



# Progress

First published May 1904

No. 982

APRIL 1992

PRICE \$1 SUBSCRIPTION \$10 PA

Registered by Australia Post Pub. No. VBH 1433  
ISSN 1035-1396Editors: G. A. Forster, B.A., B.Sc.;  
H. B. Every, Dip. E.E.; E. M. BestPOSTED WITHIN AUSTRALIA  
(For overseas rates see last page)**OUR  
PHILOSOPHY****We believe** that the Earth is the birthright of ALL MANKIND.**We recognise** that for most purposes it is essential for individuals to have exclusive possession and security of tenure of land.**We believe** that those who have exclusive possession of land should COMPENSATE SOCIETY for being excluded therefrom.**We believe** that such compensation paid annually would meet the costs of Government and permit Society to abolish all taxes on LABOUR and on goods produced by labour.

## U.S. GEORGISTS IN RUSSIA

**Whirlwind Begins.**

Immediately. That afternoon we met the Greens in the Moscow City Council housed in the stately old palace of the Czar's police chief. From there we went to the highly respected U.S.-Canadian Institute where we met Vacili I. Sokolov. This warmly eager young researcher called geomonomics "*an intriguing new idea and I am delighted to learn more*". Indeed, geomonomics would socialize Earth's worth and privatize Earth's cost to responsible parties, just the reverse of capitalism. Both Sokolov and the Mos-Soviet members asked us to "*stay longer; learn more about our context, teach us more about geomonomics.*" This suggestion was to become a refrain we heard at every stop for the next two weeks.

**TV Appearance.**

Andy Warhol's Constitution guarantees everybody the right to fifteen minutes of fame. Let's amend it to include an hour of preparation. Two weeks of constant lecturing and discussion throughout the Russian region about a topic dear to most Soviets, economic reform, should have been enough, but . . .

With 100 million other viewers, three geomonomists — Cord, Tideman and Smith, — watched themselves on TV in the Bitza lobby. Smith grimaced, reminded how disconcerting he found the bright lights, the import of the moment, the odd sensation of simultaneous translation in his left ear, the realization that he would be telling a nation addicted to taxes and subsidies to abolish both. "*Why did I ever drop out of the Ronald Reagan School of Telegenicity?*" he groaned to no one in particular.

*"Perhaps not being slick seemed more sincere,"* Cord consoled.

*And if the medium is the message, 100 million Russians et al did hear the two most popular morning talk show hosts say, several times, the word 'geomonomics'.*" Smith consoled himself. Perestroika has catapulted the economics of sharing Earth into the limelight.

**Russian Desperation.**

Bread is not on the shelves of food stores in Moscow. Neither is butter, milk, nor any of the staples. Empty stores, those in the apartment buildings for citizens, take rubles. For dollars, one can eat like kings, as do tourists in the hotels. Indeed, the geomonomic delegation of seven begged their hosts to feed them less after earlier, while still worried about their own bellies, demanding to be fed more. Whimsical tourists yet worth the hard currency.

**Supreme Soviet Appearance.**

The night between the afternoon taping in the studio and the morning viewing in the lobby, Cord, Tideman and Smith testified before the new Supreme Soviet, the one of Russia not of the old USSR of whose existence we found scant evidence. (Uniformed guards on the borders of the Baltic Republics helped bring home this fact.) The hearing, on taxation, was chaired by the Green People's Deputy from St. Petersburg, Petr S. Filippov.

During our presentation, a People's Deputy asked if land tax revenue in the West went to the local, regional, or federal government. "*The local,*" we shrugged. Afterwards, several listeners gathered about us. The assistant PD

from Karelia, Alexander Kaimin, timidly asked us to help his province keep their resource rent out of the clutches of the Moscow capitol (whether Russian or All-Union). We could be honoured guests at their insurrection.

We had to offer an alternative not only to Russia's state socialism and America's state capitalism, but also to Sweden's democratic socialism. Though admirers of Scandinavia, we noted that all the rich nations with high tax rates today — 50%, 60% and 70% income tax rates in Northern Europe — had low rates when they were young and growing. And the Nordic ways of living off largesse may soon be over. Inflation, unemployment, crime and nationalism are rising. The tax-and-spend Greens were recently booted out of parliament in Germany and Sweden.

Presenting an alternative meant more than talking tax tinkering. Russians and Baltic people wanted to hear about a new system, a new kind of market that works right for everyone. Like modern farming reformers, we had to try to sell not a high-power fertilizer but a new approach to growing — permaculture. Geomonomics is that, a part of the global paradigm shift.

**INSIDE:**

- "Yes" For Hare-Clark
  - Letter to New Zealand Prime Minister
  - Dates for your Diaries
- (See Back Page)

### Sajudis Adopts.

Lithuania's response marked a quantum leap in understanding. In Vilnius, our delegation presented *share Earth to spare Earth* to the Department of Environmental Protection. In attendance were many Greens including the MP Ruta Gajausbalte, Vilnius City Council Deputy Alvydas Antanis Sniuksta, Deputy Minister of Agriculture Roma Naujoklene, DEP First Deputy Director Kestutis Zala, the former Treasurer of Sajudis, the National Movement which received over 80% in the last election, Kestutis Urba, and their economists and ecologists.

