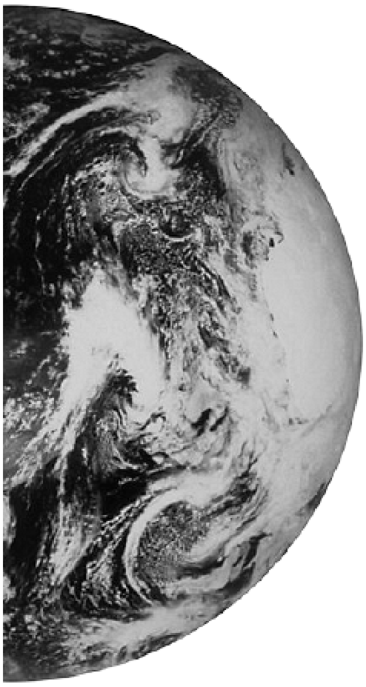
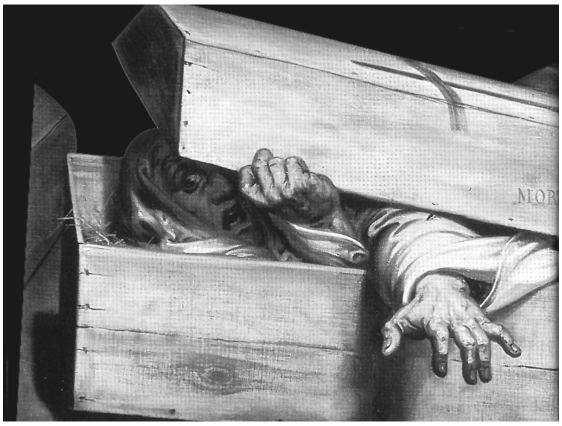
PROGRESS

"The great ones of the world have taken this earth of ours to themselves; they live in the midst of splendour and superfluity. The smallest nook of the land is already a possession; none may touch it or meddle with it."
– Goethe



ALSO IN THIS ISSUE

THE PARTY POST-MORTEM



Thanks to the creative talents of our Gig Guru, Karl "K2" Fitzgerald, our week-long street party celebrating the 100th birthday of this magazine was a solid attempt at the difficult task of educating passers-by during their lunch hour.

It didn't look real hot on Monday, though. After being serenaded by an accomplished didge player, instead of listening to an aboriginal elder we had to listen to an old aboriginal. That is, our speaker on the podium wasn't really well-versed in geoism and, in any case, thought that whatever rent was collected should go only to that segment of humanity with DNA that gives rise to his skin pigmentation. A few of the guys went into damage control and managed to rescue the situation. Sorta.

What happened to our drought on Tuesday? – the skies opened, that's what. So we packed up the groovily-decorated stage on Hardware Lane and retreated into the offices, where K2's sister, the Lovely Lacy, videotaped 3 of us informally chatting about why we're doing this whole gig and why our message is just as relevant today as it was 100 years ago. It rolled along merrily (off-the-cuff comments always seem much more engaging) as we seemed to have a pretty good group chemistry. Lacy's presently working at Channel 31, so hopefully you'll shortly see for yourself on the small screen.

During all of this, the volunteer crew took any opportunity to engage the unwitting pedestrian who was attracted by our stage presentation. We left them with lots to think about as well as read about – we were handing out eco-friendly hessian "show bags" with promotional literature. Our two bubbly scholarship winners (see Jill Quirk's article explaining more in this issue) lent an able hand (or four) here, as did the collar-and-tie-confronting Sprinkle (whose name is rather self-explanatory). K2 also lined up a pretty whacko street theatre troupe who made tangential bodily comments about our message. I still haven't figured out the meaning of eating McDonald's garbage off the footpath, but I liked it.

Wednesday was more of a conventional spruik-fest, when we found that – without an eye-catching hook to grab attention – it was difficult to engage with the unenlightened.

The next day was much much better, aided by two fairly media-prominent guys with whom we've already formed an alliance. Neil "Don't sign anything" Jenman and Tim O'Dwyer are banana benders who flew down to our leaden skies to help us expose the whole rotten racket in the real estate caper. As the Murdoch media empire has vast interests in local newspapers in Australia (which are often little but dressed-up real estate advertisements), it's no surprise that Neil has simply been banned from placing ads for his real estate exposés.

C is for crescendo, on which we finished. Comedian, prankster and social crusader Rod Quantock had actually come to understand a large slab of our message, thanks to K2's wording up. With all sorts of off-the-cuff and witty rolling comments, Rod preached the good word about the despair that accompanies the greedy hand-rubbing of spiralling land prices. "Let them eat cake!" Anne Schmid had proclaimed ….. and so it came to pass, in the form of a birthday cake half the size of Texas. There's nothing like a feeding frenzy to pull the plebs, I suppose. It was all washed down by keyboard-tickling El Presidente and musician mates who jazzed up (literally) the final festivities.

Amid all the back-slapping, there are more sober lessons from all this. Most people are just not interested in hearing alternative visions of the good society, and many of those who are, we found, are too conditioned by materialism, fast-buck greed, brain-rotting TV, neoclassical economic nonsense, misperceptions of us (preaching panaceas, conspiracy theories, anachronisms, wealth-envy and plain lunacy) and more. Yes, cat-seeing geoists know we have an unimaginably-important solution to the curse of poverty, but when it comes to getting the message out there, we're still hapless water buffaloes floundering around in a mud pool (and overdoing the metaphor thing).

Feeling guilty, dear reader? Then let us know your ideas as to how to get our message out there. And don't forget that we'll gladly arrange complimentary trial subscriptions of Progress to your contacts. Onward geoist soldiers!

Seeing I'll shortly be a house guest in his Cape Town residence, I'll give Godfrey Dunkley a big welcome to our merry Progress readership and thank him for his article on South African LVT. As enlightened Denmark was once the testing ground for geoism, Ole Lefmann's historical piece will surely interest the readership. Ex-editor Mark Hassed makes a cameo reappearance, K2 spins us out with his escapades in India, and Jill Quirk tears open the envelope and announces our scholarship winners.

Ed: Many years ago I read this brilliant poem in another geoist journal, and it's really worth rerunning it. If you've not yet read any of Henry George's works, here's a preview of the sort of magnificent sentiments which underlie his economic proposals. We're fighting the good fight, and if we have to have an anthem – even if it uses the word "God" in a rather narrow, old-fashioned way – then let this be it!

PRAYER

God, though this life is but a wraith,
        Although we know not what we use,
Although we grope with little faith,
        Give me the heart to fight – and lose.

Ever insurgent let me be,
        Make me more daring than devout;
From sleek contentment keep me free,
        And fill me with a buoyant doubt.

Open my eyes to visions girt
        With beauty, and with wonder lit –
But let me always see the dirt,
        And all that spawn and die in it.

Open my ears to music; let
        Me thrill with Spring's first flutes and drums –
But never let me dare forget
        The bitter ballads of the slums.

From compromise and things half-done,
        Keep me, with stern and stubborn pride;
And when, at last, the fight is won,
        God, keep me still unsatisfied.

- Louis Untermeyer

Quotes of note

"The earth belongs to the people. I believe in the gospel of the Single Tax"
Mark Twain

**"The seed ye sow, another reaps;
The wealth ye find, another keeps;
The robe ye weave, another wears;
The arms ye forge, another bears."**
Percy Bysshe Shelley (1792 – 1822)
(Song to the Men of England)

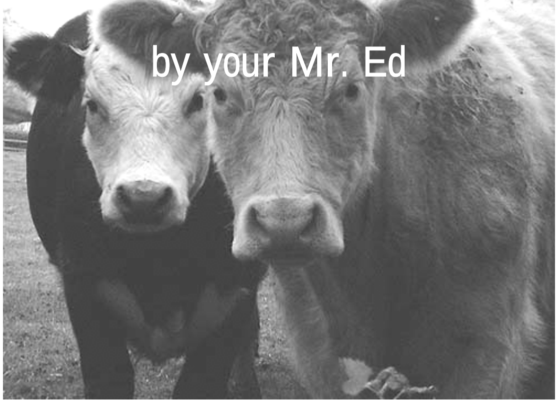
"I am of the opinion that (economic) rent belongs to society and that no single person has the right to appropriate and enjoy what belongs to society."
1st Viscount Phillip Snowden
(1864 – 1937)
British Chancellor of the Exchequer

"Equity does not permit property in land … The world is God's bequest to mankind. All men are joint heirs to it….. Our civilisation is only partial …. coheirship of all men to the soil is consistent with the highest civilisation ..and.. equity sternly commands it to be done."
Herbert Spencer (1820 – 1903)
noted English philosopher

"A truthful idea cannot be destroyed. However you may try to smother it, it will still live; it will be more alive than all the vague, empty, pedantic ideas and words with which people are trying to smother it, and sooner or later the truth will burn through the veil that is covering it and it will shine forth before the whole world. Thus it will be also with Henry George's idea."
Leo Tolstoy

TWO-COW ECONOMICS!

Forget all those esoteric formulae and supply & demand curves! Here I've adapted an old tale to explain the world of 15 economic theories and practices in more earthy terms. Make sure you get to the final two, which starkly contrast neoclassical and geoclassical economics.



by your Mr. Ed

WELL-MEANING (BUT IGNORANT) REFORMER

You have two cows.
Your neighbour has none.

You feel guilty for being successful. So instead of giving your neighbour one of your cows, you write to your local M.P. demanding that he pass legislation for more government programs to help your neighbour get a cow. You arrange for Midnight Oil to do a gig for the cowless, who couldn't attend because ticket prices are so expensive that only people with 3 or 4 cows can afford to attend. You wear an angry badge that signifies that you care about cowless people.

CONSERVATIVE

You have two cows.
Your neighbour has none.

So?

You arrange for Midnight Oil to do a gig for the cowless

COMMUNIST

You have two cows.

The government claims ownership of the cows, giving you no incentive to work efficiently. You are supposed to be issued milk coupons, no matter how much is produced. The coupons rarely actually reach those who are not party of the party elite. You finally get a coupon and wait in line for hours to get a litre of milk, but by then it's turned to yoghurt.

CAPITALISM (according to the obscuring MYTH)

You have two cows.
You sell one, buy a bull, and build a herd of cows.

CAPITALISM (closer to the REAL story)

You have two cows.

You sell one, buy a bull, and build a herd of cows. You put your cows on your previously-acquired piece of choice real estate and take a tax write-off for agricultural land. You sell some of your land (the rest you keep for speculation) to middle class working people who are now mortgaged for life and you put your profits into offshore accounts, further avoiding taxes. You lobby for a bigger military budget and a national policy of ignoring the U.N. so that you and other bullish elites can grab other people's land and natural resources all over the planet.

CAPITALISM, SCANDINAVIAN STYLE

You have two cows.

The government taxes you to the point where you have to sell both to support foreign aid in the form of developmental infrastructure, which means the Third World landowning elite can consequently charge the landless peasants more rent.

CAPITALISM WITH AGRICULTURAL SUBSIDIES

You have two cows.

