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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.

**THREAT TO DEMOCRATIC ELECTIONS AND
SITE VALUE RATING IN VICTORIA**

**Extracts from a Speech on Local Government (Elections) Bill by Hon. R. M. Hallam
MLC, National Party member for Western Province and Opposition Shadow
Minister for Local Government.**

**Legislative Council Hansard 7th April
1992.**

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"Today's municipal council, even the most conservative and traditional, is a long way removed from the earlier profile. We have and expect services that go way beyond the classification of property services and well into the realm of what are now euphemistically known as human services.

In addition, a substantial proportion of the revenue derived by individual councils, indeed if not the majority of that revenue is now raised from general tax sources rather than rate revenue and it is pertinent to note that the share of tax revenue as opposed to rate revenue in general terms is increasing.

Therefore, in that context the debate has shifted sideways. Of course, there is still a great deal of interest as to how we arrange the sharing of the rate burden and such issues as the merit of replacing the minimum rate with the municipal charge is widely debated as it goes to the issue of sharing that rate burden.

Another instance of that fact is that the Victorian Farmers Federation is pushing strenuously (**Editorial:** and also the Municipal Association of Victoria) right now to have Parliament revisit the implied net annual value that is included in the law of the land because that again would go to the basis upon which the rate burden is shared".

Editorial: Mr. Hallam has told TRA's President that the National Party is adamant that differential rating must be introduced in Victoria. As this appears to require the Capital Improved Value Rating System, the Coalition could well repeal the provisions in the Local Government Act which ensure the retention of Site Value Rating through rating polls.

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"... The Coalition does not accept that proportional representation is necessarily fairer than any other system. It does not agree that it is necessarily better to have candidates elected by a sectional vote..."

More importantly, each selected candidate under the exhaustive preferential system must have the support of the majority of the electors. That is a fundamental issue and it at least raises as debatable the claim by the government that proportional representation is fairer."

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"If simplicity and speed of determining an outcome are to be the criteria on which we judge the various election processes, the most appropriate system could be that of equal value voting, as that system has no preferences, but the electors vote only for the number of candidates to be elected; they simply place ticks or crosses in the boxes alongside sufficient of the candidates to fill the vacancies."

"That system is used very widely indeed in New Zealand, in local government in the United States of America; and... in Great Britain. It is also used in Queensland".

Editorial Comment: Supporters of PR and Site Value Rating have been warned that their cherished beliefs are under grave threat.

For over three decades Mr. Nick Renton, Fellow of the prestigious Faculty of Actuaries and one of Australia's foremost authorities on electoral systems, has been urging the adoption of PR in the interest of electoral justice. Mr. Renton's authoritative reference: Guide to Meetings and Organizations is now in its fifth edition. Copies are available from the Law Book Company priced \$22. TRA members are urged to arm themselves with copies of the Guide for Voluntary Associations and especially refer to Chapter 11, Election Systems and Appendix 3: Examples showing anomalies of various

INSIDE:

- **Assessment of Annual Site Value**
- **Land Tax and Small Business**
- **Dates for your Diaries**
(See Back Page)

election systems.

Advocates of defective election systems must be forced to justify their choice before the voters to explain the reasons behind their support of such systems.

The General Council for Rating Reform is reprinting copies of its many excellent pamphlets extolling the virtues of Site Value Rating. Please write to the Secretary, Box 955G, GPO Melbourne, Vic. 3001, requesting copies for distribution among opinion leaders in your Municipality and State Electoral District.

In a referendum on Saturday 19 September 1992, the New Zealand voters overwhelmingly rejected the first-past-the-post system, greatly preferring a proportional representation system.

LETTER TO THE EDITOR COMPENSATION FOR USING THE EARTH?

Now and again it is said that, for the privilege of fencing off a piece of land and thereby excluding others, the site-holder has a privilege for which he must compensate others. It is presumed that this compensation will form part of a site revenue society.

I wonder how we can say that the right to land is the most basic human right after life itself and, at the same time, say that when one does occupy land one has a 'privilege' for which we must compensate others. I also wonder how we can hold this belief and still say that marginal land is free.

Sometimes the view is put that, when one occupies valuable land, one must compensate others for the privilege. A privilege is a special right. Now, since site revenue cancels out any special right which occupiers may have (in the way of private title to economic rent), surely in a Georgist society there is no privilege in occupying valuable land.

One has a right to land, and a duty to pay site rent. There is no privilege, and therefore there can be no compensation.

