July – August 2011

# PROGRESS

SHARING THE EARTH SO ALL MAY PROSPER


## DOCUMENTARY OF THE YEAR

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### Disguised Increments

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### Revolutions

# PROGRESS

July-August 2011
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# editor's note

Welcome to the winter edition of Progress. Your new editor is Andy Moore; I was appointed editor at the last executive meeting. Congratulations to Lloyd Churches, your previous editor who is now president of Prosper Australia. I look forward to seeing where Lloyd will take the organisation with his fresh vision of what it means to be a Georgist in the second decade of the 21st century. He has his work cut out for him, but with the support of the executive and HGFA I know he will rise to the occasion. Lloyd has some very big boots to fill. Our outgoing president, Mr Robert McAlpine has exemplified professionalism, integrity, honesty and fairness while crafting his vision of Prosper Australia. Robert's handling of the chair leaves no doubt his indelible mark will be left proudly beside the other great leaders who have been at the forefront of the Georgist movement in Australia. I thank Mr McAlpine warmly for the gift he has given as President and look forward to his continuing contribution to Progress. Mr McAlpine's association with Prosper goes back more than forty years, a feat I'm sure we all hope to achieve. Every member of Prosper wishes you the very best for the future Robert.

With this dear readers let me welcome you again to the winter edition of Progress. I hope you find it stimulating and invigorating. I will do my best to live up to the task of carrying this proud journal, now 107 years old, into a brighter and better future for us all.

Andy Moore
Editor of Progress

## JOIN US

If you like the ideas you've read here please join our organization, Prosper Australia. Membership costs $30 and includes a subscription to **PROGRESS**. Overseas members $35. Progress subscription only $15.

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L V R G



# COMING EVENTS:

# Real Estate For Ran$om

## Why does land cost the Earth?

## Premiere Film Screening

## Cinema 1 - Federation Square

## 7pm Wednesday August 10th 2011

$10 Waged / $6 Unwaged

acmi AUSTRALIAN CENTRE FOR THE MOVING IMAGE

# ECONOMICS SEMINAR

### Saturday 23rd July 2011 10am - 4pm

"Understanding Economics the Georgist Way"

### Prosper Australia

Welcomes the Association for Good Government who will conduct this seminar based on their tried and true formulae of presenting economics to those seeking social justice

### Facilitator: Mr Raymond Makewell

Author, Researcher

Bookings ph. 0396702754 Email office@prosper.org.au
$5.00 donation to cover lunch

# Members Discussion Nights

### Hosted by Lloyd Churches

Prosper Australia has introduced new regular monthly meetings for members only. The main purpose of the night is discussion. We are united by a passion for economic justice and the principles of good government. You are encouraged to come and access the library and bookshop, meet with others and hear our news. Refreshments are provided.

### First Thursday of Every Month

Start Time: 7pm

# Real Estate 4 Ransom:
## Why Does Land Cost the Earth?

By Karl Fitzgerald

### Documentary of the year? Karl Fitzgerald prepares to launch Prosper's first full length documentary to the Australian public.

The time is ripe for a film linking economics to reality in an age of monopoly. 'Real Estate 4 Ransom' is ready to hit the airwaves. Georgists have an embarrassment of riches in the wide range of examples available to describe the effects and costs of land monopoly. This was our challenge in assembling the script.

Bryan Kavanagh has long used the term 'blackmail' to describe how landowners can hold real estate out of use until the little people submit to their asking price. Holding the market to ransom is not the sort of level playing field economics promises.

The ransom concept was adapted from our 2009 satirical campaign 'Real Estate 4 Ransom'. Thousands of street posters were placed throughout Melbourne to entice curious minds to consider the consequences of such selfish behaviour.

A fast paced film for the financially literate, the 40 minute documentary asks whether genuine freedom has been delivered by the democratic system. Does the ability to vote fill our wallets with opportunity?

We consider the changing motivations behind property investment, how statistics have been sculpted to suit the national pastime of 'location, location, location' and asks: was excessive lending by the banks the genuine cause of the Global Financial Crisis?

Our narrator Rachel Maher responds: "This bubble would not have occurred if there was an automatic stabiliser. Bad tax laws caused the Global Financial Crisis."

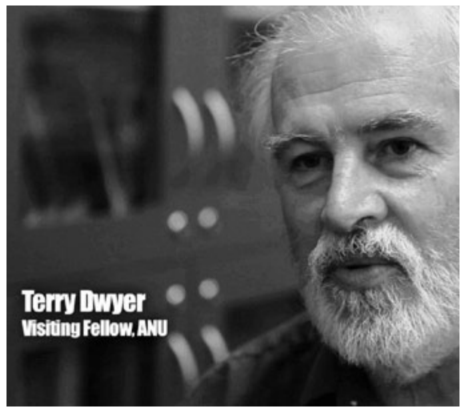
Animations, special effects and modern music illustrate the heavy hitting material our experts deliver. As Georgists we are interested in community and its interaction with creativity. When looking at film, this lead us to focus on the grey area of licensing and copyright. What footage can or can't we use in a digital era? What is 'Fair Use'?

The Vimeo community came to the fore with a sea of creative output. Like flickr for photos, vimeo.com is a melting pot for emerging and established film makers to share content. We approached over 200 film makers and animators to provide content for the film. Some clips last barely a second, but all help to weave a rich tapestry of visual intrigue.

Making a documentary on such an important but complex topic stretched our thinking on how best to visually demonstrate issues like tax loopholes, derivatives and the holy grail of our storytelling challenge: clearly explaining economic rent.

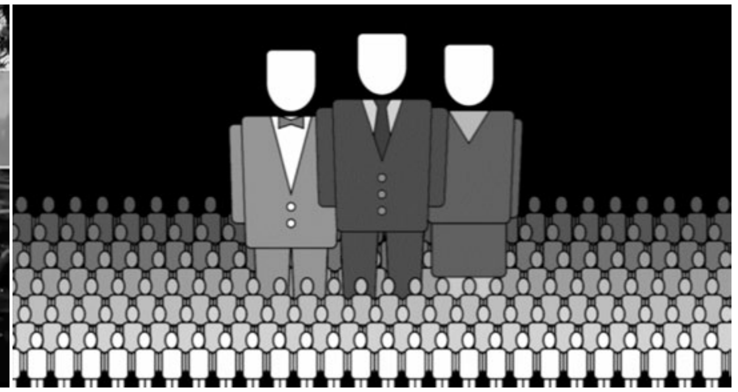
Take for example: "If set at a significant rate, Land Tax drives property back onto the market, pushing land prices down. This additional supply provides much needed competition in the rental market. If a land owner tries to pass on the Land Tax, the tenant will move to a cheaper option."

What images prove and visually demonstrate this to those confused by the tough content? In that scene, we used a set of dominoes falling for the first sentence. Then a zoom out of what appeared to be a shot of Melbourne,









revealing the photo as part of a "For Sale' billboard. Video artist Phil Friend's 'lightbulb turning on' video finished the scene. We aimed to lead thinking toward the opportunities that emerge when more property becomes available at a cheaper price.

For the last 5 years we have been interviewing international visitors to Melbourne: Alanna Hartzok, Frank de Jong and Michael Hudson all play important parts in the film.

Hudson is hard hitting as always with: "A free market to Adam Smith and the Physiocrats and John Stuart Mill, was a market free of rentier income and today's neo-liberals say a free market is free for predators. It's free for monopolists, free for land speculators, free for bankers to extract as much income from wages and industry as possible."

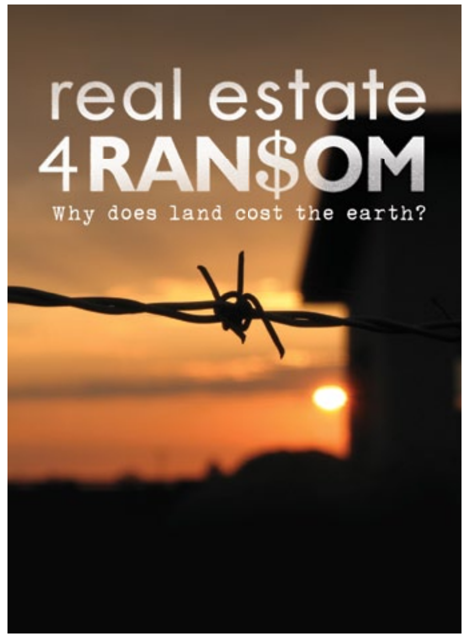
Terry Dwyer heads the local contingent: "because they used their land revenues right through the nineteen seventies to keep tax rates on labour and capital low, Hong Kong moved from being a bankrupt port of four hundred and fifty thousand people after World War 2, to a modern city of six and a half million with living standards that now rival Australia's."

David Collyer and Bryan Kavanagh also deliver in a manner that builds upon the central theme - land shouldn't cost the earth. Kavanagh's work in his groundbreaking 'Unlocking the Riches of Oz' report gives the film the statistical backing we need.

Co-Director Gavin Emmanuel is to be congratulated coming into the project half way and bringing some real clarity to the script. The introduction of his beloved Canon 5D Mk2 camera lifted our image quality. His studio could do everything from narration to building the film up with 17 animations (many of them his own).

I thank the Prosper Australia executive for their patience over 5 years as the film developed. In the last year they have seen at least half a dozen versions of the film and given useful feedback. The Henry George Foundation should also be thanked for their funding contribution, the HGC for assisting on legal matters and Hugh Middendorp of Middendorp Electrical Co for making a significant donation toward the film's cost.

I invite you to visit the film's website: **www.realestate4ransom.com**, watch the three trailers and share them with your friends. Pencil in Wednesday the 10th of August for our premiere screening.





# Do Revolutions Work?

By David Smiley

Revolutions usually start with the violent toppling of some hated figurehead, for example the French Louis XV, the Russian Tsar or some recent Middle Eastern despot. Revolutions usually finish in confusion. This is because, after the smoke and confusion of battle, a hastily patched up government may have given little thought about what comes next. And so, unless the underlying causes of revolution are carefully examined, then important opportunities for reform may be lost, and the revolution may not be successful. In these articles I will examine a number of revolutions, look at some of the opportunities that were lost, and draw some conclusions.

But first, how do we define revolutions? Classical Marxists saw revolution as the violent anti-capitalist uprising of an urban proletariat. But the urban poor in Paris and St. Petersburg had fled there from rapacious rural landlords, then to be fleeced by rapacious urban landlords. Even today, in the slums of Rio or Mumbai, most of the proletariat would identify the oppressor with the rent-collecting slumlord or protection racketeer round the corner rather than some conceptual capitalist. Marx would not have recognised today's slum dwellers, without factories, workshops and work, without capitalist bosses, in a muddle of informal and criminal activities far beyond class mobilisation. Finally, since I wish to include some revolutions that have been non-violent, or simply evolutionary, I will therefore take revolution to mean any major socio-economic transition.

I must start with a few simplifying assumptions. I will test each of these against a number of revolutions. Where these assumptions do not fit I must explain why. Here, then, are my preliminary assumptions. Revolutions occur when relative deprivation becomes intolerable and some window of opportunity opens. Whether violent or non-violent, the focus on a king, a dictator or an occupying power prevents clear thinking about the powerful agencies that prop up this figurehead. In a country sliding towards revolution, one of these agencies may control capital assets, collecting monopoly rents. A contemporary example is the Egyptian military. Another agency, a network of absentee landlords and slumlords, collects the land rent. Contemporary examples can be found in Kolkata, Mumbai or in any Latin American city. And a third agency controls the extraction of natural resources, collecting resource rents. Contemporary examples include the Saudi royal family and, at the time of writing, Colonel Gadaffi. Finally, there may be an external agency, an occupying power or a transnational corporation, often in collusion with one of the other agencies in order to share out the rents. So, when the king has been toppled, reforms that do not understand the power of these agencies may be quite inappropriate and the revolution is therefore unsuccessful.

A major object of these articles is to identify, for each case study, non-violent alternatives that could have avoided the huge costs suffered. In part one I will analyse three classical revolutions, the French, Russian, and the Chinese up to the death of Mao Zedong. In part two I will examine four non-violent revolutions: an evolutionary one called the Industrial Revolution, the coercive but peaceful creation of the Asian Tigers, the spontaneous one that followed the death of Mao, and one called the bourgeois revolution in India. In part three I will trace recent evolutionary revolutions that are experimenting with something that is itself revolutionary, the use of social media.

