



Progress

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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.

PRESIDENT'S REPORT

ANNUAL GENERAL MEETING 18/2/92

The Australian economy is in the worst shape since the Depression of the 1930s. The principal cause as Georgists well know is land speculation.

Many farmers have paid too much for their properties. With high interest rates, which are another phenomenon of speculative development, they are in diabolical trouble. My predecessor Bryan Kavanagh, a qualified valuer, could see what was happening well over five years ago, but few people would listen, least of all those in high places! Forced property sales by failed entrepreneurs are now at their highest level since the 30s, yet we have the alarming situation in some areas such as the coastal belt of Queensland where land prices are still rising. The pressure of demand from local and overseas investors is exceeding the supply of land, made even more inflexible by zoning and town planning policies. These recoup little of the economic rent accruing to land monopolists able to corner the market by political influence ranging from the venal to the probably honest but never nice.

It is not that our views are not understood by politicians. We had no trouble convincing the Fordham enquiry into land tax to open their report with the sentence "land tax has been and should continue to be an important source of public revenue". But land tax collections in Victoria are far short of the economic rent of land, as much as 30 per cent of the State's Gross National Product. Land tax revenue as a proportion of total tax revenue constitutes a mere five per cent of total State taxes and only 20 per cent

of property taxes, three-quarters of which we would abolish. Under our tax reform proposals the burden on industry and commerce could be substantially reduced by collection of the economic rent and elimination of stamp duty, financial institutions duty, payroll tax and all the other imposts which retard investment and employment opportunities.

The economic rent of land sites is created by the community. It is only proper, therefore, to recover this community created value to finance the cost of government including services to land which greatly enhance its value.

It is most disappointing that Victorian business organizations are still wedded to a policy of taxing improvements. This is contrary to submissions by the Sydney Chamber of Commerce and the NSW Retail Traders Association to the NSW Royal Commission on Local Government Finance, all of which oppose taxation on buildings. In conjunction with the General Council for Rating Reform, we are compiling a set of pamphlets setting out the case for site value rating. They are largely based on material already produced by the Association for Good Government, our sister body in NSW.

The unremitting campaign by the Municipal Association of Victoria to repeal sections of the Local Government Act empowering ratepayers to force Councils to a rating Poll where they seek to alter site value to Net Annual Value as the rating base occupied much of our attention over the past year and unfortunately will continue to do so.

The President (Len Brown), the Past President (myself) and the Secretary (Ed Heywood) of the General Council for Rating Reform, along with Lance Hutchinson and several other members, spent a great deal of time and effort in 1991 preparing and submitting the case for retention of rating Polls, particularly to the State Opposition. We were able to convince the Opposition it was in their interests to insist on the democratic right of ratepayers to choose their rating system and not have it forced down their throats by gullible, lazy and ignorant municipal councillors. Unfortunately, this fight is far from over. The offending clauses were dropped from the 1991 Bill, but we have been warned by supporters of differential rating, particularly within the National Party that they regard net annual value as paving the way for differential rating, which they see as helping the farmer, especially those on the outskirts of urban areas.

We are delighted at the progress we seem to have made with people comprising the so-called Green Movement, particularly those who support the Australian Democrats. T.R.A.

INSIDE:

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 - A Legal Approach for Site Value Collection
 - Dates for your Diaries
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members include Liberal, National, Labor, Democrat and other party supporters and probably non-aligned and swinging voters. It is not our function to endorse any political party. However, we do not believe the Liberal and National parties have substantiated their case for a Goods and Services Tax in preference to a tax on economic rent. We have already published and will continue to publish material opposing the introduction of a GST, mainly on the grounds that a more socially just and economically neutral tax is available – a tax on land and other monopolised natural resources.

Dr. Coombs, former Governor of the Reserve Bank, has been a strong protagonist for collection of the economic rent to finance conservation, protection of the environment and the pursuit of economic justice as between those who do and those who do not own land and also as between present and future generations. I believe we are making some headway among the general community through regular letters to the press and an occasional articles in the media. The Executive are delighted with the regular radio session conducted by Geoff Forster and George Charles and others over the Community Radio Station 3INR, which operates from Warringal Shopping Centre, Heidelberg. Our broadcast is from 4.30 p.m. to 5.00 p.m. each Monday, just before the very popular Drive Time session run by Bruce Mansfield, a top-level broadcaster.

