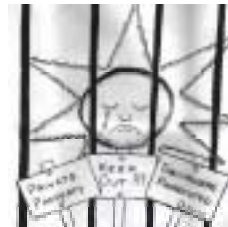


# PROGRESS

## *Our Planet Is Not For Sale!*



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Welcome to the asylum – the economic asylum. Once you’ve “seen the cat” (that is, made that quantum leap in Geoist understanding whereby all the pieces marvelously come together), you can’t help but become aware of the economic insanity all around. Here’s a few examples from my week:

A relative told me of the enormous consumption of anti-fouling agents by boat owners, yet this highly toxic product (which has caused the biological death of the Sea of Japan) attracts no more tax than the standard GST. “Spew forth upon the Global Commons for free,” is the message sent by our economic policy-makers. The GST completely ignores environmental impacts in its indiscriminate “10% on everything” application. Recycled & plantation timber is hit with the same 10% GST as old growth timber. Chemically-grown food and organically-grown food are treated the same in that, as food, they are both exempt. Even though our politicians like to talk up the rhetoric about Australia being the “clever country” or heading towards being a “knowledge nation”, the reality is that there’s the same 10% GST applied to the most noteworthy of books as well as to cinema tickets for the most trashy of Hollywood movies.

Talking about exemptions, I tuned in to Radio National the other day to hear how those environmental delinquents, 4-wheel-drive vehicles, are exempt from the standard duties to the tune of a whopping \$400

million a year. Just what we need – a financial incentive to purchase a pollution-belching, pedestrian-crushing, visibility-obscuring, gas-guzzling tank for those from the big end of town.

On a more mainstream economic note, the next day I went to a tax seminar to be assaulted by this outrageous statistic: that the 2000/01 federal expenditure included \$11.6 billion (7.7% of total) on education, LESS THAN the \$13.8 billion (9.2% of total) spent on defence.

That same night I watched the news on telly, and saw Victorian Transport Minister, Peter Batchelor, ceremoniously open the Collins St. extension to the Docklands development. He proudly proclaimed that the \$38 million cost will greatly benefit all who visit the city, whereas Geoists know that this is a \$38 million giveaway to the developers at Docklands, whose land values are thereby boosted (courtesy of unwitting taxpayers).

Then I had a few friends up for lunch on the weekend. I should say here that the background to this final little anecdote is that Australia, unlike many other nations, has historically had few prohibitions against foreigners buying Australian real estate. So, while a few developers and politicians have rubbed their hands with glee at the commissions and kickbacks they’ve made from these deals, huge tracts of our Queensland coastline now belong to Japanese investors. And the longer and harder we work to build a better country, the more we’ll be silently enriching our absentee landlords. To make matters worse, the “liberalisation” of our property market has enabled property investors (especially from Hong Kong) to now purchase properties “off-the-plan”. So now they swing deals and make fortunes on our land without ever seeing it, much less ever having a stake or degree of loyalty in our country. Never mind – that’s the

glory of the free market, so we’re told.

Meanwhile, back at the lunch, my friend Effie tells me that she’s considering buying one of these off-the-plan properties herself. She’s a lawyer with a property development firm, and can spot a good deal when she see one. The real inducement to her is the considerably lower stamp duty that applies to off-the-plan properties (stamp duty on a median-priced Victorian property is now more than \$15, 000). You see, off-the-plan purchasers only pay stamp duty based on the value of the land before construction has commenced – a handy little benefit which Hong Kong billionaires much appreciate.

Welcome to the asylum.



There are a number new contributors this issue. Welcome to Californian Cliff Cobb, to whom I was drawn to make contact after being enormously impressed by Cliff’s breadth of historical knowledge displayed in his LandTheory discussion list postings. We’ll read more of Cliff in coming months – a real coup for this rag!

Back home, young Scott Cope is stepping up to the dais with an imaginative galactic perspective on Geoism. John Hall gives us a rundown on the history of the movement in Adelaide. Themewise, we’ll continue to illustrate the multitude of eco-taxes that we should be collecting in place of taxes on honest work, with a view of luring our Green readers to see the grand-daddy of natural resource charges – site rentals.