The origin of this belief in compensation is the view that land value should still exist in a Georgist society. Since land value *is* a privilege, in an LVT society there would be need for compensation.

Richard Giles
Enfield, N.S.W.

LETTER TO AN ACADEMIC

Dear Professor Alston,
A.N.U., Canberra.

As reported in the West Australian 13/7/92, you are doing a necessary service to the nation in recommending a public debate on the subject of Human Rights.

It would take a lifetime to read and examine documents that have been published by the United Nations on the subject, but this however would be a waste of time, because the one essential condition has been carefully omitted.

Unless all people have equality of opportunity to apply their labour, directly or indirectly, to the God-given, freely provided, resources of nature, the land of their country, there can be no security of employment or relief from poverty.

About 10% of the people in most countries, including Australia, have been enabled to acquire 90% of the land value of their respective countries and in consequence, land can only be inhabited by the majority, subject to unearned tribute being paid to the favoured few. In many cases this tribute in the form of site rent, or land price (capitalised rent), cannot be afforded and unemployment is the inevitable result.

The site rental value of land arises because of the presence and industry of all the people in an economic community, and not from the efforts of individual landholders, except as members of the community. The site rental value of land, therefore, is natural public revenue.

Instead of its collection on behalf of the people, to pay the cost of necessary public services, taxes are imposed which fine consumers and producers for satisfying their desires and requirements, and so inhibit production and worsen unemployment.

It is not very helpful to inform a young, homeless unemployed person that although he or she does not have the right of opportunity to work, freedom of speech and the right to defy parents, is nevertheless, permissible.

Enforced idleness and injustice are the basic causes of social disorder.

Suicide has increased nearly 400% since 1965. Violent and fraudulent crime are almost out of control.

Our vast, richly endowed continent, is so sparsely populated that it has become indefensible, while our land-hungry neighbouring countries are populating at an increasing rate.

It is treasonable, under such circumstances, to deny the basic right of

Australians to use Australian land, but to permit land monopolists and speculators to withhold much of the country from use. To secure equality of opportunity for all, it is only necessary for each to pay for the market assessed value of the locational advantages which attach to their holding.

Graham Hart,
Hon. Secretary,
Georgist Education Association (W.A.)

LETTER TO A POLITICIAN LAND TAX AND SMALL BUSINESSES

Land tax is constantly being attacked as inimical to small businesses.

This is a sad error, because land tax, assessed at a uniform level and applied equally to all sites, would favour small businessmen and allow them to compete effectively against their larger contemporaries.

Small businesses – almost by definition – occupy small areas of land, while larger businesses (again almost by definition) occupy much larger sites.

Furthermore, large and prosperous businesses often own land in the central business district of major cities, and in other places where sites are especially valuable.

Commercial land is more or less valuable as it gives access to more or fewer potential customers or employees, to transport and telecommunications, or to raw materials etcetera. Therefore, big businesses, located on valuable land, possess many advantages over smaller businesses on less valuable sites.

That is almost the sole reason for the spread of supermarkets, chain stores and multi-national companies, and for the gradual disappearance of the independent small business or professional man (and woman).

If revenue was raised through rates and taxes assessed against the value of sites, or by the direct collection of site rent as revenue, instead of income tax, sales tax, consumption tax, etcetera, then locational advantages and disadvantages would be cancelled out or balanced by the land tax, rate or site rent charge. Then both small and large businesses would have an equal chance of success.

This is but one of the many benefits that would flow to society from a wider use of charges based on the value of land, and that will be lost if any thoughtless government eliminates the last vestiges of land tax from Victoria.

Dr. Les Hemmingway,
Warrnambool, Vic.

THE ASSESSMENT OF ANNUAL SITE VALUE

By David Spain

PROFESSIONAL VALUATION

It is simple to assess the annual rental value of sites, as distinct from their improvements, once expert and qualified valuers continuously observe the conditions of site transfer throughout the entire broad economy. Such valuers, who have spent a minimum of three years qualifying for their profession, staff a central valuation Department of Government (headed by a Valuer-General) in each State of Australia, and provide an impartial service as the basis (sometimes in association with improved values) for local government rating and land tax. When implementing a Site Revenue economy, it is imperative that a Commonwealth Valuer-General be established, with the State Valuers-General as deputies.