Taxpayers are bled so that you can be paid huge sums to underproduce, which induces others to get in on the subsidy racket. So, while the desperate Third World is locked out of our markets, the government pays you for the milk and then pours half of it down the drain.

SLASH & BURN CORPORATION

You have two cows.

You issue a dodgy prospectus to attract a group of shareholders to buy into the public company which owns the cows. You sell the cows for peanuts to one of your own private companies, then lease them back to the public company at exorbitant rates. The public company must then force the two cows to produce the milk of four cows. You are surprised when one cow drops dead. You spin an announcement to financial analysts stating you have downsized and are reducing expenses.

FRENCH CORPORATION

You have two cows.

You go on strike because you want three cows and more subsidies. You go to lunch and drink wine. Life is good.

RUSSIAN CORPORATION

You have two cows.

You have some vodka. You count the cows again and learn you now have four cows. The mafia shows up and take all four.

the government pays you for the milk and then pours half of it down the drain

SAUDI CORPORATION

You have two cows.

You don't milk them because you cannot touch any creature's private parts.

AL QAIDA CORPORATION

You have two cows.

You go into hiding with your cows. Al Jazeera is sent audio tapes of their mooing. Then you kill them and claim a U.S. bomb blew them up while they were in hospital.

SENSITIVE NEW AGE COOPERATIVE

You have a cow and a bull.

The bull is depressed. It has spent its life living a lie. It goes away for two weeks and comes back after a sex-change operation.

You now have two cows - one makes milk, the other doesn't. You try to sell the transgender cow, but its lawyer sues you for discrimination. You lose in court. You sell the milk-generating cow to pay the damages.

You now have one rich, transgender, non-milk-producing cow. You change your business to beef. Animal Liberation pickets your farm.

NEOCLASSICAL LAND-MONOPOLY CAPITALIST

You have two cows and several hectares of land.
Your neighbour is a single mother, has no cows, no land and works a part-time job.

You tell her that if she works longer and harder she could buy one of your cows and become an enterprising capitalist. So she takes on full-time work so that, after 3 months, she has saved enough money to buy one of your cows.

But what use is a cow (or anything, for that matter) without a plot of your land, which is now worth $20,000? So your neighbour takes on a night shift in addition to her day job, leaving for work after the kids are in bed and arriving home just in time to get them dressed for school. After a year she has saved enough money to buy that land.

Expressing great regret you explain that, in the meantime, the taxes on her income have paid for the infrastructure that have boosted the value of your land, so that the current market price for that plot is now worth $30,000. Back to the grindstone, baby!

Another year of sweat and toil follows, after which she returns with the money. But, with hand on heart, you break the news that economic circumstances have recently driven most single and married mothers to bring in an extra income in order to save for the ever-escalating price of land. As no-one's making any more land, the greater number of bidders has pushed up the price of the fixed amount of land (this is called a "healthy, buoyant property market"). It's now worth $40,000 but it would be a lot easier if she just got a bank loan, you tell her. However, all those eager bidders for land have also bid up the rate of interest they're prepared to suffer, so that interest rates are now prohibitive. Your neighbour collapses in tears at your feet, but what can you do? – you didn't invent the system!

Just as our poor mum relents and considers taking out a mortgage, she finally gets some good news – in a surprise move, the Reserve Bank has decided to make it easier on prospective home-owners by reducing interest rates. However, this has had the effect of making the owning of property more attractive, so – immediately the interest rate decision is announced – landowners raise the selling price of land. The "fair market price" of that plot is now $50,000.

However, under political pressure because of the unaffordability of property, the federal government announce that it will institute a First Home Owners' grant of $7,000. Suddenly that plot is selling for $57,000.

GEOIST

You have two cows and several acres of land.
Your neighbour is a single mother, has no cows, no land and works a minimum wage job.

You've had an amazing vision wherein you see the geoist paradigm in all its glory and realise that all other reforms are just band-aids, so you become an activist with Prosper Australia. You share your insight with your neighbour and so everyone pulls together to successfully reform our insane tax laws and system of land tenure. As a result:
(1) your neighbour can keep all of her hard-earned income, and
(2) those who have enclosed substantial amounts of the Common Wealth for their own private domain now pay fair land value taxation (LVT) to society.

Your LVT bill arrives and you realise you have been holding more land than you really need, so auction off the title to your land and the improvements on it. Because of genuine tax relief, your neighbour can now afford to buy the property.

And so - with LVT and trust and angel dust - they all live happily ever after.

FROM OUR CORRESPONDENT IN INDIA

Proz Oz's Events Manager, **Karl Fitzgerald**, braved the bedlam of India and the equally-chaotic gig that was the World Social Forum from January 16 to 21 in Mumbai (Bombay). The rule was "expect the unexpected", as you'll see ....

I feel very lucky to have been a First World person visiting a Third World country. The 4th WSF drew 80,000 interesting minds together from all over the world. It was the perfect place for an economic detective to learn and understand capitalism from the Indian perspective. As one of the oldest capitalist based societies, even the young kids were onto the survival mode of economics. 'What's your exchange rate?' was a common question when buying a 5 rupee cup of tea. You could see the young teenager calculating in his head that this cost us 15 cents. They knew what was reasonable, so did I. Using a Real exchange rate (comparing their price of tea to ours) made this possible. No need to bargain the prices here.

There were many more lessons to be learnt on the street. So too, inside the forum. What a show it was! The floodgate of people singing, drumming and beaming their way along the main walkways was a true celebration of the people. It was hard to know where to be at what time with 100 workshops on at once. A lesson in Indian logistics saw the WSF Official Program guide arrive 2 days into the festival.

It was the perfect place for an economic detective to learn and understand capitalism from the Indian perspective

Prosper Australia paid good money for us to hold our talk. In the last days before my departure from Australia I was told I'd be talking at a Uranium forum called 'Mining or Designing – how to keep uranium out of our communities'.

This was of particular interest because other land related NGO's felt the same treatment from the WSF organisers. Of 11 requested events from our related organizations, all were told 'does not conform to the WSF or the basic foci of the WSF 2004 conference' said Proutist Universal organiser Doris Olivers. Land First has over 150,000 members, but for some reason they decided to hold their talks off campus.

Luckily I have some good indigenous friends who keep me well versed on this ultimate 'cause and effect' topic of uranium. Uranium networks soon saw us booked in at another talk with Shriprakash Prakash and a world collective of uranium organizations under his JOAR banner. So from being slightly frustrated at not having our own show, we went undercover and learnt, shared and laughed a lot with these new friends. Exciting things unfolded wherever you went in the WSF, leading to us talking at 4 forums.

Once you left the hotel in the Muslim area of Mumbai, Jogeshwari, the young homeless swarmed in for their share of the "highway tax". The hard thing was learning that the more you give the kids, the less likely their parents will allow them to go to school.

Georgist themes were everywhere. The amount of vacant land was astronomical. Read the article I gave out at the WSF at www.prosper.org.au/k2 to read more on this topic.

Wandering through the Exhibition stalls there were lots of amazing local and international organizations. You name it and that NGO was there with the glossiest magazines full of slick artwork (or on cd-rom). Excitement grew as I saw the Land First stall, a group I knew nothing of but soon heard similar themes. After a quick chat with Ramesh, one of the organisers, he invited us to come and talk at their Land First Mela forum.

Shoes off and up we walk and sit next to a guy who looked like Yoda

Land First is a huge Indian organization that help lobby for the rights of the 'Dalits', the landless workers. Their statistics show that 68,000 acres of land is 'reclaimed' from the rural poor each year by their Forestry Department – that is, the poor/indigenous are turfed off the land, forced out of self-sufficiency and into working within the system. Since returning I received an email from new colleague Felix Patel, who reports that since the WSF, local militia have taken over 5 towns, kicking more people off their land.

This was exciting as the talk was tomorrow! The uranium talks were on the last 2 days so here was a golden opportunity to meet some of the many land related groups at the WSF. Soon after arriving at Land First we were invited to sit on the stage. Shoes off and up we walk and sit next to a guy who looked like Yoda (X Gen cultural reference to Star Wars). Looking out over the crowd there must have been at least

500 people sitting in a spectacular tent. Soon Mr. Yoda was leading the masses in an uplifting song. About an hour into the talks we did some Yoga. The next day he did a 'Simon Says'. The atmosphere was so positive in these moments – it really was a highlight of the tour.

Lunch at 'Land First' was served and I got the chance to meet some amazing young people, many of Indian decent who had grown up in London or America. My pile of

we went undercover and learnt, shared and laughed a lot with these new friends

business cards was growing. Soon I met Elisa from MST Brazil, which has been mentioned before in Progress as another group fighting the landlords. We need to continue the process of teaching that geoist means of allocating & paying for natural resources are required to return the land back to the people and help the planet live in harmony. "Pay for what you take, not what you make".

Once it turned out I would actually be speaking the next day, we returned to the WSF forum. Encountering the "highway tax" of beggars, then past the little drummer boys selling plastic drums, and next through the throngs at the gate, we were finally inside this event with 400 forums plus per day. Soon I was sneaking up to a stage with 4000 people watching and handed Mary Robinson a geo-dossier of Progress, my paper and Tony O'Brien's inspiring Poverty Report.

Rising economic commentator George Monbiot (an author that Mark Pavic told me was wrapped to sign his book 'for Henry George' when in Oz recently) also received a similar dossier, as did former 'OZ' Magazine editor Richard Neville amongst many others.

Lost in a land with no signposts, I stumbled into a Japanese forum researching the effectiveness of their NGO's. After a few minutes there was a gap in question time, where I asked why Japanese land prices had fallen for 12 years in a row. Was this the real reason the Japanese economy was in recession for so long?

This interested a young Quebecois called Marc-Andre Lavoie to come over and chat. He was a student traveller touring the world whilst writing his thesis – a critique of modern economics. He was into land from the Classical sense of Ricardo and Mills. He hadn't heard of Henry George but was soon revelling in it. His friend Terra was an anthropologist, and also a traveller that talked of the earth.

Soon the Japanese interpreter/chairwoman Emioki came over with young Environmental Scientist, Ichinose. They were both visiting India via the Peace Boat (peaceboat.org), a la Rainbow Warrior, and spoke of the amazing learning they do on this boat travelling the world. A real sense of cultural exchange was going on sitting in the back of this tent, with this progressive exchange of information finding many common threads, oohs and ahhs. It was good just to sit around with a group of young minds and talk about the future.

The next day was the Land First talk. I spoke for about 20 minutes to 700 people with the aid of an interpreter and as much home-grown sign language as possible. Speaking in terms of wide ranging principles rather than the nuts and bolts of the Resource Rent/ LVT, the talk got people thinking. The power of market forces is the common language that businessmen can understand and respect. With economics the modern businessman's religion, was this the type of spiritual evolution that Mahatma Gandhi talked of? This built the scene to talk about the crime you pass every couple of minutes in India – vacant land. Once I mentioned the effectiveness of Resource Rents there were nods from around the room. My past life as an Events Producer came in handy after giving out about 200 papers in 5 minutes as I left Land First.