Next deadline for submissions to *Progress* is February 8. Don’t be shy.

- Karl Williams

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# Quotes of note

"In 1923, a very important meeting was held at Edgewater Beach Hotel in Chicago. Attending this meeting were 9 of the world's most 'successful' financiers and businessmen. Those present were: the President of the largest independent steel company; the President of the largest utility company; the President of the largest gas company; the greatest wheat speculator; the President of the New York Stock Exchange; a member of the President's cabinet; the greatest 'bear' in Wall Street; the head of the world's greatest monopoly; and the President of the Bank of International Settlement. This, we must admit, was a gathering of some of the world's most successful men - or at least men who had found the secret of making money. Twenty five years later (1948) let us see what had happened to these men: the President of the largest independent steel company had died, bankrupt, having lived on borrowed money for five years before his death; the President of the largest utility company had died a fugitive from justice, penniless in a foreign land; the President of the largest gas company was insane; the greatest wheat speculator had died abroad - insolvent; the President of the New York Stock Exchange had recently been released from Sing Sing penitentiary; the member of the President's cabinet had been pardoned from prison so that he could die at home; the greatest 'bear' in Wall Street had died - a suicide; the head of the world's greatest monopoly had died - a suicide; the President of the Bank of International Settlement had died - a suicide."

- Kanran Mofid, Professor of Economics at Oxford, whose book *Globalisation and Business for the Common Good* is reviewed on page 27

*Ed: Our organisation is greener than The Greens because we call for the imposition of charges on ALL natural resources including, most importantly, land. And we are more socially just than The Greens in that we are clearer in our vision for the abolition of ALL privileges – specifically, for the collection of all economic rent. This last term can be difficult for the newcomer, but in the simplest of terms it may be said to be the benefits which accrue to privileged access to natural resources and exclusive economic opportunities, the value of which properly belong to society (as its natural source of public finance). It's perhaps easier to convey the meaning of economic rent by illustration – so here is a list of some of its sources (not meant to be exhaustive) given by Professor Mason Gaffney:*

- \* Access points to transportation (by water, rail, highway, air, etc.);
- \* Clean air (or the license to pollute it);
- \* Aircraft time-slots and gates in airports;
- \* Amenities (good views, warm weather, soft breezes, freedom from pests, riparian access, etc.);
- \* Aquifers; \* Dam and reservoir sites;
- \* Water in arid zones; \* Rights of way;
- \* Preferential use of "common" lands (e.g. street parking in New York);
- \* Covenants over lands of others (e.g., covenants against competition);
- \* Easements (e.g. the right to pass over land);
- \* Fisheries; \* Forests;
- \* Franchises (exclusive right to sell in certain areas);
- \* The gene pool; \* Geothermal energy;
- \* Grazing; \* Licenses;
- \* Minerals and gas (rent includes the rise of value of minerals in situ); \* Orbits;
- \* Some patents (giving effective control over minerals);
- \* Ability to wield political influence (meetings at private estates;
- \* Special voting rights); \* Rights of way;
- \* Foreign holdings and ocean shipping routes protected by national forces; \* Soils;
- \* Spectrum (radio, TV, communications);
- \* Legal standing; \* Strata rights;
- \* Space on the streets; \* Advertising sites;
- \* Water;
- \* Wildlife (for hunting, viewing, etc.);
- \* Wind (for power); \* Zoning permissions

## THE CIRCLE OF LIFE

Man has a poor understanding of Life. He mistakes knowledge from wisdom. He tries to unveil the Holy secrets of our Father, the Great Spirit.

He attempts to impose his Laws and ways on Mother Earth.

Even though he, himself, is part of Nature, he chooses to disregard and ignore it for the sake of his own immediate gain.

But the Laws of Nature are far stronger than those of Mankind.

Man must awake at last and learn to understand how little time there remains before he will become the cause of his own downfall.

And he has so much to learn. To learn to see with the heart.

He must learn to respect Mother Earth - She who has given Life to everything;

to our Brothers and Sisters, the Animals and the Plants;

to the Rivers, the Lakes, the Oceans and the Winds.