The group listened then, referring to papers they held (for a copy of IGT's catalytic "From Red to Well Fed", just write), asked some questions. Then Urba announced to the gathering, "I have asked the Sajudis economic committee to adopt a resolution calling for maximal taxation on land – sites and resources – and minimal taxation on income, and to move this resolution at next month's plenary of Sajudis, which would then introduce it before the National Parliament for inclusion in our new Constitution.

Director Zala asked, "would IGT be willing to review our proposed legislation to ensure it attains the geonomic ideal?" Willing? We're willing to move to Vilnius, just so their legislation does not get lost in the mail. Within months, Lithuania could become the first geonomic republic on Earth.

What worked to open doors for us? The desperation of Eastern Europeans played a large role, but so did the universal appeal of green. Environment is such a major concern, it is so mainstream everywhere, that addressing environmental problems is seen by many as non-ideological. Even green economics, geonomics, the sharing of Earth to spare Earth, disarms the politically wary.

### Planning and Implementation.

Starting January 1, 1992 in the Russian Federation, taxes will no longer fall on farming. The only dues farmers must pay society will be a "rent" for the use of land.

### Mini Foray.

After five of the group returned to North America, Eugene Levin and his fiance Pat Surbrook stayed a week. Gene accepted the invitation of filmmaker, publisher, and new convert Radi Kushnerovich to visit Kazan, capital of the Tatar Republic. There Gene gave a talk to 50 members of the Ministry of

Finance including the Chief of Staff, Mahail Salfundindov, Tax Inspection Chief Shami Budochoy, and Prime Minister of Foreign Affairs Mohammed Sabirov. Gene and Pat are considering accepting an invitation to live there for few months next year to help make our reform happen. Anyone else care to relocate for the cause?

### Geonomy Inevitable?

Probably, geonomics will not succeed without geonomists committing themselves to a major investment of time, money, love, and determination. But there are eleven reasons to believe that geonomics will succeed almost no matter what we do. To wit:

1. Russians are desperate to live in a functioning economy. Geonomics, to the extent it has been tried, has worked wherever tried.
2. Russians seek a market economy. Geonomics, by distinguishing between private property and public "trusterty" (the land we use), gives market forces the widest possible play that is fair.
3. Russians have grown wary and weary of states; one politician gained prominence calling for an end to taxes; one calling for an end to subsidies. Saburov, is now Vice Premier. Geonomics cuts the power of government; it replaces taxes with user-fees and subsidies with a citizens' dividend.
4. Russians don't want total laissez-faire economics. Geonomics charges polluters, depleters, and users in general.
5. Russians know slavish mimicry will not work; they must come up with something new. Geonomics is the latest model of market economics.
6. Russians know that much work is waste, that jobs pay them to "hurry up and wait". Geonomics acknowledges this fact by creating two income streams – wages from work and citizens dividends from the worth of Earth.
7. Russians see land as "Mother". Geonomics is nurturing, sharing fairly the advantages of nature.
8. Russians are not imperialists; they're not ashamed of losing the Baltics (unlike "our oil" or the Panama Canal). Geonomics is decentralist, collecting revenue at the local level, and global, abolishing tariffs and quotas.
9. Russian women work hard for what's needed. Geonomics has inspired some very talented women. It could become the

expression of the latent women's movement.

10. Russians are the most literate people in the world. Geonomics, a part of the paradigm shift, is conveyed best through reading.
11. Russians love cats. Every hotel's restaurant we visited had at least one. Our burly bus drivers competed with each other to be the next to pet the kitten. Geonomists, too, are cat lovers.

### Lessons Learned.

The successes of the First Geonomic Journey to the Russian region clarified several points debated among Georgists. These lessons should guide our future endeavours:

1. Greens in the East are our allies. They are scientists, professors, administrators, and legislators. They have the support needed to win geonomics. Green values are inculcated widely, at least among rational people. Indeed, the new Russian Land Laws states as its purpose "the protection of land" (which an Ecology Security Deposit would accomplish) and "levelling the use of land of different quality" (which sharing Earth's worth would do).
2. Geonomics, the system, not "land value taxation", the tinkering, captivates the imagination, opens inner circle doors, and stirs officials into action. We have at least as much chance of selling the total package, a two-winged plane, as we do of selling the part, a propeller. Go for it!
3. Geonomics is sellable. We need not give it away and tarnish its image. Show respect for our partners, treat them as equals, and split expenses.
4. We have credibility now as serious players. Let's not disappoint our Russian cohorts or frustrate ourselves. Act now. Launch the concrete projects above.

Extracted from the U.S. "Geonomist", Autumn, 1991.

### A VALUABLE GATHERING

On January 4, a number of Melbourne Georgists gathered at the home of Mr and Mrs Joe Brennan to meet W.A. activists Cecil and Helen Stowasser. After a very healthy luncheon and general conversation, a worthwhile discussion on promoting Georgism took place. Overall, a pleasant and profitable occasion.

## LETTER TO THE NEW ZEALAND PRIME MINISTER

Mr. Bolger in his New Year Message told us 1992 will be a better year than 1991. Certainly there are some positive indicators.

### UNEMPLOYMENT

Unemployment continues to increase and the economically informed pick growth in employment as likely to be the last aspect of the economy to show marked improvement. Because of the destructive effects of unemployment on individuals and on the nation, I am making proposals about the rating system which would make a worthwhile contribution to increasing job opportunities.