Not long after entering the WSF I bumped into Marc and Terra. We got talking and decided to re-try with an application for a youth-based forum. A few contacts were made and we had a Media Pass. The young people guarding the door from the masses leapt at the 'Renegade Economists' theme. Every second young Indian volunteer studies economics, so they wanted to hear some cutting edge info. We slipped into a small office to see (believe it or not) Kamahl, the Program Scheduler, who soon approved our forum. He even told me that 75% of the WSF budget was Rent! I was excited but had to think, vacant meeting rooms everywhere and groups having trouble getting permission to hold a forum didn't add up. Why couldn't anyone make use of these unproductive resources?

This built the scene to talk about the crime you pass every couple of minutes in India – vacant land

The Uranium talks were good gatherings where Alanna Hartzok's tip to ensure all mining companies deposit a bond before given permission to mine was well received. Then at least we have some leverage over them if any problems occur. The true environmental cost of mining uranium and the immeasurable cost of storing the waste for the next 100,000 plus years must be accounted for. Our indigenous people are dying today from tailings leaks at the Ranger Mine, Australia's first uranium mine. A few eyebrows were raised when talking of the huge increase in natural disasters in the last decade. When are the insurance companies going to realise the risk they alone face? Geonomics enables a more long-term view to economics as the true cost to the land is captured in a Resource Rent.

Wanted: Alive to Survive
Renegade Economists
E-Cono-Mist
He-Cons-With-Mist
was the forum signage we quickly put up around the WSF grounds.

With Marc, Terra's and Rakeesh's help we attracted a good crew of 30 people during our forum. Finally sitting outside in a circle the

Soon I was sneaking up to a stage with 4000 people watching and handed Mary Robinson a geo-dossier

progressive information discussed at this Renegade Economist forum was exciting. Self-sufficiency, weighted bartering, the hype of the Tobin Tax and currency deflation stories were covered. Then we got onto the Classical issues, talking about the doubtful principles underlining the transformation from Classical to Neo-Classical economics.

The Georgist story was wound in by the call that public works (infrastructure etc) feeds private (landlord) profit, enter Jubilee train example. The call that NGO's in effect subsidise the wealthy landlords was another scoring point. Our system would also address the environmental accounting modern capitalism ignores.

People's minds are starting to open up to more than motherhood statements

Then to keep people moving on as you slip in the great Geonomist tax switch, the bonus to employment and interesting job opportunities, it was a challenge for the uninitiated.

However, that was what we were looking for at the WSF - something to challenge our minds, to push us further to learn new things. With this attitude we gathered plenty of new email addresses. One of the best business card exchanges was with Jose Ramos, a Melbournian who is also into the synthesis of ideas (OpenFutures.org). He has made the connections in Melbourne to catalyse our own Melbourne Social Forum this October. One angle we are strongly pushing is to see solutions based forums as a major theme of the MSF (rather than another 'whingefest'). As one local activist said when he heard we were holding the first MSF board meeting at Henry George House, 'good, I finally get to visit that mysterious building on Hardware Lane'.

New networks for us are growing. People's minds are starting to open up to more than motherhood statements. Let's look forward to building bridges with more youngsters, many who are already looking for a just alternative.

****ooOOoo****

SNIPPETS

Ed: Jim Ayre, from Mayfield in NSW, has sent in this interesting anecdote. Jim, until recently, didn't know about Proz Oz or geoism but is rather one of those amazing self-taught economists (like old HG) who just intuitively nutted it out for himself. Oh, were everyone so insightful as Jim!

In Newcastle we were rated under the ad-valorem system until a couple of years ago. The council then adopted a base rates system based on 35% flat -the rest from ad-valorem. This was to protect those poor pensioners who happened to be living in multi-million dollar real estate through no fault of their own. The only voices raised against the abolition of the Ad valorem system were the Greens and a couple of Old labor stalwarts- the wealthy labor councillors backed the independents to get ad-valorem outed. A new election and a swing towards the greens and we now have a chance of getting ad-valorem returned. The council experts who proposed base rates have modified their recommendations in light of the new makeup of council. I realised during the debate to keep Ad-Valorem that to try to fight the powers that be without experience is a daunting task so I took the path of helping those who had experience by manning a polling booth for the first time-handing out how to vote cards for the greens. I had tried on many occasions to explain Henry George to people and may as well been speaking a foreign language I feel that my simple action of volunteering time has had a far greater impact than hours of talk

I went to a Democrats forum on "Affordable Housing" last week. They identified every problem, except the price of land. When I asked questions, Andrew Bartlett obfuscated. When I pressed harder, he basically said it was too hard. I wasn't rude, because he obviously didn't know what I was talking about. I'll work on his Tassie colleagues - not that the Democrats are likely to be much influence in future!

Leo Foley, Hobart

Letters Letters Letters

from The Age, 29/4/04

LANDED GENTRY

"Will your children ever be able to afford to buy a house?" asks Ross Gittins (Opinion, 28/4). The answer is no - unless the ever increasing price of land can be curbed. Prices may fall for a short while but are certain to rise quickly again, unless there is a land tax high enough to discourage speculation.

Such a tax would be equitable, as land values rise due to community action - including provision of infrastructure, such as ports, railways, roads, public buildings and other public facilities - and not through the efforts of the owners.

Making minor changes will do little to overcome the problem. Unless we are prepared to make a major change, most of the coming generation will not be able to purchase a home.

David Barkley, Box Hill North

from The Canberra Times, 8/4/04

LAND TAX IS THE KEY TO CHEAPER HOUSING

I refer to the article by Paul Pollard (CT Opinion, April 7, p17 "How taxes distort the housing market") and would like to make the following comments.

I agree that negative gearing and capital gains taxes distort the housing market as they are regressive and only available t a small investor segment. Therefore they should be abolished and replaced by a higher land tax. Taxes on land values can be progressive, and all society contributes to the government's cost of infrastructure such as roads schools and hospital.

The reason for the relative high cost of housing is because of the increase in land values. All capital gains result from increases in land values and not house values. The cost of housing has actually declined when adjusted for inflation, larger houses and better inclusions (such as stainless steel kitchens, better quality of construction and ducted gas hearing).

How to reduce the cost of housing? Dead easy – raise land taxes until the price of land falls to the desired level.

David Hornby, Weetangera

from The Hobart Mercury, 23/4/04

WINDFALL GAINS

Brett Whiteley claims the government is making a windfall gain of $30 million from the delay in selling crown land to shack owners. He would presumably prefer the shack owners to gain the windfall. These are shacks, remember, not usually the owner's principal residence, so any windfall would be an absolute bonus to the new owner - at the expense of the general community. Best of luck to those people, but when Mr. Whiteley's constituents want better health services at the Mersey Hospital, he might reflect on what an extra $30 million might provide there.

The same principle can be applied to the whole property boom. We cannot say 'tut-tut', isn't it terrible for the poor people', while grabbing fistfuls of dollars while the boom lasts. As a community, we need to consider who is paying the cost of this so-called boom. Landowners are getting rich at the expense of non-landowners, particularly our young and generations yet to be born. *[Ed: And it's certainly worth including the following which was not printed]* We should capture the community-created value of land for the community's benefit. I invite Mr. Whiteley to use his parliamentary position to influence the debate.

Leo Foley, Lenah Valley

GIGGLES & GROANS

If a neoclassical economist and a tax officer were both drowning and you could only save one of them, would you go to lunch or read the paper?

☺ ☺ ☺

It was the last Mayday parade in the Soviet Union. After the tanks and the troops and the planes and the missiles rolled by there came ten men dressed in black. "Are they spies?" asked Gorby?

"They are neoclassical economists," replies the KGB director, " – imagine the havoc they will wreak when we set them loose on the Americans"

☺ ☺ ☺

"If you put two economists in a room, you get two opinions, unless one of them is Lord Keynes, in which case you get three opinions."

- Winston Churchill

☺ ☺ ☺

A neoclassical economist is someone who sees something working in practice and asks whether it would work in principle.

☺ ☺ ☺

A neoclassical economist is an expert who will know tomorrow why the things he predicted yesterday didn't happen today.

SOUTH AFRICA'S MONUMENTAL BLUNDER

An Open Letter to Political Parties and the Press (as printed in Cape Town's *The Cape Times* on 10/3/04)

Former International Union president **Godfrey Dunkley** didn't hold back in his public expression of disgust at the inconceivable ratings turnaround inflicted on RSA's citizenry as per the Property Ratings Bill 2003

C'mon, Dunkers – I sent you 3 emails asking for your piccie to show the readers, but you went all shy on me. OK, so I'll have to dig up this one when you went bushwalking near my place with some of the others attending the international conference at Melbourne in 1993.
That's him – second from the right, folks.

The Property Rates Bill that has recently been passed by Parliament will deny municipalities their right to choose between rating land only or rating improved values. The rating of land only or land at a higher rate than improvements has been traditionally common to most of South Africa. To compel them to collect rates from improved values, traditional to only two cities namely Cape Town and Port Elizabeth, will be an unreasonable denial of their former free choice. Even Cape Town chose changing to Site Value Rating a few years ago but they were dissuaded by the advanced knowledge of this very bill.

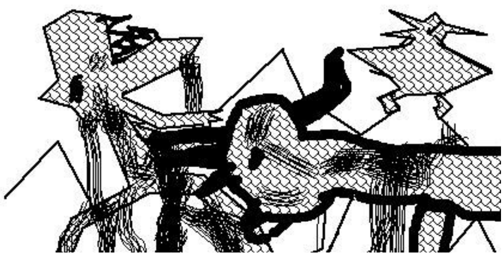
History, both here in RSA and abroad, shows clearly that any tax or rating on property improvements discourages the economic development of a city by reducing the incentive to put land to its full permitted use. This in turn reduces the number of plans passed for building construction and / or improvements, slows down the building trade and all subsidiary industries and reduces employment. This we cannot afford!

In the early stages of the public hearings of the Portfolio Committee, Ms. Jackie Manche of the Department of Provincial and Local Government (DPLG), gave a professional overview of the factors that give land its value; all relating to nature, the infrastructure provided by society, the presence of the community and the site's relative position. This value is totally independent of how the owner develops or withholds the site from use. This market related value is a direct measure of the benefits enjoyed from ownership of each site. This value is the only morally legitimate source of local government property rating.

This value is the only morally legitimate source of local government property rating

All owners should be encouraged to put land to its full potential and sustainable use for the overall benefit of society. Development of, and on, land in the form of buildings, structures, communication equipments, agriculture and forestry, to name but a few, is entirely the product of private enterprise, investment and labour. This development should not be discouraged by rating improvements.

As Chairman of the Portfolio Committee Mr. Yunus Carrim gave a magnificent summary of the large volume of factors in favour of Site Value Rating and factual case



The DPLG have consistently shown an irrational and emotive bias towards rating improvements and a total disregard of the vast amount of evidence against it studies that prove that rating land only results in nearly twice the percentage growth compared to that which flows from improved value rating, also known as flat rating or single rate system (USA). Even a small increase in the rates on land with a corresponding decrease on buildings results in increased building activity and employment; as has been shown in more than a hundred cases in USA and elsewhere.

