

Other speakers on the day included David Lock, Chair of Town and Country Planning Association who strongly welcomed the staging on the event, Joyce Mamode of London Buses, Dr Roy Douglas of Surrey University and Henry Law a Conservation Planner.

A transcript of the day's proceedings and papers will be available from the Henry George Foundation in the next few weeks. If readers would like a copy or more details about the conference (biographies of speakers, programme, etc.) please contact Paul Brandon at p.brandon@henrygeorgefoundation.org

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

Goethe, Wilhelm Meister.

Tax land monopoly to death, thereby enabling the remission of all taxation now embarrassing production, and take all public service monopoly functions into public hands, and the main causes of the unequal distribution of wealth would be removed. The destruction of the numerous secondary causes would quickly follow.

- Henry George Junior from *The Menace of Privilege*

God grant that not only the love of liberty but a thorough knowledge of the rights of man may pervade all the nations of the earth, so that a philosopher may set his foot anywhere on its surface and say: "This is my country."

- Benjamin Franklin, in a letter to David Hartley, December 4, 1789

GEORGE CHARLES

We regret to report the death of George Charles on November 22 after a short illness.

George grew up in Melbourne during the depression, and had to leave school at the age of 14. His headmaster expressed deep regret at this. He then studied part-time, and qualified as a pharmacist. He and his wife Edna went to Kyneton where George practiced his profession. It was there that their four children were born. When he moved to Melbourne he encountered the Georgist philosophy, to which his keen mind was soon attracted.

George's major contribution to the Georgist movement was in the educational area; he became involved in the School of Social Science. He retired at the age of 50; this enabled him to devote himself to a considerable extent to Georgist matters.

He taught basic economics to numerous classes in the University of the Third Age; among his many pupils were people highly qualified in various areas. An enduring legacy to the movement is his book "Elementary Economics" – a splendid introduction to the subject, clearly written, with some significant appendices. Copies are available at our office.

In 1991 when Tax Reform Australia had a weekly Radio session on 3INR, George was a regular contributor. He also contributed to *Progress*, and was an effective writer of letters to the press.

He and Edna also traveled the world extensively for a 7-year period; at this time his interest in music and art flowered. Another passion was his keenness for science and the scientific method.

George's death means a real gap in our ranks, but we are grateful for his splendid contribution to social justice. To all who knew him, he was a thorough gentleman, whose friendship enriched those associated with him.



A Few Words From the Secretary

Dear Readers,

The Offices of Prosper Australia will be closed from Friday December 20th and reopening on Monday 13th January. However we know that the world will not stand still and you may like to discuss matters with an executive member. All contact details appear elsewhere in this journal. It is highly unlikely that we will all abscond the great city of Melbourne simultaneously and one would expect that you would find an executive without too much trouble.

All those who attended at least one of our forums this year will have to agree that they have been varied and well worthwhile. We hope to continue the same standard next year and hope that more of our readers will take up this opportunity to come along. We did not have an end of year "do" but we are getting together on Friday 17th January (venue yet to be decided/please ring for details). This is your invitation.

On behalf of the Executive I extend seasons greetings and a prosperous New Year to you all.

Anne Schmid

The most comfortable, but also the most unproductive way for a capitalist to increase his fortune, is to put all monies in sites and await that point in time when a society, hungry for land, has to pay his price.
- Andrew Carnegie, (1835 – 1919), American industrialist and philanthropist

How I "Saw the Cat"

by Gavin Putland

cause difficulties which are sources of individual temptation, completing a vicious cycle: individual sin and institutional sin are inseparable.

The foregoing logic is almost universally ignored. Political radicals emphasize institutional sin but don't seem to believe in the universality of individual sin; for them, structures of sin are the work of a particular socio-economic class (e.g. capitalists or landowners) while the rest of us are innocent victims. Christians, to the contrary, are wary of individual sin but seem oblivious to the sinfulness of socio-economic institutions; in particular, the criteria by which seemingly devout Christians choose their careers and their marriage partners are almost identical to those of society at large. Hence this writer, who is a political radical AND a Christian, finds himself an outcast among outcasts twice over: an outcast among Christians for his anti-Establishment views, and an outcast among political radicals for believing that old superstition about Original Sin.

I was born in Home Hill (north Queensland) in 1963, the eldest son of a non-smoking teetotalling Methodist schoolteacher. I was just like the old man only more so: Dux of Ipswich Grammar for 1980, a Medallist of the University of Queensland for 1984, and a PhD (electrical engineering) in 1996. But my professional life, both before and after my postgraduate years, was singularly undistinguished. So what went "wrong"?