In N.S.W. such valuations are carried out over a two or three year cycle, but with modern computer aids this could easily be done annually, even quarterly; where the valuations are fresh then the discrepancy between the valuation and actual market sales rarely exceeds five per cent. The fact that a city is old presents no impediment to initiating a system based upon collecting the annual rental value of sites. When unimproved capital value rating was imposed on Sydney in 1915 the city was 135 years old, with the central business district fully built-up and a population of three-quarters of a million people. Based upon sound valuations the system has continued to operate since that time.

MAKING AN ASSESSMENT

In a Site Revenue economy, legislation (which already operates) would require details about sale prices and rentals of sites to be reported and publicly displayed (thereby preventing graft), at local government level, upon cadastral maps which mark the dimensions and boundaries of every site and the position of significant variables. This raw, primary data would evidence the state of the local free market and would in no way be influenced or manipulated by government or the valuers.

Valuers, seconded from the Department, would declare the annual site value applying to each site, but in doing so they would be performing as scrutineers and analysers of free market forces, rather than manipulators and

dictators thereof. Their job, with access to data from across the broad economy, is to study sites which are sold or rented and distinguish how much is due to the improvements upon it and how much to the locational value of the site itself. If these payments exceed those normally made for the relevant improvements then they represent locational advantages (which should properly be skimmed off by the community), whilst any shortfall indicates that the site revenue fixed for that location is excessive. In nominating these annual rental values, each valuer is concerned to be correct and to develop a sound professional reputation by the time promotion to the middle ranks is achieved, thereby avoiding successful appeals.

APPEAL

Appeal lies from a valuation to the courts with the onus upon the valuer to establish that the valuation is "fair" (not, however, "precise"). The valuation must not be manifestly excessive or inadequate.² Doubts are to be resolved in favour of the taxpayer.³ The existence of demand for a site may be presumed.

FAIRNESS OF A VALUATION

Ultimately, each valuation of a site's annual rental value must be justifiable as compared to similar sites locally and across the broad economy. This data is collected from the compulsory nationwide sale/rental reports, as cross-checked against information from brokers, auctions, the press, advertisements, land developer's brochures and advice from banks and finance agencies. An assessor, studying the flux of prices for sales and leases across an area and amassing, digesting and swapping data concerning them, will be able to establish approximate "benchmark" values for particular types and sizes of sites in particular zonings. This "benchmark" must then, with caution, be "fine tuned" in the light of conditioning variables and each site's relevant improvements.

CAUTION NEEDED

In accepting data for establishing benchmark values upon certain types of site, assessors must be (and are) careful that the data truly reflects a free market. Competitive interplay is absent in certain types of transaction, such as sales between members of a family, forced sales, purchase by adjoining

owners or by mortgagees in possession, and exchanges. However, despite anomalous instances and the fluctuating incidence of a buyer's or seller's market, the marketplace for real estate is fairly orderly and rational.⁴ The advent of environmental planning has interfered with the free play of market forces and has made the valuer's task more difficult. However "So long as one keeps an eye on the most economic development *legally* possible and does not consider redevelopment other than what is permitted by the environmental plan as it stands, most of the difficulties disappear".⁵ Where an existing use exists contrary to this plan then it is deemed a permitted use and valued at that (higher) level.⁶

In one per cent of cases special difficulties arise, perhaps because the site is excessively large, or an industrial site with excellent access to transportation, a golf course or a claypit. In such cases the assessor may lack direct data for fixing a benchmark, however, using any available materials, the assessor must determine the annual rental which a *bona fide* lessee would be prepared to pay. It may be necessary to consider hypothetical development and possible profits.⁷

CONDITIONING VARIABLES

The exact annual value of each particular site is always affected by variables e.g. the population regularly passing it; its size and shape; whether it is a corner location; whether it is serviced by an alley or a parking lot; its distance from the Central Business District or from particular services and amenities (e.g. parks, public transport, police and fire protection, schools and kindergartens); the availability of utilities (e.g. gas, water and electricity); its aspect, slope, elevation and vista; its natural resources and the ease of extracting them; its soil fertility and weed infestation; its subjection to traffic noise and air pollution; and the quality of its neighbourhood (in terms of education, income, standard of buildings, civic pride, percentage of home ownership and the attitude of financial institutions). Further broadscale, conditioning information is available from the National Census, the Bureau of Agricultural Economics, Local and State Environmental plans.