The DPLG have consistently shown an irrational and emotive bias towards rating improvements and a total disregard of the vast amount of evidence against it.

The Draft Bill presented to the Portfolio Committee at the beginning of 2003 had already been based on the assumption that they would not tolerate Site Value Rating. Even definitions that appeared in earlier drafts had been eliminated. The Portfolio Committee started with a disadvantage that resulted in many

R42 million per annum will be left as a free gift to land speculators withholding undeveloped land from use

hours of unnecessary and fruitless discussion.

The DPLG have not provided any factual evidence to justify their opinion. Throughout the public hearings the DPLG have attempted to discredit all factual case studies as being irrelevant to South Africa today. Are we exempt from natural laws? They also claimed that rating improved values broadens the tax base but failed to clarify which improvements are not attached to land!?

A simple calculation based on the latest Cape Town Valuation Roll shows that approximately R42 million per annum will be left as a free gift to land speculators withholding undeveloped land from use and waiting for increased market value. This amount would be captured by Site Value Rating and could be used to lighten the burden of the poor. This loss applies to Cape Town alone. What is the loss for RSA as a whole?

Even the classical economists such as Adam Smith, David Ricardo and Henry George favoured the taxation of land and advised against taxing the products of labour and capital such as improvements.

Most of the objections raised at the public hearings on this Bill were directed against the rating of improvements. The valuing of improvements is often very complicated compared to the simplicity of valuing land only. The latter lends it-self to computer modelling and permits frequent updating at little cost, using recent sales and inspection of those sites only. Rating improvements on the other hand is complicated, slow and requires frequent on-sit inspection. Errors in valuations result in huge public out-cry. However, based on opinion only, the DPLG consistently claimed that it is easier to value improvements.

The rating of land only by local government would also pave the way for a reliable national land value register that would have many uses.

There is currently a strong move overseas to collecting a portion of the increased land values arising from improved roads, transport or mass transport systems in order to finance those improvements. There are a number of case histories where the increased land values have been three to four times the total public investment in those systems. Site Value Rating would have provided a significant step towards such financing of public infrastructure. Tolling of roads is entirely unnecessary.

In summary, a strong appeal was made to the Portfolio Committee not to close the door on Site Value Rating. Improved Value Rating will undoubtedly slow down the local economy, the building trade and employment. However, if the municipalities were given the right to choose they would soon show by results which system is the better.

The Rating Bill will have a long lasting slowdown effect particularly on undeveloped rural areas; exactly the reverse of what is required. HISTORY WILL BE THE JUDGE.

****ooOOoo****

Why on earth not put a tax on land?

By Martin Wolf
Published Financial Times (UK) February 20 2004

"Roads are made, streets are made, services are improved, electric light turns night into day, water is brought from reservoirs a hundred miles off in the mountains - and all the while the landlord sits still. To not one of those improvements does the land monopolist, as a land monopolist, contribute. He renders no service to the community, he contributes nothing to the general welfare, he contributes nothing to the process from which his own enrichment is derived."

Thus did Winston Churchill explain, in 1909, the morality and the efficiency of taxing land (or pure location), rather than development. It is moral because owners, as owners (rather than managers or developers), contribute nothing to land's value. It is efficient, because taxing land distorts nobody's choices. On the contrary, a tax on site values encourages owners to use what they own more efficiently.

Always desirable, a land value tax is now an idea whose time has come. As John Muellbauer of the University of Oxford notes, a tax on site values has the following hugely desirable features in contemporary Britain: it offers a tax base that cannot run away, unlike capital or labour; it encourages desired development; it imposes the greatest cost of holding undeveloped land where prices, and so values in alternative uses, are highest; it captures for the public purse a part of the benefits accruing to landowners from investments in infrastructure and other amenities by the public sector; and it makes user costs of ownership of land positive more often, improving the country's allocation of resources.

The last of these points needs elaboration. If expected capital gains on land are large, because prices are forecast to continue to rise at a rapid rate, the user cost of holding the property becomes negative. The reverse is true where house prices are falling. This makes the cost of land (and so of the housing built on it) lower where prices rise faster and vice versa. This reinforces the movement of economic activity and people towards the most dynamic regions from the least dynamic ones. A national land tax would partially offset this perverse operation of the price mechanism.

Uniform site - or land - value taxation is a "no-brainer". But what makes it particularly attractive today is its superiority to other taxes now imposed on property.

The council tax and the uniform business rate are imposed on land that is both occupied and developed.

Always desirable, a land value tax is now an idea whose time has come

These taxes encourage dereliction and discourage development. Council tax has the additional disadvantage of being imposed at higher rates on the cheaper properties in poorer places, thereby reinforcing the perverse regional effects of differential user costs of housing. Again, stamp duty, now at the steep level of 4 per cent on properties worth more than £500,000, is a tax on transactions. But why would anyone wish to lower mobility and reduce liquidity in this way?

What the UK needs, then, is a national tax on the value of land holdings. As is pointed out in the interim report on housing supply by Kate Barker of the Bank of England's monetary policy committee, discussed here a fortnight ago, Denmark does already imposes just such a tax.

If, as seems plausible, the country should move in this direction only cautiously, the obvious place to start is with the uniform business rate. Prof Muellbauer suggests we could reform the business rate by halving the rate and replacing the lost part with a land value element. A floor value might be set at, say, £10,000 a hectare, which would exempt most farmland. He also suggests that a tax below 1 per cent a year would be sufficient.

What are the objections to such a modest reform? One would be that it is hard to value the land component in property values. But insurance valuations might be used to place a value on structures, in which case land value is simply total value less the value of the structures on it. Another objection is that such a tax would impose cash costs on people with no incomes. A possibility here, also applicable to current discussions of reform of council tax, is to roll up tax and recoup it when the asset is sold, developed or bequeathed.

In the long run, a national land value tax, at a uniform rate, seems at least a partial substitute for council tax as well. But that would reduce local autonomy and further weaken the incentive for local authorities to promote development. I intend to turn to these topics - local fiscal autonomy, planning and infrastructure provision - in a future column. For the moment, however, the big point is that the taxation of property is a mess. This is one reason the housing market and regional policy work so poorly. National land-value taxation is a part of the solution. It is both fair and efficient. It should be adopted.

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from GEOFF FORSTER

✷ In an article "Will Our Children Ever Be Able to Afford a House?" of considerable length, Ross Gittins succeeded in avoiding any reference at all to land and land prices (*The Age*, 28/4/04)

✷ Taxes and charges now total 27% of GDP – 2.9% of GDP and $22 billion more than in the last year of the Keating government. (Kenneth Davidson, *The Age* 25/3/04)

✷ Many young Australian couples have borrowed 97% or more of the price of a property in the past 12 months. They are probably on negative equity now – i.e. they owe more money on the house than the current market value (*New Zealand Herald*, 8/3/04)

✷ The ratio of home prices to average income has been at record highs in the USA, Australia and Britain (*New Zealand Herald*, 19/3/04). The coalition of the unwilling to do anything significant about it?

✷ The Australian government remains committed to tax concessions for property investors, stated Treasure Peter Costello. It would maintain negative gearing, and would not increase capital gains tax (*New Zealand Herald*, 14/4/04). In other words, no real action against land speculation or towards helping first home buyers.

✷ In both 1990 and 1998, incumbent federal governments were returned despite having a minority of the two-party preferred vote (*Quota Notes*, March 2004)

✷ The Electoral Reform society of South Australia found that at the 2001 federal elections, 88% of Australian electors found that their votes elected a senator, while only 54% found that their votes elected an MHR. 1.77 million Liberal Party votes and 2.17 ALP voters found that their votes did not elect anyone to the House of Representatives

ABS DATA PROVES MORE HOUSING HELP NEEDED

A good set of statistics is worth a thousand words, no? This media release on 22 April should have ended up as front-page headlines:

The Australian Council of Social Service (ACOSS) called on the Australian Government to respond to the trends and problems identified in new ABS data on housing released today. "The data show that fewer people own their own homes out-right, more have a mortgage debt, more rent privately and public housing is declining," said ACOSS President Andrew McCallum.

The Australian Bureau of Statistics Housing Occupancy and Costs, Australia (cat. no. 4130.0.55.001) report shows that between 1996 and 2001:

• The proportion of households who own their own home declined from 43% to 38%.
• The proportion of households with a mortgage debt rose from 28% to 32%.
• The proportion of households who were renting privately rose from 19% to 21%.
• The proportion of households who rent through public housing declined from 6% to 5%.

"Most seriously the ABS data shows that large numbers of middle to low income people are paying 30% or more of their income in rent or housing costs - more than 1.1 million people are suffering such housing stress."

"It is about time State and national Governments committed to a National Housing Strategy, key elements of which should be:
• Improve rent assistance for jobless people;
• Improve public and community housing;
• Address tax rorts but give incentives for investment in affordable housing;
• Improve housing services for Indigenous Australians;
• Improve services for homeless people."

"With a large budget surplus and obvious needs for such investment, there is no reason why we can't help everyone secure a roof over their heads" concluded Andrew McCallum, ACOSS President.
For a copy of the Summary of the ABS report go to www.abs.gov.au press the link from 'Publications' then '41 Social Science General' then the link to Housing Occupancy and Costs, Australia (cat. no. 4130.0.55.001).

My scheme has rent funding a Citizens' Dividend exclusively, collected by land dues. Basic government services - cops, courts - would be funded by citizens dues. Infrastructure - roads, sewers, etc - would be funded by user fees. Social services - schools, clinics - would be privatised. Economic policy - corporate welfare - would not be funded at all.

- Jeff Smith

STREET PARTY PICS FROM THE 100TH BIRTHDAY OF *"PROGRESS"*

The stage was set ....