### LAND PRICES

The following figures are taken from the NZ Yearbooks:

Year	Value of Land (in millions)
1960 .....	\$ 1,779.6
1965 .....	\$ 2,644.5
1970 .....	\$ 4,170.7
1975* .....	\$10,433.6
1980 .....	\$21,230.6
1985 .....	\$41,509.4
1989 (the last year available) .....	\$70,987.0

\*from 1971 unimproved value was changed to land value

The rapid increases in land value have had very important effects on the economy. Money and effort have been spent on buying and selling land instead of that money being channelled into maintaining and developing productive enterprises. Equally important, the expectation of rising land prices has caused an artificial scarcity of land on the market and so raised prices and rents. This has squeezed the profits of small and medium sized businesses of all types, and many have gone broke or failed to expand. Home building has been inhibited. In the process jobs have been lost and employment opportunities have not been created.

### LAND RENT

It is often overlooked that the rent a user pays for a home or workplace has two components: rent for the land on which the building stands and a payment for using the building.

Office and retail accommodation on Lambton Quay command higher rents than equally good buildings in some other parts of the city. The higher rent is attributable to Lambton Quay's nearness to Parliament, its convenient location for staff who commute from the Hutt and up the coast, the well

maintained infrastructure, the nature of existing businesses and hence the greater availability of customers, servicing organisations and suitable employees.

This illustrates that land value is a social product resulting from what Central Government and the local authority do and from what the public do in providing services, consumers and a workforce.

### RATES

Many people oppose rates on land value, and indeed any other rating system, in the belief that the purpose of rates is solely to pay for the services local authorities provide and that such payments should conform to the user-pays principle. This is too limited a view. A public revenue system must never just raise revenue. It must raise it in a way that is just to all citizens and is conducive to the nation's economic and social well-being.

As it is the body of citizens, not the individual owner of land, who creates the amenities and facilities that make all city land useful and some city sites especially so, rates on land value merely recoup for the public coffers some of the value which that public creates. They also act as a deterrent to the withholding of land from use and thus make land cheaper and easier for employers and homeowners to acquire.

These observations apply equally to farming, industrial and residential land.

### UNIFORM ANNUAL CHARGES

These give a superficial appearance of fairness but are anything but fair. The use of libraries and parks and the cost of their upkeep cannot be related to the number of people in a family, nor the number of taps to the amount of water used.

Two drawbacks to uniform annual charges are that they add an unnecessary complexity to the revenue system and tend to discourage some improvements, e.g. a second toilet. This is employment inhibiting. When uniform annual charges are applied to commercial and industrial premises the same objections pertain.

### LOCAL BODY INCOME OR SALE TAXES

It is obvious that these are a hindrance to employers and contract the public's ability to purchase goods and services. Further comment seems unnecessary.

### CAPITAL VALUE RATING

Capital value rating is a poor system compared with rating land values. It is unjust to tax improvements attributable to the individual improver. It is anti-economic and anti-social in that the better the property the higher the rates.

Because of this it has a directly adverse effect on employment in the building industry through discouraging improvements and building replacement. It does little to reduce land prices. Trades ancillary to building are adversely affected and less able to offer jobs.

### INCOME TAX DEDUCTIBILITY OF RATES FOR HOME OWNERS

All rates should be income-tax deductible. This would make a useful shift by reducing taxation on earned income and decreasing the rewards of capital gains made from land ownership which are unearned income. It would increase the incentives for the able to improve their financial position through investment in productive activities which require labour.

### GETTING THE ECONOMY GOING AND BUILDING CONFIDENCE IN THE ECONOMY

It cannot be too strongly emphasised that for any type of employment land and labour are equally important. No one can produce anything at all without the use of land. Yet, it is not recognised that land held out of use depresses the economy as seriously or more seriously than the withholding of labour through strikes, epidemics, etc.

### GOVERNMENT GRANTS TO LOCAL BODIES

Presently the Central Government foots much of local body expenditure by way of grants, etc. Local authorities should be required to fund all their expenditure entirely out of rates. This would boost employment by stimulating productive activity through lower land prices and better access to optimum locations.

### EVERYONE PAYS RATES

There is a mistaken belief that rates are paid only by ratepayers. This is not so. In a family those members not on the rating roll contribute. In a rented property the owner includes rates when calculating his investment. The hotel owner does likewise. However, higher

rates on land value would not increase rents because of the stimulus they would give to domestic and business construction through lower land prices thus restricting the market for rental property.

#### DEFINITION OF LAND

The present definition of land in the Rating Act includes some improvements. In the interest of equity and to diminish disincentives to production, land should be defined to exclude from the rating base all improvements except those which are permanent, invisible and irreversible and they should not be rated for say, 20 years.

#### PUBLIC ACCEPTABILITY OF THESE PROPOSALS

Prior to the Government withdrawing the right of ratepayers to a poll between 80 and 90 per cent of local bodies adopted land value rating as the result of a ratepayers' poll. The changes I recommend should therefore be welcomed by the majority of electors though doubtless the small numbers of people who find land speculation very profitable would be disproportionately vocal.

#### RECOMMENDATIONS

1. That the Government make land value rating mandatory.
2. That local government expenditure be funded entirely from rates.
3. That uniform annual charges be abolished.
4. That home-owners rates be made tax deductible.
5. That land value be redefined in rating legislation.

Betty Noble,  
Wellington, NZ.