He must realise that this Planet does not belong to him,

but that he has to care for and maintain the delicate balance of Nature

for the sake of the wellbeing of our children and of all future generations.

It is the duty of Man to preserve the Earth and the creation of the Great Spirit.

Mankind being but a grain of sand in the Holy Circle which encloses all of Life.

- **Chief White Cloud**

One day, powerful Mongolian king Tamerlane invited the wise Hodja to his palace for dinner. The royal chef prepared, among other things, a cabbage recipe for the occasion.

After the dinner, Tamerlane asked, - "How did you like the cabbage?" - "It was very delicious", complimented Hodja. - "I thought it tasted awful", said Tamerlane. - "You're right", added Hodja, "it was very bland". - "But you just said it tasted delicious", Tamerlane noted. - "Yes, but I'm the servant of His Majesty, not of the cabbage", he replied.

# SUNCLAIM

by Scott Cope

The answer to the greatest and oldest question speculated, beckoned on the inside of the ancient Soviet Sputnik space capsule. From contact with the aliens inside, what would be the fear most realised? The first witnesses experienced wild emotional surges – cultural, philosophical and primal. Although exceptionally strong, their minds still mutinied flashes of terror, in an anticipation of the ultimate countenance. Could language describe and thought cogitate what they were about to see?

Then, a visage of death - and pity for the fate that had taken the alien within. The skin of the dog was perished, its flesh withered and its bones remained to enable reconstruction of what it had once resembled. Its life clearly had been carbon-based, until starvation had taken it. Its pangs of hunger and howls of fright were curiously not mutually shared or negated, as it appeared to have journeyed alone – maybe many years, centuries perhaps. Was it the last remaining singular proof and remnant of an extinct civilisation? A refugee from a planet or satellite torched and destroyed by a sun's corona?

A second encounter that was as much peaceful and inspiring, as the first was violent and morose, confirmed its launch from a thriving civilisation, from a planet named Earth by its dominant inhabitants. Their existence revealed by a time capsule named Pioneer Spacecraft. Since 1977 it had made its way through space, sending out signals to inform any listeners of its messenger's presence, desire for

peaceful contact, and interest in their solutions to our global problems.

What are outsiders to make of these extreme expressions of human sentiment – the brotherhood of the message of friendship or the tortured corpse floating in coffin? Which is the more fitting testimony to humanity? If Sputnik is how they treat their best friend, would they not show malice to an alien? Would it be safe and worthwhile to meet a species that respects only intelligence and strength? Could they naively dismiss the possibility that contact could be a malevolent encounter? Pioneer speaks of the extremes of



human confidence but also of how they cannot resolve problems of their own doing. But the Earthlings appear confident that their weaknesses will not be preyed upon. For what if they, the Adastrians, were to seize and appropriate the sun and thenceforth claim in the manner of Earthlings:

“The sun is ours. Your receive, in fact, depend on the sustenance derived from a resource that does not belong to you. As its rightful owners we are entitled to require you to pay a rent for our service.”

“You cannot own the sun,” the humans would protest, “for it is not yours but a gift of nature.”

“But so is land a gift of nature, and you accept the virtue of its ownership.”

“But you cannot live on the sun nor maintain the sun as you can land.”

“How many of your proprietors are absentees? Their possession comes from their ability to exclude others from its use. We too possess the ability to deprive or limit its supply to consumers, unless suitably compensated.”

To claim and withhold the sun – was this the immorality of evil aliens perverting, to a selfish end, the right of property? Or was it a logical and beckoning extension to a world already resigned and absorbed to the commodification of land?

“Land is the only natural agent,” wrote one of the original political economists, Jean Baptiste Say, “which man has been able to appropriate and turn to his own peculiar and exclusive benefit. The winds turn our mills, even the heat of the sun co-operates with human industry, but fortunately no one has yet been able to say ‘The wind and the sun are mine, and the service which they render must be paid for’”.

The truths of liberal political economy usurped and discarded have been replaced surreptitiously by an invisible hand of tyranny on the event horizon of economic history. We exalt and revere liberalism in political but not economic institutions. We think we can see liberty's torch burning for eternity. Like a spaceship hovering on the event horizon, it perished long ago, down a Black Hole that one was a sun.