… to kick off the week with a didge …

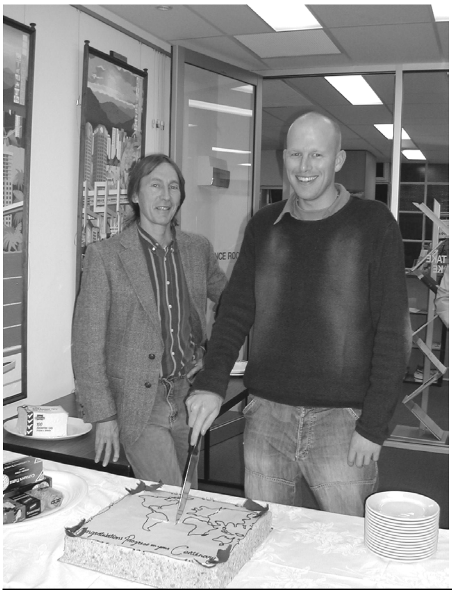
… after which, Gavin Putland did a bit of conventional spruiking

Sprinkle's monstrous big hair was turning heads, which were then diverted to our "show bags" of promotional literature

John Poulter conversed with Tim O'Dwyer, the real estate whistle-blower

And Proz Oz Prez, Maurie Fabrikant (tickling the ivories), helped to draw the crowd with his jazz trio

STREET PARTY IN HARDWARE LANE, MAY 3RD TO 7TH, 2004



The closest thing to a ceremony was the cake-cutting, performed by Mr. Ed (left) and Karl "K2" Fitzgerald

Funnyman Rod Quantock was out there, flogging *Progress*

But there's nothing like free cake to pull in the plebs

Lacy was there, capturing everything on film for Channel 31

And an extra-big slice, as the prize for the most edible enquirer, went to this little darlin'

How I "Saw the Cat"

Ray Brownlee continues our series of personal journeys relating the different paths by which we arrive at geoism. To "see the cat" is to experience a sort of revelation, in the manner of when a kid sees the hidden cat in those activity book drawings of a tree or bush. After you see the cat, the geoist paradigm just seems so obvious

As an octogenarian who learnt about Henry George and the single tax in boyhood, I cannot recall when I first had a clear grasp of the Georgist vision. What I can say with conviction is that the vision I now have is very clear and should be within our reach. My earlier perceptions were more like the dream of Henry George who, when considering whether his reform will at length prevail, wrote "Ultimately, yes. But in our own times, or in times of which any memory of us remains, who shall say?" The Georgist 'cat' that I now see is the economic driver of a re-constituted society which is free of most obstacles to its acceptance. How was I led to this vision?

One of my uncles "humped his swag" in The Depression and spread the Georgist message wherever his search for work took him. When he came to Melbourne I would sit late into the night listening to him talking to my father about his experiences. He spoke about the various social philosophies he had encountered. and expounded on the superiority of the Georgist remedy. He quoted by heart from *Progress and Poverty*, and the beauty of its language seeped into my soul.

During 4 years in the Second A.I.F. I discussed social issues with fellow signallers and read *Progress and Poverty.* After discharge from the army I Joined the fledgling Liberal Party and also attended meetings of the Henry George League. At that time the League was concerned about neo-classical economic theories that produced economic graduates who seemed to be immune to the Georgist philosophy. There was a view then, as today, that the Single Tax (the term then used for Georgist taxation) was a lost cause.

I was disappointed that land values taxation was not mentioned in the Liberal Party platform. However there was an item specifying revision of the whole system of direct and indirect taxation which is now a tangled mass of expediencies. Moreover, Menzies had shown where his sympathies lay when in 1940-41 his first government virtually doubled the impact of federal land tax. I and my fiancé Valerie (now my wife) were active Young Liberals who were elected to the Kooyong Electorate Council of Robert Menzies in 1949 when he defeated the Chifley Labor government. Menzies' second prime ministership (1949-66), still the longest in Australia's history, was very successful.

Valerie and I remained active Liberals until Henry Bolte became premier of Victoria in 1958. After that my interest in political affairs was overtaken by the heavy demands of my job as an internal auditor. My professional career of five years servicing small businesses and 32 years at a senior level with five large industrial and mining conglomerates was a useful background in the framing of my vision for Australia.

After Menzies retired in 1966 the Liberal Party went into decline (under Holt, Gorton, McMahon), lost government to Whitlam in 1972, re-emerged under Fraser (1975-83) and then lost to Labor (the Hawke and Keating years). The tribulations of the three post-Menzies Liberal governments rekindled my interest in the need for more emphasis on land values taxation. After retiring from CRA (now Riotinto Zinc) in 1983 1 read *Progress and Poverty* again, in the light of the forty years that had passed since first doing so. It had lost none of its appeal.

He quoted by heart from *Progress and Poverty,* and the beauty of its language seeped into my soul

In 1988 1 became active once again in the local branch of the Liberal Party where I soon found myself opposing the idea of a consumption tax that was being advocated as a way of getting back into government. I tried to sell the Georgist message, but it was clear from the reaction to my prepared talk 'Henry George and Land Tax' that I needed to improve my approach. So in 1990 I joined Tax Reform Australia - formerly the

One of my uncles "humped his swag" in The Depression and spread the Georgist message wherever his search for work took him

Henry George League and now Prosper Australia.

The Georgists were having an much difficulty as I was, despite an array of persuasive literature and the dedicated efforts of well educated people from all walks of life. They were following time-honoured methods that had been successful in the early years of the movement when Georgist reform was directed mainly at the municipal rating systems. They did not seem to be focused enough on the ultimate taxation objective of Henry George which was “to abolish all taxation save that upon land values". I served on the TRA executive until 1995 and then freed myself to concentrate on developing a framework for total tax reform.

neo-classical economic theories ….. produced economic graduates who seemed to be immune to the Georgist philosophy

The June 1995 issue of Progress published my article "Gradually Replace Income Tax with Revenue from Site Rating", this to be done by means of a commonwealth site levy imposed at the local level but rebateable against income tax. In August 1996 excerpts covering that rebateable site levy were reprinted in Good Government as part of my article "No Income Tax or GST - The Way to Go with Tax Reform". The idea of a rebateable site levy was included in all submissions I made to the various tax enquiries held in the nineties, and I also submitted it to John Howard when he became Liberal leader of the opposition. It was well accepted in Georgist circles and is my proposed linchpin for transition to Georgist taxation.

In Feb-Mar '93 I responded to a request to write an article for the highly respected Greek newspaper "Odysseus" advocating the abolition of state governments and headlined "Wake Up Australia and Become One Nation". The contemplation to meet that request opened my eyes to the need for constitutional reform of the way we are governed and has led me to embrace reforms that I believe will remove the main obstacles to Georgist taxation. My book, which is sub-titled "One Parliament One Tax", demonstrates that the combination of parliamentary and taxation reforms can produce massive savings and more open democratic processes. That is the icing that makes my cake of reforms politically feasible.

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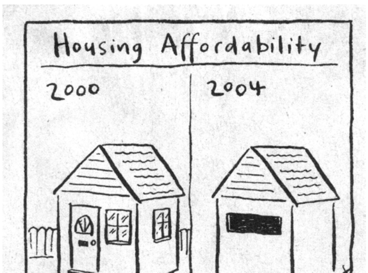
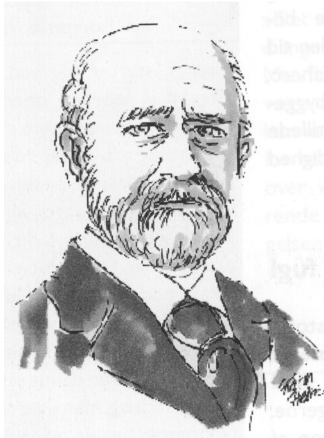


History suggests that when the cost of space outpaces gains in profit margins, a market is headed for a recessionary downturn.



HENRY SAID…

"A tax on land values is of all taxes that which best fulfils every requirement of a perfect tax. As land cannot be hidden or carried off, a tax on land values can be assessed with more certainty and can be collected with greater ease and less expense than any other tax, while it does not in the slightest degree check production or lessen its incentive. It is, in fact, a tax only in form, being in nature a rent – a taking for the use of the community of a value that arises not from individual exertion but from the growth of the community. For it is not anything that the individual owner or user does that gives value to land. The value that he creates is a value that attaches to improvements. This, being the result of individual exertion, properly belongs to the individual, and cannot be taxed without lessening the incentive to production. But the value that attaches to land itself is a value arising from the growth of the community and increasing with social growth. It therefore properly belongs to the community, and can be taken to the last penny without in the slightest degree lessening the incentive to production."

(introduction to *Protection or Free Trade)*

DENMARK'S GEOIST RISE AND FALL

Geoists know that Denmark has at times been the repository for so much widespread geoist wisdom, but have we really learnt our lessons as to how Danes lost the plot?

Ole Lefmann, specially dressed up in his tux for us all, is here to unfold the Danish saga.

The remarkably even distribution of wealth in Denmark is due to centuries of fatal defeats and falls from great might and power:

In 1645 at the Brömsebro-peace agreement Denmark had to cede to Sweden two great Baltic isles: Gotland and Ösel (belongs today to Estonian), plus two Norwegian regions: Härjedalen and Jämtland.

In 1658 at the Roskilde-peace agreement Denmark had to cede to Sweden land of the size of 2/3 of the size of Denmark today: the three regions called Skåne (whose name Romans used for the entire Scandinavia), Halland and Blekinge

A consequence of this peace agreement was that during the reconstruction of the State of Denmark the aristocracy of nobles had to give up some of its strong influence and in 1660 absolute monarchy was constituted. The **old Danish tradition of land value taxation** that seems to have fallen into disuse for some decades was now restored as **the "hartkorn"-tax levied on the yields of agricultural land - except on yields of land belonging to the nobles' estates**.

In the 1780's (the decade of the French revolution) the nobles' "hereditary landed servitude" was abolished by Royal decree as well as the nobles' adscription of peasants was abandoned; hundred thousands of smallholders were granted freehold of land against payment to the Crown of the annual rent of land (the "hartkorn"-tax).

In 1801 the British navy (Admiral Horatio Nelson) at Copenhagen attacked and seriously damaged the Danish-Norwegian navy. This was done as an act of war during the "Napoleon wars".

In 1802 agricultural land belonging to **the estates of the nobles became subject to land value taxation (the 'hartkorn'-tax) in the same way as all other agricultural land in Denmark**.

In 1807, during the continued Napoleon wars, the English navy mugged (attacked, conquered and sailed off with) the rebuilt Danish-Norwegian navy, and in 1814 at the *Kiel-peace agreements* after the Napoleon wars Denmark had to give up its union through 400 years (a period as long as the Romans ruled Britain) with Norway, which then felt to Sweden (the Norwegians did not like it, and few months later they got their own democratic constitution - 17th May 1814).

Now very little was left behind of the Danish might of the past it now became obvious that the Danes had to use their remaining resources wisely. Denmark had very little raw materials so the most important resource was THE DANISH PEOPLE: ***Enlightenment of the people and democratic rights became essential.*** In the following period, later called the (intellectual) Golden Age, intellectual Danes spoke and wrote, drafted, painted and sculptured over themes of the Danish people's spiritual background in sagas, myths, legends and metres about the Norse mythology and about historic heroes of war, commerce, science, literature, poetry, etc.

In 1848 the absolute monarch, King Frederik 7, gave up his absolute monarchy that since its inauguration in 1660 had developed into enlightened despotism, and in 1849 he gave over his power to a Parliament consisting of two chambers.

In 1864 Denmark lost in a war to Germany the regions Slesvig, Holsten and Lauenburg, including Lübeck and Hamburg, which was approximately 1/3 of the size of Denmark those days. In 1920 - as one of the consequences of the peace-agreement after World War I - the northern part of Slesvig returned to Denmark by referendum.

the landed interests' exclusive representation in the upper chamber of the parliament was abandoned

The people in general did not understand their own interest in public collection of rent of land

In 1866 the upper chamber of the Danish parliament represented the landed interests.