From 1985 to 1988 the major distraction was religion. I was troubled by the claims of Roman Catholicism and might have fallen for them had I not discovered the counter-claims of Eastern Orthodoxy, which I found so convincing that I was received into the Orthodox Church

in 1988. This of course is not the usual mode of conversion. The usual mode is to marry a Greek, and is much to be preferred. To convert purely out of conviction is to be a renegade to the old flock and an odd-ball to the new.

The other distraction was political economy. In about 1983, while still an undergraduate, I formed the opinion that land speculation was immoral because if some people got something for nothing, others must get nothing for something. Moreover the winners were those who could buy and sell when it suited them while the losers were those who could not; and the ability to buy and sell when it was profitable, rather than when it was unavoidable, came from being better off in the first place.

So my initial view of the land problem was based solely on equity, and the only remedy I could suggest was the usual social-democratic blunt instrument: a capital gains tax. But equity was a two-way street: if it was unfair to pocket unearned increases in land values, it was also unfair to suffer uncompensated losses. Therefore, I concluded, landowners should be compensated for devaluations caused by planning decisions. That was the remedy for NIMBYism.

In 1997, when I was an academic spending too much time on administration, I formed my first independent idea on unemployment: "Making work destroys jobs". That is, compliance costs divert resources from productive uses to unproductive uses, reducing the national capacity to pay wages.

Later that year I realized that income tests and assets tests on welfare are equivalent to income taxes and wealth taxes payable by welfare recipients. Means tests don't reduce the tax burden, because they ARE TAXES. It is



Science tells us that we are genetically programmed to maximize our chances of passing on our genes. Rigid observance of the Ten Commandments is not a likely output of this program. Neither is loving one's neighbour as oneself. But selfishness, possessiveness, jealousy, hatred, xenophobia, territorialism, treachery, homicide, genocide, adultery, larceny, slander, deceit and dissimulation are all likely outputs; and this prediction is confirmed by history and current events.

Like science and history, Christianity teaches that we all have an inherited inclination toward evil. And as reason tells us that an inclination to sin does not become an evolutionary advantage until one actually commits the sin, so Christianity teaches that man's descent into evil began with a single act.

In this Darwinian struggle, the strongest and most unscrupulous individuals build social systems that make them still stronger, hence better able to build systems, and so on. Consequently some of our most cherished institutions are, in the terminology of the liberation theologians of Latin America, merely "structures of sin". These structures



"I formed the opinion that land speculation was immoral because if some people got something for nothing, others must get nothing for something"

therefore perfectly inane to ask whether we can “afford” to abolish means tests, because any resulting “tax increase” merely substitutes an honest tax for a dishonest one. Moreover, when we count means tests as taxes, we see that the heaviest tax burden is placed on the transition from welfare to work. To the extent that the burden is shifted onto employers by the wage-fixing process, it discourages hiring.

On the strength of these insights, I quit my precarious academic job and wrote the book *SIX MONTHS TO FULL EMPLOYMENT* (November 1998), in which I reinvented the “basic income” approach to full employment policy. (Georgists may prefer the term “citizen’s dividend” to “basic income”.) My basic income was perfectly Dry, without means tests or activity tests. For want of interest from publishers, I eventually placed the book in the public domain. (It is still available on my WWW site, but should not always be taken as an expression of my current views. For example, I no longer object to activity tests per se, but I caution against narrow definitions of “activity”.)

My entry in the Tax Reform Challenge of March 1998, as suggested by its title “Fourteen Steps to Full Employment”, was a short preview of the book. The “Challenge” was to rebut a submission which argued for 100 percent site rental collection implemented in stages. In response, I reinvented a form of the (John Stuart) Mill tax, which appropriated FUTURE increments in land values. I didn’t know it was Mill’s idea. Instead I took my hint from Phil Day’s book, *LAND* (Brisbane: Australian Academic Press, 1995). Whereas Day [p.69, n.1] said that taxes should be adjusted in response to non-zero sale prices, I said they should be adjusted in response to deviations in sale prices from the base-date valuations. (Note the implication: the administrative machinery for a Mill tax is identical to that for full site rental collection.) The main advantages of this system, as I saw it, were that speculation would end and that landowners would be automatically compensated for devaluations.