\*\*ooOoo\*\*

# HIGHER INTELLIGENCES ???

by Karl Williams

Assume that vastly superior extra-terrestrials do exist, possess a physical form, and are bound (like we are) by gravity to the planet they inhabit. You happen to just Star Trek upon their planet, and Scottie beams you down.

You are greeted with much civility by these ETs, and you appreciate their offer of hospitality which will allow you to study their society. But, just as you are starting to think that Earthlings have much to learn from this highly intelligent and advanced civilisation, you make a disturbing discovery.

There seem to be two distinct classes on this planet, though they seem physically indistinguishable. The upper caste does practically no work, and lords it over the lower caste.

At first you assume that the servility of the lower class must be based on some military domination by the higher class, but then you see that this is not so. "Our planet transcended all forms of violence eons ago," you are assured by one of the serenely calm higher castes, "We would never contemplate forcing another to do anything against his free will."

Then you discover that the basis of this class system is based on something entirely different. The higher class actually claim that the very planet is theirs and theirs alone, and charge the lower class rent for their use of all natural resources including hefty and unevadable rents for simply taking up space on the surface of the planet.

Shocked by this form of virtual slavery, you are relieved to return to good old planet Earth, where slavery has long been outlawed!

\*\*\*\*\*

No prizes for guessing the connection between this cracked planet and our own. But I admit that it's an absurd notion that any *higher* intelligences would live under such a barbaric economic system whereby the newborn of one particular class find that "all the seats are taken" and they effectively have to pay another class for permission to live. They have been locked out of their means of survival and work unless they adhere to the terms determined by their landLORDS! If land can be privately appropriated for the benefit of the few at the expense of the many, then consistency would force us to ask "Why not air, water and all other natural resources?"



You know, one of the elegantly-beautiful appealing things about Geoism to me is that it really does seem to be based on "natural laws". By this I mean that its principles are universally applicable rather than just being temporary, isolated, arbitrary and limited in scope. Can you imagine any planet functioning fairly and efficiently *without* Natural Resource Charges (NRC)? Impossible!

No sentient beings are self-subsistent in terms of energy, so will need to draw on natural resources (something like carbon-based food, water, heat and certain gases). While all sentient beings can claim a share of these necessities as their birthright, without a form of pricing (NRC) some will take more than their fair share and resources will be squandered. So variations of Geoism must apply to all physical life forms if justice and prudent conservation of natural resources are to be honoured.

And what about the Biggie? – the great natural resource to which so many conservationists are still blind? We refer, of course, to the use of land (not just its agricultural value, but also its locational value). Logic and minimal imagination provide us with the answer here – that Land Value Taxation (that all-important component of NRC) is also a universal necessity for economic sanity and social justice on any planet in any galaxy. All embodied beings need physical space, and some space is more beneficial than others. In our case, our consciousness is almost always connected to physical bodies which are subject to gravity onto a 2-dimensional (pretty much) plane (the surface of planet Earth). Those who have exclusive use more desirable space need, by rights, to reimburse the rest of us in proportion to the community-created value of that space.

I maintain that if this straightforward principle is ignored anywhere in the whole friggin' universe, injustice, economic inefficiency and environmental inefficiency *must* result. The rediscovery of these natural laws by Henry George were thwarted by the vested interests who introduced so-called neoclassical economics (our present economic system). Defy a natural law, and the results are inescapable (according to the definition which I'm making up on the run!). Hence, despite our huge technological advances in the last century and the much higher level of education, we should not be surprised to find that we're working just as hard, that there are gross economic inefficiencies (especially evident in our rates of unemployment and underemployment), that there are worsening disparities of wealth, and that our ecosystem is in danger of collapse.

Geoism is an unalterable universal law, and we've flouted it at our own peril.

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# Alliances with Human Rights

by David Smiley



In "Georgism in Trouble" I identified today's main agents of change as international, the big world movements, transnational corporations, and the larger non-governmental organisations, and I argued that these are run by modern economists and international lawyers. I argued further that Georgist proposals for social reform need to be couched in their languages and embedded in their programs, not those of Georgism. Nowhere is this more important than in the field of human rights.