IMPROVEMENTS

Whenever market sales or rentals are

not of bare sites then the "added value" of visible improvements (e.g. buildings, fences, tracks, orchards) must be deducted to fix benchmarks and actual site values. This applies, however, only to the site in question: the effect or presence of improvements upon neighbouring sites and throughout the country are very much taken into account.⁶

Any assessor's manual records specifications and costs for all typical buildings and structures, (including their diversity of fixtures, quality of material and workmanship. Such costs (which are constantly reviewed) are themselves gathered from construction contractors, materials estimators, insurers and financiers. Similar tables are available, based upon a variety of proven data, as to the sale price of used buildings, the life of particular types of buildings and costs of repairs or maintenance. It is therefore possible for an assessor to deduce the "added value" that a building, or other forms of improvements, give to a site.

It may be that where a building is badly deteriorated, or has become completely unsuitable for the type of development taking over an area and must be replaced to make the site viable and competitive, then demolition costs must be deducted. However, a negative site value should not result. Certain improvements, such as the draining of swamps, the filling of recesses, the clearing of vegetation and the application of fertilizers, tend in time to merge with the land such that the original natural quality of the site is forgotten. All Australian States now distinguish between improvements *on* land and improvements *to or of* land.⁹

EVOLUTION OF A SYSTEM

After a few years of high-quality valuation, as publicly displayed, annual rental values in areas will be well known and established such that any alteration of them will be clearly and evidently traceable to the direct influence of fresh, known variables. The weight given to these will be comparable nationally in accord with publicly available data. The role of the valuer would be increasingly low-key but always vital: to discover, elucidate, apply and (if need be) justify those variables which require the marking up or down of any particular site's annual rental value.

Notes

1. Report of the Board of Review, appointed under the *Valuation of Land Act 1952*; Brisbane, Queensland; Government printer 1953 Appendix C. See also "Rating of Site

Values - Report on Pilot Project at Whitstable (U.K.," by Mark Wilks, F.R.I.C.S. published by the (English) Rating and Valuation Association, 29 Belgrave Sq., London S.W.1 Feb. 1964. 2. *Report* (op.cit. fn.1) p.1.

3. *Commissioner of Succession Duties v. Executor, Trustee and Agency Co. of S.A. Ltd. (re D. Clifford)* (1947) 74 CLR 358.

4. Copes "Reckoning with the Imperfections in the Land Market", in *The Assessment of Land Value* (Uni. of Wisconsin Press 1970 p.55).

5. M. D. Herps "Assessments of Site Values or Ground Rents for Rating and Taxing Purposes" in August 1984 *Good Government* (AGG, Sydney).

6. N.S.W. *Valuation of Land Act* s.6(2).

7. *DFCT v. Gold Estates Ltd.*; 51 CLR 509.

8. *Teitner v. CSR Co. Ltd.* (1958) AC 50.

9. For this distinction see the dissenting judgement of Isaacs J. in *McGeech v. Commissioner of Land Tax* 43 CLR 277.

A HOMELAND FOR THE SOULS OF SLAVES

Urban riots in the United States were the cries of pain of the souls taken into bondage from Africa. That lesson is yet to be acknowledged.

President Bush adopts a spurious explanation for the disorder in Los Angeles. He blames the welfare system fathered by the liberals of the 1960s who sought to help the children of the men and women who slaved on the cotton fields. Many black men, we are told, fail to support their families. Black women have babies without getting married. All because of "welfare". And that's why their children resort to crime.

The superficial plausibility of this analysis distorts the reality. America's negroes are a people without a cultural identity, locked into a No Man's Land by history and the impoverished philosophy of the 1960s, in which the state resorted to welfare handouts. The poor were not emancipated; on the contrary, their condition of dependency was deepened.

Their ethnic roots, which give people much of their personality, were destroyed by the English sailors who snatched them from the soils of Africa. Emancipation could not restore traditional homelands to the slaves. So they were rootless, cut free to float in space, no cultural anchors to drag them back to earth.

Culture, to exist, needs the nurturing of a territorial context. Wrench people away from their land, and you destroy the lifeblood of their culture. No wonder the blacks have been leaptfrogged by waves of immigrants who, though personally landless, were able to bring with them the semblance of a culture nurtured into them "back home".

Emancipation left the blacks shell-shocked, for they could not draw on the

strength of ancient roots. Their lethargy and self-destruction are expressions of the post-traumatic stress syndrome. Occasionally they are jerked out of that mind-numbing condition by acts of injustice, to kick back at the society that stole their identities and gave them foodstamps.

There's no going back to Africa, but a practical formula can be articulated to make the land of America as much the homeland of blacks as that of the whites. The core of the appropriate philosophy says that the land belongs to all. This is not pious; sharing the rent of land through the public purse gives everyone an equal stake. It also removes the barriers that deny people the equal opportunity to work for their living.