In the end of the 19th century began legislation of benefits to people without private means, in the beginning small amounts to old age persons unable to care for themselves, gradually the amount was increased. Then began the establishments of public baths, implementation of medical treatment of people in general, public schools, public libraries, etc. (Public supply of advantages were not free of charge, but at reasonable low charges). As human intelligence was looked upon as the nation's most important raw material, enlightenment and education became the most important basic production. Co-operative societies were established in agriculture, in trade and in industry. Folk-high-schools flourished and met a public demand for cultural enlightenment and education.

In spite of the fact that the Danish climate is not excellent for agriculture the Danish farmers developing co-operative societies succeeded in developing diary products whose trade marks became attractive on the world market. This encouraged a technical development that together with the Danish skill in ships building and trade opened for the modern development of high technological industry.

In 1915 the Danish women got equal rights to vote, and the landed interests' exclusive representation in the upper chamber of the parliament was abandoned. The Danish people was now guaranteed democratic rights including *personal equal rights* and *political equal rights, whereas* ***nobody was told about the missing equal rights to the values of all land in Denmark***.

The general improvement of skill and knowledge and a still improved democracy and still more equal freedom imposed a growth in welfare (in Danish language *welfare* meant not only social security benefit, but *good life in general*), which proved to be a spur on economic.

Today the Danish economy is among the richest in the world measured in average per citizen; and the Danish gap between rich and poor citizens is far from the wide gaps in countries like Britain, USA and many other countries that call themselves democratic.

My main point is: LVT was introduced in Denmark over centuries, it was very near to great success in 1958. The "Tax on Incremental Landvalues" was legislated in 1933 and improved several times later on. The last improvement in 1958 would over few years have enabled the Danish Government to abolish all other taxes. However, the TIL was abolished in 1965 because:

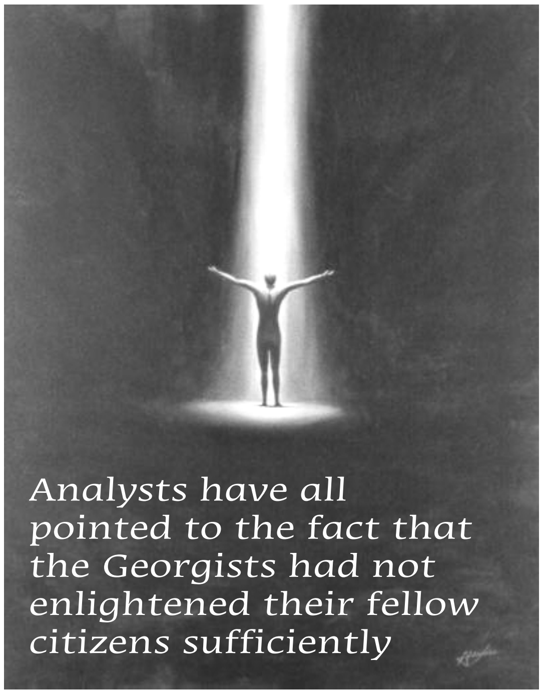
1. The landed interests urged for getting rid of the TIL, and
2. The people in general did not understand their own interest in public collection of rent of land.

The only reason for the defeat was the general ignorance among the Danish citizens. Analysts have all pointed to the fact that the Georgists had not enlightened their fellow citizens sufficiently.

Politicians and civil servants were always well aware of the advantages of the idea, but they did not want to go against the dominant attitude of the electorate which was put on to the citizens by the medias owned and influenced by the landed interests.

I find the same development in other societies around the world: Australia, New Zealand, Hungaria, Canada, California, New Hampshire. I certainly appreciate the impressive good work you have done in Pennsylvania and several other places, but the rules of democracy are that a reform will not last unless the electorate wants it to last.

Therefore we have to convince the voters of the electorate. It is not enough to convince the politicians and civil servants. The citizens have to understand that the rent of land belongs to them. That the rent of land is their property - on an equal footing. Then the chance is that the people will maintain their right to the values of nature.



This point of view contradicts the point of those Georgists who say that the rent of land (= nature) belongs to the society, which is the Socialist point of view. The point of view of individual freedom seeking Georgists should be: Public collection of the rent of land

(= nature) and distribution of it to all citizens in equal shares. Because some public expenses are for the benefit of citizens in general it might be practical for the Government to withhold the amount for financing the democratically decided budget, before the excessive part of the revenue is equally distributed to the citizens.

In our time the Danish Georgists face the problem that the statistic-ians' figures seem to prove that the Rent of land is shrinking compared to the Gross Domestic Product and to the public budgets. Today it is only 5-10% of the public budget of the Danish welfare state.

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Year	Gross Domestic Product 1	All Taxes 2	**All Taxes (2) as % of GDP (1)** 3	Land Prices less Land Improvements 4	Land Prices (4) as % of GDP (1) 5	Land Prices (4) de-capitalized by interest of bonds 6	Land Taxes 7	Land Taxes (7) as % of GDP (1) 8	**Land Taxes (7) as % of All Taxes (2)** 9	Total of 6+7 = Rent of Land 10	Rent of Land (10) as % of GDP (1) 11	Total of 6+7 (10) = Rent of Land as % of All Taxes (2) 12
1950	23,132	4,186	**18**	9,083	39.3	427	219	0.9	**5.2**	646	2.8	15.4
1956	33,380	7,216	**22**	11,933	35.7	740	363	1.1	**5.0**	1,103	3.3	15.3
1960	44,430	9,758	**22**	16,390	36.9	1,000	484	1.1	**5.0**	1,484	3,3	15.2
1965	76,065	20,154	**26**	39,200	51.5	3,214	684	0.9	**3.4**	3,898	5.1	19.3
1969	107,319	35,645	**33**	64,014	59.6	6,081	1,082	1.0	**3.0**	7,163	6.6	20.1
1973	172,860	73,429	**42**	97,444	56.4	12,181	2,130	1.2	**2.9**	14,311	8.3	19.5
1977	279,310	117,300	**42**	184,965	66.2	29,964	3,110	1.1	**2.7**	33,074	11.8	28.2
1981	407,790	185,379	**45**	221,468	54.3	42,079	4,671	1.1	**2.5**	46,750	11.5	25.2
1986	666,496	339,075	**51**	369,882	55.5	39,577	5,285	0.8	**1.6**	44,862	6.7	13.2
1992	887,868	419,883	**47**	411,426	46.3	42,377	8,338	0.9	**1.6**	50,715	5.7	12.1
1995	1,009,756	497,905	**49**	412,644	40.9	30,536	8,280	0.8	**1.6**	38,816	3.8	7.8
1997	1,114,332	557,820	**50**	446,364	40.1	27,675	8,229	0.7	**1.5**	35,904	3.2	6.4

NOTES TO TABLE:
Amounts in Millions Dkr.
Source: Statistics Denmark (The Danish Statistical Office)
Quoted from Dr. Robert V Andelson's book "Land-Value Taxation Around the World", 3rd edition, 2000; columns 1, 2, 9 from page 188; columns 4, 6, 7, 10, 11 from page 202.
Rent of all Danish land (10) amounts to a size that year by year shrinks compared to the Gross Domestic Product (GDP) (1) and to All Taxes (2).
Between 1986-1992 "All Taxes" (2) eclipsed "Land Prices" (4) for the first time in the history.

An exposition of some of the basic definitions put together by Prosper Australia:

SITE RENT EXPLAINED

What we commonly term 'rent' is made up of two distinct things. Firstly there is rent of buildings and improvements and this must go to the person who owns them. Secondly there is the rent of the land and this should go to the community because it arises due to amenities (roads, transport, power, hospitals etc.) and access to population, both of which are provided by the community. If governments were to claim its part of 'rent', taxation could be done away with and the average person would be far more prosperous.

MISSION

To create prosperity and full employment in a free enterprise society and to ensure environmental sustainability by collecting for public revenue the full site rental for every piece of land and other natural resources.

Sites exist upon land, upon certain locations in the sea (e.g. moorings, oyster leases) and in the air (high-rise buildings, flight paths, transmission wavelengths). They were given by Creation, not made by humanity (land reclamation partially aside), and there is no moral or rational basis for assertion of private ownership over them as if they were chattels created by labour.

- David Spain

UNSEEN ASSUMPTIONS IN ECONOMICS

by Dr Mark Hassed

To understand economics it is best to start from basics. In economics, just as in life, there are a lot of unseen assumptions we bring with us. Unless these are examined and tested then all our economic "knowledge" will be nothing but a house of cards.

An excellent analogy for this is the view of the Universe prior to Galileo. Back then it was widely believed that the Earth was the centre of the Universe. Because of this the entire science of astronomy was based on a fiction. It did not matter how much things were "studied", it is impossible to start from a fiction and arrive at the truth. Once the truth behind Galileo's ideas became accepted everything suddenly fell into place.

When land and labour come together the laws and customs of society determine the outcome

So, economically speaking, where are we?

Unless you are an overseas subscriber you are sitting on this vast island we call Australia. On the island there are roughly 20 million people who are as healthy, well educated and well trained as modern methods will allow. As a nation, we enjoy access to just about any natural resource imaginable. There is plenty of open space, the climate is hospitable and the infrastructure in our cities is extensive and modern. In short we have at our disposal almost every possible advantage.

The result then may to some of you be a little surprising. Recent figures from the Australian Bureau of Statistics (ABS) show that just on 40% of the population relies on some form of welfare payment. That is, around 8 million Australians are unable to provide for all their day-to-day needs.

What then is the unseen assumption that produces this result? To understand that we need to look at a concept called the "point of interaction" (POI).

There are only 2 fundamental economic factors – the natural resources (or land) and the people who provide the labour. Capital and all the man-made objects else you see around you are simply products of land and labour. When land and labour come together the laws and customs of society determine the outcome. The meeting point of land and labour is their POI.

We often overlook the factors that modify the result at the POI. Examples are such things as taxes (when government taxes something they make it harder and less desirable to do) and subsidies (when government subsidise something they make it easier and more desirable to do).

So, what is happening at the economic POI that means that around 40% of Australians cannot support themselves without government help? Put simply it all relates to our laws of property and taxation.

One of our most common unexamined assumptions is that absolute ownership of land is right and proper and that said ownership gives you the right to charge and keep a price of admission (rent). This assumption is deeply buried in our national psyche and indeed the psyches of almost all western nations.

At first glance the "right" to own land seems very obvious even inevitable. However, the flow on effect from this is that it produces a great polarity of wealth. The moment you allow absolute ownership of land without any balancing obligation the situation arises where the wealthy buy up the land and rent it to the less wealthy. The rent passing from the less-wealthy to the more-wealthy produces a growing polarity in wealth.

One of our most common unexamined assumptions is that absolute ownership of land is right and proper and that said ownership gives you the right to charge and keep a price of admission (rent)

Does this sound a little theoretical? Let's look at 3 contemporary examples.