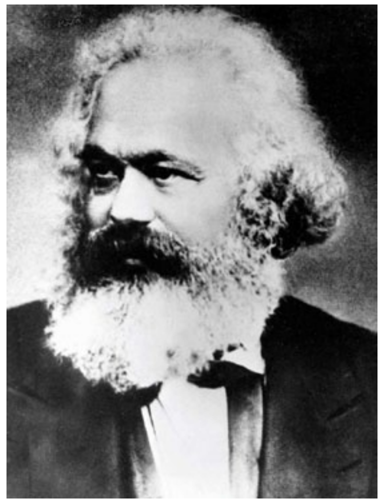



PART ONE

**The French revolution** arose from the relative deprivation of the working class under a wealthy land-owning class. The focus was the monarchy, symbolised by the opulence of the Palace of Versailles. The method was very violent, the removal by the guillotine of royalty and large numbers of the aristocracy. But did it reduce the power of the military? No, within six years Napoleon was dispersing a Paris mob "with a whiff of grapeshot" and, in another nine years, he had declared himself emperor. Did it reduce the power of the landowning elite? No, they soon returned to the building of luxurious chateaux. But though the collusion with outside powers continued it was mostly over strategic marriages, those "dynastic squabbles over real estate". The importance of natural resources had to await the industrial revolution.

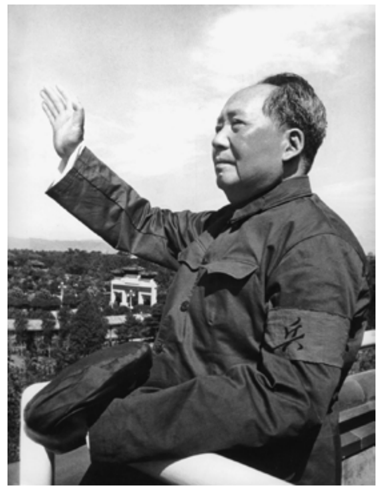
So, what reforms followed the French revolution, and what opportunities were missed? The reforms included a secular constitution and the adoption of some of Thomas Paine's *Rights of Man*. What opportunities were missed? For an oppressive agrarian society the opportunities lost essentially concern land reform. With very few exceptions, which we will examine later, land redistribution from rich to poor has been violent, or condemned as property expropriation and therefore legally defeated. I believe the French revolution missed two opportunities which were both non-violent and legal. One opportunity had been explained by the French Physiocrats, who had developed the first ever econometric model, the Tableaux Economique, which had hinted at the taxation of land rent. But in the revolutionary rough and tumble the Physiocrats had been forgotten. The second opportunity came with the publication of Thomas Paine's *Agrarian Justice*, in which he argued the need to match land rights with land taxation obligations. But by then, the French, and also the Americans, had thought, incorrectly, that Paine's earlier book, the *Rights of Man,* had said it all. It had not.

In summary, the French revolution seems to conform to my assumptions. Was it successful? The net benefit has been debated ever since, but there is little doubt that it incurred a huge opportunity cost in ignoring the Physiocrats, and Paine's *Agrarian Justice*.



**The Russian revolution** arose in a similar way, with a wealthy land-owning aristocracy owing allegiance, in this case to the Tsar. The focus was therefore the Tsar, symbolised by the palaces of St Petersburg. Peter the Great, in a fit of pique over an unsuccessful palace revolt in Moscow, and with the income from his own immense landed estates behind him, had then ordered the construction of a new capital in a freezing Baltic swamp. In an insane attempt to rival Versailles and Venice, the building of St Petersburg cost the lives of 150,000 serfs and bankrupted the economy. In 1861 the emancipation of the serfs made little difference to their fortunes since land ownership, and hence rights to collect whatever rents they wished, remained concentrated in the nobility. Under Marxist leadership the revolutionary method was, and continued to be, very violent. Capital assets, land and natural resources were nationalised. Already low production incentives were raised only by extreme coercion. Under Stalin massive assassinations and failed economic plans cost something like 30 million lives. After further huge costs from the Second World War and the Cold War, Russia started to lose its way.

What then, were the opportunities forfeited by Russian communism? Tolstoy had already recommended land reform, and the implications of Ricardo's law of rent was not lost on Engels whose Communist Manifesto started with "The collection of all land rent for public purposes." This was never implemented and, when Russian communism finally imploded and property rights were suddenly up for grabs, an American Georgist economist collected 30 signatures, three from Nobel Prize winners, for a letter to Gorbachev advocating what was essentially the collection of all land rent for public purposes. But by then the Commissars had already morphed into capitalists and it was all too late.



**The Chinese revolution** also arose from poverty and extreme deprivation caused by the feudal system. But this was made worse by the Japanese invasion which overlapped with the Chinese civil war. After the Japanese were defeated and Mao Zedong's won the civil war, his revolutionary method consisted of two land reforms and a disastrous industrial experiment. The method employed in the first land reform was the slaughter of ten million landlords. Thus liberated, the peasantry were easily driven into collectives and communes, the largely unsuccessful second land reform. The industrial Great Leap Forward then led to mass starvation and the cost of 35 million lives.

Locked into Marxist ideology and being economically illiterate, Mao was quite unaware of the opportunities of other reforms. After his death, occurred China's third land reform, perhaps the most successful revolution in human history, the subject of the next article.

## PART TWO

**The industrial revolution,** though it possessed the classical revolutionary ingredients, British dispossessions labelled *The Great Hunger* in Ireland, the *Highland clearances* in Scotland, and the *Enclosures Acts* in England, generated no major uprising. I include it here to compare its opportunity costs with those of violent revolution. Its method included rural dispossession that fed surplus labour into overcrowded factory towns, exploitation of the resulting cheap labour, private capital industrial investment, the extraction of raw material from colonies, and profits from the slave trade. The short term outcomes were poverty, starvation and mass migrations to America and the British colonies. But the long term outcome was a leap in industrial efficiency in which Adam Smith's optimism defeated Thomas Malthus' pessimism. The industrial revolution evolved across Europe and to North America, creating what we now call the "West", a combination of competitive and monopoly capitalism, an imperialism that once owned more than half the world, and now a neo-imperialism called the Washington Consensus. The old feudal class system put its money in factories and, in the 20th century, evolved, into a system of agricultural support that rewards landowners at the expense of taxpayers and the third world farmers which the scheme bankrupts.

The opportunities forfeited by this laissez-faire system, already labelled capitalism, would by then have included communism. But the socialisation of the means of production would probably have been as unsuccessful as it was to be in Russia, China, Cambodia and North Korea. However, having seen how the expropriation of peasant land created a factory underclass and an urban upper class of landlords and factory owners, Engels in 1848 published, along with Marx, the *Communist Manifesto*. Item one advocated "the collection of all land rent for public purposes". This revolutionary idea was developed into Henry George's *Progress and Poverty*. Though the idea found its way into local government revenue systems, it was never fully implemented. This reform could have raised incomes, reduced inequality, and avoided the recent Great Financial Crisis.

**This revolutionary idea was developed into Henry George's *Progress and Poverty*.**

**The creation of the Asian Tigers** was a response, by General MacArthur, to instructions to stop the spread of communism into South East Asia after World War 2. Given absolute power to do so, he recognised the link between feudalism and poverty. So, his focus was on feudal landlords. His method was non-violent, agrarian land redistribution, from the rich to the poor, in Japan, South Korea and Taiwan. The results were spectacular. Feudal class relations were replaced by egalitarian family farms, and the sudden leap in production incentives carried economic growth from zero to eight percent per annum."In all three of Asia's biggest successes - Japan, South Korea and Taiwan - the groundwork for both fast growth and the income equality that eased the social strains of development was laid by a radical land reform." (Economist, 29 June, 1991, p. 16.).

But there are two large opportunity costs of land redistribution that become obvious as a country urbanises, as I will examine in the case of China. First, land redistribution is inappropriate to cities. Second, as urban migration responds to industrialisation, they leave behind assets of falling value but must pay high rents in the cities to those who were there first. Rural poverty migrates to urban poverty.

**The third China land reform** arose in the inter-regnum after Mao died in 1976. Deng Xiaoping recorded that "Almost immediately, and perhaps spontaneously, the peasants began to divide up the land themselves and grow food as they thought fit instead of following state directives." Then, in 1978 Deng Xiaoping was smart enough to claim this as his Household Responsibility System. Later, Deng admitted that "What took us completely by surprise was the development of township and rural industries" as the peasants invested surplus and turned capitalists. By the mid-1990s, over half of China's industrial output came from these rural enterprises that operated outside the planned economy.

Was there an opportunity lost to Deng? This third land reform, in one of the most egalitarian countries in the world, was non-violent and led to an unprecedented and almost continuous economic growth of ten percent per annum. What more could he want? But after three decades of prosperity China now faces corruption and social unrest resulting in 15 million urban migrants a year. And




the vibrant underlying economy must still carry inefficient state-owned industries and a largely unnecessary political bureaucracy. To keep ahead of popular uprisings China's domestic policy must be continued high economic growth while trampling on human rights. But to achieve this it needs natural resources it does not have. Therefore, China's foreign policy must be to control or obtain these resources as ruthlessly as necessary, from anywhere, anyhow, controlling water from Tibet, food from Africa and energy from Australia. Paralleling that of the Washington Consensus, China's new foreign policy has now been labelled the Beijing Consensus. To get these it must provide money, guns, bribes, political leverage, anything, to any state, good, bad or ugly, that is rich in oil, gas, coal, minerals and steel.


There is one opportunity still overlooked. Engels called it "The collection of land rent for public purposes" but communism ignored it to its peril. George called it the "Single tax" but the West also ignored it.

## PART THREE

### India's bourgeois revolution.

Robert Stern in *Changing India: Bourgeois Revolution on the Subcontinent* attributes India's economic takeoff to the effects of capitalism and parliamentary democracy. That he calls it "change from the middle upward", one that is bypassing the poor, is well illustrated by this quote from *World Hunger* by Lappe and Collins

*"The buyers are a motley group, some connected with land through family ties, some altogether new to agriculture. A few have unemployed rupees acquired through undeclared earnings, and most of them look upon farming as a tax haven, which it is, and as a source of earning tax-free supplementary income."*

The medical doctor from Jullundar who turned part time farmer is sitting pretty. The 15 acres he purchased four years ago have tripled in value. To listen to him, he is farming 'for the good of the country'. His only vexation is whether or not he will succeed in buying another ten acres he has his eyes on – and what a disappointed man he will be if they escape him. As we watched him supervise the threshing, he was anything but a gentleman farmer."

What, then, are the opportunity costs of this bourgeois revolution? Marxism has failed in Kerala, been abolished in West Bengal, and discredited elsewhere in the world. Since India's economic takeoff has benefited mostly the landowning class we must look to land reform. But every attempt at rural land redistribution in India has been defeated by people powerful enough to legislate around it. Meanwhile urban slumlords extract rent, even from those squatting on footpaths and railway sidings. This leaves land value taxation as the only way out of poverty while, at the same time, increasing economic efficiency.

## CONCLUSIONS

Our preliminary assumptions closely fit the case studies so far, encouraging me to look at other world regions in a later article. For example, I grew up in South America and extensive studies since then suggest for me the relevance of my assumptions to that region. For Sub-Saharan Africa I would add bureaucratic rents to those of capital, land and natural resources before proceeding . In a previous article I hinted at Georgist solutions to the problems in the Middle East and North Africa. Though my assumptions closely resemble the agencies propping up kings and dictators in that region, events are still unfolding. Therefore, it is too early to know what effective reforms, if any, will follow the toppling of the tyrants. But I am sure, without tax reform, they will carry large opportunity costs.