In my Challenge entry, land speculation was only loosely related to unemployment. “Land speculation is a cumulative and uncompensated impost on the cost of living”, I wrote -- the implication being that land prices caused upward pressure on labour costs, whereas my main strategy was to reduce labour costs by turning the dole into a wage subsidy. I understood that land speculation, like red tape, represented a diversion of resources from productive to unproductive uses. But I naively imagined land rents being shifted into prices, failed to relate land speculation to the natural rate of unemployment, and had no notion of “all-devouring rent”. So it

“The winners were those who could buy and sell when it suited them while the losers were those who could not; and the ability to buy and sell when it was profitable, rather than when it was unavoidable, came from being better off in the first place”



is not surprising that my book eventually included only one sentence on land value taxation, citing George’s *PROGRESS AND POVERTY* and *THE CONDITION OF LABOR* in support of its economic advantages, and citing my Challenge entry as a solution to the attendant political difficulties.

Neither is it surprising that I do not clearly remember where I first saw the name of Henry George. Maybe it was in Heilbroner’s *THE WORLDLY PHILOSOPHERS*, where a passage on land speculation from P&P is quoted. I remembered the quote but not the name. And maybe it was on my first reading of Phil Day’s *LAND* that I was pulled up by the endnote accusing Heilbroner of “tabloid journalism” [p.108, n.4]. In any case, the clash between Day and

Heilbroner directed my attention to P&P, which says (Bk III, ch.2):

As Produce = Rent + Wages + Interest,
Therefore, Produce - Rent = Wages + Interest.

As competition limits Wages and Interest to their marginal values, Rent takes the rest. Thus, for the first time in history, the laws of Rent, Wages and Interest were brought into harmony: George was to economics as Copernicus was to astronomy. And he had exposed the biggest single “structure of sin”.

But I disagreed with George’s dismissal of Mill. A Mill tax would remove the speculative component of Rent, causing Wages + Interest to rise. And such is the rate of increase in land values that if a Mill tax had been implemented in George’s day, it would now be collecting close to 100 percent of the gross Rent. So I remained a Millist.

Then on Saturday, 20 February 1999, I wrote in an email message:

How does one make a 100% land rental “tax” politically acceptable? By dressing it up as a means test... How does one make a non-means-tested Universal Basic Income politically acceptable? By combining it with

the said land rental tax in a single statement... [see *PROGRESS*, May/June 1999, pp.12-13; cf. “The Single Means Test”, <http://www.users.bigpond.com/putland/smt.htm>].

Thus began an interesting week. On the Wednesday, having given up hope of finding a publisher for my book on the causes and remedies of unemployment, I declared myself unemployed. On the Friday night, as I walked home from the bus stop after a Bible study meeting, it struck me that if all productivity taxes were abolished, the benefit would appear as increased Rent and increased capitalized land values. Hence, if the lost public revenue were replaced by land taxes, the sum of capitalized land values would return to its former value, just as it would under a Mill tax [see

PROGRESS, Sep./Oct. 1999, pp.8-9]. In other words, introduction of a Mill tax followed by abolition of productivity taxes would preserve public revenue at its present level. Mill could have been a Single Taxer, George could have been a Millist, and I had seen the cat while walking up Daffodil Crescent in the dark.

After the Liturgy of Saturday, 27 February, I told my story to a fellow parishioner (who presumably didn't understand it) and concluded, "I was an Orthodox Georgist for a week. Now I'm an heretical Georgist!"



My position is "heretical" because it implies that H.G. didn't quite see the cat. In P&P (Bk VI, ch.1), he stated explicitly that the benefit of tax cuts from greater economy in government would accrue to landowners. The words "from greater economy in government" can be omitted without affecting the logic. If productivity taxes were cut in order to clear the way for a heavy land tax, the benefit of those tax cuts would also accrue to landowners as an increase in gross Rent. If that increase were reclaimed by a Mill tax, the after-tax rental value of land (hence its capitalized value) and the total public revenue would be roughly as before ("roughly" because we need to subtract the speculative premium and add the growth dividend).

George didn't draw this conclusion. Nor did he acknowledge that a Mill tax is sufficient to end speculation. In P&P (Bk VII, ch.3) George wrote "All that can be said of this [Mill's] plan is, that it might be better than nothing." In THE SCIENCE OF POLITICAL ECONOMY (Bk II, ch.7), he hardened his position, saying that Mill's proposition "amounted to nothing whatever, as landlords were ready to sell land for what would give them any unearned increment not yet in sight" -- a response that envisages a buyback scheme rather than an incremental tax scheme, and which fails to allow for the heavy discounting rates applied to capitalization of (uncertain) future increments in Rent.

Geoists are not noted for unity at the best of times. As the undersigned geoist is overtly religious, backs Mill against George, packages geoism as more of a welfare reform than a tax reform, and (most recently) advocates alliances with lesser rent-takers in order to defeat the land power, he is condemned to be more isolated than most.

