

# PROGRESS

A Tasmanian Journal to Advocate the Rights of the People in the Land



- POLICY:
1. COLLECTION OF LAND VALUES OR GROUND RENT AS PUBLIC REVENUE.
  2. THE ABOLITION OF TAXES NOW IMPOSED UPON LABOR AND LABOR PRODUCTS.
  3. PROPORTIONAL REPRESENTATION FOR ALL ELECTIONS.

PUBLISHED BY THE HENRY GEORGE LEAGUE OF TASMANIA,  
P.O. BOX 1370P, G.P.O., HOBART. 7001.

## THE GREATER PRINCIPLE BEHIND SITE-RATING

Although the practical legislative programme which we advocate is often expressed in slogan form as "Rate Site Values" or "Tax Land Values," it should be remembered that these are means to an end and not the end itself.

The more embracing principle behind these measures is that what has been produced by the individual through his labour and without negation of the equal rights of others should be tax-free. In short, that a person should not be taxed or rated according to his own industriousness.

This is really the more powerful form and it might well be that more rapid extension of the acceptance of our principle could be reaped by increasingly pressing our appeal in this form.

It has all the force of an axiom — a self-evident truth. There are few individuals or interests that will attempt to argue that persons should be taxed according to their own industry. We want the end result that the house which the individual has built himself or paid someone else to build shall be un-taxed. We want the farm buildings, fencing, cultivation of the primary producer to be un-taxed. And similarly we want the buildings and other improvements of industry and commerce to be tax-free.

All these things are the result of individual effort and are unrelated to the operations of the taxing authority. That authority has no moral right to levy tribute upon them.

Our real objective is that homes, farms and other improvements made by the individuals concerned should be freed from rates and taxes. But we also recognise that governments at various levels perform necessary services which require public revenue to be raised by the taxation machinery.

In site-value rating campaigns the real issue ultimately decided is whether buildings and other improvements shall continue to be taxed or become tax-free. This is the central and most important decision. It carries with it the inevitable corollary that in un-taxing the improvements produced by individual effort we must correspondingly increase the rates or taxes on the site value which is produced by the community collectively. This people-created value is the natural and legitimate source for public revenue. No hardship or injustice is caused to anybody in levying upon it.

The effect of shifting rates and taxes from the value of owners' improvements to the value of sites depends on the extent to which the gain from the removal of taxes on the improvements is offset by the increased taxes on the site value. This depends on how well-improved the property is. For most properties with homes upon them the net result is a saving, which is usually substantial. For vacant land and other under-developed holdings the saving on improvements is negligible and the net effect is an increase. But the owner knows that he will not be penalized if he improves the property and this has powerful psychological effect upon his willingness to undertake improvement.

## UNEMPLOYMENT

The following is taken from an article by Graeme Brower in "The Melbourne Times" of March 23.

Currently, in Australia, unemployment stands at 5.8 per cent of the workforce. That is, 354,589 persons are registered for work with the Commonwealth Employment Service.

There can be very little doubt that this figure is a conservative estimate of the real extent of unemployment.

Moreover, there is weighty evidence to demonstrate that unemployed workers prefer to organise their own job search. In the absence of any inducement to register with official agencies, they seem bound to stay away in larger numbers than usual.

The bald unemployment figures are also underestimates of the actual situation to whatever extent married women have abandoned hope of employment in the face of grim job prospects.

Two other indices illustrate the real seriousness of current unemployment in Australia. Firstly, information collected by the Australian Bureau of Statistics in 1975 shows that 810,000 persons were denied the right to work for some time during that year.

That figure represents a staggering 12.4 per cent of the Australian workforce. When the same figure is available for 1976 the total seems certain to be even higher.

Secondly, for every registered job vacancy there are now approximately 12 persons registered as unemployed. Yet the crude ratio of jobless persons to job vacancies understates the real scarcity of employment opportunities.

Job vacancies are not necessarily clustered in the same areas as the unemployed and, furthermore, while most of the unemployed have few marketable work skills the majority of existing vacancies are in the skilled and professional areas.

There is, of course, a sense of emotional stress associated with the onset and the prolongation of unemployment. Workers are frequently shocked that they are suddenly thrown out of work — often after decades of being in stable employment."

Until and unless land value taxation is substituted for taxes on goods and earnings, this major social (and human) problem will continue. Implementation of the Georgist reforms may not be the sufficient condition for overcoming unemployment, but it is certainly a necessary one. The situation is so serious that palliatives are unpardonable.

### TOM PAINE SAID

Men did not make the earth. It is the value of the improvements only, not the earth itself, that is individually property. Every proprietor owes to the community a ground rent for the land which he holds.

## PRESS LETTERS OF INTEREST

### RATING POLL

Site rating seems to be the most talked about item in Devonport, and there will be a ratepayers' poll on the issue.

Why not let the ratepayers of other municipalities have the privilege of voting for it also? At Burnie, the council has decided against site rating. Let us all have a chance to vote instead of a dozen or so councillors telling us what to do.

It is enough that young people must pay the high interest on their home mortgages without having to meet the exorbitant rates that councils demand, and it is time the councils gave up luxury spending.