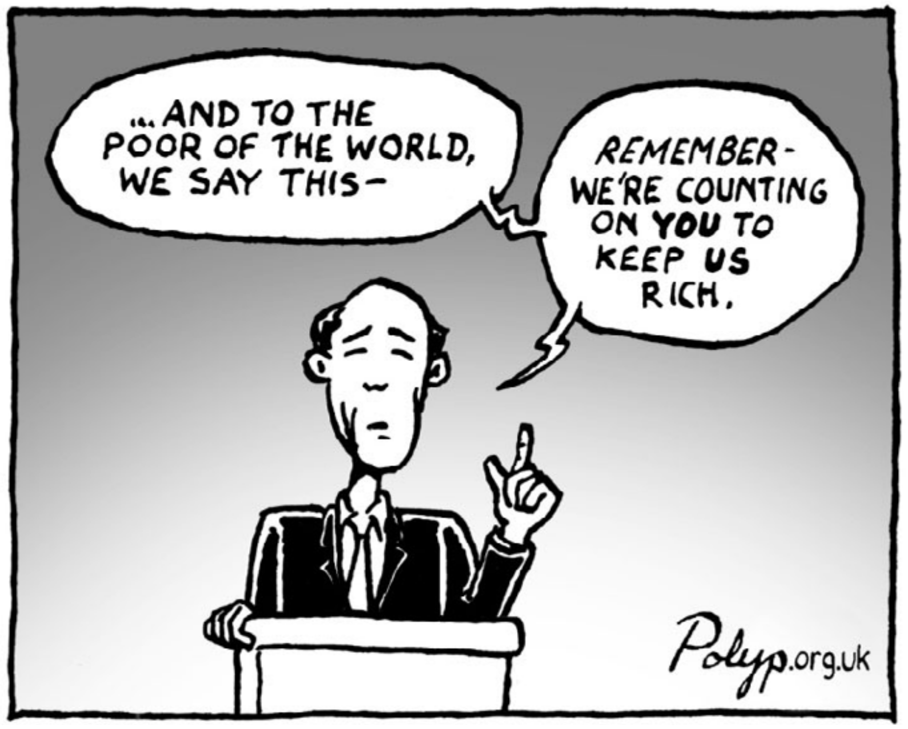
So, when do revolutions succeed? When the tyrant is toppled? Or when the power behind the tyrant is reformed? The more diffuse the power, as with feudal, caste, oligopoly and reciprocity systems, then the less effective is legislation, and the more effective are financial incentives. Economists always reach for taxation when they want to change behaviour to achieve social objectives. ■

***David Smiley is the author of 'Crumbling Foundations' and 'Third World Intervention - A New Analysis'***

# Disguised Increments:

## The Externalities Factor in Land Economics

By Leo Foley




Why is it so difficult to recruit people to the idea of Land Value Taxation? Are they all doing so well under the present system that they don't want to know? They must see the inequalities that it turns up. Do they hope to get in for their own piece of the action? It could be their turn next! As if society could be run like a Tattslotto draw, with a Jackpot for the lucky few! Is the whole subject so difficult that it is beyond the understanding of most people? Perhaps it's any one, or all of these things. I don't think so: I think people simply don't realise how much wealth is out there, how it comes to be, and that they should have a share of it – by right; in fact, by birthright!

They do not understand the concept of Common Wealth. They accept the dominant paradigm of a lucky few controlling land and natural resources, while the rest of us struggle to make ends meet. It is seen as the natural order of things. That's why Twiggy Forrest and Gina Reinhart were able to stand on the back of a truck, getting sympathy from Australians who they have deprived of their rightful bounty. "We need more", they lamented, and they got it. In the past year their combined wealth has risen by $16 billion - not a bad return for their media campaign!

But even that's small chips. The real money is in urban land. This is spread across many more people, so any attempt to recoup some of the rent for public purposes – and lets not fudge here; no matter what the purist debate says, we're talking about a tax! - will raise the hackles of many more people. Just, it might be. Fair and equitable, it most certainly is. But just try to tell that to the ordinary guy with a mortgage, or even an investment property. For him, it's just another attack on what he sees as his hard work. He's not interested!

**Fair? Umm, is Australia Fair?**

But if there were a way to show just how much rent is out there, currently going into just a few pockets, then it may be possible to initiate a mass movement for ordinary people to claim their just rewards. To start that movement, it will be necessary to identify those 'hollow logs', establish just how much sits in them, and publicise what could be done with those extra billions. Because in those 'hollow logs' are the "Disguised Increments" of land.

Last month, a great Australian passed away in Brisbane. While Joh Bjelke-Petersen rode roughshod over all good governance practice in Queensland, Philip Day was a constant thorn in his side – perhaps that alone qualifies him as a great Australian, but Phil Day was much, much more:- a lawyer, town planner and academic, he was a progressive, public-spirited man and a values-based administrator. In his book, Hijacked Inheritance, (2005) he examines our National Anthem, "Advance Australia Fair".

Fair? Um, is Australia fair? When the song became popular, in the early part of the twentieth century, Australia was striving to be the most egalitarian society on earth. It wasn't, of course, but there was a national commitment to the "Fair Go", and that drove policy making for 40, perhaps 50, years. By the time "Advance Australia Fair" became the National Anthem in 1984, that egalitarian zeal had already subsided, and the age of the individual had begun. Philip Day laments the "inequality, insecurity and alienation" of our society, and the social ills they spawn. Not to mention the increased household debt, and the privatisation of community institutions. That is the Australia of today. So, where did Australia Fair start to go wrong?



**Here are a few starter thoughts:**

We live in a free market society, but what is truly a free market? Look at the restrictions we face in any market; the regulations, the constraints, the bureaucratic requirements. Is it any wonder that our economy stalls?

### Earned Income - We go to work; we rest; we play;

When we work productively, we are entitled to the fruits of our labour. From the factory labourer to the managing director, a pay-scale rewards us for the benefit we provide to the company. Artists, sportspersons and inventors are rewarded for their talent and initiative, while entrepreneurs are rewarded for their ability to market a useful product. They all earn their income through their labour.

But there is another group of people who do nothing to earn their income. They own land, or have rights to some natural resource. In many cases, titles are handed down from one generation to the next. They do not have to work. They can simply charge the rest of us a rent to access that land or natural resource, so we can go about our business of making a living. This is unearned income! The landowners are supported by the law, having a title or licence that is backed by the Courts. But that is a man-made law, developed by the very landowners (or their forebears) that benefit from its provisions. The rest of us pay them for the privilege that they bestowed upon themselves.

Equality under the law implies the equal ownership of natural resources. There is nothing wrong with land being owned on individual titles. That is necessary so we can call it ours, and build a home or business there; but the rental value of the land, which reflects the economic benefits bestowed by the whole community, belongs to all of the community in equal shares. That would make the system fair.

These days, rent-seeking is associated with political lobbying - seeking some subsidy, tax-exemption or regulation that primarily benefits the lobbying group. It is inefficient because it does not create any benefit for society; it merely redistributes resources from taxpayers to the special-interest groups. But there are other rent-seekers. People who hoard land, and release it for housing or commercial use only when their extortionate price has been paid, are rent-seekers too. It is legal, but that is the only distinction from the usual protection racket, where a gang takes a cut from a shopkeeper's profits.


**"At the heart of our problem is the notion of the public good."**

At the heart of our problem, I suggest, is the notion of the public good. Governments no longer know what is public and what is private. They sell off public assets and businesses, but then enter markets that should be left solely to the private sector. Expediency trumps philosophy. We should be confident in our entitlement to the fruits of our labour and entrepreneurial efforts; it is ours. Yet, it is necessary to make some contribution to the conduct of the state. On what basis should that contribution be calculated?

The land under our feet is only part of the Common Wealth. When we think of land, we need to think more broadly – and include all of our natural resources, as well as other community created wealth generators – the things we do as a society that help build our communities. Here is a list of just some of the things that are not colloquially called land, but are part of our Common Wealth:

- ambient air
- water and the beds under it,
- wild fish, game, and vegetation,
- the environment,
- natural scenery,
- the ecology,
- weather,
- falling water,
- the radio spectrum,
- the natural gene pool,

And these are some of the human additions to the Common Wealth, which should be treated in exactly the same way as land:

- docks,
- aquifers,
- rights of way
- take-off/landing time slots
- "air rights" to strata in the third dimension of cities,
- Any franchise, license or privilege giving territorial rights

## A 'Disguised Increment' is the Cream that rises from the milk of these privileges!

I will examine a small sample. We will look at:

- Environment – externalities; mineral extraction
- Land use – zoning, betterment, housing
- Public infrastructure – public transport, community services
- Climate Change

## Environment

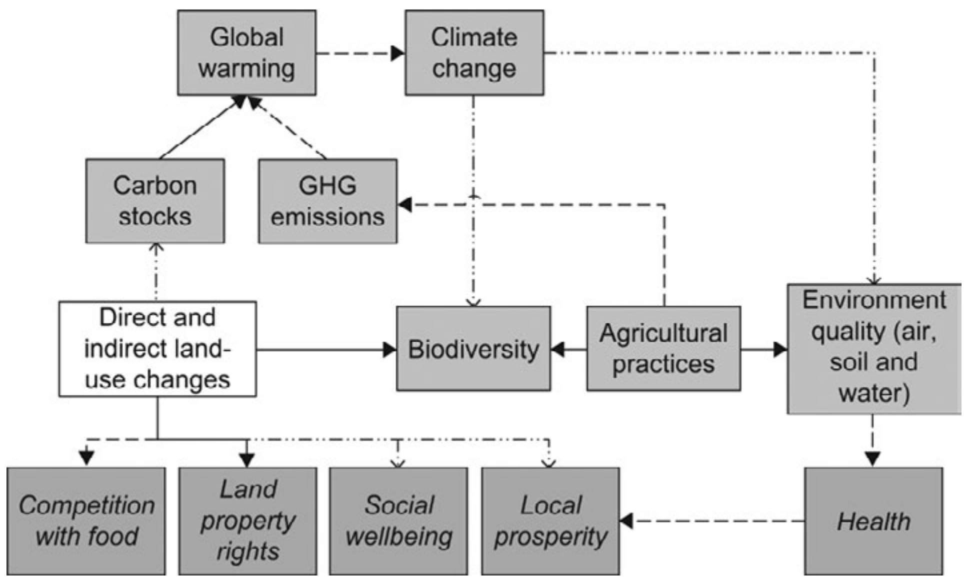
We will start with the environment because there, externalities are easier to understand. The price we pay for some things is sometimes much less than their actual cost. There are numerous examples of such "external costs" or "externalities." Pollution of a river by a paper-making company, for example. Or, nutrient runoff from agricultural practices that ruins fishing grounds eg Gulf of Mexico - long before BP filled it with oil. Closer to home, the Barrier Reef is under threat from nutrient runoff. The classic example is acid rain, where the damage might not even be in the same country. These costs are not borne by the company that creates the problem, but are imposed on society. We all pay.


Mining operations can have external costs too. The external cost of mining could include the destruction of the fish habitat in local rivers or adjacent seas, while the use of cyanide in the mining operation can create a cocktail of trouble for local people. The external costs are borne by the public at large, not by the mining company. The additional profits obtained from these morally bankrupt scenarios are the "Disguised Increments" of our economic system.

Because the ecological relationships are complex, calculating the costs of externalities is not easy. But that is no excuse for not attempting to put a price on them. As far as possible, the producer should bear all the costs of production, and a truly free market can then decide if the price is too high. On balance, production may not be much affected, because the community should receive monetary compensation to the extent of the costs imposed on them.

## Let's look at Land Use

Re-zoning land from rural to residential or commercial will always increase the value of that land. Literally overnight, or at the stroke of a Ministerial pen, windfall profits are conferred on landowners. The decision to rezone the land, whether taken by the Minister, a Planning Authority, or a local Council, is made on behalf of the community. But all of the windfall gains are bestowed upon a few private landholders. This encourages speculation in






land, with Planning Schemes being seen as "speculator's guides".

**"accumulation of property wealth is an act of theft perpetrated on the younger generation"**

But it is not a new phenomenon. Leonie Sandercock wrote "Cities for Sale" in 1975; she lamented that urban planners continue to devise land-use plans which perpetuate the transfer of income from the poor to the rich. Three decades on, her prophesies have become 'de rigueur'.

Overcoming that particular problem is not difficult. The collection of 'betterment' would collect that windfall gain for the community. 'Betterment' is simply that – the collection of the unearned capital gains resulting from land use rezoning. It has been recommended for generations, but it is testament to the strength of the land-owning lobby that they have been able to defy those recommendations and influence legislators to their private benefit. It helps that many of those legislators understand the issue all too well, often being substantial landholders themselves!

But zoning changes are no longer the only means of privatising the value of land. We have now made an art-form of speculating in housing; 'property' as it is generally called. To encourage home ownership, tax advantages are provided to the homeowner. This extends to the land that the house sits on. No distinction is made between the land – a natural resource – and the building – a man-made construction. The land on which our principal residence sits is exempt from any Land Tax. While that seems to be popular, the taxes levied in lieu of it are discriminatory, inefficient and distortionary in our economy. The gains of home owners are paid for by those needing a roof over their heads. As the British economist Martin Weale argues, the accumulation of property wealth is in effect an act of theft perpetrated on the younger generation, who must pay the exorbitant prices demanded by baby-boomers, or rent.

But one house is no longer enough. To reduce the inefficient taxes levied on individual's labour and productive effort, property has become society's bulwark against the taxman. Concessions are given for interest payments, maintenance, and even holidays – er, business trips – to view the property interstate. That the claims for maintenance far exceed the value of all houses it is supposedly spent on does not faze our decision-makers; property is king, and if negative gearing forces house prices up so new entrants to the housing market are left behind, we can always give them a grant to get them onto the bloated mortgage treadmill. This is absurd public policy; driven by a madness where everyone knows the scheme will stall and self-destruct at some point.