### AN ARRAY OF HISTORICAL LITERATURE

(available from 31 Hardware Street)

Price of all literature on the following list is \$2.00 per copy.

*Back to the Land* – 1939

by Most Rev. Dr. Thomas Nulty,  
Bishop of Meath

*Calling All Citizens* – 1955

'Justice . . . the Foundation of Moral Law' – Series of broadcasts by Melbourne Georgists in the fifties.

*Dictator Democrat* – 1945

Berens and Singer tell how equality of opportunity brings *freedom*.

*Economic Principles* – 1896

(reissued 1985.) by Max Hirsch.  
A manual of Political Economy.

*Justice the Object: Taxation the Means*  
– 1932

Address delivered in the Metropolitan Hall, San Francisco, by Henry George, on his way to Australia.

*Land and Wages* – undated

price One Shilling

A study of the Colonisation Schemes associated with the Swan River Settlement in Western Australia and the *Foundation of South Australia* by E. J. Craigie, Ex MP.

*Scotland and Scotsmen* – 1935

An address delivered in the City Hall, Glasgow, Scotland, under the auspices of the British Land Reform Union; by Henry George.

*Significant Paragraphs from "Progress and Poverty"* 1942

Selected and compiled by Professor Harry Gunnison Brown.

*The Crime of Poverty* – undated

Price One Penny

An address by Henry George delivered at Burlington, Iowa.

*The Faith of an Engineer* – 1945

by Sir Ronald East.

A discussion on the land problem.

*The Financing of Developmental Works* 1945

by L. R. East.

Mr. L. R. East, M.C.E. was Chairman of the State Rivers and Water Supply Commission, Victoria.

*The Labour Question* – 1932

An abridgement of "The Condition of Labour" by Henry George.

*The Land Question and Christian Justice* – undated

Price Fourpence

by the Rev. W. H. Howard.

*The Melbourne & Metropolitan Board of Works Rating Basis* – 1960

A statement of the Cases for Respective Rating Systems . . .

*The Wages of Labour* – 1950

An abridgement of "The Conditions of Labour" by Henry George.

*Thou Shalt Not Steal!* – 1932

Address delivered by Henry George at the Second Public Meeting of the Anti-Poverty Society, in the Academy of Music, New York.

*True Political Economy* 1945

by John Sharpe.

Specially suitable for students and thinkers.

*The Effects of a Book* – 1972

In a Family Biography a distinguished Engineer and Administrator, Sir Ronald East, tells of "The Effects of a Book" – "Progress & Poverty" on his thinking and activities.

Reprinted by permission from "A South Australian Colonist of 1836 and his Descendants".

### RECOMMENDED ACTION

Readers are encouraged to write the following letter (or use it as a basis) to a newspaper or a politician. We are indebted to Charles Somerville for the idea, and to Ed Heywood and Roland Staub for modifications.

"Australia is beset with high unemployment, a growing gap between the rich and the poor, increasingly difficult housing access, increasing control of our assets by foreign interests, and a huge public debt.

Denmark had such problems in the fifties, when a Government was formed by a coalition of parties, and, due to the policy of one of them, viz. the Justice Party, announced the intention to draw increasing amounts of revenue from community-created site values by way of land tax, thereby allowing the Government to reduce income and other arbitrary taxes which penalize genuine economic activity.

Within three years Denmark was out of the red and financially sound, but at the next election the powerful landowning lobby had the Justice Party eliminated and the legislation repealed. As a result Denmark soon went deep into the red. In more recent times that country introduced a consumption tax at 10%; at last report the tax was up to 22%.

Simple justice demands that the very substantial benefits bestowed upon the title holders of land (real estate) be paid for by them and not by others. Tax Reform Australia challenges State and Federal parliamentarians to enact legislation to collect site values for revenue instead of the current range of burdensome taxes, so as to make Australia a model of economic justice which other nations could follow.

Among supporters of such a proposal have been: George Bernard Shaw, Winston Churchill, Abraham Lincoln, Albert Einstein, Walter Burley Griffin, Leo Tolstoy, and, currently in Australia, Clyde Cameron and Sir Allen Fairhall."

### PERCEPTIVE

"If I may express a personal preference, I would encourage ACT voters to look to the Hare-Clark system as a very effective model for them to advance their system of democracy here in the Territory."

Senator Michael Tate,  
"Senate Hansard", p.4825,  
12/12/91.

## PRESS LETTERS

### LAND PARASITES THE REAL ISSUE

P.W.W. ("Greenie lucky to have a job", POST 2/2) should blame his lack of a job not on the environmentalists, but on our system of land parasitism and taxation which stifles production by creating prohibitive land prices and locational rents.

In Australia now, the price of land accounts, on average, for half the price of a house.

In locations nearer to job centres land prices form an even higher percentage of house costs.

If land price and taxation were eliminated by taking a proper yearly ground rent for the nation from all marketable land, whether used or not, the cost of housing would be at least halved and more than half a million people would be able to afford a decent house.

Such a change in the revenue system would get rid of unemployment within a few months.

C. S. Stowasser,  
Crawley, W.A.  
"Subiaco Post", 4/2/92.

### THE LANDLESS ARE TAXED TOO

It's great to see a little political bipartisanship once in a while.