## HUMAN RIGHTS

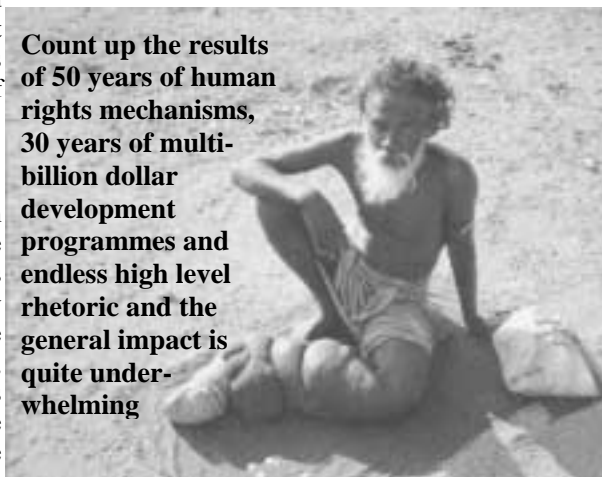
The Universal Declaration of Human Rights (UDHR) was adopted by the UN in 1948. Its implementation was then delayed for 40 years by disagreements. Many of these disagreements remain unresolved, and some rights are still regarded as indefinable and undeliverable. The West favoured political rights and the socialist countries favoured economic rights. The third world then insisted that many rights are not universal but culturally relative, and came up with its own set of "Solidarity Rights". Since these contain embarrassing

demands for compensation for colonialism and rights to their own natural heritage, the UN, the World Bank and the IMF have responded with various smokescreens, most recently the Global Compact, the Comprehensive Development Framework, and the Poverty Reduction and Growth Facility, all instead of addressing the fundamental problems.

## THE FAILURE OF HUMAN RIGHTS

The mass of conventions, treaties and tribunals of human rights sits alongside another international regime, that of economic development. These have relied unsuccessfully on capital injection to deliver economic rights and legislation to deliver political rights, rather than attempting to achieve both through fundamental reform. And so, "Count up the results of 50 years of human rights mechanisms, 30 years of multi-billion dollar development programmes and endless high level rhetoric and the general impact is quite under-whelming...this is a failure of implementation on a scale

**Count up the results of 50 years of human rights mechanisms, 30 years of multi-billion dollar development programmes and endless high level rhetoric and the general impact is quite under-whelming**



that shames us all." (Mary Robinson, UN Human Rights Commissioner, quoted in Geoffrey Robertson, Crimes against Humanity, 1999, p. 32). Why have human rights failed?

Article 2.7 in the UN Charter essentially prevents collective interference in the domestic jurisdiction of the sovereign state. Although sovereignty is widely regarded as one of the causes of failure, its effects have been poorly analysed.

Article 17 of the Universal Declaration of Human Rights in cases where the right to own scarce resources such as property in land and natural resources (without corresponding obligations to pay economic rent and correct for negative externalities) is quite capable of distorting the intended outcomes of most of the other 29 articles. The effects of article 17 on human rights has also been poorly analysed.

## SOVEREIGNTY.

"...it is doubtful whether any single word has ever caused so much intellectual confusion and international lawlessness" (Akehurst, M., 1987, *A Modern Introduction to International Law*, p. 15). The sovereign state in international law comprises a population, a territory, and a recognised government. As we shall see, the first maps uncomfortably onto the second wherever there has been conquest and migration. The third is a matter of *recognition*, itself "one of the most difficult topics in international law...a confusing mixture of politics, international law and municipal law" (Akehurst).

## ACQUISITION.

The main modes of acquiring territorial sovereignty, borrowed from Roman law, are cession (transfer by treaty), occupation (of terra nullius), conquest (by international war), and secession (by civil war). The first three are usually

imposed by intruder groups. The fourth may often be an indigenous response to allocations of land and natural resources imposed by intruder groups, but sometimes simply a rent seeking coup by a regional group perceiving a comparative advantage in that region's position or resources. Intruder groups have defined most of the world's existing political boundaries, often in conflict with the natural boundaries of anthropology and geography. Internal indigenous and migrant populations may thus be consigned to areas of low land value for a variety of economic, political and cultural reasons.