The older ones among us will remember with great affection our regular broadcasts over 3DB, and particularly the work of J. M. Atkinson, Chairman of the 'Heckle Hour' for 3DB.

These were great days of communication for the Georgist Movement. With the economic troubles now afflicting the community, I believe people are ready to listen to us again and we must appeal to the voters over the heads of the politicians as we have done with rating polls.

Overseas events, especially in Eastern Europe, suggest people there are ready to accept Georgist solutions to the appalling legacy Communism has left them. The new land tax law passed by the Russian Parliament on October 11th last and signed by the President Boris Yeltsin is most exciting. All taxation on buildings has been abolished and rights to occupy land will be granted to those prepared to pay the most by public bids.

I look forward with eager anticipation to the Conference of the International Union for Land Value Taxation to be

held at Ormond College, Melbourne University in October 1993. Ed Heywood, Bill Pitt, Bruce Every, Joe Brennan, Mary Hutchinson and myself have volunteered to assist the President of the Georgist Council of Australia, Ian Leys with the necessary arrangements. I know others among you will also be ready to help. Rosemary Forster will assist Loma Sutton on a part-time basis with all the secretarial work involved in organizing the conference. As a member of the Committee, which has been established by the Georgist Council, I shall be pushing for public Georgist lectures in Sydney, Melbourne and Canberra and for invitations to prominent Georgists in Japan, Taiwan, Hong Kong, Canada, North and South America, New Zealand, United Kingdom, Denmark, and hopefully Russia, Hungary and Poland to deliver papers and lead discussion groups.

In conclusion, I must thank Loma Sutton, our efficient Office Supervisor, the Secretary, Geoff Forster, the Treasurer Roland Staub, indeed the whole Executive for their support during the year. Anything I may have been able to achieve for T.R.A. during the past year would have been impossible without their assistance.

Rent is that part of production which accrues to the owner of land and other natural capabilities by virtue of their ownership.

(*Progress & Poverty* Bk.3 ch.2).

TAX RATES UP – NO REBELLION

One of the effects of the budget by the Federal Government in August was to increase the tax of workers and yet the reaction has been nil. Has the government correctly judged that the time was right for a large increase in tax?

Consider someone earning \$300 per week before the budget. The rate of tax was such that tax paid was about \$52 per week (allowing for no tax to be paid on the first \$93).

Now the Government has decreed that the pay shall rise to \$315 per week, but that the tax will rise to \$67 as the government's new compulsory tax increase to fund pensions takes effect.

In effect the rate of tax has increased from \$52 to \$67 – that is a 29.5% increase in tax for someone earning \$315 per week, and not a murmur of outrage.

Editorial in "Kilcoy Sentinel",
19/9/91.

THE THIRD WAY: AN ALTERNATIVE TO COMMUNIST INCOMPETENCE AND CAPITALIST GREED

Communism and Monopoly Capitalism both threaten the future of mankind through the incompetence of the former and rampant exploitation by the latter in the use of the world's land.

The third way of land reform and social justice is the only hope for the survival of mankind. The nuclear power stations built by the Russian bloc are so sub-standard they could explode at any time, deluging the world's atmosphere with deadly radioactive gases. Misuse of the land is widespread. Russia has become a massive importer of food.

The rape of the forests of the Amazon basin by Western entrepreneurs threatens to seriously deplete the world's oxygen. The Amazonian forest contains at least a third of all the world's trees which could be cut down early next century, turning the Amazon basin into desert.

The efforts of Pope John Paul to curb the excesses of Communism and Capitalism are heartening. During his recent visit to Brazil, the Pope focused attention on the appalling poverty in that country caused by land monopoly. According to the Catholic Institute for International Relations, two per cent of Brazil's land owners control 57 per cent of arable land and the poorest 30 per cent of land owners share only one per cent.

Behind the glitter of Rio De Janeiro, Sao Paulo and other superb cities, tens of millions of poor cling to a precarious and short existence. Their squalid shacks lack water, sanitation and access to public facilities, such as schools and hospitals. The country is run by a military junta, riddled with graft, which aids and abets genocide of people, and destruction of resources by Western entrepreneurs.

Of the thousands of tribes who lived more or less undisturbed in the Amazonian forest, an area larger than Europe, only some 100 remain with a total population of less than 40,000. They have been reduced to their present level by murder and disease brought in by the plunderers of the forest.