But we can't blame the participants for their part in this lunacy. It is the natural result of the decline of our egalitarian society. When government policies reward speculation and rent-seeking above honest toil, it is inevitable that people will choose that path. When the tax system encourages dishonesty and deceit, it is little wonder that our society is less inclined towards the common good.

The disguised increments in the housing market are thinly disguised indeed; they are there in full view for anyone with the will to look. Yet we are blind to it.

## Infrastructure

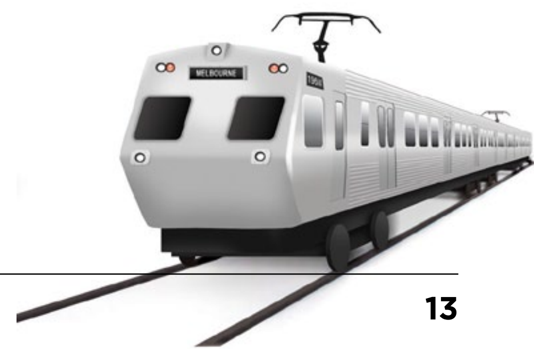
Public transport is another area in which anyone with a little wit and a matching will, can see the problem of unearned increments. The solution is just as simple.

Politicians assume that public services cannot be self-financing, and insist that subsidies are necessary. Well patronised public transport systems can pay for themselves, if only the system is established properly. Ticket sales can cover the running costs of the service. It's paying the capital cost that drags the operators into deficit. But it need not be so.

If the transport operator was able to collect the value that their services create, there would be no deficit. That value includes the part that leaks out into the private sector and is capitalised into the value of land. Sites within 400 metres of new railway stations are uplifted progressively, dependent only on the proximity of the rail station.

How do I know this? I've read the inside story of the Jubilee Line extension in London, which is the subject of *Taken for a Ride* by Don Riley. He is a property owner south of the Thames, who became very wealthy because the Jubilee Line provided easy access to his properties. He calculated that the rail extension, which cost $3.5 billion, returned $13.5 billion to lucky landowners along the line. A later study by UK's Treasury confirmed his findings, even if their figure of $12 billion was slightly lower.

But London is not the only example. A barren rock on the south coast of China has become one of the commercial hubs of the world. Hong Kong was developed as a free market model for the world. Its success is astounding; but perhaps the most remarkable aspect is that its wealth has been created on a land value capture model. Its public transport system is integrated into the city's commercial and residential needs. The State-controlled land agency MTR allows private developers to build high value commercial hubs at and above railway stations, but



always to the MTR's high standards. Profits are shared with MTR, which is able to expand the network to cater for the rapidly expanding population. Since profits are substantial ($5 billion pa), the citizens of Hong Kong gain worthwhile benefits. They get all the benefits of a modern, integrated system, while the fares have been frozen since 1997.

**"Capturing the value of land to pay for public services makes sense."**

Capturing the value of land to pay for public services makes sense. Not to do so allows the uplift in land value to accrue to private landholders, who have done nothing to earn the windfall.

In slightly different ways, Singapore and Japan also collect increasing land values for the public good. Fred Harrison shows how in his book, *Wheels of Fortune*. All of this information is freely available to our politicians. They prefer to continue to disguise these increments (billions of dollars annually), and allow them to accrue to a few landowners.

By comparison, let's briefly look at New York. Its Metro is wholly financed by the fares paid by its users. It struggled for funds over the years, and fell into disrepair; many users moved to car use instead. Meanwhile, in the vicinity of the stations, speculators made a killing, which retarded the city's economy. If the system had been funded as it should have been, through land value capture, it could have provided a low-cost (perhaps free), high quality service, while avoiding the need for the wasteful highway network.

We have looked at externalities in the environment, land use and infrastructure; and we have found that 'Disguised Increments' exist in all of them. So, as a society, what have we learned? We need to look at a modern problem to see whether we are likely to do better than we have in the past. And what bigger issue is there in our time than climate change?

I have no intention of entering the debate whether global warming is real, is caused by carbon dioxide, or is the result of other man-made emissions. For the sake of this presentation, I will accept all of those propositions, and concentrate on the remedies so far proposed. The favoured remedy is the 'cap and trade' system, which seems to have won the day from a carbon tax. That is, a market-based solution is preferred over a bureaucratic one.

## But will it work? And who will be the big winners?

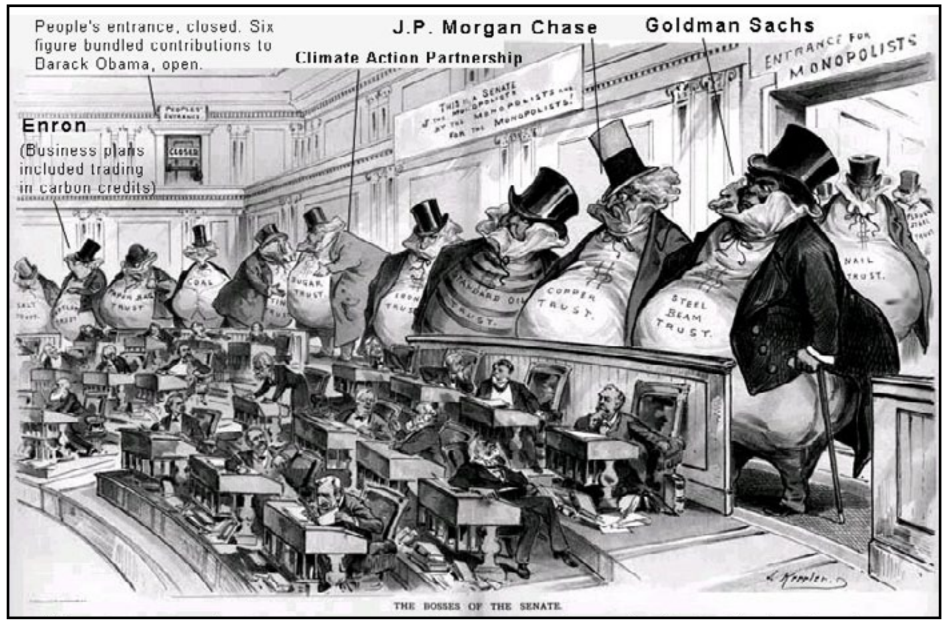

It seems that there is a lot of faith embedded in the claims being made. While economic logic tells us that a higher price on oil and coal will lead to lower consumption, a lesson learned in the 70's was that the oil price spike did not cure our addiction to oil at all. People still needed to move; industry still needed to manufacture. So, unless alternative energy systems are found, the level of pollution is not likely to reduce much, despite the higher price.

A worrying sign is the enthusiasm for 'cap and trade' shown by major banks, such as Goldman Sachs, and the big consulting firms. They weren't too interested in a carbon tax, where governments collect the cash, but are very keen on being part of a market in carbon. The recent behaviour of these corporate financial giants should make us wary of their public interest claims. What schemes will be conjured this time? The potential for fraud is huge, but we are told to just accept it – and pay the price!

'Cap and Trade' does not reduce emissions by the major players. It allows the big polluters to continue to pollute as before, as long as they can buy carbon credits to offset their pollution. So the system says it's OK to foul the atmosphere – for a fee! Or continue polluting the US, Europe or Australia, by upgrading a factory in China or India. For a bit of fun, you might like to check out CheatNeutral.com. It provides a forum where we can offset our marital infidelities by purchasing some chastity from more monogamous souls!

What we are trying to achieve is lower carbon emissions. That's the 'cap' part. If we set the cap at where we think it ought to be (around 350 parts per million is the most common figure), and enforce it, the emission problem is solved. The 'trade' part would be unnecessary. 'Trade' is the carrot being offered to the polluting industries to compensate them for their sins of the past. It is similar to the claims of the slave owners who demanded compensation for their loss of property rights. President Lincoln said 'no' and stood firm. Should we?

Europe has had an emissions trading scheme for some time now. Citigroup's analysis of it is not inspiring. Prices up; emissions up; profits up – mainly in the banking industry. But, of course, we are told our scheme will be better. Who knows? While we have no effective way of valuing the climate or the atmosphere, we will continue to be in the hands of the financial sector. And they will capture the 'Disguised Increments'. Surely this is the real Tragedy of the Commons - the loss of our appreciation of its value.




## Summary

This paper has barely touched the surface of externalities in the land market. While we have looked at some environmental and land-use issues, and shown how public transport infrastructure could be self-funding, there is no time to examine some of the other rent-seekers:

- The banks, for example, with their creation of credit, and promotion of high property prices;
- The technology revolution, using public spectrum at discounted rates; and,
- Public utilities (now private, in many cases) where profits are no longer returned to the people, but are either privatised or confiscated as hidden taxes.

There are many more examples. These are the Disguised Increments of our times.

## So, why don't we, as a society, revolt against these travesties? Why do we accept them?

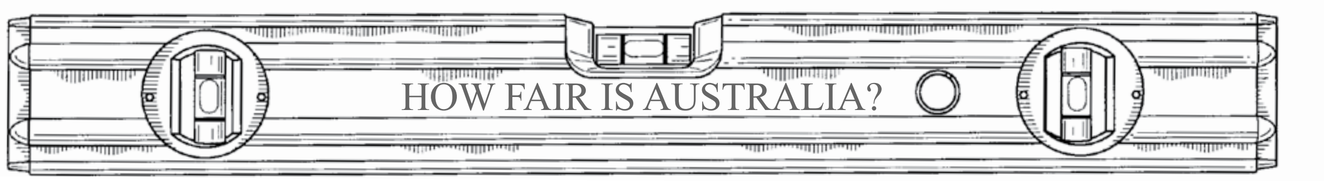
The world is ready for change! An international survey of 29000 people, conducted by the BBC, found that two out of three wanted a transformation of our economic systems. People are dissatisfied with the status quo. But, as yet, there is no popular movement to inspire the masses to make society a better place for the majority of people. Barack Obama had the word – Change - but, so far, no sign of any substance.

But, the climate change issue shows how much the world has already changed. Global issues affect us all. There seems little point in Australia acting alone. Wilkinson and Pickett, in The Spirit Level, say, "We depend on world cooperation like never before. Policies to reduce carbon emissions depend on a sense of social responsibility, of cooperation and public-spiritedness." And the whole theme of their book is that, to achieve those things, we need more equal societies throughout the world. Their evidence shows that more equal societies do better on public spiritedness. So that brings us back to our National Anthem. How fair is Australia?

Australia could be fairer if we shifted from rent-seeking towards a more inclusive Australian society, where everyone shares in the common wealth of the nation. Two practical steps could become giant leaps forward:

1. Eradicate the unearned increment; and,
2. Capture the community-generated value of land for the whole community.

These are political matters. They are morally just; they are economically sound. That is not in question. The only reason they are not already in place is because our politicians do not have the courage to challenge the rent-seekers. Yet, the people are screaming out for a values-based approach to policy; the prize is there to be had. Surely a tax package that reduces the burden on labour, on capital, on sales and on entrepreneurship, and which continues to provide all existing government services, could be 'sold' to the electorate. The time is right. In the words of a modern Goliath, 'JUST DO IT'. ▪



# Xenophobic Nation

A national lead from Canberra. Racism by any other name.
By David Brooks


Refugees are people. They flee their countries because of dramatic events. Always political and military happenings, with great elements of violence, murder, maiming, rape and theft by people seeking power over others. They take their lives and their families to the extremes of risk and danger; to places where foreign languages are spoken, where the culture is different, where the laws are strange and where the people look different. They do this to seek out a decent place to live, among decent people, to work and to raise their children.

**"Only the bravest arrive by boat."**

Of these gutsy people only the bravest three out of every hundred arrive by boat. And many of these have spent time in "refugee camps" awaiting the deliberations of that bureaucracy called the UN, or the Australian Immigration Dept. Australians, to our eternal shame, vilify these people. This vilification is led by Federal politicians and the media. We have created special laws and crimes to deal with the "Smugglers" who bring these people to our shores. We always need a scapegoat!

The airwaves are full of the hate and revulsion of the shock jocks who sneakily play the game of "public interest" and lead the people on in a horrifying display of hate. Ignorance and fear reign supreme. This is the Australia that sanctions special laws for the Aboriginals of the Northern Territory, and deny that this is racism. This is the Australia that still steals children from their (white and coloured) parents on just about any excuse. This is the Australia that has learned nothing from the pre-seventies child stealing; nothing from the 1940's English child stealing and migration abuse.

