# THE JOURNAL OF TAX REFORM AUSTRALIA INC.

(FORMERLY HENRY GEORGE LEAGUE - VICTORIA)

# Progress First published May 1904

No. 982

**APRIL 1992** 

PRICE \$1 SUBSCRIPTION \$10 PA

Registered by Australia Post Pub. No. VBH 1433 ISSN 1035-1396

Editors: G. A. Forster, B.A., B.Sc.; H. B. Every, Dip. E.E.; E. M. Best

POSTED WITHIN AUSTRALIA (For overseas rates see last page)

OUR PHILOSOPHY We believe that the Earth is the birthright of ALL MANKIND.

We recognise that for most purposes it is essential for individuals to have exclusive possession and security of tenure of land.

We believe that those who have exclusive possession of land should COMPENSATE SOCIETY for being excluded therefrom.

We believe that such compensation paid annually would meet the costs of Government and permit Society to abolish all taxes on LABOUR and on goods produced by labour.

# **U.S. GEORGISTS IN RUSSIA**

Whirlwind Begins.

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

TV Appearance.

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

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

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

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

Russian Desperation.

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

Supreme Soviet Appearance.

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

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

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

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

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

## INSIDE:

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

### Sajudis Adopts.

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

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

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

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

### Planning and Implementation.

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

### Mini Foray.

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

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

### Geonomy Inevitable?

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

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

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

### Lessons Learned.

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

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

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