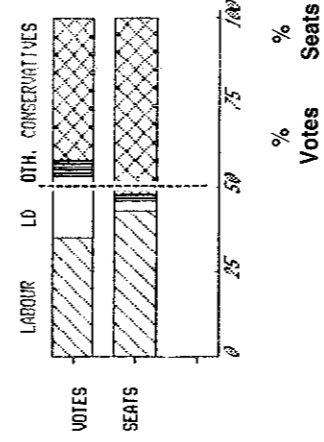
This is the philosophy of empowerment that black America has yet to appreciate. It's a philosophy that's been working for 100 years in some places. Black leaders should arm themselves with the one philosophy that would restore dignity to their people, which would give them that strong sense of place, of belonging, without which they will continue to live in limbo.

"Land and Liberty",
July/August, 1992.

U.K. ELECTIONS

The approximate nation-wide proportions of votes and seats are shown in the graph and table below:

U.K. HOUSE OF COMMONS



	% Votes	% Seats
Labour	35	43
Liberal Democrats	18	3
Others	5	2
Conservatives	42	52

The graph highlights the fact that the combined total of Labour and Liberal Democrat votes exceeded 50% - it was 53%. Had those two parties formed an alliance, as had been mooted, not to stand against each other at this election on the clear understanding that they would introduce legislation for PR before the next election, they might have been able to form a coalition government.

"Quota Notes",
June 1992.

PRESS LETTERS

THINKING

Before the turn of the century Henry George said: "We cannot safely leave politics to politicians or political economy to college professors. The people themselves must think, because the people alone can act." One hundred years later communist Europe is doing just that. Now, what about Australia?

R. B. Excell,
Hobart.

"Hobart Mercury", 15/7/92.

UNEMPLOYMENT

Worlds are wasted on unemployment, while its basic cause is overlooked. Unemployment exists world-wide. It has a world-wide cause which is simply this: around five billion people share one planet as a workplace and home. No human being made the earth or any part of it, and everyone needs at least a foothold on the earth in order to survive. Therefore, in justice, the world should be shared amongst its inhabitants — as equally as possible.

However, that does not occur. Instead, some human beings own land and natural resources worth millions or even billions of dollars, while others own little or none. Furthermore, it is easier to enlarge an existing holding than to acquire a single freehold foothold on the earth, and the larger and more valuable any holding, the more readily it expands — often in several different directions at once.

As owners and the world's wealthy add to their holdings, land prices go up and up — to place ownership beyond the reach of landless individuals and families, drive millions into unemployment or poorly paid jobs, and force countless others to spend a large percentage of their meagre incomes as rent or as the purchase price of property plus interest. As a result, people everywhere have insufficient funds for living costs, or for the conduct of a successful business in competition with multi-nationals and others who own a generous share of mankind's common home.

In general, only earth owners have funds to lend at interest or invest in shares. So this unjust and unequal spread of landownership constantly transfers money from those with little to those with lots — as rent, interest, dividends and capital gains. Whereupon governments tax all and sundry, and run welfare state economies — to

send wealth back from whence it came.

This ludicrous situation would make a good plot for a latter-day Gilbert and Sullivan. It would also make way for justice and common sense if the earth was shared amongst the entire human race.

The earth cannot be carved into five billion pieces. But it would be shared *effectively*, if government funds were drawn from land and natural resources — as rates and taxes assessed against the value of sites, or by the direct use of site rent as revenue in lieu of income tax, sales tax, etcetera. These measures would apply an annual holding charge to land, force owners to use sites or market them, allow everyone to acquire whatever land they need, bring rents down to reasonable levels, and eliminate much of the interest now paid on home and commercial property loans.

With a little ingenuity, site rent can be collected as revenue without hurting pensioners, farmers, persons who have invested their savings in land, and those who have bought property recently and are still paying huge amounts of interest.

If any individual or group would like to know how, I would be happy to explain.

Dr. Les Hemingway,
Warmambool.
(sent to various places.)

HINTS FOR BARRY

The President of the ALP was renowned in his youth for his general knowledge. Could he please answer the most vital current question: "What is the cause and cure for long-continuing high unemployment?"

Someone must know because "economists" confidently predict a continuation this decade.

If Barry (Jones) can't find the answer, what should he do?