The N.S.W. Premier, Nick Greiner, (C.T., February 19) and the Opposition Leader, Bob Carr, (C.T., February 16) are as one about doing something for their deprived citizens who own land worth more than \$160,000, apart from the value of improvements on it, and who are thus liable to N.S.W. land tax.

As Mr. Carr put it, "Now 70,000 land-tax payers across the state, many of them with no real wealth, face a continuing unfair burden."

My heart goes out to such deprived people in the state of N.S.W. I assume many must exist - Messrs. Greiner and Carr should know.

Yet I can't help wondering whether they also know about all the landless Australians who share with landowners an unavoidable but hidden burden of consumption taxes in prices, averaging about \$6500 per annum per head of all Australians, or \$25,000 per average family of four, for example.

Official publication ABS 5506.0 refers. The landless also miss the consolation of lucrative capital gains on

landed property values, the urban land component for which alone grew from \$75.7 to \$427.17 billion over 11 years from 1977 to 1988, according to Commonwealth Grants Commission reports.

Millions of these landless in Australia also face a "continuing unfair burden" of consumption taxes - about 96 per cent of our taxes now, compared with land taxes 4 per cent - forcing them into unemployment and poverty through their inability to buy heavily taxed labour-intensive Australian products.

Can we expect some political bipartisanship to help them too, in place of the present queue of wealthy monopolists seeking further taxpayer subsidies for more and more grandiose monopoly schemes to destroy the environment?

Bill Mason, Pearce, A.C.T.  
"Canberra Times" 24/2/92.

### VOTE HARE-CLARK TO AVOID MONOPOLY OF POWER

The debate on Hare-Clarke versus single-member electorates needs to focus more on what kind of government single-member electorates would give Canberra.

David Garner's argument (Letters, February 10) that Canberra would not return a monochrome ALP Assembly is contradicted by experience. For decades, people have tended to vote the same way in federal and state elections; the variation rarely exceeds 3 to 5 per cent. With single-member electorates, our voting pattern for the A.C.T. Assembly would be similar to that for Federal Parliament.

To check claims by Malcolm Mackerras and others that a 17-member Assembly would probably have 16 ALP Members and one Liberal, I ran the 1990 federal election vote through a likely distribution of the 17 seats. The results showed Mackerras was dead right: 13 seats would be safe ALP, three marginal ALP, and one marginal Liberal.

Even if the Liberals did much better locally than federally (and given their performance in government, one can't imagine why (their hope would be for four seats out of 17. The election would be a formality. The real contest would be for ALP preselection, and the voters that mattered would be the ALP unions and branch members.

Those who have lived in the inner suburbs of Melbourne and Sydney have experienced that sort of local government. Union rorts go unchallenged because MLAs/councillors need their

votes on the preselection floor. Potential improvements in service efficiency are rejected if party members oppose them.

In my suburb, the garbos worked four hours a day yet were paid for eight. We had two libraries a mile from each other, both rarely used. The rates were among the highest in Melbourne, yet the only engineering work the council seemed to have money for was its ideological obsession: street closures.

Finally the normally loyal ALP voters rebelled and elected a cast of Independents. Ultimately, a monopoly of power proved to be bad for the ALP itself, because it encouraged its worst elements and discouraged its best.

Competition is healthy, in politics as in economics. The fear of losing power is a valuable discipline on governments. To guarantee power to one party (short of a political earthquake) sacrifices that check.

Tomorrow's referendum is essentially a choice between competition or monopoly to decide the A.C.T. government. I vote we choose competition.

Tim Colebatch, Hackett, A.C.T.  
"Canberra Times", 14/2/92.

### SAVAGED BY RUNAWAY GST

We in New Zealand read where the Australian Opposition Leader, Dr. John Hewson, is staking his political future on introducing a goods and services tax. Big business and top income earners won't feel this pernicious tax upon a tax. The majority of taxpayers will. They will pay and pay and pay - as has happened here.

Failed finance minister Sir Roger Douglas, who conned Lange's 1984 Labour government into accepting this rip-off, sprayed the populace with bland assertions about "one-off inflation" as a result of the introduction of GST.

What he didn't tell us was that all past savings such as superannuation, life insurance and other contractual savings would be automatically devalued on the day GST was imposed: a tax that has since savaged virtually anything that moves. Food, clothing and books - to name but three categories - carry hefty GST imposts. When you pay your electricity bill, you get "done"; similarly with rates, telephone, car repairs and so on ad infinitum.

The GST thumbscrews extract each year hundreds upon hundreds of extra dollars from every New Zealander. It hurts, but none hurts more than those unfortunates cast to the bottom of the economic pile.

G. F. Macdonald,  
"Progress Party of NSW  
Dunedin, NZ.  
Newsletter", Feb. 1992.

## RESOUNDING 'YES' FOR HARE-CLARK

The Hare-Clark electoral system scored an overwhelming victory over single-Member electorates in Canberra's referendum on February 15.

With just over 76 per cent of the vote counted last night, Hare-Clark had 66.24 per cent, with single-Member electorates way behind on 33.76 per cent.

The result continues the consistent gains Hare-Clark has made since Datacol-*Canberra Times* polling on the issue began in August, 1990.

Under Hare-Clark, the A.C.T. will be divided into three electorates of five, five and seven members. Counting would be along lines similar to the Senate, but with a few differences.

A key force behind the success of the Hare-Clark Campaign Committee, Lyle Dunn, said the result was a victory for "people power".