Just how does one teach humanity to a government, and especially to its public service? None, I repeat "none", of these have ever been policies advocated by a politician at an election before they were introduced. Indeed, with the present government, with respect to its immigration policy, a far more liberal (dictionary definition of the word "liberal") outlook was expected. This is the sign of a duplicitous government.

Arguments that this is an overcrowded country are ridiculous. Queensland alone is seven (7) times the size of the United Kingdom which has a population of sixty million. England is by no means overcrowded. The claim to overcrowding is an attempt to redirect the discussion. This discussion is about human rights. They apply to everyone, no matter where they come from, no matter where they were born, no matter what their religion, no matter the colour of their skin or which way their eyes may or may not slant. This is about human beings, about people, about their right to live, about their right to a place upon the earth. Human rights apply for all Australians, black and white.

**"This discussion is about human rights."**

We have marginalised the blacks; who will save the whites from being on the margin? We need to treat our fellow man as we ourselves would wish if we were in their boat. Won't happen in Australia? Don't believe it! A government callous enough to implement the current policies are likely to do anything.■



# Property Market is a Mess

By David Collyer


The worst fear of real estate agents and property vendors has arrived: the orderly sale of property has broken down. A twenty year uptrend made Australian real estate 'most severely unaffordable' and a Ponzi scheme propelled by consumer debt. Prosper says prices are now in free-fall.

The number of homes offered and unsold for longer than two months – known as stale sales – has ballooned across Melbourne. In the ten short weeks from early April to mid-June, stale stock in postcodes 3000-3207 blew out from 19,700 to 26,000 properties, according to an analysis by Prosper Australia of figures released by SQM Research.

Most sensibly priced property will clear in less than 2 months. These properties have had advertising money spent on them and round after round of open for inspections. Plus the agents have offered them to every prospective buyer in their little black book, including the vast pool of negative gearers.

While there are always a handful of sellers holding out for a higher price, this enormous overhang points to other causes and will take a long time to clear.

In Craigieburn and Roxborough Park 3064 in Melbourne's northern suburbs, a favourite setting for first home buyers, there were 638 two-month-unsold homes in April. By mid-June there were 950. In all of 2010, there were only 550 properties sold in the area. There is nearly two years of stale stock sitting on the market.

The same phenomenon can be seen in the south west. At Tarneit 3029 there were 1066 two-month-unsold homes and Point Cook 3030 had 1634 two-month-unsold. In mid-June there is 1633 and 2319 respectively. Last year there were only 780 properties sold in Point Cook - there is now three years supply on the shelf.

Caroline Springs had an indigestible 485 two-month-unsold houses on offer, now 622.In Docklands (325 two-month-unsold in April, now 346 ) and Southbank (then 311, now 411), the smart set are leaving apartments in the hands of the developers.

All these areas are in profound oversupply. I say, anyone buying at current prices is a damn fool. The sheer weight of property available will drive prices down as must-sell vendors discount and discount again.

Why should FHBs commit to an entire lifetime of heavy debt to buy crummy and unsuitable 'starter homes'? They are expected to sign away a lifetime's earnings - their entire future – to buy that first step on the property ladder.

Prosper has been one of the few voices contesting the constant, self-serving spruiking by the property industry. We do not claim to lead the sudden end of sacrifice. The Home Buyers Strike sought to inform buyers of what is actually happening in the marketplace.

Vendors and the property industry ruthlessly exploit FHBs' inexperience. Their agenda is to sell out ahead of the correction. But market power is now in the hands of FHBs and prices will continue to lower – provided they exercise restraint and resist buying at these ridiculous income multiples.

We are witnessing a major change in sentiment toward housing. Buyers no longer have the sun in their eyes. They reject the lie that buying a home is a financial investment. About time, too.

The path to freedom and prosperity is clear: continue renting or living with relatives, save a larger deposit, and follow the price correction from the sidelines with interest.

Don't Buy Now!

■

GEOISTS IN HISTORY

# H. G. Wells (1866-1946)

By Karl Williams

**"The trend of modern thought is entirely against private property in land or natural objects or products, and in Utopia these things will be the inalienable property of the World State. Subject to the rights of free locomotion, land will be leased out to companies or individuals, but - in view of the unknown necessities of the future - never for a longer period than, let us say, fifty years."**

It's impossible to neatly classify H.G. Wells, for his life explored so many new fields and broke countless old boundaries. Here's a shot at it, though – prodigious author, futurist, essayist, economist, historian, the father of science fiction, pacifist, literary critic, teacher, political commentator, traveller, celebrity and (it has to be said) a "pants man" who fathered children to numerous women.

Like so many movers and shakers in world history, Herbert George Wells came from a challenging background which served as his University of Life and which bestowed an accident which set him on his course to fame and greatness. But let's start at the start.

The youngest of 4 children, Wells was born in a Kent village to parents who strived but failed to escape their working class roots. He had a frugal upbringing and, though never destitute, the threat of outright poverty always loomed. His parents lurched from one financial threat to another, variously working as a gardener, maid, crockery shop owner (above which Wells was born) and professional cricketer. Wells had to leave school at age 14 because of family finances, and his encounters with the world of work in those early years were largely unsuccessful.

It was only by a combination of luck and his innate intelligence that allowed Wells the opportunity to escape from this intellectual cul-de-sac, winning a scholarship to begin a degree in biology. The "luck" was a broken leg at age 18 which left him bedridden so, to pass the time, he started reading books from a well-stocked local library, brought to him by his father. This ignited his devotion to the other worlds and lives to which books gave him access, and soon also stimulated his desire to write. His world – and ours, eventually – would never be the same.

In the next few years, Wells was occupied in the day with part-time teaching and studying, and at every opportunity he continued his self-education, particularly in the sciences. Moving to London and marrying, he finally became a full-time writer at age 27.

The breadth and output of Wells' works is nothing short of astounding – almost 300 works on science and science fiction, novels, political commentaries, visions of a utopian society that is still one of the most visionary, a classic history of the world, and articles on just about every imaginable subject.

Interestingly, it was probably his science fiction which made him most famous, and his great sci-fi works came at the start of his writing career. The Time Machine is a breathtaking leap of imagination that predated much of the work of Einstein and has served as a blueprint for hundreds of stories since. As in so much of Wells work, he used his science fiction as a metaphorical device, particularly to mirror the inequities he saw about him, as well as to comment on the danger of unchecked scientific progress.

The Island Of Dr. Moreau is an obvious precursor to the concept of genetic engineering, telling as it does of a scientist who has surgically altered the jungle beasts of his isolated island into mockeries of the human form. The War Of The Worlds is best known as a sci-fi tale of a Martian invasion but the subtext of Wells plot was "how do you like to be at the receiving end of a very large stick, just as many real people had genuinely suffered under the British colonial yoke?"



In his 1914 novel, The World Set Free, is notable for the use of the phrase "atomic bomb" and his description of the methods being sought by Al Qaida. It's worth quoting a passage which illustrates Wells' foresight before the World War One has erupted and points to the underlying reasons for his anti-militarist stance "...nothing could have been more obvious to the people of the earlier twentieth century than the rapidity with which war was becoming impossible. And certainly they did not see it until the atomic bombs burst in their fumbling hands. Yet the broad facts must have glared upon any intelligent mind. All through the nineteenth and twentieth centuries the amount of energy that men were able to command was continually increasing. Applied to warfare that meant that the power to inflict a blow, the power to destroy, was continually increasing. There was no increase whatever in the ability to escape. Every sort of passive defence, armour, fortifications, and so forth, was being outmastered by this tremendous increase on the destructive side. Destruction was becoming so facile that any little body of malcontents could use it; it was revolutionising the problems of police and internal rule. Before the last war began it was a matter of common knowledge that a man could carry about in a handbag an amount of latent energy sufficient to wreck half a city."

His critical writings on the aggressive "Krupp cum Kaiser" Imperial Germany coupled with his blistering attacks on Adolf Hitler and his accomplices earned H.G. Wells the distinction of having his "anti-German" books burned by Goebbels during the infamous book bonfires at German universities. The name "H.G. Wells" also appeared very near the top of a list compiled by the SS/SD command staff of those intellectuals and politicians slated for immediate liquidation upon the invasion of Britain by the Nazis. Besides atomic bombs, he foreshadowed robotics, World Wars, aerial bombing, the use of tanks and chemical weapons and nuclear power. While his most popular works tend to show a bleak future for humanity, he was not without his sardonic and dry wit, exemplified in his quip "Every time I see an adult on a bicycle I no longer despair for the human race". I reckon he would have been a Greens voter!

He was not an absolute pacifist – for instance, he actually supported Britain's involvement in the first world war, however he believed politicians should use this opportunity to create a new world order. Wells was encouraged by the news of the communist revolution in Russia. He visited the country and lectured Lenin and Trotsky on how they should run their country. Yet, unlike many of his contemporaries who visited that country, Wells was disillusioned by what he saw in Russia and in 1920 he published The Outline of History. The book described human history since the earliest times and attempted to show how society had evolved to the present state. Wells illustrated the triumphs and failures and pointed out the dangers that faced the human race, the main theme being that the world would be saved by education and not by revolution.

Wells also strongly supported the League of Nations that was established after the First World War. He stressed that society needed to establish structures that ensured that the most intelligent gained power, and broke from many socialists who criticised Wells claiming that he was now preaching a form of elitism.

A World State was a necessity to Wells. In his 1905 book, A Modern Utopia, he wrote of the World State taking control and creating a "sane order," and how they maintained a central records system in Paris which they used to keep track of every person on Earth and aided the state to eliminate the influence of the unfit.

Wells was hostile to population growth, unfettered capitalism and democracy which led to the rule of the ill-educated mob. On a more personal level, he was socially liberal, and none of his contemporaries did more to encourage revolt against Christian tenets and accepted codes of behaviour, especially as regards sex. Both in his books and in his personal life, he was a persistent advocate of an almost complete freedom. Though in many ways hasty, ill-tempered, and contradictory, Wells was undeviating and fearless in his efforts for

**"The World State in this ideal presents itself as the sole landowner of the earth, with the great local governments I have adumbrated, the local municipalities, holding, as it were, feudally under it as landlords. The State or these subordinates holds all the sources of energy, and either directly or through its tenants, farmers and agents, develops these sources, and renders the energy available for the work of life."**

social equality, world peace, and what he considered to be the future good of humanity. As well as lengthy tomes, he could also express his ideas in great one-liners, such as:

- Advertising is legalized lying.
- Our true nationality is mankind.
- Moral indignation is jealousy with a halo.
- Human history becomes more and more a race between education and catastrophe.

Wells was also passionate about history and politics and developed a reputation as a reformer, joining the Fabian Society, a socialist group whose members included writer George Bernard Shaw (who himself became a great admirer of Henry George) and running for Parliament as a Labour Party candidate. As an internationally celebrated writer, he travelled to many countries including the United States, where he met with President Franklin D. Roosevelt and discussed, among other topics, the implications of The Time Machine. Wells was also a supporter of the League of Nations (a precursor to the United Nations), serving on its Research Committee and penning books about its aims.

**“Every time I see an adult on a bicycle I no longer despair for the human race”**

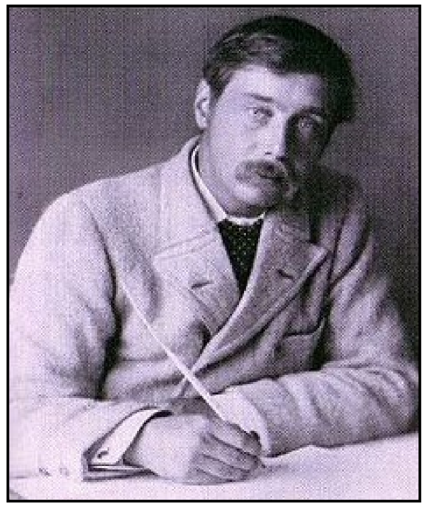
He soon fell out with the Fabians - more over their timid tactics than principles - and later grew staunchly critical of them as having a poor understanding of economics. Wells is often called a socialist, but that’s too clunky and broad a term for someone who has such radical and original ideas. Wells professed loathing for the “idle, parasitic rich,” and advocated an aggressive social agenda for the competent, humanistic and educated class to take charge of human society and bringing about a fairer society. He was extremely critical of the role that privilege and hereditary have in capitalist society, and in his utopia people gain power as a result of their intelligence and training.

You’d expect an incessantly curious and well-read person like Wells to discover and adopt the geoist paradigm, wouldn’t you? That’s just what Wells did, although wrapped in his own form of centralized World State. In his autobiography, he put the geoist perspective thus, “Why are things monopolized? Why was everything appropriated and every advantage secured against me before I came into the world?”