Land must be restored to the people of Brazil by payment of the economic rent to the nation instead of to the few fortunate descendants of Portuguese conquerors and latter day capitalists.

Morris Williams.

ANNUAL REPORT TAX REFORM AUSTRALIA, 1991

Office and headquarters at 31 Hardware Street continue to operate as meeting place, bookshop and resource centre. The movement acknowledges with gratitude the capable and indefatigable work of Mrs. Loma Sutton as Office Supervisor.

"PROGRESS": Our monthly journal continues to be produced. We are grateful for the co-operative attitude of our printer, the distribution work done by Mr. Noel Wigmore, and the general work of our office supervisor. Miss Eva Best has played a major role editorially. The question of combining Georgist periodicals has been further considered, but no change yet made.

BOOK LAUNCH: For some years Mr. George Charles has been successfully operating classes with the University of the Third Age. His notes were published in book form – "Elementary Economics". A successful, well-attended book launch took place in July.

ADELAIDE CONFERENCE: Several members attended the Georgist Council conference in January.

RADIO BROADCASTS: Weekly broadcasts have been held on the FM community station, 3INR Heidelberg, since August. Broadly speaking, the Secretary and Mr. Charles have alternated. For three months Mr. Rowan Forster, a radio professional, interviewed the two former, but from November onwards he became unavailable owing to work commitments. Mr. Morris Williams was interviewed twice, and Mr. Jeff Ferguson once. Little response has been received, but it has been felt worthwhile to persevere. The transmitting range of the station is limited.

MELBOURNE SCHOOL OF ECONOMICS: As well as his U3A classes, Mr. Charles conducted two series at Hardware Street on Tuesday mornings with some interesting and interested pupils.

MEETINGS: Apart from the Book Launch, a highlight was the Commemoration Dinner in September. A well-attended gathering was addressed by Mr. Terry Dwyer, architect of the attack by the Catholic Welfare Commission on the consumption tax. A good meeting was held in April for discussing methods of promotion. Other general evening meetings were poorly attended, with the exception of the successful Christmas Social.

SITE VALUE RATING: Mordialloc Council announced its intention of switching away from SVR; a poll was enforced, and SVR was retained with 68% of those voting being in favour. This was slightly greater than the poll about five years ago, but then the Council was neutral. Congratulations to Mr. Lance Hutchinson for his efforts in collecting signatures and to the energetic band of locals.

LOCAL GOVERNMENT AMENDMENTS: Legislation before the Victorian Parliament about the viability of Site Value Rating and ratepayer polls is a cause for concern. Ed Heywood and Morris Williams have done valuable work in monitoring the situation.

LAND VALUES RESEARCH GROUP: Messrs. Bryan Kavanagh and Ian Davis have been doing valuable work with this group.

GENERAL COUNCIL FOR RATING REFORM: This council, with Ed Heywood as Secretary, has been active with the proposed amendments to the Local Government Act. Literature was sent to various inquirers, and especially to Pakenham, where a change to the rating system is under consideration.

CONSUMPTION TAX: Material on this topic includes articles in "Progress" and a reprint of Dr. Dwyer's Commemoration address. An attempt at a combined public meeting was made for November, but did not eventuate. Instead, a literature distribution effort took place. Some valuable liaison was established with other groups.

PRESS LETTERS: Although it is harder to have these published, and to monitor their publication, some successes have been achieved.

LITERATURE DISTRIBUTION: This takes place in many ways to a variety of targets. A new leaflet aimed especially at youth was issued. Prepared by a pair of professionals, it is highly regarded.

VICTORIAN LAND TAX INQUIRY: The report was eventually published; from our viewpoint it was a mixture. At least it was stated that land tax is here to stay. (Seven Georgist submissions were made; several appeared in "Progress").

MELBOURNE WATER: A submission recommending SVR was made.

CITY SQUARE SPEAKERS' FORUM: Two of our members participate regularly.

VERY FAST TRAIN: It looks as if this project has been dropped for the time being at least. Roland Staub's liaison work was valuable.

VIDEO: Sales of "The Third Way" continued slowly during the year.

R. KEALL VISIT: The visit of this New Zealand activist was welcome; during his stay he presented a paper (published in "Progress") with an innovative idea for promoting Georgism. This must receive further consideration.

GENERAL: Valuable work has been done, quietly and steadily, by various individuals, particularly in political parties and church groups. Liaison with other Georgist branches and overseas Georgists has continued, as well as with other groups.