****ooOOoo****

A BLAST FROM THE PAST

[Ed: My English mate, Timothy Glazier, recently sent me this email – thought you might be interested]

Went to lunch with some friends yesterday who had the day before been to the disposal of a library of two old deceased Georgists and one of them had taken away a wonderful old volume which were bound copies of the publication *Our Commonwealth* which was published in Adelaide in the nineteenth century. I only thumbed through a few pages and came across the following anonymous poem in the issue dated 5th June 1886 called "Spread the Light" one verse of which goes:

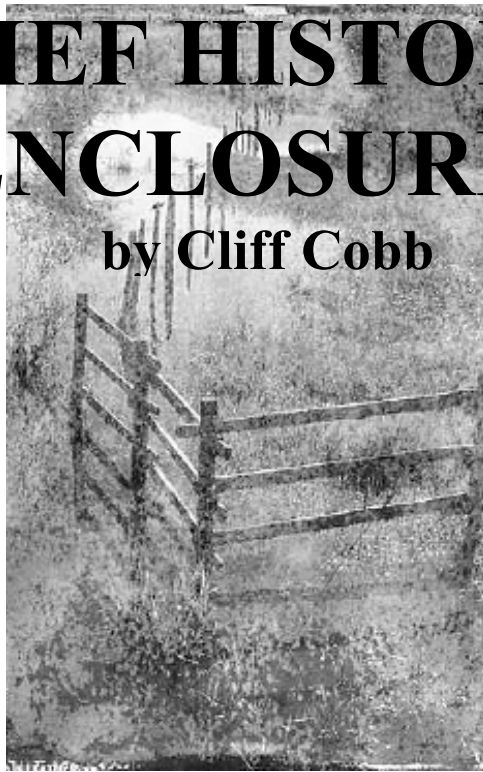
**If ye know that every Nation
Should its liberty demand,
That the people's sole salvation
Is the gospel of the Land.
If ye know that all the toilers should
engage
'Gainst their tyrants a most holy war
to wage,
Fear not scorn, nor hate, nor sneering,
Trust in Truth's great, awful night,
Without dreading, quailing, fearing,
Spread the Light.**

This was followed by an amazing essay called "The Land Gospel according to Spence", Spence being one Thomas Spence who was born in 1750 in Newcastle on Tyne. It is too long to copy out but it sets out a scheme whereby all land is held by the parishes as a local corporation so that all would have access to it - the rents providing for the poor etc and it goes on "for it is solemnly agreed by the whole nation that a parish that shall either sell or give away any part of its landed property shall be looked upon with as much horror and detestations as if they had sold all their children to be slaves or massacred them with their own hands..." Wonderful stuff.

[Too true, Blue! I'm following up on that and intend to ferret out more info on the good Thomas Spence – stayed tuned, readers]

A BRIEF HISTORY OF ENCLOSURES

by Cliff Cobb

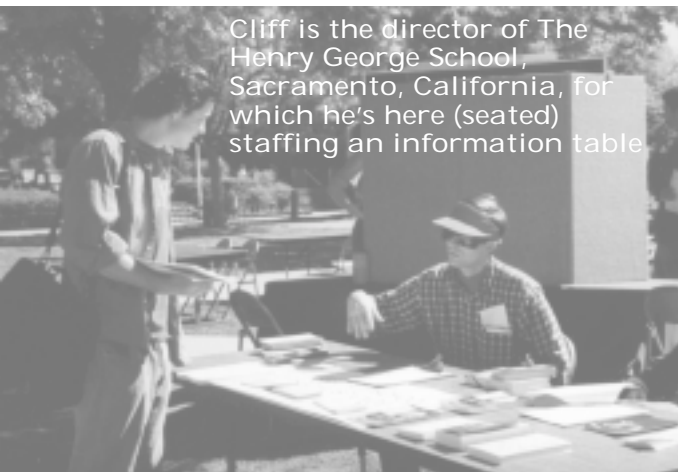


Until about two centuries ago, peasants in England held rights to common land. This had an equalizing effect on English society, because almost everyone could claim some ownership rights. Common rights consisted of both parcels of land on the arable acreage or pasture of the manor farm and rights to gather wood, graze cattle, or go hunting and fishing on the "wastes" beyond the common fields. In the 18th and 19th centuries, these rights were stripped away as a result of enclosures. Peasants were thrown off their farms and forced to work in the cities for starvation wages. Acts of enclosure--the legally sanctioned privatization of common rights without compensation--caused massive deprivation.