Wells’ particular take on geoist implementation was explained thus, “The local authority will be the universal landowner. … In Utopia we conclude that, whatever other types of property may exist, all natural sources of force, and indeed all strictly natural products, coal, water power, and the like, are inalienably vested in the local authorities”.

Wells also wrote with admiration of Henry George, attributing him as having “a clearer realization of the strangulating effect of restrictive property as distinguished from the stimulating effect of exploitation”. Later he also wrote, “Henry George's book came in like a laboratory demonstration to revivify a general theory, with his extremely simplified and plausible story of the progressive appropriation of land, his attack upon the unearned increment of private rents and his remedy of a single tax to make, in effect, rents a collective benefit.

His was an easy argument to understand, as he put it, and I was able to modify it and complicate it for myself by bringing in this or that consideration which he had excluded. It was like working kindred mathematical problems of progressive complexity under a common Rule. It was quite easy to pass from the insistence of Henry George upon the inalienable claim of the whole community to share in the benefit of land, to the simpler aspects of interest and monetary appreciation.” Wells attacked the reigning capitalist system as, “a complex of traditional usage, uncontrolled acquisitive energy and perverted opportunities, which was wasting life for us …. this was due not to a system but to an absence of system”.



**“the world will be saved by education, not by revolution.”**

Wells certainly appreciated the need to collect the rent from land for the public purse, but felt that Henry George hadn’t explained the political system and its taxing authority that would be successful in collecting the rent. Fair comment, but perhaps Wells’ own World State solution would first require a magic wand to establish?

The great man never ceased to throw up new and challenging perspectives, but his actual influence may be debated. Wells himself complained that, “I do not seem to have had a suspicion that there was such a force as social inertia to be reckoned with.” Ain’t that the truth, eh? And reformers like Wells didn’t have to contend with those devices that rot brains known as televisions. Fittingly, Wells died in 1946, a year after Hiroshima, while working on a project that dealt with the dangers of nuclear war. ▪



# 50 GEOISTS IN HISTORY

## TIMELESS, UNIVERSAL PRINCIPLES CONTINUALLY BEING REDISCOVERED:

By Karl Williams

**“a crank is a little thing that turns and makes revolutions”**

Critics of our movement often like to portray us as cranks, a fringe group or a hero-worshipping cult dedicated to the Master, Henry George. This is one of the reasons I usually avoid the term “Georgist”, whereas “geoist” has that timeless feel, which suggests the bedrock of our Earth (geo) just as our economic system rests on a bedrock of unassailable principles.

A glance at the table of Geoists in History which I’ve penned over the last 9 years will quickly demolish any notions that we are somehow dependent on the thoughts of one man. Here assembled (and there are dozens more mighty figures in the Progress pipeline) include some of the greatest thinkers in history, spread over centuries and from lands far and wide. If we are to be labeled as cranks, then I’ll take Henry George’s observation that ‘ ...a crank is a little thing that turns and makes revolutions’ !

This universality is what gives our world view such deep appeal. That is, wherever land is misappropriated for personal gain (in perpetuity, according to those silly pieces of parchment known as Land Title Deeds!) then economic lethargy – if not ruin – will surely follow. Put another way, if the wealth that accrues to land isn’t collected for the national treasury, then it will instead be diverted into the pockets of the landowners thus setting up an economic system which drives efforts towards speculation and boom-bust cycles and a tax system which “fines” those who make honest efforts to create wealth and employ others.

But universal principles should apply to the whole universe, shouldn’t they? Far distant planets would always have locations which are better or worse situated in terms of accessibility to markets & services, natural advantages (climate, natural resources etc.) and so on, no matter how many heads were wobbling on their alien bodies. It is impossible to imagine any landscape or population distribution where all parts of the planet – whether on the surface, underground or defying gravity – are equally desirable. Meanwhile, back on planet Earth, if politics allowed it, nations with greater natural advantages (climate, minerals, location etc.) should pay proportionally more into a world fund to help equalise the disadvantages suffered by those whose accident of birth landed them on the wrong side of an (arbitrary, often) national border. Zooming in to a smaller scale, intentional communities or communes aren’t all sharing equally if those nearest the river, the sunniest spot, the road into town, the communal infrastructure & equipment or the best soil don’t apply our geoist principles in order to share the communally-occupied property in a meaningful way among members.

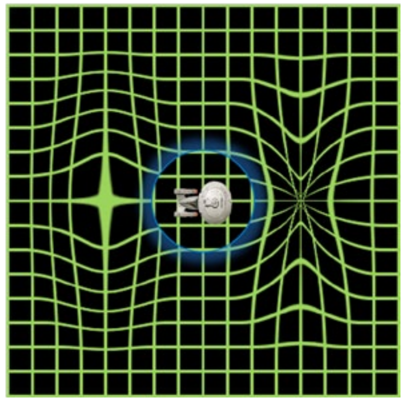
Pig-ignorant critics also like to portray us as being hung up on land in the narrow agricultural sense of that word, branding our proposals as belonging to a bygone rural age. Our great Geoists in History have mostly discovered geoist principles for themselves rather than having it taught to them, and they have reiterated time and again that it is the **locational** (c.f. agricultural) value of land that is referred to. Yet we have to repeatedly deal with howls of protest that our “land tax” would unfairly punish the poor old farmer!

Furthermore, we can also claim to be the proto-environmentalists, for our scheme does not simply apply to locational land but to all natural resources – minerals, water, the electromagnetic spectrum, logging rights, fishing rights, aircraft landing slots etc. Extending further, it’s not just the **use** of natural resources on which we’re based, but also the **abuse** – hence the need for charges on pollution of air, water, soil, the gene pool, our climatic system etc. Henry George had written more about our world view that anyone else up to that point in history, but pollution wasn’t an apparent problem then nor did the population at the time give rise to the scarcity value that nowadays we experience with things like water.

How can religions claim to give us a fair and practical code for living together if they fail to deal with the land question?

How can religions claim to give us a fair and practicality code for living together if they fail to deal with the land question? It's not good enough to espouse motherhood statements like "Thou shalt not steal" (well, duh!) without identifying what is one's own and what properly belongs to society at large. In the same manner, philosophical perspectives that dwell on fairness, equity and virtue should deal squarely with the nature of property, for we believe that natural resources are distinctive insofar that they should be shared equally through natural resource charges and that what has been produced through one's own labour should not be subject to confiscation by the state.

Similarly, every single non-geoist economic system has failed, and all our think-tanks, political policy makers and economics professors are demonstrably lost for answers to entrenched problems such as unemployment, boom-bust cycles and growing disparities of wealth. I used to write my economic travelogues years ago from some of the 80 or so countries I've tramped around, especially the less-visited places such as Yemen, Uganda, Bolivia and, Ethiopia. On the one hand, most of these far-flung nations had cultural traditions that somehow respect the principle that natural resources should not be bought and sold and profiteered from, and that somehow land and natural resources should remain common property. However, for reasons I've not fully fathomed, they've all ended up with economic systems which allow land to be bought outright, in perpetuity and with little or no site rent paid back into the communal coffers. So my correspondent's reports, after describing how absorbing were the cultural perspectives, used to invariably arrive at the same conclusion about the needless poverty and inequality so clearly visible: That the "Law of the Land" can only be ignored at one's peril, no matter what religion, tradition, topography or philosophical perspective.



Let's fast-forward, then, at warp speed to 100 billion years A.D. when humanity (if our expression of life then even vaguely resembles the human form) has continued to blunder on from from one economic crisis to a million more

Strangely, the extremely-long term view of our hopes of geoist implementation is quite hopeful, if not 100%. It might take hundreds of thousands of years …. or millions of years … or billions of years, even. Let's fast-forward, then, at warp speed to 100 billion years A.D. when humanity (if our expression of life then even vaguely resembles the human form) has continued to blunder on from one economic crisis to a million more. Civilisation, so-called, has continued to experience wars, social problems, grinding poverty in the face of technological advancement and squandering of natural resources (will we be the descendants of the breeding pairs who colonised the relatively cool polar regions?).

So here we are, 100 billion years down the track, and the planets economic systems are still lurching from one crisis to another (of a kind that would be recognisable to us today). Another world congress is convened where the chairperson finally bangs the table and declares, "Look! We've tried every single variation of capitalism, socialism, anarchism, communism, religious communalism, individualism, tribalism and everything under the Sun not once, but at least 10,000 times each. We have no choice, for everything else is a proven failure – we have to shift taxes off labour and capital and onto land and natural resources."

But how did this far-distant world congress know of this alternative form of economics? It is surely possible that no copy of Henry George's Progress & Poverty survived. The answer is written in the table of 50 Geoists in History – there was never a time when people with half a brain didn't think for themselves and realise that it's plain wrong to own land in the way we do at present.

There will always be people – famous and humble alike – who'll rediscover "our" system of taxation and land tenure. I've had the great privilege to meet a few souls who figured out geoist principles totally unassisted and then stumbled upon our organisation and were chuffed to discover that there's an organisation already established to advance "their" theory! It doesn't matter how one might try to explain it, the fact is that it happens, indisputably – that is, people "discover" geoist principles independently throughout history, without regard to race, culture, gender or education. It might be said, however, that a good education – especially one that confers the ability to think for oneself – is a definite advantage in nutting out geoist economics independently.

It should also be recognised that there's frequently been political pressure on people to not broadcast their geoist views, for those in power will naturally attempt to preserve the status quo. When Henry George was riding a wave of huge popularity in the late nineteenth century in the US, the private paymasters of universities effectively banished HG from the curricula. When our movement enjoyed great popularity in Britain in the early years of the twentieth century, the House of Lords fought tooth and nail to defeat the geoist proposals known as the People's Budget, and soon afterwards the first real social welfare legislation was introduced as a palliative to quieten the geoist discontent. In other words, band aids were dispensed rather than root and branch reform which would get to the real source of poverty and injustice.



With 50 geoists clocked up, there's no shortage of other notable figures in history to continue this series – standing in line ready to take a bow are Leon Walras, Herbert Asquith, Mikhail Gorbachev, Ralph Nader, George Bernard Shaw, G.K. Chesterton, Chief Seattle, Confucius, Peter Stuyvesant and Jonathan Swift, just to name a few. If we had available the utterances of ancient historical figures, we would invariably be able to extend our list. For instance, the Old Testament has these verses which point to an understanding of how a rudimentary economic system should operate in primitive societies: "The profit of the earth is for all." (Eccles. 5:9), "The land shall not be sold forever; for the land is Mine; for ye are strangers and sojourners with Me." (Leviticus 25:23), and "The Earth hath He given to the children of men." (Psalm 115, 16)

Here's an admission I've never heard before – that there **is** another economic system which could be said to be superior to geoism. It was sung about in the sixties and seventies by Lennon, Dylan and their ilk as if it was a real possibility, if not an inevitability, for we thought we had seen through the materialism, greed and conflict that had bedeviled all of human history. The "system" was one of Love and Universal Brotherhood but it came a cropper basically because humanity was not yet evolved enough to put it into practice (will it ever be?, you may well ask). Ideally, love would inspire us to share all we have without the need to have the state step in and impose a tax system.