A few years ago while teaching economics a student in the group told me how he used to work in a low rent hotel for old men in Sydney. He noticed how every time the pension increased the rent in the hotel increased by precisely the same amount. The government was trying to help old people by increasing benefit payments and all that was happening was that it was immediately being taken back in rents.

every time the pension increased the rent in the hotel increased by precisely the same

Next, consider the tremendously popular "First Home Buyers' Scheme". The $14,000 subsidy looked certain to help poor people. The result was slightly different according to professional valuers and real estate agents. What happened was that land prices in certain areas spiked upward by $14,000 and then fell back immediately the scheme was removed leaving the people being "helped" by the scheme $14,000 under water. ■

GEOIST WORLD NEWS

BRAZIL

LAND WARS AND BAND AIDS

*Ed: When will a (well-meaning, it seems) government realise that we don’t need to share the land to achieve economic justice, but simply collect and share the *rent* of land? Not until much blood is shed, it seems.*

The number of land conflicts in Brazil reached record levels in 2003 according to new figures. The pastoral land commission, which is linked to the Roman Catholic Church, says there were nearly 1,700 separate disputes last year. That is the highest figure since the group began keeping records in 1985. The figures make uncomfortable reading for Brazil's left-wing President Luis Inacio Lula da Silva who came to power promising land reform.

Almost half of Brazil's farmland is owned by just 1% of the population - a statistic the president promised to address as a priority. He claims to be the perfect person to push through land reform because of traditional ties between his Workers Party and the country's agrarian movement. This report by the pastoral land commission

Landless Brazilians are impatient with the pace of change

suggests otherwise.

It says that during Lula's first year in office there were just under 1,700 land conflicts involving more than one million people - the highest figures on record. And 73 people died when those disputes turned violent - that is almost double the equivalent figure in 2002.

The government has pledged extra money to buy farmland that is currently disused. With it, it says it can resettle 400,000 landless families by 2007. But the influential movement of landless rural workers or MST is unhappy with the pace of change. To force the issue its members have illegally occupied nearly 100 farms this year. On Saturday the organisation is staging protests across the country to mark a sombre anniversary - the killing in April 1996 of a group of land protesters by the Brazilian police.

CHINA

A BREATH OF GEO-WISDOM

High housing prices have often shattered the dreams of many ordinary Chinese people wanting to buy decent private homes to improve their living conditions. But a new tax plan could soon give them hope. The government is considering imposing a unified real estate tax, which experts say will help slash present housing prices by as much as 50 per cent.

BRITAIN

LABOUR FOLLOWS GREEN LEAD ON LVT

The Green Party gave a tentative welcome to the budget announcement that the Treasury was looking seriously at land value taxation, closely mirroring long-held Green policy . Green Party economics spokesperson Molly Scott Cato said today: “The Green Party has been campaigning for a change in the law on land value taxation for many years. The real wealth in this country is not made from earning but from owning and our tax system should reflect that. Yet again the Government has finally taken notice of solid Green policy.”

WEB

WORTH AT LEAST A SQUIZ

A new website "blog" has been launched, called "Land Notes." The site calls itself "An intermittent miscellany of land value taxation related references." Lots of links and valuable articles.

www.landnotes.blogspot.com

SCOTLAND

GEO-GLIMMER OF LIGHT

The Scottish Green Party's finance spokesman Mark Ballard said he was "very pleased" that the Treasury was looking seriously at land value taxation (LVT), which his party wants to see replacing the council tax. Mr. Brown *[Ed: Sorry, guys – couldn’t get who he is]* had encouraged all parties to study recommendations of a report which highlights the benefits of capturing the windfall gains created by increasing land values.

Mr. Ballard said: "As he pointed out there is at present no tax on the unearned increment in land values when undeveloped land is granted planning permission. The council tax is being increasingly discredited and I believe there is a growing interest in LVT as an alternative to local government finance." He described the move as a glimmer of light in an otherwise poor Budget for the environment.

U.S.A.

TWO-THIRDS OF US CORPORATES PAID NO TAXES DURING PROFITS BOOM

by David Teather, of The Guardian

GEOIST WORLD NEWS

Ed: Newcomers to our movement should realise that, historically, some of the greatest resistance to our reforms have come from the wealthiest sectors of the economy. Why? – partly because the present tax regime makes tax just about optional for the rich, but LVT is plain unevadable.

Almost two-thirds of American companies paid no tax between 1996 and 2000 even as the economy was booming and corporate profits were reaching an all time high, according to a government report. The study from the general accounting office, the investigative arm of Congress, will stir the fierce debate on taxation in the looming presidential election. It suggests that tax avoidance has become ingrained in corporate America and the situation is getting worse.

The percentage of US-owned companies saying they owed nothing to the tax-man during the study's time-frame grew moderately but steadily from 60.3% in 1996 to 63% in 2000. Corporate dollars have fallen dramatically as a percentage of the overall tax base in the US, accounting for 7.4%, $132bn (£71bn), of federal tax receipts in 2003. The figure is the second lowest on record and down from a post-war peak of 32% in 1952.

The study found that foreign-owned companies operating in the US are even less likely to pay tax. About 70% reported that they owed no federal income tax during the five-year period. "Too many corporations are finagling ways to dodge paying Uncle Sam, despite the benefits they receive from this country", said Michigan Democrat Carl Levin. "When companies dodge taxes, it falls on average Americans to pick up the difference."

John Kerry, the presumed Democratic candidate, has rounded on the president for looking after special interests and targeting tax cuts at wealthy individuals. He wants to put an end to US companies parking profits offshore to avoid paying tax. A spokeswoman for the senator said he "wants to make America more fair, so that average Americans don't have to pick up the tab for corporate-America profits".

The basic federal tax rate for large corporations in the US is 35%. But many of the companies use loopholes to reduce their bills. Perhaps the most notorious case is Enron, the failed energy firm, which reported profits of $2.3bn to Wall Street between 1996 and 1999, while reporting a loss of $3bn to the IRS.

Warren Buffett, the second wealthiest man in the world, recently delivered a searing criticism of corporate America for shirking its tax responsibilities. Berkshire Hathaway, he noted, paid $3.3bn in tax last year, amounting to 2.5% of the total income tax paid by all US corporations. "Tax breaks for corporations [and their investors] were a major part of the administration's 2002 and 2003 initiatives. If class warfare is being waged in America, my class is clearly winning."

The absence of corporate tax dollars also feeds into the debate over the record-breaking budget deficits that have been run up by the Bush administration.

HOW TO BE PATIENT TEACHERS

Ed: I came across this piece in the LandTheory discussion list (simply send a request to landtheory-owner@yahoogroups.com to start receiving your daily dose of Geonomic jousting). This is from Ed Dodson, a regular contributor who often comes out with these pearls of measured wisdom

We who have in some fashion come across the ideas (and wisdom) Henry George set forth in his writings need, I believe, to strive to be patient teachers. Few of us came to the ideas we now hold by revelation - in fact, in my own case it took some time for me to see that the earth is and ought to be the birthright of all persons, equally. This is the essential principle upon which just societies are to be built.

That said, it is not the only principle. And history is on the side of those who argue against the State - as largely an instrument of elitist, monopolistic privilege rather of governance in service to all citizens. One reality is that only a small minority of people are willing to spend the time to learn by sceptical inquiry and study. This truth led Eric Hoffer to describe the masses of people who join movements as "true believers." A true believer is a person least likely to be confused by the facts.

And, there are such persons in every movement, of every persuasion, who have come to their beliefs somehow and are so vested in the truths revealed to them that the best course of action is for the inquirer to just move on, spend their time with someone who is still searching for a fuller understanding and who is still open to new insights. We gain nothing, however, by attacking people for being closed-minded, or by suggested we are superior. We are, at once, extremely fortunate and we have a tremendous moral obligation because of the knowledge that has found its ways into our thinking.

****ooOOoo****

How to Pay for Electricity Network Upgrades

Here is the summary of **Gavin Putland's** latest submission on behalf of Proz Oz. The full magnum opus can be viewed at Gavin's website www.grputland.com

by

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A Submission to the Review of

Electricity Distribution and Service Delivery for the 21st Century

(http://www.energy.qld.gov.au/electricity/edsd_Review.asp)

established by the Queensland Government, March 1, 2004

The benefits of sinking power lines underground -- including fewer power outages, higher power quality, improved public safety, and a more attractive suburban landscape -- have only marginal effects on the quantity of electrical energy that can be sold or the price that can be charged per unit. Consequently, electricity

distributors whose income depends solely or almost solely on electricity sales have little incentive to bury their cables, or indeed to incur capital costs for any purpose except the connection of new customers.

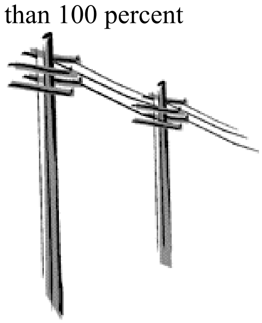
If the aforesaid benefits are not offset by higher electricity bills, they are manifested in the prices of admission to suburbs with underground power lines -- in other words, *land prices*. Moreover, if underground cabling passes a cost-benefit test, the increase in land values will exceed the capital cost. So if the capital cost is met by the State government (by borrowing if necessary), and if the same government automatically receives a sufficient fraction of the increase in land values (e.g. by a comprehensive land tax) to repay the loan within the service life of the underground cables, then that government will have a fiscal incentive to finance the sinking of power lines, and the electricity distributors will not need to be involved except (presumably) as tenderers for or managers of the work.

Similar arguments apply to all infrastructure projects of which the costs cannot realistically be recovered through user charges, and of which the benefits are therefore partly or wholly manifested as increases in land values in the serviced areas. If the tax system fails to recapture a sufficient fraction of those increases, projects that pass the cost-benefit test are frustrated because they fail the fiscal test, which may be understood as a cost-benefit test ignoring all stakeholders except the government. This is the cause of chronic underinvestment in public infrastructure throughout the world.

To remove this artificial impediment to infrastructure projects, including necessary improvements to the power distribution network, we submit that a substantial selection of State taxes should be replaced by an extended land value tax (LVT) with minimal exemptions and either no threshold or a threshold based on the historical cost of acquisition. If the sinking of power lines were to be self-funding, the marginal LVT rate would need to be relatively high -- e.g. 4 percent with no exemptions. More modest infrastructure projects would be self-funding with lower LVT rates and/or more exemptions.

Whatever the necessary LVT rate may be, this reform does *not* require an overall increase in taxation; if the initial change is revenue-neutral, subsequent infrastructure projects will automatically pay for themselves through growth in the tax base with no further changes in tax rates. The higher the LVT rate, the longer the list of other taxes that can be abolished.

Property owners would benefit from this proposal because projects that would increase their asset values would become self-funding and consequently more likely to proceed. The clawback through the tax system means that the owners would receive only a fraction of the increase; but a fraction of something is better than 100 percent of nothing. That the owners would receive a net benefit is guaranteed because the market value of land takes account of the consequently tax liability: if the land increases in value, the market has decided that the owner is better off in spite of the tax.



From the viewpoint of property owners, it is obviously possible for land taxes to be too high. The surprising implication of this Submission is that, from the viewpoint of property owners, it is also possible for land taxes to be too low.