This story has been in circulation now for about a century. Gilbert Slater's 1907 book, *The English Peasantry and the Enclosure of Common Fields*, along with the 1911 book, *The Village Labourer*, by J.L. and Barbara Hammond created an enduring mythology about the enclosure movement. They argued that Parliamentary enclosures, from around 1750 to 1844, drove peasants off the land and into the satanic mills of the north. The enclosure myth contains both an element of truth and an element of exaggeration. (By calling the conventional story of enclosure a myth,

I do not intend the pejorative meaning of a false statement. By myth, I mean a story that conveys layers of meaning, in this case about the struggle between the forces of privatization and the defense of common ownership.)

First, it is important to understand that "contrary to a widespread belief, all common land is private property" (Hoskins and Stamp, 4). Common arable fields in interspersed strips were held by individual households, a practice dating back to the eighth century. This method of land-holding developed in Saxon England as a result of a) the breakup of patriarchal families into conjugal



Cliff is the director of The Henry George School, Sacramento, California, for which he's here (seated) staffing an information table

("nuclear") families) b) the division of property upon the death of the parents, and c) the transformation of slaves working on a master's large fields to serfs working their own smaller fields and providing services or a share of the crop. The advantage of interspersing

private plots and managing access collectively, rather than fencing each separately, was that it enabled sheep to fertilize all arable fields equally by allowing them to roam freely over the fallow strips (Kerridge, 32-42).

From the beginning, rights to land were unevenly distributed. In addition to various categories of freeholders and tenants, there were also landless laborers, who held no land at all. Thus, when people were later forced off the land, either through enclosure or economic pressures, many of them had never had strong rights in the medieval system of land tenure. The "loss" of land rights for many must be traced back to the Norman or even Saxon period. Since land tenure records are still being slowly pieced together at the parish level, it is hard to say anything definitive. What can be said with some certainty, however, is that the romantic picture of relatively equal land rights in the feudal era is misleading.

"Acts of enclosure--the legally sanctioned privatization of common rights without compensation--caused massive deprivation"

In addition, the dating of enclosure by Slater and the Hammonds from 1760 onward is deceiving. The Hammonds note in

passing that "the Statute of Merton, 1235, allowed [feudal lords] to make enclosures on the waste," but they do not investigate the extent to which such enclosures took place until the eighteenth century. Using compilations of various local studies, later historians have estimated that 45-50% of the agricultural land of England had been enclosed by 1500 and 70% by 1700 (Wordie, 489). Until 1520, the purpose of enclosure was primarily to convert tilled acreage into pasture because of the high price of wool (Wordie, 492). After that it was often done to capture the value of capital investments (such as drainage of wet soils) and to implement new methods of farming. Thus, enclosure was already an old story by 1500. The central drama begins in a period more than two hundred years before Slater and the Hammonds focused.

Changing the timing of the enclosure movement changes its meaning. Enclosure was not as closely associated with industrialization as the conventional story suggests. Rather than being a case of government-sanctioned land robbery, enclosure was part of a more general transition from feudal to modern tenure. That represented a shift

“Enclosure was not as closely associated with industrialization as the conventional story suggests”



from rights based on reciprocity to non-reciprocal ownership rights. It did not happen either quickly or self-consciously. Nor was it a simple elite conspiracy to deprive peasants of their land. As late as the 16th century, there were both royal edicts and parliamentary acts that were intended to prevent the rural depopulation that was associated with enclosure. What Slater and the Hammonds recorded was the change that took place in the gentry class--from disapproval of enclosure in the 16th century to strong approval in the 19th.

To understand the changing perceptions of enclosure or privatization of feudal tenures is no simple task. Historians are still trying to make sense of it. It is associated not merely with the growth of markets, but with the development of what Max Weber called the "spirit" of capitalism. This involved a departure from the entire medieval-romantic value system, which was based on chivalry, heroism, honor and public display, to a new value system that treated acquisitiveness, thriftiness, and careful management as a religious calling. As Albert O. Hirschman, one-

time professor of political economy at Harvard, said (p. 11): "This astounding transformation of the moral and ideological scene erupts quite suddenly, and the historical and psychological reasons for it are still not wholly understood."

Whatever psychological factors may have promoted private ownership, economic factors were also at work. A price revolution took place in Tudor England. From 1500 to the 1640s, the price of grain rose 600%, while wages and the price of manufactured goods rose only 200% (Goldstone, 89). The price index of charcoal rose from 60 in 1560 to 100 in 1630 and then to 250 in 1670, due to an increase in the money supply and a reduced supply of forests. Finally, and most important, land rents rose by 600 to 1000 percent from 1540 to 1640 (Goldstone, 97).