Hints for Barry:

1. Fiddling with monetary policy is obviously not the answer. Extra spending does not work. Deficits, borrowings, high and low regulated interest and even balanced Budgets have been tried many times in many countries and all have always failed.
2. Prosperity depends on each person concentrating on one field of effort, and then exchanging the results of those efforts with the results of other people's efforts, using money. Both parties to the unhindered exchange

gain, because each wants what the other provides more than what each parts with.

3. If transactions are hindered and government takes away the gains, many transactions cease. Governments deter buying and selling and employment by heavily fining such transactions. The fines are called taxes (payroll, sales, GST, VAT, stamp, finance, PAYE).

4. There is one tax which is not a penal deterrent fine on transactions. It is an economically sound revenue, which if uniformly applied is entirely just and is incentive to prosperous activity.

Should we not steadily move from deterrent taxation and towards taxation which causes prosperity?

S. S. Gilchrist,
Roseville. N.S.W.
"The Northern Herald"
23/7/92.

TAXES

Each dollar spent on consumption taxes is a dollar less in sales, production and employment. Each sale lost spreads overhead costs more heavily in remaining prices, further reducing sales, etc. Where such taxes and overheads cannot be recouped by higher prices another business goes to the wall.

Given our appalling unemployment level, which "Honest John" Howard admits will continue to progressively worsen over the long term despite some slow and limited short-term recovery, it should not surprise that about 96% of Australian taxation burdens our production and consumption (ABS 5506). Adding around 50% to natural production costs it thus reduces sales, production and employment by about one-third. Micro-economic reform, like enormous past and ongoing productivity increases, is almost if not more than devoured by unearned rent and land value increases.

Of course, and despite the disinflation of political and economic (so-called) protestations to the contrary, land value tax (LVT) remains the same alternative to destroying so much production and employment. It presently raises the residual four per cent of taxes (ABS 5506) via dwindling municipal rates and state land taxes. To that remaining extent homeowners share the burden with the rich rather than the poor, but taxed only on unearned wealth.

A little over one per cent LVT on all classes of rateable A.C.T. land would replace all A.C.T. payroll tax to provide some \$70 million boost to A.C.T. industry, employment, prosperity and urban consolidation.

Belt-tightening or even micro-economic reform however desirable has never been necessary!

Bill Mason,
Pearce, A.C.T.,
submitted to "The Canberra Times".

TWO BRAVE MEN

It took the most powerful armies in the world to dispose of Hitler and his fascism, but it took only two brave men to stop communism in the USSR.

A permanent solution to our terrible problems, financial, economic and social may be found by listening to some of the leaders from the past: The briefest quotation by Thomas Paine (1737-1809): "Man did not make the earth - it is the value of the improvements only, and not the earth itself that is individual property. Every proprietor owes to the community a ground rent for the land which he holds."

This principle has been expressed by many - to quote a few: Adam Smith (1723-1790), Abraham Lincoln (1809-1865), Leo Tolstoy (1878-1910), Winston Churchill (1874-1965), Henry George (1839-1897), and, of course, the Hon. Clyde R. Cameron, A.O., who is still writing and speaking on the subject. Have we any politicians prepared to present to our present parliament this important principle for legislation, which would itself eventually make this great country of ours truly democratic?

Charles Somerville,
Carnegie.
"Malvern/Caulfield Progress",
27/7/92.

Book Review

"TOLSTOY: PRINCIPLES FOR A NEW WORLD ORDER

David Redfearn
Publ. Shepheard-Walwyn. 196 pp.

This book is an excellent coverage of Tolstoy's life and thought. In particular, it provides a superb account of the inter-action of Tolstoy with Henry George. It also includes other areas of concern for Tolstoy: the influence of religion (especially the Sermon on the Mount); the role of non-violent resistance; the nature of the State (here Tolstoy's attitude was decidedly negative).

There are also some illuminating historical passages on the power games

of the European imperialistic nations.

Redfearn brings out very clearly the extraordinary misunderstandings of both Tolstoy and George on the part of certain scholars. (Such gross distortions are undoubtedly a major reason for the slowness of response towards the Georgist message.)

The final chapter on Tolstoy and *perestroika* is of special topical relevance.

The book highlights the tragedy for Russia of following Marxist /Leninist ideas instead of the wisdom of Tolstoy, and indeed, on a world scale, of pursuing *Realpolitik* instead of Tolstoyan principles.

There is a most informative Foreword by Anatoly Goyalov, of the Academy of Sciences, Moscow.

Sadly, the author, David Redfearn, died shortly after the appearance of the book. Hopefully, however, it will play a key role in the dissemination of the ideas of both Tolstoy and George that are so desperately needed in today's world.