Recognition. The main political principles applied to the recognition of the sovereign state are geographical contiguity, historical continuity, and self-determination. We have seen that the first two principles, reinforced by a further principle of non-interference, have nothing positive to say on differential human rights or land rights within the sovereign state. Thus municipal law can deny land rights to a "stolen generation" of aboriginal children who, as a result of protective custody, can no longer claim a historically unbroken connection with the land. And the results of self-determination are critically dependent on the definition of *self*. For example, expressions of self-determination such as independence from colonial rule, nationalisation of foreign property, etc., may simply amount to massive asset transfers from one rent seeking monopoly structure to another.

### PROPERTY RIGHTS

Let us now look at the second possible reason for the failure of human rights: property rights. Bernard Shaw describes the link between sovereignty and property rights in a single sentence: "Imagine a small island to which castaways swim as ships are successively wrecked on a nearby reef; eventually the earlier occupants will be able to present new castaways with the choice: be our slave, or keep swimming." Remembering that the sovereign state comprises a population and a territory, let us

expand Shaw's parable. Let us start with three sub-populations of the sovereign state, the indigenous peoples who were there first, intruder groups, usually becoming dominant, and subsequent migrant groups, usually becoming known as ethnic or minority groups. All these sub-populations, and foreign populations trading with the sovereign state, create rental values in land and natural resources in proportion to the levels of population and economic activity. These rents may be explicitly collectable, or arise implicitly in positional advantage over surface and subterranean resources. Examples of positional

"Intruder groups have defined most of the world's existing political boundaries, often in conflict with the natural boundaries of anthropology and geography"



advantage include the control of trade routes and ports, water resources, and oil and gas reserves and pipelines.

Indigenous populations. India has a tribal population of some 20 million usurped by Aryan and Mongol invasions. Latin America has an indigenous population of some 35 million forest Indians and the remnants of mountain civilisations. Far larger are the indigenous populations of Africa and South-East Asia. Far fewer but perhaps closer to reconciliation are the North American native Indians and Australasian Aborigines. All these indigenous peoples were the prior occupants, they were "there first", and the land disputes are between them and the legacies of subsequent intruders. But prior occupancy is not always clear cut. It has been said that

there are no aboriginals in the Mediterranean region, yet each layer of invasion and occupation has produced ethnic groups involved in disputes over land rights, similar to those involving indigenous peoples elsewhere, which can be traced back thousands of years.

### INTRUDER POPULATIONS

Major intrusions resulted in the Classical, Moorish, Mongol, Ottoman and European empires. Since contemporary territorial boundaries, and the land and natural resource ownership structures within these boundaries reflect the European colonial empires, for our purposes here we will equate intruder populations with Europeans. In very large parts of the world the intruders have now left. But departing colonials sometimes retain rights in land and natural resources, or transfer them to other landlords, indigenous or transnational.

### MIGRANT POPULATIONS

Where intruders displace populations, two migrations may result. The first is at best to traditional lifestyles in reserves or native title regions, at worst to degraded lifestyles in plantations, homelands, Bantustans, control zones, transit camps or rural shanty towns. In all cases these migrants forfeit the natural opportunities they leave behind. Some may subsequently undertake a second migration, enticed or coerced into the wage economies of the modern intruder sector. Those who are educationally and culturally disadvantaged squat in urban-peripheral shanty towns or inner-city ghettos, while others, capable of penetrating the market economy, now pay substantial rents for occupancy on the lands their ancestors may have originally owned. And these rents will be raised even further by the arrival of migrants, refugees, asylum-seekers and displaced people, from other countries, often in similar economic circumstances of expropriation, finally occupying what are known as ethnic ghettos. ►

## CONCLUSION

It seems that sovereignty of the nation-state interacts with and reinforces monopolies in property rights, especially of land and natural resources, as a major cause of human rights violations, for example in the colonial past, and in nearly every contemporary political flashpoint. Following the example of domestic law in the area of compensation, we may now be seeing a similar explosive growth in international compensation claims. Starting from relatively small numbers of North American and Australian Aborigines, it is in principle possible that claims relating to historical human rights abuses may in the future be lodged by 40 million indigenous peoples, 100 million untouchables, and billions more in relation to slavery, colonialism, and war. For all the world's national and international territorial violations and human rights injustices, for those alive today the compensatory sums could be astronomical, the identification of legitimate payers and payees virtually impossible, and the political difficulties virtually insurmountable, as illustrated in the recent World Conference Against Racism.