There must be a lot in site rating when most of Australia has it, and Tasmania does not seem to know what it is all about. With a 30 p.c. rise in Ulverstone's rates, it's time we had a vote on site rating. — Ratepayer (Ulverstone), "Burnie Advocate".

### RATING CHANGE

Recent unemployment figures indicated that the Tasmanian rate was higher than that for any other state.

That should have prompted responsible Tasmanians to start asking "why"?

While many factors may contribute to unemployment, there is one clear reason why we should expect Tasmania's rate to be high, and that is the antiquated method of raising municipal revenue. By taxing improvements, it offers direct financial encouragement to stagnation.

It has been well known for many years that raising revenue from land values (site value) stimulates economic activity, especially in the building industry. Some of the unemployed in less favoured mainland areas will naturally gravitate to the more favoured areas. For Tasmanians, the only choice is to migrate, which further reduces local activity.

With clear and convincing evidence of the advantages of site value rating from three-quarters of all councils in Australia and New Zealand, it seems almost unbelievable that no Tasmanian council has yet seen the hole in the ladder. Surely we are not so far cut off from the rest of the world that we cannot learn?

Some people might be prompted to ask why there is any unemployment where there is site value rating. The answer is that most public revenue is still raised by retrograde taxation. If public revenue had always been raised from land values, the artificial absurdity of unemployment could never have evolved. — H. Ferris (Devonport), "Burnie Advocate".

### YOUR TASK FOR THE MONTH

This is a tough, but challenging suggestion! It is to engage in door-to-door canvassing in support of our principles. It could involve leaving some literature, inviting subscriptions for "Progress", and perhaps making a follow-up visit. One member of the Victorian Division Executive reports a fruitful exercise on a past occasion.

Certainly a not-too-easy project, but almost certainly a rewarding one.

### HEADQUARTERS OF THE HENRY GEORGE LEAGUES IN AUSTRALASIA

#### Victoria

31 Hardware Street, Melbourne, Vic. 3000

#### New South Wales

143 Lawson Street, Redfern, N.S.W. 2016

#### Western Australia

6 Alexander Street, Wembley, W.A. 6014

#### Tasmania

129 Forest Road, West Hobart, Tas. 7000

#### Queensland

1 Bird Street, Herston, Qld. 4006

#### South Australia

24 Hawthorndene Drive, Hawthorndene, S.A. 5051

#### New Zealand

Box 6038, Auckland, New Zealand

### DESTROYING LOCAL GOVERNMENT

Eternal vigilance is necessary against those bearing gifts, and at present this is specially true in the area of local government. The public has so far not become aware that the proposed Commonwealth subsidies will destroy local government.

Our local government method of raising revenue is not only far cheaper than are the bureaucratic Commonwealth methods of indirect taxation, but it is entirely direct, democratic and non-inflationary.

The hand that pays the piper calls the tune, and if the Commonwealth subsidies eventuate we shall find that our aldermen no longer represent the citizens who elect them, the present rate-payers will become taxpayers still further impoverished and without any say in how the Councils' income (from Canberra) is spent.

The fact that all our governments acquiesce in the proposed subsidies makes them only the more menacing and undemocratic.

Mr. Fraser is currently lecturing the States on being responsible for their own revenues. Why then does he abandon his own principle by handing out greatly increased sums to local government and destroying local responsibility?

I trust that aldermen and councillors generally, and particularly all mentally alert electors, will have second thoughts, reject the tempting apple of expediency, and preserve our local government which in New South Wales is basically the best in the world.

It is deplorable to see such almost impenetrable public apathy in almost all spheres of public life. This is one example of the ease with which a gullible public can be fooled, apparently all the time. How many people know the difference between Commonwealth taxes and local government rates, and how they are impoverished by the taxes?

W. A. Dowe, Lakemba, N.S.W., "Lakemba Advance".

### WYNYARD MOVE FOR SITE RATING

Wynyard may become the first municipality in Tasmania to introduce the site rating system — if a move in the local ratepayers' association is successful.

A member, Mr. F. Frawley, told the association's monthly meeting last night that any municipality which introduced the system would get "a shot in the arm".

He said it would attract industry because this system would base rates on area and not on improvements.

Mr. Frawley outlined the system and said it had been accepted in other states but no municipality in Tasmania had adopted it.

Wynyard was unique in that the town was lacking in industry.

Mr. Frawley said the municipal council needed revenue no matter how it was raised.

Cr. G. Donaldson said the Council Clerk (Mr. J. Gibson) was to submit figures on the matter.

The meeting agreed to write to the Land Value Research group for an impartial study on site rating.

### SEND FOR THESE BOOKS

Obtainable from 31 Hardware Street, Melbourne, 3000

Prices Quoted Include Postage

"The Choice — Georgist Progress or Social Poverty"

48 pp (by S. G. Hart) \$2.40

"Land Rent Revenue in Lieu of Taxes"

44 pp (by S. G. Hart) \$0.90

"Land Rent as Public Revenue in Australia"

36 pp (by A. R. Hutchinson) \$0.50

"The Effects of a Book — Progress and Poverty"

28 pp (by Sir Ronald East) \$0.60

"Progress and Poverty" (by Henry George)

240 pp (condensed edition) \$2.60

**Why?** pay more than your fair share of Rates