Geoff Forster.

SOCIAL COLLAPSE WARNING

Australia faced many social and cultural problems because of long-term unemployment, rampant consumerism, a lack of spiritual foundation and absence of national vision, according to an essay released yesterday by the Commission for the Future, ("Age", 24/7/92).

The author, Mr. Richard Eckersley, says rising levels of suicide, drug abuse and crime, particularly among the young, are evidence of a culture on the verge of social disintegration.

He says a culture that relies on a shallow materialism and instant gratification gives Australia's youth no self-esteem and no sense of worth, purpose or belonging.

He describes the present treatment of children as the "cultural abuse" of an entire generation and says a fundamental shift in cultural values is necessary towards a more humane, sustainable and economically viable society.

"In any other culture, at any other time, children would be being told stories that would help them construct a world view, a cultural context, to define who they are and what they believe - a context that would give them a positive, confident, optimistic outlook on life, or at least the fortitude to endure what life held in store for them.

Our children are not hearing these stories. I believe we are witnessing the cultural abuse of an entire generation of

young Australians. More than that, we are inflicting it."

Mr. Eckersley's essay, "Youth and the Challenge to Change", is the first in a series to be published by the commission under the title "Apocalypse? No!".

The commission's managing director, Ms Susan Oliver, said yesterday that the series was intended to promote a debate about a vision for a better Australia.

COMMENT

The author has been informed of the Georgist remedy for socio-economic difficulties. Mr. Eckersley is of course essentially correct. The need for the message of "Progress and Poverty", and of the subsequent developments therefrom, is indeed urgent.

HONOURS TO P.R. ADVOCATES

Three names that appeared in the 1992 Queen's Birthday Honours List, for reasons not directly related to PR, are those of people that have indicated significant and worthwhile support for quota-preferential electoral systems.

The Hon. Donald Chipp AO, founding Leader of the Australian Democrats Party, which has, from when he founded it, consistently advocated PR for lower houses in Australia, is now an Officer of the Order of Australia.

The Hon. Alan Hunt AM, President of the Legislative Council of Victoria, which is the only mainland upper house that lacks PR, is now a member of the Order. Mr. Hunt has not been able to persuade his party to support PR, but he is widely believed to have tried hard, particularly when he was the Party's Upper House Leader.

Mr. Colin Ball OAM, former Chief State Electoral Officer for Tasmania, now holds the medal of the Order. Mr. Ball, before his retirement (See QN63), was seconded by the Australian Electoral Commission as part of a United Nations team observing the inaugural elections in Namibia, which used a party list PR system.

Mr. Ball recently agreed to a request by the Commonwealth Secretariat in London to give similar help in forthcoming PR elections in Mozambique, and he is now there as the senior electoral consultant during the 12 to 18-month lead-up to the Mozambique election. His work there will include drawing up an electoral register (Mozambique has a population of over eight million), and many of the fine details necessary for the proper implementation of the electoral system.

Given Mr. Ball's African work and Senator Gareth Evans's efforts towards PR in Cambodia (See QN64), perhaps Australia could, if it increased its own use of PR, be seen as a world leader in fair electoral systems and we could see a new Australian export industry.

"Quota Notes",
June 1992.

THE CHOICE

From an article in a Queensland Weekly:

Mr. Grant's ambition was to have his own "Mayfair" (in Monopoly board terms) and, as the family prepares to spend \$8 million to \$10 million on the second of Tulip Town's three-stage development and aims to establish a dance hall nearby, he is well on his way.

It is all to do with lessons that started when Mr. Grant, then a young man in the British Army, took weekend jobs washing "tins" (cooking utensils) at the Dorchester or Park Lane hotels in London.

While he was doing the "dirtiest and most menial" job, he noticed that the man who owned the land on which the hotels stood was earning a thousand times more for doing nothing.

"I formed the opinion then that the best thing to do in life, as far as income is concerned, is to acquire a parcel of land in the path of development that will ultimately become the commercial hub of a community," Mr. Grant said.

"When we came to Queensland to build shops we had a good look around and decided that the Pine Rivers area was the most promising locality and settled here."

Soon after settling at Lawnton Mr. Grant identified the area where Anzac Avenue and the proposed Bruce Highway intersected as having "the greatest potential for commercial purposes in the Pine".

"I wasn't being original in my thinking, just doing what I'd seen happen elsewhere," Mr. Grant said.

COMMENT

Those who understand the law of economic rent are confronted with a choice — a moral choice.