Although a rise in land prices usually results in greater concentration of ownership, in this case it produced the opposite result. According to Lawrence Stone (1967, appendix I), the holdings of the hereditary peerage or aristocracy declined by around 50%, while enterprising families with much smaller estates (including some yeoman farmers of humble birth) bought land from them. Land values rose dramatically, but the central government did not benefit from the economic growth. Since the gentry were in charge of assessing the value of land, the land tax (the "subsidies" to the Crown for extraordinary expenses), did not rise in proportion to the increase in value (Goldstone, 98). Assessments fell from 80% of the market value of land in 1540 to 3% in 1590 (Goldstone, 98).

The new gentry were often Puritans who were distressed by the idea of waste. They wanted to put all land to use productively, at the highest yields possible. But that was not possible if there were multiple voices in a village deciding how common fields would be tilled or how "wastes" would be used. Gaining control over management decisions was a major reason for

enclosure during this period. In addition, the new owners did not have the same sense of personal connection to tenants that had characterized many of the older nobility. Thus, new owners raised rents and fines (a sort of capitalized rent, payable upon the expiration of a lease) and shortened leases. The overall effect was a tremendous increase in the economic power of the gentry and a lowering of wages of those who remained as either tenants or as day laborers.

After the period 1540 to 1640, these economic processes continued in England, but at a slower pace. During most of the 18th century, land sales and enclosures dropped off. The next period of dramatic change in land tenure took place during the period from 1790 to 1815. As in the previous era of privatization, rapid inflation drove land prices up and real wages down, as landlords raised rents, and many tenants lost their holdings. One-half of all enclosures between 1727 and 1845 took place during that 25-year period (Jones and Mingay, 30). In addition, a million acres was drawn into cultivation for the first time during this period.

Rather than seeing enclosure as a sudden form of expropriation of land rights, it is better understood as one

“This involved a departure from the entire medieval-romantic value system, which was based on chivalry, heroism, honor and public display, to a new value system that treated acquisitiveness, thriftiness, and careful management as a religious calling”



element of a sustained pattern of economic pressure that was associated with agricultural improvement. In some cases, compensation was paid to displaced tenants. In others, their leases expired and were not renewed. The main form of rights that were simply terminated without compensa-

tion were foraging rights in the wastelands surrounding villages. For some people in the 19th century, the loss of hunting and fishing rights was a matter of life and death. Yet, on the whole, the enclosure of fens and marshes was responsible for an increase in total agricultural output.

Explaining enclosure as a process of change over several centuries does not diminish the hardship of displaced tenants and laborers or justify the privatization of rent collection. It merely helps us see that enclosure is more like the ongoing market processes that continues to operate everywhere in the world today, but particularly in countries where ambiguous traditions are giving way to explicit land titles. Enclosure was

“The new owners did not have the same sense of personal connection to tenants that had characterized many of the older nobility the overall effect was a tremendous increase in the economic power of the gentry and a lowering of wages of those who remained as either tenants or as day laborers”

not a single event that happened in the 19th century. It was instead, a new mindset that understood property in a new way. Future articles will deal with the transformed understanding of property and property rights in the 17th and 18th centuries.

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Happy Snaps



Dr Kenneth Wenzer (right) is an historian and a scholar of the Lincoln Institute of Land Policy in Cambridge, Massachusetts. He has researched and edited virtually all of Henry George's important literary output outside and has just completed a lecture tour of Victoria and New South Wales. He's here being welcomed to Melbourne's Prosper Australia offices with Geoist stalwarts Maurie Fabrikant (with drink in hand, typically) and Bruce Every



We've been hearing occasional reports of the wonderful new Geoist allies Alanna Hartzok has made in West Africa, so it's interesting to finally put a few faces on the names. Dr. Papa Meissa Dieng and his new wife Aissatou (from Senegal, on the left) and Adamou Garba (Niger) recently visited Alanna at her little farm in rural Pennsylvania. The far-out mural in the background is the handiwork of Alanna's daughter. Papa and Adamou invited Alanna's small Geoist contingent us to give a seminar in Dakar, Senegal, in March and they are enthusiastically promoting Geoist work now. Papa Meissa is a professor at Gaston Berger University in St. Luis in northern Senegal

The Henry George League South Australia

In 1979 we were joined

[Ed: To continue the tour of our far-flung fraternities, we're now having a squiz at something closer to home, courtesy of this report from John Hall]

It is many years since those halcyon days when Mr. E. J. Craigie sat in the South Australian Parliament as a Georgist member in the House of Assembly, when *'The Peoples' Advocate'*, a Georgist journal, circulated widely within the State and Georgist sympathisers numbered in the hundreds.