****ooOOoo****

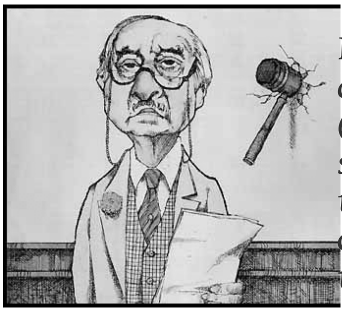
Green Grievances

Here we continue our series where we tackle (mis)perceptions of geoism by the Australian Greens, who should be our natural allies if only they understood the geoist paradigm. The very timely beef (or should that be tofu?) that some have is that:

"The Australian preoccupation with their rising property values is too great an obstacle to overcome"

Some (of my fellow-) Greens consider that the fixation that many Australians have in recalculating their net worth (and rubbing their hands gleefully) is too politically risky to challenge. Some may have even been sucked in by the popularity of the trash TV program "Hot Auctions" (and its ilk), and think this craze is a good thing – God save their souls!

Historically, Australians have long considered it a basic right for a working person to be able to eventually own their own home outright, and have enjoyed some of the highest rates of home-ownership



How could any Green (or any homo sapiens, for that matter) object to that?

in the world. Whatever fine principles have laid behind this view have been steadily eroded over the last 5 or 6 years as property (essentially land) prices have more than doubled.

The curse (to geoists) of rising land values has instead been portrayed in the media by vested interests as a "healthy property boom", and the monopolistic power of land to extract gains in productivity has been disguised by the use of the term "increasing *house* prices". Financial assistance in allowing investors to purchase multiple properties have proliferated, while the increasing despair of struggling would-be homebuyers has seemingly been neglected. John Howard last year responded to one reporter who questioned the increasing unaffordability of "houses" by claiming that he'd never received a single complaint from a home-owner who's seen his property value greatly appreciate in recent times.

The Australian Greens have shown a lack of political nerve in failing to challenge both the acquisitive mind-set of modern Australians and the economic orthodoxy which hails increasing land prices as beneficial. Emotive (and misleading) arguments that spiralling property prices are retirement nest eggs (for those dear old widows) are rarely challenged.

Put it this way: with LVT, everyone will become co-owners of ALL the natural resources of the country. How could any Green (or any homo sapiens, for that matter) object to that? The only really beneficiary of increasing property prices are those who own more than one property, and the big losers are those who own none. This is not a matter of opinion but a matter of fact, and any self-respecting Green should – on this issue alone – be protesting spiralling property prices and supporting geoist reforms.

In any case, the sense of security which home-owners may feel about their apparently-enhanced net worth is usually misplaced. While one's assets might have increased, what about one's liabilities? A person's mortgage still remains unchanged and inescapable, so how will one's lifestyle be enhanced by rising land values? In fact, rising land values often induce home-owners to borrow more against the incremental increase, so they actually end up facing larger mortgage repayments.

In addition, highly-mobile Australians shift home about 5 or 6 times during their lives, and what will they face when they look for a

A person's mortgage still remains unchanged and inescapable

new property to purchase? Yep, that property has risen in price also. But, as most people seek to upgrade their standard of living, they find that – on average – their future home will have increased in value more than their present home. Result: their improved net worth has actually led to them having to borrow more and work harder. Furthermore, with borrowers competing more for loans, they put an upward pressure on interest rates.

If that isn't enough, their children will face greater financial obstacles to ever owning their own home.

This culture of greed – particularly associated with speculative gains – should be challenged head on by the Greens. How one can explain these economic and moral arguments to an electorate who have been misinformed for so long is another question altogether.

Next issue: Bloody hell! - she's risen from her death bed and dragged herself onto her wheelchair! The poor old widow rides again! In other words, the next topic will be: ***The inability of retirees and other asset-rich/income-poor people to pay LVT*** █

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Printed by The Print Press (Murrumbeena, Vic. (03) 9569 4412) which used eco-friendly "Habitat" paper, made from 100% sugar cane waste, and water-based, oil-free inks.

"AND OUR SCHOLARSHIP WINNERS ARE ....."

The Henry George Foundation (Australia) undergraduate scholarships have just been awarded, after a long selection process. Melbourne Proz Oz exec **Jill Quirk** was on the other side of the interview table:

For any philosophy or idea to be kept alive and understood in perpetuity it needs to be passed on to successive generations. History, philosophy and economics are all taught in modern universities, however the great economist and thinker Henry George is hardly mentioned in any of these academic courses. Is his thinking too esoteric and why is it not in vogue? We asked this question of the students we met in the course of conducting interviews for the Henry George Foundation (Australia) Undergraduate Scholarship in February and March this year.

Briefly the background to the scholarship is that the objects of the Henry George Foundation (Australia) are to provide support and financial aid to organisations, individuals engaged in the teaching of the principles of Henry George as set forth "Progress and Poverty". Thus scholarships have been established for undergraduate and research students to further this aim. The scholarships are worth $5,000 p.a. each and are awarded for a maximum of 5 years. We expected of the applicants a very basic understanding of Geoist principals at the interview stage and an enthusiasm and perceived ability to communicate ideas to other students. The principal way in which those ideas are to be communicated is via a Geoist society to be set up in their respective universities.

So far we have awarded 2 undergraduate scholarships and the research scholarships may be awarded after May 2004. It was a great pleasure to meet the students whom we interviewed and it was a shame that we only had 2 scholarships to award amongst our very worthy candidates.

Mia has played guitar and sung in a folk/pop rock group, writing and performing her own songs

The successful candidates were Mia Stewart just entering her first year of university at Latrobe and Emily Blythe who is a year ahead of Mia at Victoria University.

Mia is enrolled in Media Studies and has a strong interest in music. She has played guitar and sung in a

Emily already has considerable practical experience in early education in Thailand

folk/pop rock group, writing and performing her own songs. She has also studied drama and acting and has performed in amateur drama and musicals. Mia made a short film, which was a finalist in the Equinox film festival and has had experience on radio, RMIT station 90.7 Syn F.M. It would seem she is very well equipped to project and communicate ideas using all her skills and knowledge.

Emily is enrolled in a P-12 education course and already has considerable practical experience in early education in Thailand whilst she was doing her VCE by distance education. During her time in Thailand she had he first taste of public speaking when she had to present ideas professionally. She has done voluntary work with African children with their homework in the "Horn of Africa" program. Emily is very conscious of the important role of education in any society from pre-school right through to higher tertiary levels and her skills in this area should be invaluable in promoting the ideas of Henry George amongst her fellow students at Victoria University.

Emily and Mia have each been given a "starter kit" of *"Social Problems" "Prosperity Paradox"* Karl Williams' trilogy of kits plus other pamphlets as their home library, and have access to the Prosper library. Karl Fitzgerald was at an informal meeting with them on April 1st and has enthusiastically offered to help the others on the scholarship sub-committee liaise with them over the months ahead. Hopefully they will be involved in the festivities to mark the 100 years of Progress in early May.

We wish Emily and Mia every success both in their studies and in their efforts to launch Henry George societies in their respective universities. Unfortunately we cannot call upon the experience of past students, as these are the first to be awarded to the best of our knowledge. I heard something about the 1970s Labor politicians Dr. Jim Cairns and the hon. Clyde Cameron being possible predecessors but we cannot verify this. Officially, Mia Stewart and Emily Blythe are the inaugural Henry George Foundation (Australia) Undergraduate Scholarship holders. Do not be daunted by this, please, Mia and Emily! Be proud!!

****ooOOoo****

Helen Keller (1880 – 1968)

You're probably thinking: "Ah, yes - Helen Keller was that angelic, sexless, deaf-blind woman who smells like a rose as she holds a Braille book open on her lap." Well, try this: while she was alive, Keller actually fought against the media's tendency to put her on a pedestal as a "model" sweet, good-natured, handicapped person who overcame adversity. She was a political animal (even glimpsing the geoist cat towards the end of her life) and wrote "Rights are things we get when we are strong enough to make good our claim to them." Once, when an interviewer suggested that she might want to temper her opinions for public consumption, Keller exploded: "I don't give a damn about semi-radicals!"

Let's not forget, however, that - whatever her politics - Helen Keller has been a foremost example of a severely disabled person who has overcome seemingly insurmountable obstacles to live a life of significant achievement. Simply, she's been an inspiration to millions of people all over the world.

She was born in 1880 in Alabama and became blind, deaf and mute from meningitis of scarlet fever when aged 19 months. Though a wild and destructive child, she showed such signs of intelligence that her mother sent for a special teacher just before she was seven. The teacher, young Anne Sullivan - herself formerly blind - managed to break through to communicate with Helen. The child loved to learn, and her remarkable achievements in reading, writing and even speaking soon made her internationally famous, for Keller learned to speak when she was ten by feeling Sullivan's mouth when she talked.

Keller earned a bachelor's degree at Radcliffe College, where Anne Sullivan accompanied her to every class and spelled the lectures into her hand. She wrote poetry, toured on the lecture circuit, and published an autobiography *The Story of My Life* which was translated into 50 languages. She came of age in an America where racial segregation was law (so she supported the controversial National Association for the Advancement of Colored People and the American Civil Liberties Union), unions were violently suppressed (so she got behind the Socialist Party and the Industrial Workers of the World), birth control was illegal (hence she backed Margaret Sanger's birth control crusade) and the idea of women as voters - let alone politicians - was dismissed as laughably absurd (and so most of her life was a tireless crusade for women's rights).

It's no wonder that, with geoism masterfully suppressed in American academia by vested interests, the very busy Keller had little chance to plumb the differentiation between capital and natural resources – most fully-abled *[My God! Is that the correct way to express it these days?]* people get nowhere near it. Yet Keller became disillusioned with the left and disassociated herself from the radical left. In 1841 she resigned as Honorary National Chairman of the American Rescue Ship Mission, with the New York Times reporting that Keller had concluded "that she had been used as a front for controlling figures more interested in Communism than in the [Mission's] avowed purpose" of rescuing Spanish republicans after Franco's victory. Keller also denounced a 1952 international peace conference in Vienna, which had used her name to solicit support, "as a mask for the products of Stalinist propaganda."

Let Helen Keller also be remembered as a tireless advocate of the poor and disenfranchised, who always acknowledged that she owed a great deal of her success to the advantages of her birth and environment. And let all geoists go that one great step further and work for a world without privileges wherein all have their birthright restored – an equal share in land and natural resources.

"If you want to make enemies, try to change something."

On John D. Rockefeller: *"(He) is a monster of capitalism - he gives charity in the same breath he permits the helpless workmen, their wives and children to be shot down."*

"Who reads shall find in Henry George's philosophy a rare beauty and power of inspiration, and a splendid faith in the essential nobility of human nature."

Echoing Henry George on his path to writing *Progress and Poverty*: *"Why in this land of great wealth is there great poverty? Why [do] children toil in the mills while thousands of men cannot get work, why [do] women who do nothing have thousands of dollars a year to spend?"*

"The country [the USA] is governed for the richest, for the corporations, the bankers, the land speculators, and for the exploiters of labor."