The year ahead presents some major challenges; counteracting the proposed consumption tax; combating the threat to site value rating.

The holding of the International Conference in Melbourne in September 1993, though under the aegis of the Georgist Council of Australia, will entail the need for extra effort from Melbourne Georgists.

CONCLUSION: We are in a frustrating period in Australia – an acknowledged recession, but actually a depression, especially as indicated by the disturbing level of unemployment. Our message is needed urgently, but how hard it is to get it widely publicized! By keeping the flame alight, however, we are not merely being true to ourselves, but also making it possible for the opportunity to be taken when circumstances become favourable, as well they could.

Geoff Forster,
Secretary.

JUMPING CONSUMPTION TAXES

In our December/January issue we gave details of how consumption taxes have jumped in various countries.

Add another to that list: in Germany the rate has recently increased from 7% to 14%.

(Source: German visitor to one of our members.)

CENTURY

Brisbane has now had revenue from site values since 1891 – more than 100 years.

PRESS LETTERS

GST DISASTERS

Recently I have read correspondence from residents (or ex-residents) of Britain, Canada and New Zealand all expressing surprise at the Coalition's intention of bringing in a Goods and Services Tax (GST) similar to Britain's VAT (Value Added Tax), should they win government.

A correspondent from Canada has stated that their GST, far from being a panacea for their economic ills, has caused a huge fall-off in retail sales and an increase in unemployment.

Information from New Zealand indicates that after five years of GST pain they are back to square one, economically and with most people on lower/middle incomes and social security benefits, a lot worse off than five years ago.

Talks I have had recently with someone just back from Britain, plus newspaper and magazine articles, indicate that life in various parts of that country is an absolute nightmare with government services being closed down, or sold off, people being deprived of hope for the future and the country generally in a state of despondency and despair.

Whilst our recession is causing pain and suffering at present, it is expected we will emerge from our situation in 1992, whereas the people of Britain and New Zealand in particular, can see no light at the end of the tunnel, despite their painful experiments with GST and VAT.

Keith Gibson,
Chermside, Qld.
"Brisbane Sunday Mail",
8/12/91.

GST DISCREDITED

The Opposition's "new" economic package is based on the now discredited ideology that low taxes and a free market will solve everything.

Implementation of this ideology has made the United States the world's largest debtor, has decimated the New Zealand economy and has made the UK less prosperous than the rest of Europe – in spite of the windfall of North Sea oil. Are we to adopt a proven mistake just as the rest of the world is correcting it?

Every time an Opposition spokesperson is questioned about specifics the answers tend to be empty rhetoric.

Typically like this: "Q. What about the 15 per cent on airfares? A. You have to look at the broader picture and increasing prosperity. Q. What about single mothers whose 12-year-old children will return to an empty house? A. There will be more employment and prosperity".

Will there? It would all be a joke if it wasn't meant seriously.

G. Longworth,
Dutton Park, Qld.
"Brisbane Sunday Mail",
8/12/91.

BLUE CHIP WASTE OF THE VOTE

When I reached voting age I was living at home with my family in one of Sydney's blue ribbon Liberal Party electorates. When voting time came around, in that and other "safe" party electorates that I subsequently lived in, I had realised that there was only one incentive for me to cast my vote – to avoid being fined! For me and another 20,000 fair-minded folk, democracy in a single-member electorate world meant very little.

A few kilometres away my fellow citizens living in a marginal electorate, with more than their fair share of democratic influence, would play a key role in selecting the next government. And in the life of that government, those people would get more attention from their member, whose accountability to his electors meant everything.

I hope Canberrans have enough sense to reject the inequity of a single-member electoral system, so that all of us can share the right to elect a responsive and accountable group of people to govern the whole of the ACT.

Allan Spire,
Lyneham, A.C.T.
"Canberra Times" 25/1/92.

INSIGHT

"I don't think that the best bits (of land) should be available for outright, for ever and ever.

"Don't sell, lease the best bits, make them pay so that in 75 or 100 years someone's going to have to pay again and it goes into consolidated revenue.

"That's the first thing I would do to raise thousands of billions for Australia down the track.

"It would pay totally for your

education system, your health system, maybe a couple of other things."

John Cornell,
partner of Paul Hogan,
"Sydney Sun Herald",
29/12/91.