Either they use it for their own personal affluence, or they seek to ensure that it is used as the basis for social and economic justice, to bring prosperity with equity for society as a whole.

BRITISH ANGLICANS IN FINANCIAL TROUBLE

The Anglican Church in England has recently lost \$1 billion in "property speculation" (Age, 13/7/92), and parishioners are being asked to fill the collection plates.

Perhaps a lesson in basic economics might be learned from this experience — even possibly going back to some basic Bible teaching in this area.

SOOTHING WORDS FROM BEFORE

With a new Australian budget upon us, it may be useful to refer to what Paul Keating has said in previous budget speeches:

- 1983: "1983-84 holds promise of a considerable improvement in economic performance."
- *Foreign debt \$23 billion.*
- 1984: "Tonight I am proud to be able to tell the Australian people that we now have strong economic growth, many more jobs, a substantial fall in inflation and declining interest rates."
Foreign debt \$27.9 billion.
- 1985: "The government's strategy . . . builds upon our very significant success and puts further behind us the despair and economic failure of the former government."
Foreign debt \$51.2 billion.
- 1986: "The 1986-87 Budget which I have presented tonight rings the changes on a more robust, aggressive Australian economy."
Foreign debt reaches \$75 billion.

- 1987: "Notwithstanding the enormity of the trade difficulties we have faced, our economic strategy is now bearing fruit."

Foreign debt \$82.9 billion.

- 1988: "The nation is successfully emerging from its most severe economic crisis in a generation . . . Our foreign debt burden has already stabilised and begun to fall."

Foreign debt stood at \$92.8 billion.

- 1989: "As a result of the government's economic policies, Australia will emerge from the recent high level of spending without a recession and with its economic and social structure improving."

Foreign debt \$100 billion.

- 1990: "This year inflation will fall further, the current account deficit will markedly improve and employment will pick up . . . (all) delivered without the misery and despair of high unemployment and savage recession."
Foreign debt \$124 billion.

- 1992: (as Prime Minister) "The Keating government's economic strategy is to accelerate recovery from recession, and at the same time build a stronger Australia."
Foreign debt has now reached \$150 billion.

DISTURBING

Queensland Parliament recently passed legislation requiring all political parties to be recognized as such to have a minimum membership of 500.

All names and addresses of members must be submitted to the Government, with the exception of parties with members already in the Legislative Assembly! That is, of course, the three major political parties!

Source: "The Northern Times",
7/7/92.

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TAX TANGLES

Ever since women re-entered the workforce in large numbers in the mid 1970s, the battle has been on to prove to the Australian Tax Office that the care of children during work hours is a legitimate work-related expense, which, therefore, should be eligible for tax deduction status. ("The Age, 5/8/92)

A key test case involving child care tax deductibility looked like going to appeal before the High Court last July but was dismissed before hearing.

In that case, Gita Jayatilake, a computer systems operator with a government department, tried to claim her son's nursery fees as tax deduction while she studied part-time at night.

But despite constant testing, no legal

court in Australia, New Zealand or the UK has yet to find child care to be a work-related tax deductible expense. But, in maintaining this rigid status quo, the Tax Office has managed to get itself into some gloriously convoluted twists.

For a start, there was the famous Cooper footballing decision, later overturned, when a Federal Court tax judge ruled that a professional footballer was allowed to claim the costs of his beer, steak and chips because they were not "normal" work costs - his coach put him on the special menu to increase his weight and size.

As a consequence of this ruling, many working couples around Australia started claiming their "non-normal" child care costs - for example, many lawyers started tax-deducting their

child care costs outside the hours of nine-to-five, when they were working overtime, under the Cooper "non-normal" principle.

This development quickly sent the Tax Office back for an appeal before the full Federal Court, with an overturning decision being made in 1991.

COMMENT

Still more evidence of the absurdity of our current crazy tax system, and hence of the need for Georgist sanity.

"You can't turn back the clock. But you can wind it up again." - Bonnie Prudden

DATES FOR YOUR DIARY

- Lunch-hour videos, Series, 12.30 p.m. 1st Monday of month.
- Executive Meeting: 7.30 p.m., Thursday, October 8th.
- Melbourne School of Economics: 10.30 a.m. Wednesdays.
- Mind-Body-Spirit Festival: 26-29 November, 10 a.m.-8 p.m. Volunteers needed for T.R.A. Stand. Contact Roland Staub, 890 5913.
- Georgist Council: Friday, 27 November, 31 Hardware Street, 5.30 p.m.

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.

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