This ideal of universal brotherhood was wildly naïve, premature, starry-eyed and based on a misreading of the ordinary existing motives of humanity. Strange to say, I maintain that those wonderful ideals of Hippydom were ground down into dust by, to a large extent, the system of land monopoly capitalism in place that we well placed to entrap hearts and minds. But that is another story, dear reader, and too much of a digression from the lessons of history that our table of 50 geoists represents. ■

| | Progress Issue | Name | Life Span | Nationality | Noted for…. |
|---|---|---|---|---|---|
| 1 | Mar-April 02 | Mark Twain | 1835 – 1910 | American | Author, social commentator |
| 2 | May-June 02 | Leo Tolstoy | 1828 – 1910 | Russian | Novelist, philosopher, moralist |
| 3 | July-Aug 02 | Thomas Carlyle | 1795 – 1881 | Scottish | Essayist, historian, social critic |
| 4 | Sep-Oct 02 | John Stuart Mill | 1806 - 1873 | English | philosopher and social reformer |
| 5 | Nov-Dec 02 | Ambrose Bierce | 1842 - 1914 | American | Writer, journalist |
| 6 | Jan-Feb 03 | Clyde Cameron | 1913 - 2008 | Australian | Federal Minister under Whitlam |
| 7 | Mar-April 03 | James Lalor | 1807 – 1849 | Irish | nationalist and agitator |
| 8 | May-June 03 | Sun Yat Sen | 1866 – 1925 | Chinese | Father of the Chinese Revolution |
| 9 | July-Aug 03 | Baruch Spinoza | 1632 - 1677 | Dutch | Philosopher, ethicist |
| 10 | Sep-Oct 03 | Winston Churchill | 1874 – 1965 | English | Wartime leader |
| 11 | Nov-Dec 03 | Walter Burley Griffin | 1876 – 1937 | American | Architect, designer of Canberra |
| 12 | Jan-Feb 04 | Aldous Huxley | 1894 – 1963 | English | Novelist, futurist |
| 13 | March-April 04 | A.B. "Banjo" Patterson | 1864 – 1941 | Australian | Poet, journalist |
| 14 | May-June 04 | Albert Einstein | 1879 - 1955 | German-American | Physicist |
| 15 | July-Aug 04 | Helen Keller | 1880 – 1968 | American | Deaf & blind activist |
| 16 | Sep-Oct 04 | Thomas Paine | 1737–1809 | American | Political author & revolutionary |
| 17 | Nov-Dec 04 | Edward McGlynn | 1837 – 1900 | Irish-American | liberal Catholic priest |
| 18 | Jan-Feb 05 | David Lloyd George | 1863 – 1945 | Welsh | Wartime British PM |
| 19 | March-April 05 | John Locke | 1632 - 1704 | English | Philosopher |
| 20 | May-June 05 | Henry George | 1839 - 1897 | American | Economist |
| 21 | July-Aug 05 | Richard Cobden | 1804 – 1865 | English | Politician, peace activist |
| 22 | Sep-Oct 05 | Max Hirsch | 1852-1909 | German-Australian | Economist, traveller |
| 23 | Nov-Dec 05 | William Penn | 1644 – 1718 | English-American | Governor, pacifist |
| 24 | Jan-Feb 06 | Stamford Raffles | 1781–1826 | English | East Indies governor, humanitarian |
| 25 | Mar-Apr 06 | Benjamin Franklin | 1706 – 1790 | American | Inventor, statesman, co-drafter of American constitution |
| 26 | May-Jun 06 | Thomas More | 1478 – 1535 | English | Politician, courageous idealist |
| 27 | July – Aug 06 | Gerard Winstanley | 1609 – 1676 | English | Christian communalist ("the Diggers"), writer, peacenik |
| 28 | Sep-Oct 06 | Jean-Jacques Rousseau | 1712 – 1778 | French | Enlightenment philosopher |
| 29 | Nov-Dec 06 | James Tobin | 1918 - 2002 | American | Nobel prize-winning economist, originator of Tobin Tax |
| 30 | Jan-Feb 07 | William Ogilvie | 1736 – 1819 | Scottish | Economist, revolutionary |
| 31 | Mar-Apr 07 | Clarence Darrow | 1857 – 1938 | American | Lawyer, social activist |
| 32 | May-Jun 07 | Ron East | 1899 – 1994 | Australian | Government water engineer, environmentalist |
| 33 | July-Aug 07 | Herbert Spencer | 1820 – 1903 | English | Political scientist, philosopher |
| 34 | Sep-Oct 07 | Abraham Lincoln | 1809 – 1865 | American | US president, black emancipist |
| 35 | Nov-Dec 07 | Arthur Henderson | 1863-1935 | Scottish | Leader of UK Labour Party, Nobel peace laureate |
| 36 | Jan-Feb 08 | Voltaire | 1694 – 1778 | French | Libertarian, philosopher |
| 37 | Mar-Apr 08 | George Orwell | 1905-50 | English | Author, political essayist |
| 38 | May-Jun 08 | Thomas Jefferson | 1743–1826 | American | author of the US Declaration of Independence, third president of the US |
| 39 | July – Aug 08 | Jack Craigie | 1871-1966 | Australian | Long-serving South Aust. MP |
| 40 | Sep-Oct 08 | Adam Smith | 1723 – 1790 | Scottish | "The father of economics" |
| 41 | Nov-Dec 08 | F. L. Wright | 1867 – 1959 | American | Architect |
| 42 | Jan-Feb 09 | Ramsay MacDonald | 1866–1937 | Scottish | Twice British PM, pacifist |
| 43 | Mar-Apr 09 | Harry Gunnison Brown | 1880 – 1975 | American | Maverick economics professor, author |
| 44 | May-Jun 09 | Alfred Russel Wallace | 1823 – 1913 | Welsh | Co- discoverer of the theory of evolution, adventurer, environmentalist |
| 45 | July-Aug 09 | William Vickery | 1914-1996 | Canadian | Nobel economics laureate |
| 46 | Sep-Oct 09 | Bertrand Russell | 1872 –1970 | English | Philosopher, mathematician, political theorist, social reformist, pacifist |
| 47 | Nov-Dec 09 | Gaetano Filangieri | 1752 - 1788 | Italian | Jurist, philosopher |
| 48 | Jan-Feb 10 | Andrew Carnegie | 1835 – 1919 | Scottish-American | Second-richest man & greatest philanthropist in history |
| 49 | May-June 11 | Philip Snowden | 1864 - 1937 | English | Twice Britain's Chancellor of the Exchequer |
| 50 | July-Aug 11 | H. G. Wells | 1866-1946 | English | Author, the father of science fiction |

# Australian News And Views

By Geoff Forster

## Affordable Rentals

Less than 1% of rental housing in Australian cities and some regional centres is affordable for people on low incomes, according to an Anglicare survey recently. Anglicare agencies surveyed major newspapers and websites for rental accommodation that would not consume more than 30% of income for people on Newstart, Austudy, and aged and disability pensions. More evidence of course for the intrisic inequality of the current economic system which neglects the fundamental role of site rents.

## Tax Loopholes

The latest Federal Budget is to crack down on a tax loophole that will enable charities to avoid income tax liablity from business activities unrelated to their primary objectives. Whatever changes will come into operation, there will still be a large amount of red tape involving definitions, special exemptions etc. How much easier it would be for everyone if the whole income tax setup was steadliy phased out, and replaced by site revenue. Furthermore, this would also have the comcomitant effect of reducing the need for charitable alleviation.

## Increasing inequality

In a letter to THE SUNDAY AGE on May 15 an RMIT Professor of Social Policy affirmed that income inequality in Australia was increasing every decade. Which of course is the sort of thing Henry George warned about more than 100 years ago. Probable confirmation: The number of charitable appeals some of us are receiving seems to be steadily increasing, notwithstanding bland statements from various politicians.

## Feed Melbourne

The Feed Melbourne campaign has been launched by the Leader newspapers and food charity FareShare. It aims to increase awareness of hunger and malnutrition in our society and raise money to counteract these problems. In Victoria 370,000 people cannot afford to feed themselves or their families. Commendable as this project may be, underlying it is the failure to examine the structural causes that give rise to this deplorable situation.

## Australia's Image

Overcrowded accommodation is a major issue for overseas students; sometimes six have to share an apartment. Often the housing obtained is in areas where statistics of violence are higher. This pattern will continue to create an adverse impression of Australia, which will be passed to their home countries on return. Here is yet another indicator of the deteriorating housing situation in Australia.

## Shed A Tear

Much of Australia's economic system was derived from Britain, so it is interesting to note that the 1000 richest people in Britain increased their collective wealth by 18% in the past year. Goeorgists are particularly interested in the Duke of Westminster, who owns huge tracts of land in central London, so they will be heartbroken to learn that he has dropped out of the top three for the first time since 1999.

## Tax Pack Nonsense

Two decades ago the Tax Pack was introduced, allegedly to empower taxpayers to do their own tax returns rather than use tax agents. Actually the opposite occurred. The peak figure reached 75%, but with the introduction of e-tax the figure dropped slightly to 71%. All this nonsense, with all the headaches caused by compliance complexity could be dispensed with, if revenue from community created site rents steadily replaced the vagaries of income tax.

## Tough on Welfare

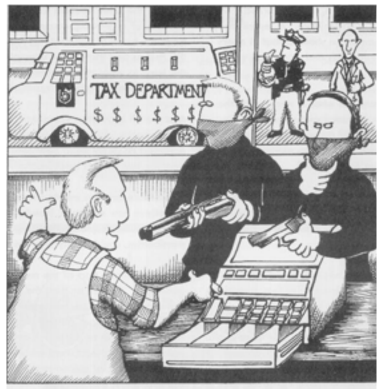
Both the Prime Minister and the leader of the Opposition have recently been rather strident about becoming tough on welfare. Obviously political advantage is perceived in this behaviour. However, it is virtually certain that most people on unemployment benefits would prefer a steady, productive job. The evidence for continuing poverty in our midst is too readily glossed over by our politicians. An article in THE AGE gave graphic details of economic distress in Braybrook, a suburb 9 km west of the city of Melbourne. The adverse effect of the unchecked rising price of land and a complex, unfair taxation setup are almost invariably overlooked. Further, while politicians often prate about the desirability of having a steady job, they seldom confront the pressing problems associated with the high cost of housing. No doubt the major parties are too apprehensive about upsetting the "property investment" lobby.



# Letters

## Rate Rise Woes

More significant than the rate rise is the method of levying rates ("Rate rise below last year, Progress Leader, May 17). Site value rating should replace the current CIV system. Before amalgamation, Camberwell and Kew were on the site value basis. It is foolish to penalise people for improving their properties, as occurs under the present system. Geoff Forster, Canterbury, Progress Press, May 24




"Sorry fellas, you're too late....Your colleagues beat you to it."

## Foreign Ownership

Gavin R. Putland writes: Re. "Foreign ownership of Aussie land: the peril of selling the farm" (Crikey, June 14). The obvious way to neutralize foreign ownership of land is to stop taxing producers and start taxing land owners in proportion to the values of their holdings. Then if foreigners own x percent of the land, measured by value, they pay x percent of the tax bill.(Income tax and GST don't have the same effect, except in so far as income and "value added" happen to be due to land ownership.)

The strategy works even better at State level because of the higher incidence of interstate ownership. The Commonwealth can limit ownership of Australian land by foreigners; but under s.92 of the Constitution, a State **can't** limit acquisition of land in that State by residents of other States. But a State can certainly tax the value of its land, and thereby offload the tax bill onto non-residents in proportion to the value of land owned by non-residents. In the case of land located within a State but owned by listed companies, the strategy works better still. Even if a company has its headquarters in that State, some (probably most) of the shareholders will be residents of other States, and some will be foreigners.

Of course the land owners will pretend that the tax is deterring "investment". But the only thing it can deter is ownership of land; and in so doing, it reduces land prices. It can't deter any productive activities carried out on the land -- by owners or tenants, residents or absentees -- because the returns to those activities are untouched by the tax. And no matter how heavily the land in one jurisdiction is taxed, not one square metre of it will flee across the border into a competing jurisdiction.

Foreign investment is beneficial if it represents **net** investment -- that is, the creation of new assets, such as when a foreign company builds a factory in Australia. Unfortunately the term "foreign investment" is now applied not only to the creation of new assets but also to the foreign acquisition of existing, irreplaceable Australian assets, such as land. The tax system should encourage the former, not the latter.

Dr Gavin Putland
Director of the Land
Values Research Group

## Dr Phil Day - RIP

We regret to report the death of one of Australia's most outstanding Georgists, Dr Phil Day, of Queensland. To quote from his obituary in The Brisbane Courier Mail: "Dr Phil Day's achievements in town and country planning during any one of his senior official appointments would have been worth commemorating. Summed up, they represent an outstanding record of public service and an enduring contribution to public policy". As editor of 'Queensland Planner' for 16 years from 1987, he influenced professional opinion through plain-spoken editorials and attacks on transgressions of good planning policy. His 1989 Brisbane rating report for Cr Gordon Chalk's Committee is a Georgist classic. Likewise, his paper "Tax Reform - a Rational Solution" (available from our office) is also a classic. His two excellent books, "Land" and "Hijacked Inheritance" are available from Prosper. The latter is derived from his doctorate earned at the age of 77. To quote from "The Courier Mail" obituary again: "Queensland planners treasured Dr Day as one of the consciences of the profession, an intellectual giant yet unaffectedly modest, and honoured him with Life Fellowship of the Planning Institute." Dr Phil Day was a truly great Georgist, who left a widespread and no doubt abiding, influence.

**Send Contributions to:**
progress@prosper.org.au

PROGRESS July-August 2011

# Prosper Australia News

Latest news from our secretary, Anne Schmid.