OUR MESSAGE IN A NUTSHELL

Unemployment, and its associated economic, social and psychological problems, can be drastically reduced by a simple piece of legislation.

Let all landholders pay an annual site rent to the government, rather than to private landowners.

Home building would then flourish without the high cost of land and the associated charges (e.g. stamp duties), together with the elimination of inflationary taxes such as sales tax, payroll tax and bank charges.

Site values can be accurately assessed and cannot be hidden. Revenue from site values cannot be evaded.

This system was about to be implemented in Denmark in the late fifties, but the landowning lobby had the legislation reversed. Denmark has been in the red ever since. A consumption tax beginning there at 10% is now at 22%.

Partial application of the principle at local government level in Australia has brought proven beneficial results, notably in building activity. This has emerged in numerous cases.

With acknowledgements to
Charles Somerville.

HOW WOULD WE BE AFFECTED?

People often ask how they would be affected, in terms of actual dollars, in a Georgist economy. This is not an easy question to answer quantitatively, as there are so many variables.

The Georgist Education Association of Western Australia has made an attempt to tackle this question in a recently issued leaflet. As it involves a table too complex to reproduce in "Progress", all we can do is to commend this effort of our Western Australian colleagues.

Copies are obtainable on request either from our Hardware Street office or from the Association in Perth (see page 8 for the address).

HARE-CLARK – THE FAIR VOTING SYSTEM FOR THE ACT

On 15 February 1992, the ACT will face:

- an *election* for the ACT Assembly; and
- a *referendum* on the voting system for future elections.

You should think carefully about whom to elect to the Assembly – after all, you'll have to put up with them for the next three years! If we get the wrong voting system, though, you may have to put up with its rotten consequences for a lot longer than that.

What are the choices?

The two options are:
Hare-Clark or *Single-Member* electorates:

What are the differences:

Hare-Clark

- Fair outcomes in line with voters' wishes
- All significant groups on the Assembly
- A full choice of candidates to vote for
- Control by *voters*, not party machines
- Choice of at least five local members to consult
- No by-elections
- Stable boundaries
- No safe seats.

Single-Member Electorates

- Distorted outcomes favouring the largest party
- A probable one-party Assembly elected
- "Choice" of one (1) candidate per party (most with no chance!)
- Party-machine domination of the system
- Only one representative to consult
- Costly, destabilising by-elections
- Frequent boundary changes
- Safe seats for party hacks

SOME QUESTIONS AND ANSWERS ABOUT HARE-CLARK

Q: *Why use a system like Hare-Clark?*

A: Because it's an Australian system which is actually better than the imported stuff! Australia was a pioneer of the great democratic reforms – secret ballots, votes for women, preferential voting – and Hare-Clark was developed as an extension of that tradition, to maximise fairness and choice.

Q: *Why won't Single-Member Electorates work in the ACT when they do in the states?*

A: There are some important differences:

- the ACT planned to be more geographically uniform than any state – no rural, "North-Shore" or blue-collar areas large enough to make up an electorate. Voting patterns don't vary much across booths, so a party with a slender majority – or the largest minority – of the vote could win most or all of the seats.
- the ACT has a single chamber parliament. Most states with Single-Member Electorates for one house have another elected with a system like Hare-Clark as a balance.

Q: *Wouldn't Single-Member Electorates be much more stable?*

A: No – for three reasons:

- continual re-drawing of electoral boundaries
- governments losing majorities through by-elections
- members splitting from governments between elections (as currently in NSW and Western Australia).

Q: *Why three electorates?*

A: Three electorates provide a balance between geography and party representation. You will have five or seven real local members who depend on your vote for re-election, but without cutting out smaller parties and independents.

Q: *Doesn't it delay counting?*

A: In Tasmania, results are usually known on election night.

Q: *What is "Robson Rotation"?*

A: Robson Rotation is a system of printing different versions of ballot papers with candidates in different order. Candidates' names in each party column are "rotated", so that the coveted "top-of-the-ticket" positions and their advantages are shared out equally.

Q: *Why use "Robson Rotation"?*

A: Without it, party machines decide which candidates get the "safe" seats or ticket positions, who gets the marginals and who's along for the ride. Robson Rotation means that the voters decide who are the best candidates from their preferred party.

Q: *What is "Countback"?*

A: Countback is a way of filling casual vacancies – when a member dies or resigns between elections, the votes which elected him or her are re-examined and the (available) candidate with the largest propor-

tion of their next preferences is elected. This is in a sense asking those voters who lost their representative to choose the replacement; not surprisingly, it is usually someone from the same party or group.