Most countries today need to rewrite their histories in recognition of and reconciliation for past wrongs. But instead of futile attempts to compensate for past wrongs it would be far more efficient and equitable to install now a practical legislative instrument to remove future wrongs. This should address inequity and injustice in allocations of land and natural resources, increase rather than decrease economic efficiency, disturb property rights as little as possible, and reduce the apparently self-reinforcing complexity of contemporary human rights legislation. A tax reform satisfying all these requirements is known as Land Value Taxation.

This article carries a warning that it may contain misconceptions regarding human rights and international law. If you know a lawyer, or anyone involved with human rights, get him or her to check these out. This may even lead to the sort of professional alliance I am advocating.

**\*\*ooOOoo\*\***

# SHORT SHOTS



## “JUST TRUST US”



In George Orwell's 1984, the police headquarters for torture is known as the Ministry of Love. The oppressive dictatorship is known as Big Brother. Perhaps of the same genre is the Australian Tax office slogan: *Taxes: building a better Australia*

## KAMIKAZE POSSUMS!

After electricity was privatised in Australia in 1994-95, a series of power outages occurred. The official explanation was an outbreak of kamikaze in possums. (from Tom Morrow's "Going for Broke")

## MORE SCAMS

Adele Horin had a fascinating article in *The Sydney Morning Herald* (Aug 31 – Sep 1) on family trusts – a device for minimising tax for very wealthy people. It involves splitting the main income among family members so that lower tax rates apply. Now while Prosper Australia has no objection to people legitimately minimising their tax, we would point out that this option is available only to the very wealthy and not to ordinary taxpayers. Eighty individuals with a net worth of over \$30 million, according to the Tax Office, returned taxable incomes of \$20,000 or less in 1995. It was part of the GST program that these rorts would be a thing of the past. Eventually the whole matter was referred to a committee headed by businessman Dick Warburton. And guess what? The conclusion was that it's too hard to do anything, hence no change is at all likely. All

of which provides another example of the folly of the current system and the need for a geonomic revenue system.

## PROMISES, PROMISES....

Here's a timely piece I read in *The Canberra Times* of 9/11/02 by Crispin Hull:

“Some years ago, John Howard attacked Paul Keating for allowing the Government take of overall national income to increase. What do we find? In 1999-2000, total government spending in Australia was 40.6 per cent of GDP, up from 38.1 per cent in 1989-90. Most of the increase has been fuelled by the goods-and-services tax, which has been passed on to the states to spend. Taking the Federal Government alone, actual revenue in 1998-99 was 25.6 per cent of GDP (out of a smaller pie). The promise of smaller government has come to nought.

So, the great promises leading up to the 1996 election of more decent and smaller government have not been lived up to. The Howard Government, like its predecessor, is a government of equally big taxation and spending, equally rife with jobs for its political coterie and equally riddled with ministerial miscreants and suspected miscreants.

As for dividing the Australian community, widening the gap between rich and poor and playing pressure-group politics, the rich-poor gap is wider according to researchers; and the pressure groups still press government buttons.

