the equivalent N.A.V. rate shown on the notices forwarded to owners/occupiers of rateable property as required by the Local Government Act," Mr. Simmonds said.

"It is apparent that the calculation was not made in the manner set out in the Local Government Act and I am concerned at the failure of the Council to comply with the statutory requirements in respect of its proposal.

"The Council has been informed of my concern, but as I understand the proposal was defeated at the poll, no further action is envisaged."—"Standard Times", 26th February, 1986.

QUEEN UNVEILS STATUE OF CATHERINE HELEN SPENCE

The Queen unveiled a statue yesterday of Catherine Helen Spence, an early author and campaigner for electoral reform.

Funds for the Light Square statue were raised in an appeal by the Women's Executive Committee of the S.A. Jubilee 150 Board.

The Electoral Reform Society of S.A. has recently reprinted Catherine Spence's leaflet "A plea for pure democracy", first published in 1861.

The leaflet will be launched at 10.30 a.m. today at the statue.

The chairman of the Women's Executive Committee, Mrs. G. Joseph, told the Queen during a short ceremony that Catherine Spence had come to S.A. from Scotland in 1839.

"By nature she was strong and energetic," she said.

Her novel, "*Clara Morrison*", had been published in London in 1854.

Mrs. Joseph said Catherine Spence had had a lifelong interest in politics, society, social welfare, economics, literature and religion.

In the late 1870s she had contributed to a change in the status of women by writing under her own name, becoming a correspondent for "*The Adelaide Register*" and "*The Observer*".

"By then she had begun her zealous advocacy of proportional representation," Mrs. Joseph said.

"Her work was published in British and American journals."

Mrs. Joseph said Catherine Spence had been widely respected as a forthright and social commentator.

In 1891 she had become Vice-President of the Women's Suffrage League in S.A. and had campaigned on behalf of women.

Later she had been the first female member of a Local School Board of Advice and was the first subscriber to the Kindergarten Union in 1905.

She also had been Australia's first female political candidate.

A facsimile of a first edition of "*Clara Morrison*", held in the Mortlock Library of South Australia, was presented to the Queen by Mrs. Joseph.—"*Adelaide Advertiser*", 11/3/86.

DEMOCRACY TAKES ANOTHER BEATING

Labor's Socialist Left is not averse to electoral engineering in contempt of democratic principles. Its malign influence was behind a resolution of the Party's State Conference last October which, if implemented, would eliminate minority parties — including the National Party — from the Legislative Council and disenfranchise more than 200,000 Victorians.

Before the last election, the Premier, Mr. Cain, promised to introduce proportional representation in elections for the Legislative Council if Labor won control of both Houses of Parliament. On this understanding, the Australian Democrats urged their supporters to give their preferences to Labor candidates. As it happened, the Cain Government did not win a majority in the Upper House. Ironically, this was partly due to the failure of the Democrats to deliver

sufficient preferences in the crucial contest for Nunawading Province. But then the A.L.P. Conference imposed the condition that, if proportional representation were introduced, a Party would have to win at least 10 per cent of the vote in the State as a whole for its candidates to be elected.

The Democrats have protested that this proposed threshold amounts to a breach of promise and would permanently exclude from the Upper House the very minority groups for whom the reform was intended. The impact would be much more dramatic. Not only would it keep out of the Legislative Council such minority Parties as the Democrats and the Nuclear Disarmament Party, whose support is dispersed throughout the State, as well as any independent candidates, unless they can clear the State-wide 10 per cent barrier. It would also eliminate from the Upper House the National Party which, although it gained less than seven per cent of the total primary vote for the Legislative Council in the last election, outpolled the Labor and Liberal parties combined in one Province, led the poll with nearly 38 per cent of the primary vote in another and outpolled the Labor candidate in a third. The proposition that a candidate who can win a parliamentary seat, even with an absolute majority, in a particular area of the State should be disqualified, and those who voted for him disenfranchised, because his Party has not won 10 per cent of the vote throughout the State is an outrageous denial of democratic principles.

The Socialist Left's suspicion of proportional representation is, perhaps, understandable. Where, as in Tasmania, sophisticated voters can distinguish between factional representatives of the same Party and vote only for those they favour, the S.L.'s parliamentary numbers could well be limited by the electorate. What is neither understandable nor excusable is that Mr. Cain should accept this audacious proposal, which is not only undemocratic but politically foolish. The Liberals would be the main beneficiaries of the elimination of the Nationals and Labor could kiss goodbye any future preferences from the Democrats. Indeed, the Democrats may have already concluded that Labor is not to be trusted.—"*Age*", 18/2/86.