"This has been very much a grass-roots campaign," Mr Dunn said. "We spent about the same amount on the whole campaign as our opponents spent on *The Canberra Times* today.

"This shows that the people of Canberra were not as foolish as imagined once they came to understand the issues. And as we've said all along that there were only two kinds of people - those that supported Hare-Clark and those that did not understand the issues.

Another spokesman for the committee, Bogey Musidlak, said the result marked "a new era" for ACT politics.

"It represents a victory for real voter influence over party-machine domination. It also guarantees the fairness of future election results," Mr. Musidlak said.

"There will, of course, be no safe seats any more. Candidates aspiring to election will have to work their local area continuously, and hard, to obtain the demanding level of personal support that is required. They would be well advised to start now."

"Canberra Times",  
17/2/92.

## HOPEFUL SIGNS

Melbourne City Council's Chief Executive Officer Ms Elizabeth Proust, proposed that Parliament should allow the municipality to be a single electorate where all councillors are elected as a group by quota-preferential PR. Also the Vice-President of the PRSA's Queensland Branch, Alderman John Campbell, was elected Deputy Lord Mayor of Brisbane.

PR "Quota Notes",  
September 1991.

## LETTERS TO THE EDITOR

### CONFUSION

Perhaps you will be inundated with letters refuting the claim of Syd Gilchrist (*Progress*, February) that rent, when collected as public revenue, is a tax.

Such a claim astonishes, and yes, dumbfounds me. Syd surely knows that ground rent is there whether it is collected or not; and to say that when it is collected it then becomes a tax seems to be not only a profound misuse of language but also absurd, and not only so but also ultimately and inherently counterproductive.

Syd refers to what he calls the 'pretence' that the collection of 'site revenue' is not a tax; and by 'site revenue' he means rent. For my part, I am not prepared to say that the words 'rent' and 'tax' are synonymous, and this for the simple reason that they are not; and I will not pretend that they are. They are not in any way related.

We don't make fast progress; but to confuse terms in this manner is surely one of the things that we must by all means abjure. Expediency (even if it were expedient) is no excuse for deliberate confusion. One of the great strengths of our philosophy is that we first strictly define our terms; and confusion of terms, as we all know or should know, is probably the most prolific source of the economic confusion and fallacy that bedevils our world.

If rent is tax then all who have freehold title to land are actually taxing themselves, since they have and retain the economic rent of the land, which Syd Gilchrist insists is tax. Surely this is confusion worse confounded.

Ivan Robinson,  
Surrey Hills, Vic.

### SUPPORT

I write in support of Mr. Gilchrist's argument in the February issue of *Progress*.

It is unfortunate that the modifying words "save taxation on all land values" were not included in the *Progress*, September, 1991, "A statement of Aims", for the reasons Mr. Gilchrist cites. "Rent" is a confusing word which I have extreme difficulty attempting to explain (in the Georgist sense) to the average lay person.

We should use "land value taxation" or "site value taxation" on every

occasion which requires "rent" to be used. Clarity of meaning is essential in any attempt to spread our message, "that land value taxation is the best form of taxation". To the same end, I believe we should modify the statement "all taxes are theft" to include "except land value taxation" and forget about trying to explain "site rent".

Yours sincerely,  
Dorothy Davies,  
Mornington, Vic.

---

RENT is the price of monopoly.  
(*Progress & Poverty* Bk.3 ch.2).

---

## RECESSION TEARING FAMILIES APART

The rate of family breakdown has reached its highest point in 18 years, according to the director of Melbourne's largest child welfare agency.

("Age", 28/12/91.)

Canon Ian Ellis, director of St. John's Homes for Boys and Girls, blamed the recession for tearing families apart. He said the number of children being placed in the Anglican agency's care had doubled in the past three years to more than 3000.

Last year, the agency had to find full-time foster care placement for 400 children, but only half could be catered for. This year, 800 children are in need of placement.

Canon Ellis said many families were disintegrating under economic pressures. Unemployment aggravated internal conflicts within families and led to evictions and homelessness. "It's the worst that I've seen, and I've been here for 18 years. Once a family breaks down and separation occurs, the damaging consequences are quite enormous in a child's life.

"Their sense of identity is shattered. Children feel abandoned or resentful towards parents, and parents feel overwhelmed with guilt and failure. Once families drift apart, it's difficult to reverse."

Demand for care has rocketed in St. John's other services for children. This year, the agency received 745 requests to house homeless young people, compared with 520 last year. Only 16 per cent of those who applied were housed because of a lack of accommodation and resources.

## MONEY AND INFLATION

'Money' is paid for labour only when it has produced a service—either service directly or by incorporating it with the raw materials of nature through changing their shape, condition, or location. Eventually, the material substances fall back into nature's timeless reservoir and the labour, the exertion, vanishes, although even this becomes doubtful if one delves far into the metaphysics.

However, concepts such as ideas and feelings cannot be conveyed to others except through words that picture material substances. Hunger indicates items of food; thirst, those of water; and so on, with the degree of those feelings being spoken of only with the utmost vagueness.

The value of one service cannot be directly measured against that of any other item, for 'value' is a supremely personal thing and for each of us is continually varying through our changing physical and locational circumstances.