That is well known but well before my time. As secretary my association with the local movement goes back some thirty years and better that I should write personally and about more recent times. In the years immediately after WW2 and after seven years in the RAF I became politically aware and keen to take my part in the obvious opportunity to establish a better world and a more just society. Having returned to my pre-war job one of my colleagues, another ex-serviceman with similar aspirations, spoke to me about economic rent. Not immediately grasping what he was talking about but keen to learn more I accepted his offer of a loan of *'Progress and Poverty'*. I "saw the cat" almost immediately but marriage, a family and a move into a highly competitive work environment precluded me from an active role in promoting this inspiring philosophy. For the time a regular subscription to *'Land and Liberty'* had to suffice.

My family and I came to Australia in 1967 and settled in Adelaide where I had received an offer of employment in the trade in which I had considerable experience. Knowing nothing of Georgist activity within Australia but having learned that, throughout the world, Georgists are thin on the ground, you may imagine my surprise, when driving in a local suburb on coming up behind a car with a window sticker which read LAND RENT FOR REVENUE.

I followed that car until the driver reached his nearby destination and introduced myself to him. He was

by George and Jean Jukes from Port Lincoln. George had decided to retire and, having learned that there was now an active cell in Adelaide, he and Jean settled in Norwood and immediately joined us. By that time we were meeting in a more salubrious setting in the conference room of a new building belonging to a major insurance company. This facility was available after work hours free of charge and was where we continued to hold our monthly meetings, where we held a public meeting and also ran a Georgist course on economics.



Four long-time Adelaide Georgists. From left to right: Clyde Cameron, George Jukes, David Brooks and John Hall

At the suggestion of Lew Ellis, and with a cash grant from the Foundation, a large shed at the rear of the Jukes' home was converted to a meeting room which was ceremonially opened by Clyde Cameron in the presence of twenty-six supporters on 13th May, 1984. His address was taped and distributed to sister organisations in Australia, the USA and the UK.

Other highlights include the following:-

An exhibition at the State Library of Henry George's works and memorabilia in 1979 to celebrate the anniversary of the publication of *'Progress and Poverty'*.

The Gawler campaign in which we supported the Mayor and some councilors when a poll was conducted to change local rating from site to capital values. The result was 94% in favour of the retention of site value rating.

The Marion campaign on similar lines but which resulted in a change to preferential rating.

The Adelaide Conference at St. Ann's College over two days on 12th

Lew Ellis, a trustee of the Henry George Foundation (Australia) and had, for many years, carried the flag single handed in South Australia. He had recently met David Brooks (then resident in SA but now in Queensland and a Foundation trustee) and a meeting was arranged in a local pub. From then we met regularly in the office at the rear of Lew Ellis's hardware shop and started a programme of future planning, recruitment and promotion.

and 13th January, 1991 attended by over thirty supporters with representatives from Sydney, Melbourne and the nest of Georgists at Kimba. Guest speakers included John Coulter, the then leader of the Democrats.

The Adelaide Universities essay competition for a \$2,000 prize.

Over the years we have shown films such as 'For the Land is Mine' and videos to invited audiences. We have spoken at Adelaide University, at Lions Clubs and other organisations. We have carried out extensive letter box drops. We have lobbied local members of Parliament and attended local government enquiries into taxation. We have had considerable success with the publication of letters to the editors of the Adelaide Advertiser and the Australian plus other papers with a strictly local circulation. George and Jean Jukes are active members of the Democrats and lose no opportunity to promote the Georgist message. George is also an active member of Economic Reform Australia.

We have lost active and valuable members such as David Brooks, Paul Sloan and Geoff Ravenscroft who moved inter-state. Sadly we have lost and sadly miss others such as Lew Ellis, Bill Enright, Russell Jones and Tony O'Brien who virtually died "with their boots on!"

Lew Ellis, Tony O'Brien and I (I still have my boots on but am vertical rather than horizontal!) all served as trustees of the Henry George Foundation and George Jukes continues to do so. ■

Henry George's solution remained an important plank of the Labor Party's platform until 1964 when it mysteriously disappeared. Cyril Wyndham that year published what wrongly purported to be an accurate account of decisions taken by the Party's 1963 conference. - Clyde Cameron

GIGGLES & GROANS

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



Engineers and scientists will never make as much money as business executives. Now a rigorous mathematical proof that explains why this is true:

Postulate 1: Knowledge is Power.