In May we held our AGM and elected the Executive for the coming year. We welcome new President Lloyd Churches who is taking over from Robert McAlpine. Robert McAlpine held the post for four years. Each president brings their own stamp to the affairs of Prosper. Robert's is his contagious confidence in the georgist message. Over the four years he has been a wonderful support to us here working at the coal face. Vice President David O'Rourke in moving a vote of thanks to Robert said that Robert had warmly welcomed him into the movement and he thanked him for the excellent way he had chaired our meetings.

We know Lloyd as editor of this magazine and we are delighted that he has now put up his hand to take on the very responsible role of president. We all look forward to working on the new ideas that Lloyd is proposing.

The Executive also says a big thank you to David Barkley who retired from his Executive position after many steadfast years. We will miss David's focus, commonsense and experience in taking our message forward. Although David is no longer attending meetings he has promised to keep a watchful eye on our activities.

This is a good time to consider the mission of Prosper Australia which is to replace all existing taxes with a charge on the value of land and natural resources. We believe in economic justice, free enterprise and a universal birthright to the earth. If you would like to spend some time in considering the ethics, the logic and the practicalities in all this I recommend our economics workshop on Saturday July 23rd beginning at 10 am. This is a joint Sydney/Melbourne event. (see events) And the expectation surrounding the DVD – Real Estate for Ransom is building. I hope all readers are planning on attending the launch.

Prosper thoughtfully,
*Anne Schmid*
Secretary

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Anne Schmid . . . . . . . . Office Manager
Karl Fitzgerald. . . Projects Coordinator
Gavin Putland . . . . . . Research Officer
David Collyer . . . Campaign Manager

## Websites

www.prosper.org.au
www.earthsharing.org.au
www.lvrg.org.au
www.taxreform.com.au
realestate4ransom.com
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www.theIU.org
www.michael-hudson.com
savingcommunities.org
www.cooperativeindividualism.org
www.earthrights.net
bubblepedia.net.au
www.progress.org
www.landandliberty.net
www.schalkenbach.org



# Members, Message, Management

By Lloyd Churches

Dear members, subscribers and others,

On 9th of June, 2011 we had our first monthly executive meeting after the annual general meeting and the executive committee elected me new president for Prosper Australia. Robert McAlpine had been president for the last 4 years and done a fantastic job at making our monthly meetings pleasant and harmonious. Robert has been a member for 40 years and lives near the Grampians which is a long way to travel for meetings in Melbourne. I thank him for his service, I'm sure we'll miss him.

In order to take on the president's role I needed someone to take over my previous role of editor of Progress. Being editor of Progress is quite a commitment in time and every few months it would be quite stressful trying to get it ready for the printers. So I was thrilled to hear that Executive member Andy Moore was willing to take on the job immediately which frees me to concentrate on things a President should concentrate on.

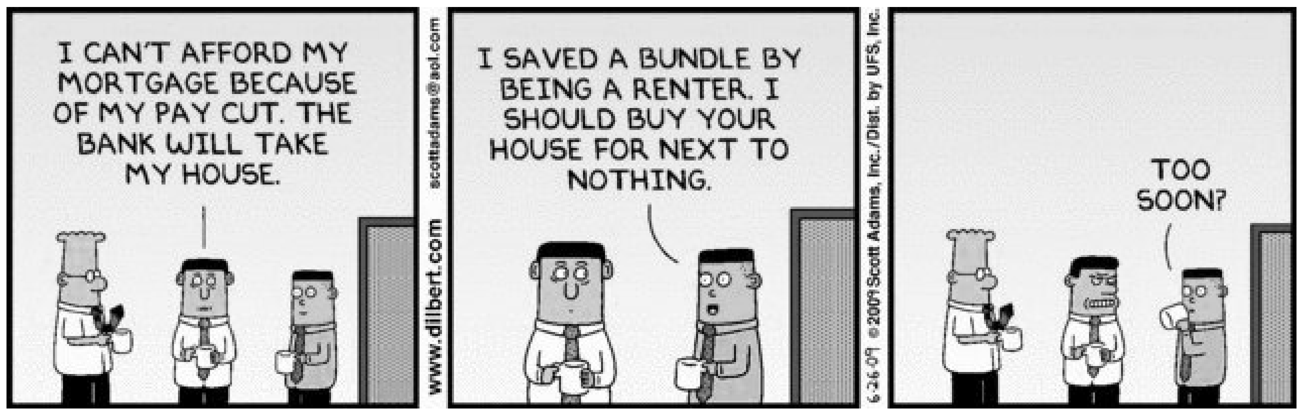
So what will the new president be doing?
I can summarize it as putting focus on three M's: Members, Message and Management.

I would like to focus on getting to know our members, what their areas of interest and expertise are to see if we can encourage them to collaborate more. Also, many of our members are interested in our ideas and wanting to learn more and we should provide more opportunities to discuss and find out about our ideas. You may know that we have started monthly discussion nights for members. Hope to see you at Prosper's office on the first Thursday of each month at 7pm.

The second M is for Message. I want to start a dialogue with Executive members about Prosper's official message to the general public. A message that is easy to understand, easy to remember and easy to promulgate to the general public and media and yet it encapsulates the best of georgist ideals. I'd like to work towards a national marketing program but only after thorough preparation.

The third M is Management. I want to improve meeting efficiency and review our administrative procedures. All our projects need to have well defined objectives and we need to review their status regularly and evaluate their priority. We have already started by redefining our staff's position descriptions.

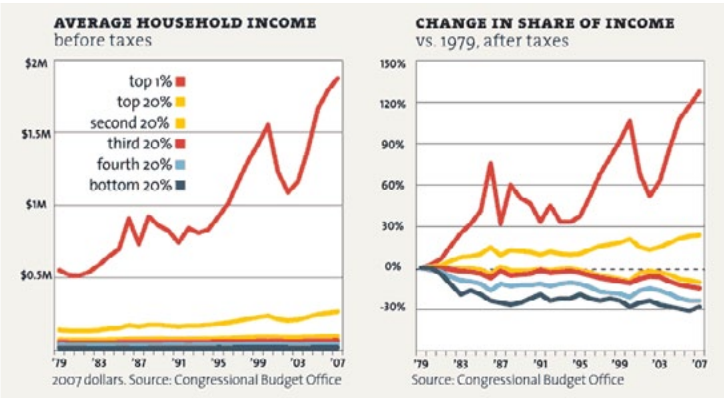
On July 15 - 17 the staff and Executive will be having a 'strategy weekend' and I hope to start working on all the above. If you are at all interested in joining and helping us with our mission then please let me know, we need you.

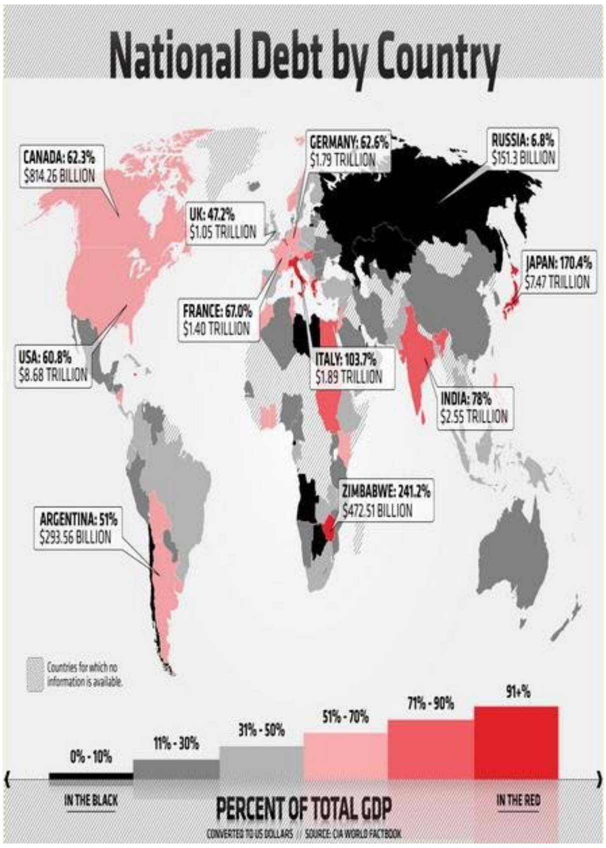


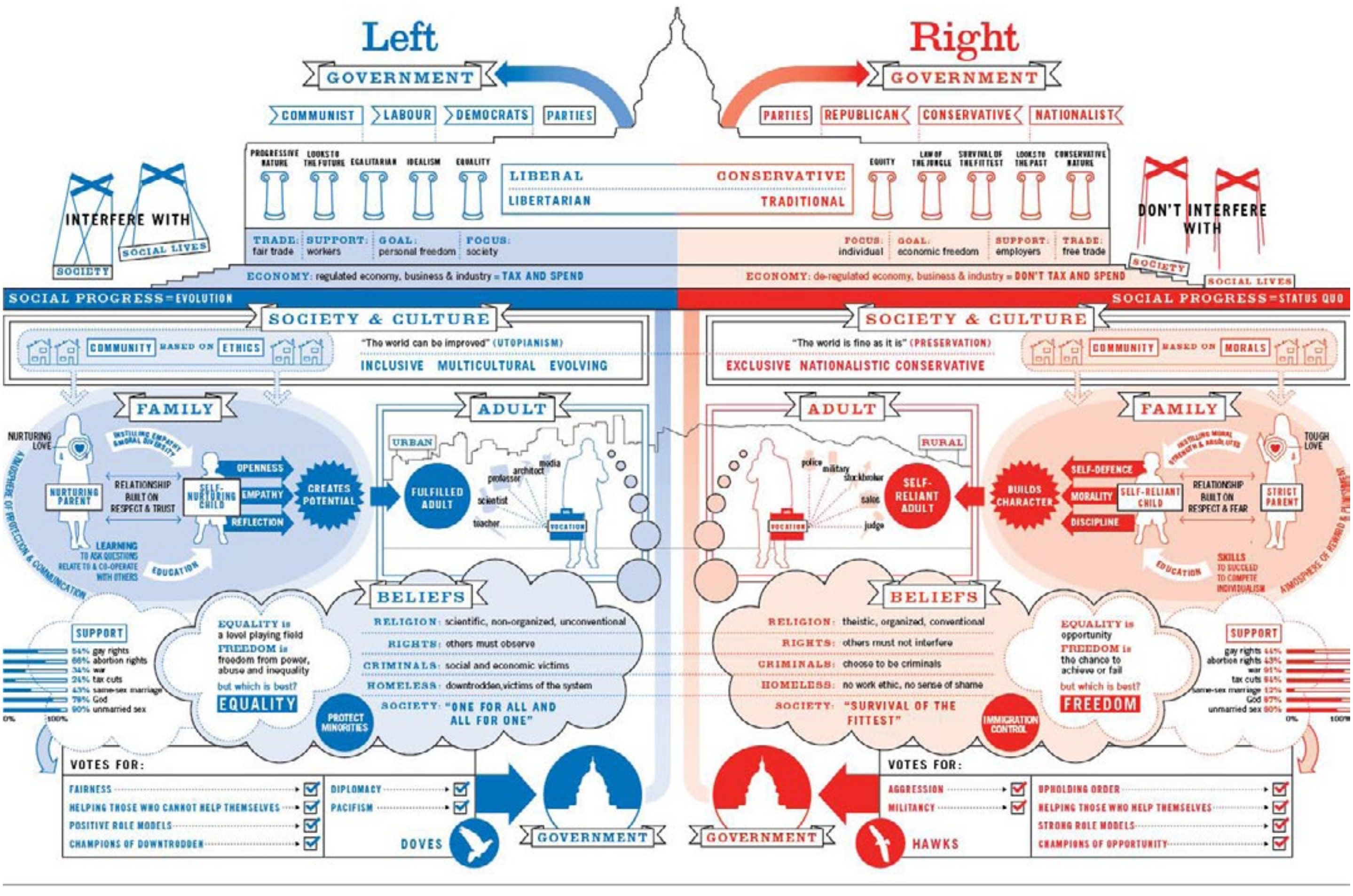
# PROGRESS: In The Next Issue

There are some very innovative ways to communicate complex economic messages. Graphic illustrations are one way to present data, maintain interest and get your point across. In the next issue, Progress will talk to Catherine Mulbrandon from Visualising Economics about how to achieve this.

The theme for the next edition will be 'framing the message'. George Lakoff is one expert who has studied the art of framing public policy to make it palatable to a wide range of people. How do we 'frame' the ideas of Henry George in the 21st century?




CREATIVE CREDIT
David McCandless & Stefanie Posavec // v1.0 // Oct 09
InformationIsBeautiful.net / ItsBeenReal.co.uk

INEVITABLE CAPITALIST AGENDA.
from the new infographic book of visual exploria
The Visual Miscellaneum