Nor can material items be compared with others except through our tangible perceptions as to their shape, condition and location. All these vary according to the eye of each beholder. What is common about it is that each of us automatically assesses the amount of labour that possession will enable us to avoid. There is neither buying nor selling unless the deal is seen as giving an avoidance of labour.

When 'money' is used in exchanges, it measures the purchaser's conflicting desire for the item he is proffered and for the item with which he must part when he consummates the deal. It indicates that the possessor has already exerted himself in producing either goods or services. If the money is gold, the past exertion is obvious. If it is paper, the past exertion is inferred, the implication being that some acceptable material item is available immediately around the corner.

When our respective Treasurers budget for a deficit, their very statements show that the cheques that they will write for that part of their spending will require additional paper notes to be printed, for there will not be 'tax' money in their coffers when the cheques come for payment! However, the new notes being identical with the pre-existing ones, the total is inflated against the unchanged supply of goods and services. All prices then rise in consequence.

The error most commonly made over all this lies in a confounding of the money itself with the item for which it is token—this in the ultimate being the personal avoidance of effort.

(Note: A wonderful book about Inflation is FIAT MONEY INFLATION IN FRANCE by Andrew Dixon White—founder of Cornell University. It is available for \$5.00 at 31 Hardware Street. An excellent book about banking—Howard Katz's THE PAPER ARISTOCRACY—is available for borrowing from our library.)

W. H. Pitt

### SINGAPORE LESSON

Parliamentary elections in the City State of Singapore show how the fundamental inability of single-member electoral systems to give fair or reasonable representation is highlighted in compact voting populations that have a fairly uniform geographic distribution of voter attitudes.

The People's Action Party has had a large majority of Singapore MPs since 1959. In 1980 the PAP gained 78% of the vote, and won all seats; by 1988 the party's share of the vote had fallen to 63%, yet its MPs gained 80 of the 81 seats, even though there were opposition candidates contesting each of 70 electorates.

In mid-August 1991 a snap poll, two years earlier than required, was called

for 31st August. When nominations closed on 21st August opposition parties had nominated for only 40 seats—less than an absolute majority of the seats. This was said to be so the 1.7 million voters could elect an effective opposition without any fear of the PAP losing its majority of seats.

This time the PAP vote fell to 61%, which won it 77 seats. The remaining four seats were won by two opposition parties, which intend to form a coalition. Such a skewed result, with the system prompting parties to drastically curtail the choice offered to voters, would not have occurred with multi-member districts and quota-preferential PR.

At the A.C.T. Advisory Poll in February 1992 voters will choose a system, either like Singapore's or like Tasmania's as the replacement for the discredited Consolidated d'Hondt procedure.

PR "Quota Notes",  
September 1991.

### A POEM TO THE LAND MILLIONAIRES

Much worms who in dirty hectares deal  
Benefit least the common weal  
What is it to them if taxes rise or fall  
They're affected little if at all  
Thanks to unearned gain and dividend  
imputation  
They contribute least to the coffers of  
the nation  
End the crime of tax abuse  
Collect the ground rents from exclusive  
use  
No Treasurer e'er should find it worth  
his pains  
To tax our labour and excise our brains  
Just burdens should earthly holders  
bear  
But no tributes paid to castles in the air.

M. Williams

RENT is the share in the wealth produced which the exclusive right to the use of natural capabilities gives to the owner.  
(Progress & Poverty Bk.3 ch.2).

### GOOD GOVERNMENT

The bi-monthly for serious thinkers  
Official journal of the

### ASSOCIATION FOR GOOD GOVERNMENT

122 Little Eveleigh Street, Redfern  
N.S.W. 2016

\$10.00 (A) \$10 (U.S.) Overseas

### LAND and LIBERTY — 6 times a year

Since 1894

- 177 Vauxhall Bridge Road  
London SW1V 1EU  
£7.50 (stg.) \$15.00 (Aust.)
- 121 East 30th Street  
New York NY 10016  
\$13.50 (U.S.)

## FAVOURABLE PRESS CUTTINGS 1991 – IN COLUMN CENTIMETRES

**BAPTIST SOCIAL JUSTICE GROUP**, June/July, (81). G. Forster says call of prophet Amos needs to be heeded today; article on social justice.

**MORNINGTON MAIL**, 10/1/91, (L) (15). G. Forster advocates site values for revenue. 26/9/91, (L) (21). G. Forster says consumption tax, like all indirect taxes will weaken purchasing power.

**MORNINGTON LEADER**, 9/1/91, (L) (21). G. Forster says Henry George warned of depressions if land tenure not put on right basis. 5/6/91, (L) (16). G. Forster points out that our capitalist system is also full of flaws.

**ADELAIDE ADVERTISER**, 29/9/91, (L) (14). John Hall says the gap between rich and poor will continue to exist until a just system of land tax is operating. 20/9/91, (L) (20). J. Smith says a land tax for revenue needed for a just society.

**FRANKSTON INDEPENDENT**, 8/1/91, (L) (13). G. Forster shows land tenure is fundamental to economic health.

**THE NEW INTERNATIONALIST**, September, (9). Karl Williams says land tax would cause much land now unused or under-used to be opened up, and would penalise no one except sterile speculators.