By-elections are much more costly and destabilising; they may return someone from the opposite side of politics.

Q: *Will it give us better politicians?*

A: No, but they'll have to be much more responsive to the electorate if they are to survive. Each one will have to persuade around 8000 voters that they are better than any competing candidate, and that will give voters a real opportunity to select better politicians.

HOW WILL HARE-CLARK WORK IN THE ACT?

There will be:

- Three electorates, with 5, 5 and 7 members
- Robson Rotation of names within party columns – a fair go for all candidates and parties
- Casual vacancies filled by Countback – no by-elections!

* * *

At elections, do you want:

- a system where a majority of votes *guarantees* a majority of seats, and all significant minorities are represented in proportion to their vote; or
- a system where a party with a minority of votes can win *all* the seats?

Between elections, would you prefer to consult:

- your choice from a panel of members, all representing your area, with a range of political views; or
- the single member representing your suburb and two or three adjacent suburbs, whose philosophy, views on the issue, or personality may be totally objectionable to you?

Do you want to know more about Hare-Clark for the ACT?

- Contact the Hare-Clark Campaign Committee on (06) 257 1015, 258 8663 or 251 1294 (AH).

VOLUNTEERS SOUGHT

Would any of our supporters willing to participate in a scheme of writing letters to the press (it is really quite painless) please contact the Hardware Street office.

A LEGAL APPROACH FOR SITE VALUE COLLECTION?

In our November issue we published a proposal for legal action to secure site values. This reply is from Frank Brennan of Canberra, author of "Canberra Crisis".

Every proposal advanced for consideration must be soundly based on law. This one is not. It seems to assume that for centuries the Crown has had a legal right and duty to collect an economic rent from landowners and that the Crown has failed to do so. The call therefore is that "... the Georgist movement around the world concentrate its resources on a Constitutional Court Action requiring the Crown to collect the rent of land for revenue ... it is a constitutional issue and must be mounted as such ... preferably this should be done in NZ ... the jurisprudence of British law still applies".

The first question is why should this Action be taken in NZ rather than Peru, Greece or Italy? Is "the jurisprudence of British law" an essential ingredient of this proposed Court Action? If so how could the "Georgist movement around the world" adopt and act on this proposal? Today, probably no more than fifteen per cent of the world has any legal connection with the British Crown. Runnymede, Magna Carta, etc. are therefore completely irrelevant to about 85 per cent of the world, although it is possible that some Professors of History around the world are aware of the significance in English history of those events.

In consequence of the provisions of the Statute of Quia Emptorus (1290) abolishing subinfeudation no new estate in fee can be created except by the Crown. In Australia (and probably NZ) estates in fee simple originate in or may be traced back to a Crown grant.

The incidents of an estate in fee simple in medieval times are of historical interest only. Nearly all of these burdensome incidents were abolished in 1660 by which time any special personal services reserved had been commuted for a money payment either in a lump sum or in the nature of a continuing rent called a quit rent.

Quit rent is the only incident of tenure ever required of a tenant in fee simple in Australia. In Crown grants issued in the early days of the colony of NSW such rents were frequently reserved. But in time quit rents were discontinued. Occasionally even now titles are encountered where a quit rent has not been redeemed – as it can be.

It could not be argued (successfully) in a Court of Law where British jurisprudence applies that an estate in fee simple is "essentially a lease on trust". The estate in fee simple is the greatest estate in land which may be held. In broad terms it is and has long been equivalent to absolute ownership; if in common speech we refer to 'A' as being the owner of a certain block of land we are implying that he enjoys an estate in fee simple. And this estate is larger than a lease. It is essential that a lease shall specify the period during which the lease is to endure, and the beginning and end of the term. (Perpetual leases are more than a misnomer – they are an absurdity.) An estate in fee simple is of unlimited duration.

In English law "*fee*" denotes that the estate is an estate of inheritance; e.g. one that may be inherited or given by Will. "*Simple*" denotes that the estate is not a fee tail (an estate limited to certain lineal descendants only of the grantee). *Simple* means that the estate is capable of descending to the general heirs of the grantee. *Absolute* signifies the grant is not subject to any condition, limitation or restriction but will continue for ever. Neither in England nor Australia and New Zealand is the payment of an economic rent an essential part of an estate in fee simple.