AS GOVERNMENT EXPANDS LIBERTY DIMINISHES!

By ADAM DOLLAR

A few months ago I spied at the bottom of a letterhead the slogan AS GOVERNMENT EXPANDS LIBERTY DIMINISHES. It is a slogan which is subtle, not especially controversial, inoffensive and provides food for thought for those who are hungry. Jumping in with both feet I ordered three rubber stamps made and began stamping everything in sight — letterheads, envelopes, invoices, cheques, and so on. As my various forms required a new printing the slogan became part of the form.

Then one day as I was fondling the money in my safe, left over as a result of outwitting Killer Keating, a brain-storm erupted. I began rubber stamping both sides of all the currency that passed over my counter, which I in turn gave out as change to my customers. A printed ad. is perhaps read once, but who throws a ten dollar bill away? Nobody that I know of! Each bit of currency receives hundreds and hundreds of visual impressions. Subsequently, several other freedom loving friends (for legal purposes I forget their names!) obtained copies of the rubber stamp from me and,

from what I am given to understand, a number of stamps are busily stamping Australian currency around the country.

Thus, we now arrive at current events. On Tuesday, 18th November, I was arrested by two plain clothes Federal policemen at my office. The charge? Defacing Government currency. It seems that a customer received four notes in change from me and was so concerned with finding AS GOVERNMENT EXPANDS LIBERTY DIMINISHES on them that he informed the Federal police. I was taken downtown where three hours were consumed typing up a question and answer statement, wherein I freely admitted stamping the \$826 they confiscated from my safe. Subsequently, I appeared in court on Friday, 22nd November, and was fined a total of \$120. Somehow I did not equate the heinous crime of stamping currency with desecrating war memorials, but the Chief Magistrate did not quite see it that way. It appeared that everyone in court, including the prosecutor and the Chief Magistrate, were smiling good-naturedly and were in sympathy with me; however, he fined me as a deterrent to others. At the time it did not seem appropriate for me to mention that there were numerous similar stamps across Australia busily stamping currency, and the chances of all of us down to the last man and woman being brought into court are rather slim. Neither did I speak up to inform the court that our misbegotten politicians have been rubbishing the Australian dollar for untold years, whereas I considered that what I was doing was making the currency useful for something.—“*The Optimist*”, November-December, 1985.

TRARALGON AMALGAMATION POLL

From the “*Australian Municipal Journal*”, August, 1985.

As anyone in government will tell you the trouble with democracy is that the people never know what's good for them.

A good example of this can be found at Traralgon where, two years ago, the State Government said it wanted Traralgon Shire to amalgamate with Traralgon City Council, on the assumption that bigger was better.

On 20th September, 1983, a public meeting was held in the Shire. Of the more than 930 people there (the Shire has a population of 4,000) only four agreed to amalgamation.

Not good enough, chaps, the Government said, and late last year put the amalgamation proposal up again.

On 16th February, 1985, the Shire organised a formal poll at which 66 per cent of eligible people voted. The vote was 98.62 per cent against amalgamation.

Still not good enough, old beans, the Government said, and served up the whole idea again.

This time, though, the Government said that if 10 per cent of voters registered their objections, a poll of both City and Shire ratepayers would be held.

Naturally, more than 10 per cent registered their objections, and yet another poll was held on 3rd August. This time a combined total of 74.5 per cent of people from both municipalities voted against amalgamation.

Now, you'd think that three (possibly four if you count the registered protests) polls against an idea would have seen the idea go down the gurgler. Not so.

Now the Government has announced “it's a whole new ball game” and changed the rules, so that “polls will be less important in the process”. It urged Councils to accept the inevitable.

Local Government Minister Simmonds, sounding like one

of the more outrageous “Yes, Minister” episodes, dismissed the polls as: “A typical reaction from the people who led the resistance from the trenches without much substance to their viewpoint.”

The Traralgon Shire folk reckon this is all very interesting and probably the best thing that's happened for the Shire's sense of unity for years — except they've forked out almost \$16,000 fighting these proposals.

They've formed a “Save Our Shire” organisation and adopted a fighting kangaroo logo.

S.O.S. President, Pat O'Brien, asked: “How many times do we have to tell these blokes we don't want their amalgamation? You'd think they would've got the message by now.”

