



# Progress

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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.**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.

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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.