To say that the Crown owns all the land and that therefore the Crown could require the payment of a rent is to forget that feudalism broke down in the Middle Ages. It could not be restored. Parliaments today are supreme, not Kings. Parliament could impose an economic rent on fee simple estates.

Parliament could also repeal such a rent. There is no constitutional issue involved. It is a simple political issue.

It is a legal fiction to say that all land belongs to the Crown – once granted to someone in fee even the Crown can only acquire or resume the land after the payment of just compensation, e.g. market value. The Crown can through Parliament impose restrictions on a fee simple – building regulations, pest control, planning requirements etc., but it is not compelled to do so. Parliaments, particularly in Britain and New Zealand are their own masters.

To summarise: whilst I appreciate the inspiration sincerity and enthusiasm behind the New Zealand proposal – those qualities are not enough. In my view the proposal would be summarily rejected in any Court where "the jurisprudence of British law still applies". If an action to collect economic rent was commenced in say New Zealand you would be asking the Judge to decide that the Barons of the thirteenth century wrongly acquired that rent to themselves via freehold titles. You would be asking the New Zealand Judge to direct the Crown (e.g. N.Z. Government) to collect that rent. You would also be asking the Judge to dismiss three, four or five hundred years of British laws, legal traditions, usages and practices. You would also be asking the Judge to ignore any 19th or 20th century New Zealand Land or Real Property legislation. I do not believe any New Zealand Judge (or British or Australian) would oblige.

The collection of an economic rent is a simple political issue. It is not a question for the Courts.

In Australia the Commonwealth Government in its early years imposed a land tax operable throughout Australia. In 1952 the Commonwealth vacated the field leaving it to the States. Whether or not the Commonwealth should re-enter the land tax field and oust the States or whether the States should increase the amount collected – these are political issues not what I would call constitutional issues.

In conclusion: there is no imperative obligation (constitutional or legal) on the Crown (e.g. Government) to collect economic rent. Moral obligation? Yes! But recourse to the Courts to obtain that objective would be a waste of time and resources.

MR. DON SHEDDON

We regret to report the death of Mr. J. D. Sheddon, of Ballarat, a capable and enthusiastic supporter of our ideas for many years.

WHICH SYSTEM? IT'S YOUR CHOICE!

	CAPITALISM (“The Right”)	GEORGISM (The Centre)	SOCIALISM (“The Left”)
HALLMARKS	privilege & poverty	liberty/prosperity	regimentation
CONTROL	private monopoly	free enterprise	bureaucracy
FREEDOM/SECURITY	are in conflict	harmonised	are in conflict
WEALTH	bought by money	created by labour	bought by money
CAPITAL	includes land	excludes land	includes land
PRIVATE PROPERTY	confused with land	sustained	abolished
LAND	monopolised by “owners”	title held by rentpayer	nationalised
ECONOMIC RENT	into private pockets	used to replace taxes	neglected
TAXES	increase; until “bust”	abolished	increase; until “bust”
LAND PRICES	increase; until “bust”	nil	nil
INCOMES	minimum to labour	fully to labour	“equalised”

Which system is a simple fiscal adjustment, and leads out of depression and unemployment?

Which system acknowledges the most fundamental of human rights – of leaving the individual the fruits of his or her own labour? (i.e. No taxes on labour or its products.)

Which system takes community-generated economic rent for the use of our natural resources? (i.e. Discourages the private plunder of land monopoly and speculation.)

Do you know that taxes make up the

greater part of all goods and services that you buy, even when there are no sales taxes on some goods and services? (Think then, of the competitive advantage to Australia if we collected economic rent instead of taxes!)

True job security and freedom IS in YOUR hands. Press for change!

For further information ring, write or call Tax Reform Australia, 31 Hardware Street Melbourne 3000.

Tel/Fax (03) 670 2754.
(the only body to forecast a depression in 1991/92 to the '85 tax summit).

community an annual rent for the portion of Earth we appropriate. The full market value of the parts of the planet we use is so immense that were it collected for public uses, taxing labour and capital would not be needed.

7. FAIR PARTITION. Since people create the market value of Earth and are the best judge of how to spend this public revenue, it should be rebated to citizens in dividends of equitable shares. Receiving this income supplement obviates nearly all social services, cutting the costs of government, and upholds our right to a fair share of Earth.