But we add that the citizens of both Traralgon Shire and Traralgon City have their priorities right in the matter of their rating systems, for both Councils use Site Value rating.

COMMENTS ON THE FUNDING OF THE VICTORIAN FIRE SERVICE

By The Henry George League
(Victorian Division)

We agree that improvement of the method of funding the Fire Service is necessary.

1. It is certainly unjust that some property owners pay no private insurance — then in the event of fire receive all the benefits of the Fire Service and often, in addition, receive relief grants from the Government — while others have paid regular insurance to cover fire risk over many years.

2. We agree that collection of a fire levy through the municipal rating system would be the fairest method of funding, as stated in paragraph 7 of the “*Comments on the Proposed Systems*”, which states—

“that municipal councils may be invited to act as collection agents of the levy on owner/occupiers of property.”

3. We would, however, suggest that the *basis* of rating be looked at more closely. The Net Annual Value basis of rating is proposed in the Working Party's Recommendations.

We believe that the Site Value basis would be more equitable to ratepayers.

Our reasons are—

(a) N.A.V. rating actually *punishes* the owner who improves his property and keeps it in good order. The more he improves the property with his own labour and cash the higher he is rated.

Therefore the fire levy (like other rates) would be higher for him than for the owner who lets his property go to rack and ruin, who thus escapes his fair share of the funding.

By contrast the Site Value is calculated on the site ONLY. The diligent owner who works hard to keep his property in good condition is NOT penalised, but pays his fair share of the Fire Levy.

(b) The services offered to owners of property all enhance the value of those properties, that is, the sites. That is why it is just that the levy be calculated on the value of the site *alone*, not on the buildings or other improvements put there by the owner's own money and effort.

Summary:

The Henry George League supports the proposal to fund the Fire Service by a levy through the Municipal rating system — but urges that the rate be calculated on the Site Value as being the fairest system.

"RISING TIDE OF CHANGE" CONFERENCE

Organised by the Association for Good Government
8th-9th March in Sydney
By G. HARDY

Purpose: This conference was planned as an experiment to build a bridge between Georgists and other groups, to explore the possibility of joining forces: "Net-working" small groups to counter establishment resistance.

Other Groups: The aim was to contact young people, women, "wholeistic" groups concerned with more than just material values, groups concerned with poverty, and "new attitudes" to social problems. To find co-operation was difficult. Some contributors represented Rudolf Steiner's philosophy (Senator Jean Hearn; a group which channels investments into worthwhile projects at low interest — "Southern Cross Capital Exchange Ltd.").

The U.N. Association was represented. The Society of Emissaries proposed that a better world must begin with the individual.

The Georgist Content: Chris Whittle, a Sydney member, introduced our basic principles and I followed with a paper entitled "Prosperity and Incentive Taxation". This outlined practical tax reforms and beneficial consequences. Discussion followed questions from non-Georgists. Georgist views were stated, often forcibly.

Lessons Learnt

Attendance: Up to 50 attended. It would be advisable to have other organisations bring several members, and to offer free tickets for a given number.

Public Relations: A firm was engaged (\$800) to obtain media reports, interviews, write-ups, etc. Nothing happened. The P.R. firm prepared a report saying that the media was not interested, did not find the subject newsworthy, did not hear about us. Suggested a campaign of letter-writing and direct approaches, such as talk-back radio.

Comments from Non-Georgist Participants

Gained many specific points concerning incentive taxation, which need further thinking.

Lack of young people. This indicates troubles either with (a) the message, or (b) the way it is communicated.

The Georgist task appears too complex and too big to be undertaken by young people — they support simpler and more personal causes.

STILL RELEVANT

The neglect of Henry George, both as social philosopher and economist, shows little sign of changing — in the media, in academia, in politics and elsewhere.

The central issue to which he addressed himself in "Progress and Poverty" is still with us, for, notwithstanding progress in science, technology and the arts, relative, if not absolute poverty, persists, especially among particular sectors of society, and occasions well-meaning though often ill-directed concern where the emphasis is more on alleviation than prevention or abolition.

George's "Science of Political Economy" presents a coherent systematic treatment based on permanent principles in a world where the "desmal science" tends to describe things as they are in the hope that "fine tuning" and ad hoc adjustment (with due regard for favourable political ramifications) will somehow ameliorate matters sufficiently to obviate a major upheaval.