Postulate 2: Time is Money. As every engineer knows, Work

----- = Power

Time

Since Knowledge = Power, and Time = Money, we have

Work

----- = Knowledge

Money

Solving for Money, we get: Work

----- = Money

Knowledge

Thus, as Knowledge approaches zero, Money approaches infinity regardless of the Work done.

Conclusion: The Less you Know, the more money you Make.



A joke on the streets of Moscow these days, according to World Bank staffer John Nellis, goes this way: "Everything the Communists told us about communism was a complete and utter lie. Unfortunately, everything the Communists told us about capitalism turned out to be true."



From Ambrose Bierce, *The Devil's Dictionary*:

Tariff -- A scale of taxes on imports, designed to protect the domestic producer against the greed of his consumer.

THE SQUILLION DOLLAR QUESTION:

"IS THERE ANOTHER RECESSION AROUND THE CORNER AND, IF SO, HOW SOON WILL IT HIT?"

Gavin Putland speculates - er, contemplates - things from a Geoist perspective:

"Of course we are headed for another speculation-induced recession. But as to the timing, I think we need to look at what is happening now -- not how many years have passed since the last crash. I acknowledge the existence of cycles, but long-term cycles are the time-integrals of short-term dynamics. We need to look at such things as vacancy rates (rising), rent-free periods (becoming more common), construction planned and in progress (are we headed for a speculative overshoot in supply?), property turnover as a fraction of GDP (unsustainable), imputed rent as a fraction of GDP (unaffordable), housing stress (rising), and the likely direction of interest rates (up)."

MONOPOLIES AND PRIVILEGES

by Ole Leffman



PROGRESS AND POVERTY

During the past century in technically developing countries the economic progress lifted the vast majority of people out of dire poverty and kept them in reasonable circumstances. They are still low paid and poverty a recognisable ghost that in several countries is veiled by a web of social security benefits and other public support.

The economic uplifting of people and their staying on the "high level" of economy happened only because of the technical development's ongoing demand for skilled labourers and service providers. They will probably continue to experience economic progress as long as the technical development continues; but the gap of wealth between the privilege holders and the non-privilege holders is currently expanding.

125 years ago Henry George asked why progress did not abolish poverty. He found the answer and started the fight for Free Trade - against monopolies, privileges and public protection of trade and industry. That fight went on in the technically developed countries for over a century. It became victorious, but though Protection as an idea was officially rejected, public protection of trade and industry was ended, and

most of the monopolies were brought under control, publicly protected privileges grew in number, and it has been growing ever since.

THE SCOURGE OF PRIVILEGES

Privileges

- introduce and keep increased prices or inferior qualities of commodities and service,
- expand the gap of wealth between privileged people and non-privileged people.
- oppress poor people's influence on their own life, and oppress their self-confidence.
- concentrate abundance of richness into the hands of a minority of citizens who are served by a well-paid middle-class, but leave poverty to the majority; who in technically developed countries is kept in happy ignorance of the injustice by publicly administered support and obscure explanations. The worst effects appear in the technically less developed countries with a tradition for corruption.

"the gap of wealth between the privilege holders and the non-privilege holders is currently expanding"



THE REMEDY AGAINST MONOPOLIES AND PRIVILEGES

Henry George in the end of the 19th century proposed that the government should collect the rent of land, abolish monopolies and privileges and stop public protection of trade and industry. This, together with the minimising of public administration as described later, was what he meant

by proposing FREE TRADE that should put an end to the oppression of non-privileged citizens.

However, he agreed that some monopolies/privileges would have to remain because it would be impossible to abolish them, or because abolition would be inappropriate. He proposed that those monopolies/privileges that would have to be tolerated (so-called "natural monopolies") should be run by the public administration. This was common sense as long as only few monopolies should remain.

Since then, however, the range of privileges that we have to accept has expanded enormously, and that has put George's recommendation of *public administration of all the monopolies and privileges we tolerate* in conflict with his strong recommendation that *the public sector should be kept as small as possible*.

Henry George did not describe a solution to this contradiction that did not exist in his time. *Today it is up to his followers to decide what to do with those monopolies/privileges that we cannot abolish.*

Before we are able to make that important decision we have to consider which privileges we would have to tolerate and which tasks should be run by the public administration.

THE PRIVILEGES WE SHOULD OR MIGHT TOLERATE

In the beginning of the 21st century it is reasonable to assume that *some citizens should or might have exclusive rights to:*

Use of NATURAL RESOURCES
such as: ▶