**FRANKSTON NEWS**, 28/2/91, (L) (14). G. Forster shows the wisdom of land value taxation for revenue.

**BRISBANE COURIER-MAIL**, 11/4/91, (L) (11). G. Forster says land tax is the fairest tax of all.

**THE MAIL, ROSEBUD**, 6/6/91, (L) (17). G. Forster says there is taboo on the discussion about land values.

**NUNAWADING GAZETTE**, 3/7/91, (L) (25). W. H. Pitt says many vacant blocks of land could be put to good use under site value rating. 17/7/91, (L) (12). W. H. Pitt says extra charges for garbage removal are unjust. 4/9/91, (L) (17). W. H. Pitt says councils seem to be ignoring public polls favourable to site value rating.

**WESTERN TIMES**, 10/7/91, (L) (18). Morris Williams says a land tax instead of consumption tax is needed.

**OAKLEIGH-SPRINGVALE TIMES**, 10/7/91, (L) (16). Morris Williams says consumption tax not reform, but just "shifting the pieces" on the chessboard.

**HERALD-SUN, MELBOURNE**, 24/7/91, (L) (2). G. Forster says Government making it harder for unemployed people.

**THE AUSTRALIAN**, 7/1/91, (L) (10). G. Forster advocates P.R.

**FINANCIAL REVIEW**, 11/3/91, (L) (10). R. B. Excell says replace payroll tax with a land tax.

**PROGRESS PRESS**, 20/3/91, (L) (10). R. B. Excell says Tolstoy showed the Russians the right way on land tenure.

**WEEKEND AUSTRALIAN**, 9/3/91, (L) (12). G. Forster advocates land value taxation. 10-11/8/91, (L) (25). G. Forster says land tax much simpler and more economical to administer than present many taxes.

**THE HEIDELBERGER**, 10/7/91, (L) (18). Morris Williams says consumption tax is a burden which will not solve problems.

**WAVERLEY GAZETTE**, 17/7/91, (L) (17). Morris Williams says Liberal Party mistaken in advocating consumption tax.

(Note: A considerable number of other papers would have published this, but it has not been possible to track them down.)

### JANUARY TO SEPTEMBER 1991

L.V.T.	S.V.R.	P.R.	TOTAL
378	54	10	442

### DATES FOR YOUR DIARY

- Lunch-hour videos, Series, 12.30 p.m. 1st Monday of month.
- Executive Meeting: 7.30 p.m., Thursday, May 13.
- Melbourne School of Economics – 10.30 a.m. Tuesdays.
- Discussion Night: "How do we implement our proposals?", Thursday April 30, 7.30 p.m. All welcome.
- Geogist Conference, Friday, May 29.

DEADLINE FOR PROGRESS:

Noon on 12th of previous month.

*The views expressed in articles are those of the writers and not necessarily of Tax Reform Australia Inc.*

## AUSTRALIA AND NEW ZEALAND

**VICTORIA — TAX REFORM AUSTRALIA INC.**  
31 Hardware Street, Melbourne 3000

**NEW SOUTH WALES — ASSOCIATION FOR GOOD GOVERNMENT**  
122 Little Eveleigh Street, Redfern 2016 (02) 319 3313

**QUEENSLAND**  
SITE REVENUE SOCIETY  
P.O. Box 6179, G.C.M.U., Bundall, Qld. 4217

**SOUTH AUSTRALIA**  
HENRY GEORGE LEAGUE  
Visitors welcome to meeting.  
Enquiries: John Hall  
26 Lansdowne Ave., Belair, 5052 (08) 278 7560

**WESTERN AUSTRALIA**  
GEOGIST EDUCATION ASSOCIATION (Inc.)  
10 Broome St., South Perth 6151  
Phone (09) 367 5386

**TASMANIA**  
HENRY GEORGE LEAGUE  
G.P.O. Box 1370P, Hobart 7001  
Phone (002) 34 6553

### AUSTRALIAN CAPITAL TERRITORY

Bill Mason, 8 Cherry Place, Pearce A.C.T. 2607  
Phone (06) 286 1353

### NEW ZEALAND

Enquiries: Mr. R. D. Keall, 45 Dominion Street  
Takapuna, Auckland, N.Z.  
Henry George League, 20 Connaught Terrace,  
Brooklyn, Wellington, N.Z.  
The Crown Leasehold Association,  
P.O. Box 6038, Auckland, N.Z.  
The New Zealand Land Value Rating Association,  
P.O. Box 6038, Auckland, N.Z.

### INCENTIVE TAXATION

Monthly bulletin from the Centre for the Study of Economics,  
2000 Century Plaza, Suite 238, Columbia, MD 21044, U.S.A.  
Subscription \$US8 p.a. Editor: Steven B. Cord.

Published by G. A. Forster, 31 Hardware Street, Melbourne, 3000, and printed by The Print Press, 452 Neerim Rd., Murrumbena, 3163.

### MEMBERSHIP FORM

I agree with the ideas of Tax Reform Australia.  
I enclose \$16 annual fee — including PROGRESS  
NAME .....

ADDRESS .....

Signature .....

Cheques to: TAX REFORM AUSTRALIA INC., 31 Hardware Street, Melbourne, 3000. Enquiries: (03) 670 2754.  
Honorary Secretary: Geoff Forster. Office Supervisor: Loma Sutton. Fax: (03) 670 2754.

### SUBSCRIPTION FORM

I enclose one year's subscription to Progress

NAME .....

ADDRESS .....

Annual Subscription: \$10 posted (Aust.)

£4 (stg) C'wealth Countries, \$A12 other countries