8. NO SUBSIDY. To avoid distorting such natural laws as the pricing mechanism (supply and demand), our governments should not subsidize special interests whether rich or poor except in emergency. Sharing Earth's rent should end poverty.

9. BUDGET REFERENDUM. To maximize direct democracy, voters by referenda should allot and approve government budgets of any public revenue (ground rent) not disbursed as a citizens dividend.

10. FLEXIBLE EMPLOYMENT. People have the right to work at what they want, as hard as they want, as long as they like, and with whomever they want. Receiving the citizens dividend, workers can demand higher wages for boring, arduous, hierarchical, ceaseless, yet necessary jobs. Then we can develop our ideas and even advance technology appropriately, democratically.

Following these ten steps of geonomics is to both liberate and obligate marketeers, so the market finds “eco-librium”. By keeping earnings and sharing land, we spare Earth.

Institute for Geonomic Transformation, U.S.A.

TEN TENETS OF GEONOMICS

Geonomics is the natural way to ecological harmony, prosperity, justice, and peace. Based on the principle that *all life has a right to a share of a healthy Earth*, geonomics is neither left nor right. Ten tenets of this new way are:

1. TRUSTERY. As the most powerful species, humans are obliged to use Earth sparingly, to leave enough for future generations and other species.

2. FULL LIABILITY. To enjoy a healthy Earth, we must abolish limited liability (the salient feature of corporate charters) and strictly enforce our right to a healthy Earth.

3. INTERNALIZING. So all economic activities bear their full costs without passing them on to the general public, our governments must fine polluters and charge fees to depleters, making benign products cost-competitive.

4. FREEDOM. So people can go to abundance and abundance to people, we must permit free trade and free travel, thus equalizing external, natural advantages.

5. NO TAXATION. As unique individuals trying to actualize ourselves, we are entitled to the full fruits of our labour; taxes on *earned* income are coercive and unfair. User fees (esp. deed fees) could suffice to fund all valid social services.

6. FULL COMPENSATION. Since none of us made Earth and all of us need her, each of us should pay to our

FOOD FOR THOUGHT

At any given time WAGES are the minimum that LABOUR will accept, short of revolt. (In this context a “strike” is a “revolt”.)

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HOPE IN ESTONIA

Dr Steven Cord, one of the seven who got back from two weeks in Russia, Saturday, November 2, called the visit "wonderfully successful".

He said it is virtually certain there will be an enlightened land law in Estonia, at least, and that the chance is great there will be efforts to tax land in other republics.

The two-week trip, with a crowded itinerary, was planned by Jeffery Smith of Santa Barbara, Director of the Institute for Geonomic Transformation, and by Marina Pavlova of Soviet Union, whose father is the Soviet Ambassador to Chile.

"We started out as a group of seven," Cord reports, "and people kept joining us as we went along.

"We were 14 before we knew it."

He said people there are eager to know more about land value taxation and are hungry for information.

An inquiry for more answers which came from the eastern city of Kazan, late in the visit, led to a post-visit junket there by Eugene Levin and Pat Surbrook of Seattle, Washington.

The inquiry came too late to be "worked into the whole trip," but the Washington starters agreed to stay on a few days.

They were due to return to this country a week later than the others, making it possible for them to fly to Kazan, a city of one million, just west of the Ural Mountains.

One feature of the trip, Cord reported, was a 10 minute appearance on "Otra", the Russian television program which is the equivalent of "Good Morning, America."

We were told the program would reach as many as 100 million viewers, Cord said.

It is virtually certain, in Cord's opinion, there will be land laws in more places than Estonia. And in fact some laws have already been passed.

The major question now: to what extent will they be enforced?

Hunger is rampant, he said, and is bound to become an even more important factor as winter sets in.

U.S. "Groundswell",
December, 1991.

DATES FOR YOUR DIARY

DEADLINE FOR PROGRESS:

Noon on 12th of previous month.

- Lunch-hour videos, Series, 12.30 p.m. 1st Monday of month.
- Executive Meeting: 7.30 p.m., Thursday, April 9.
- Melbourne School of Economics - 10.30 a.m. Tuesdays.
- Video Night - Thursday, March 26, 7.30 p.m.
- Combined meeting on state of economy 2 p.m.-5 p.m. Sunday March 29 at Cromwell Street, Collingwood.
- Discussion Night: "How do we implement our proposals?" Thursday April 30, 7.30 p.m. All welcome.

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

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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.

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