George's "Condition of Labour" is a reminder that genuine producers of goods and services will not, in general, prosper

as they can and should until social realities as real as the law of gravity are duly heeded — this in a world where false paths such as arbitration courts and narrow unionism have been tried and found wanting.

George's "Social Problems" was a superb treatment of current issues of his day, much of which is of permanent validity. Even with those problems that have now arisen after George's lifetime, George's methodology and insights are of substantial value.

In "Protection and Free Trade" George gave a grand vindication of the virtues and advantages of liberty, balanced however with justice. Today, when protectionism in its various forms still shows alarming vitality, George's book is as timely as when it was written, if not more so.

And his perceptive probing of Herbert Spencer's vacillations in "A Perplexed Philosopher" are today still enlightening, with so many philosophers of various sorts who, despite vast formal learning, lack an adequate overall perspective or world view.

Our society, all societies, need George's insights and outlook, doubtless developed and elaborated to meet contemporary conditions. Consideration and implementation of his key ideas would have an effect that would surprise those who at present neglect him and who are disillusioned with a range of proven failures from Marxism to monetarism.

G.A.F.

AMERICAN SUCCESS

The Intermountain Single Tax Association (I.S.T.A.) reports that the Arizona State Chairman for I.S.T.A., Richard C. Gimmi, is also a State Committeeman for the Arizona Republican Party; and Carol M. Gimmi is Treasurer for Arizona Republican Party Legislative District 14. On January 25th, 1986, as a result of efforts of State Committeeman Gimmi and his supporters, the legally mandated Arizona State Convention of the Party, attended by approximately 420 delegates, passed the following resolution:—

WHEREAS the value of unimproved land is socially created; and

WHEREAS the improvements on land and the results of human labour should not be taxed; and

WHEREAS the present property tax system rewards owners of vacant inner city lands for not improving their property; and

WHEREAS the present property tax system encourages urban sprawl while leaving large inner city areas underdeveloped.

RESOLVED —

(1) That the Arizona Republican Party favours any measure which would cause a decrease or removal of all taxes which inhibit production, business, human labour or improvements on property; and

(2) That the Arizona Republican Party favours measures which would replace those lost revenues by increasing the site value tax on unimproved urban land.

The land value tax resolution was first approved on January 18th by the Republican Resolutions Committee. In the Party Convention, or "Mandated Meeting", it was passed without debate as part of a package of resolutions still remaining near the end of the deliberations. Of course not all individual Republicans will necessarily support it, and its passage doesn't mean that the State is about to adopt the single tax; but this is a great victory for Chairman Gimmi, for I.S.T.A., and for the people of Arizona and the nation.

(Note: We like the I.S.T.A. slogan: Liberate production from taxation, the earth from monopoly, and humanity from poverty!)

ADDRESSES

NEW SOUTH WALES

ASSOCIATION FOR GOOD GOVERNMENT
143 Lawson Street, Redfern, N.S.W. 2016

VICTORIA

See column opposite.

QUEENSLAND
SITE REVENUE SOCIETY

1 Bird Street, Herston, 4006 Qld.
Phone: (07) 52 7231

SOUTH AUSTRALIA

HENRY GEORGE LEAGUE

Monthly meetings are held and visitors are welcome

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The Henry George League is a non-party educational body advocating that public revenues be drawn from public charges upon the site value of land and that taxes upon labor and capital be correspondingly abolished.

If your view accords with this you are invited to join. Annual Membership Fee is a minimum of \$12 which includes cost of the newspaper "Progress" posted.

Subscription for "Progress" alone within Australia is \$6 per annum posted (for which stamps will be acceptable). This is nominal only to extend our message to new contacts who we hope will later become members. If you appreciate the newspaper you are invited to obtain new subscribers.

Subscription rates for "Progress" posted to overseas countries are £3(stg.) to Commonwealth countries, and \$7 for other countries.

MEETINGS

Held at 31 Hardware Street

EXECUTIVE

Thursday, 8th May, at 7.00 p.m.

MEETINGS

Thursday, 22nd May, 1.00 p.m.

Film (half hour), on unemployment.

Friday, 30th May, 8.00 p.m. (Members only)

Meeting of Georgist Council of Australia.

**Meetings of Other Bodies for which
"Progress" is the Official Organ**

The following meetings will take place at Henry George League Rooms, 31 Hardware Street, Melbourne:

Combined Work Nights on special projects for the Land Values Research Group and General Council for Rating Reform:

Thursday, 15th May, at 7.30 p.m.

These are working meetings. New workers or enquirers are invited to come.

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