When all the humbug is stripped away, we find that these political animals cannot help themselves. All we have done is to trade the big picture of hubris of Keating for the small picture mean-spiritedness of Howard. **\*\*ooOOoo\*\***

MORROW FOR RORTS





CANADA

**GO GREEN – GO GEORGIST!**

At what has been described as a highly successful Council of Georgist Organisations conference in Ontario, Canada, where great leaps in understanding with The Greens were established, the Green Party leader of Ontario, Frank de Jong, was banquet speaker. The Ontario Green Party are making very promising pronouncements, and believes that the provincial government should begin a revenue neutral tax shift from income and consumption taxes to resource taxes (examples: emissions, land, water, trees, fossil fuels, air, minerals, metals and aggregates). This proposal, it says, will not hurt the economy since it doesn't encourage or discourage economic activity, but only causes a reduction of throughput in industrial processes. Industry, which follows the path of tax resistance, will quickly retool to take advantages of reduced taxation on green technologies and processes. 3 of the party's stated goals are:

1. The government should impose a shift from income taxes to ecological taxes. Tax reduction should begin at the bottom by raising the basic personal exemption amount.
2. The federal government would be urged to switch the source of revenue for the Canada Pension Plan and Employment Insurance from payroll taxes to general revenue, the federal government revenue shortfall made up by instituting green taxes.
3. The GPO would recommend that municipal transit passes be tax deductible for employers so that companies would be more likely to encourage transit use among their employees.

More details at:

[http://www.greenparty.on.ca/policy/envision\\_ontario](http://www.greenparty.on.ca/policy/envision_ontario)

U.S.A.

**JUST DESSERTS!**

The London Times on Nov 30 reported that Hasbro, the toymaking company based in Rhode Island, USA, was fined £5 million by the US Office for Fair Trading for price fixing in the UK. And what games was it

rigging the prices on? Monopoly, among a few others! It was recommending that the retail price for the game should be £19.99, even though last year it was £15 for selected distributors.

U.S.A.

**ONLINE SPECULATIVE LAND GRAB**

*(snipped from an article on the web by Paul Taylor in New York)*

Internet auction services such as eBay, the biggest online auctioneer, have transformed the land sale business and driven what sellers describe as a "twenty-first century land grab".

The greater exposure and excitement afforded by online auctions has attracted a new group of investors and real estate speculators and driven increased transaction volumes.

A parcel of land is sold on eBay Real Estate every 45 minutes, and more than 15,000 parcels have been posted for sale since the San Jose, California-based company launched its online real estate marketplace a few years ago.

Yesterday, for example, at 11am 565 lots of land were listed for sale on eBay with 47 auctions finishing that day, including sales of several lots in New Mexico, the Poconos and Arizona.

According to eBay the top ten land markets, ranked by volume of land sold are: 1. Southern Colorado; 2. New growth areas North of Los Angeles; 3. South-west Florida's Gulf Coast 4. West Texas; 5. The Ozarks region of Arkansas and Missouri; 6. Scenic Blue Ridge Mountains of Tennessee and North Carolina; 7. Big Bear and other Los Angeles recreational areas; 8. Southern Wyoming; 9. Cascade Mountains in Southern Oregon; 10. Grand Canyon and Lake Mead.

As elsewhere in the US real estate market, interest in land appears to have been fuelled in part by the equity market shake-out and concerns about the sagging economy. As a result, eBay suggests that many buyers are turning to land as a viable

investment

opportunity, helping to drive the marketplace and the prices of the land it trades.

"eBay has helped us grow our business by leaps and bounds by making it incredibly easy for us to reach millions of potential buyers, regardless of where they live," said Doug Caffey, president of GotAcres.com and one of eBay's top land sellers.

"We're finding ourselves in the midst of a twenty-first century land grab, driven by the accessibility of eBay and a renewed interest in land as an alternative investment."

The eBay land auction process is simple. Individual sellers can list a parcel of land for sale quickly, easily and cheaply using eBay's service, and accompany their listing with descriptions and photographs. A standard 10-day land auction lot can be listed for a \$50 fee on eBay. Any of eBay's 49m registered domestic and overseas users then have the opportunity to bid for a piece of US land, often for \$500 or less.

There are, however, rules and guidelines that prospective purchasers need to remember. While many lots are offered for sale with no reserve on a cash basis, some are offered with financing and the bid represents just the down payment on the land.

For legal reasons, bidding for real estate online is also different from other types of auction where the bid itself represents a contract to purchase. As the fine print in every eBay real estate auction notes, by participating in an online real estate auction, the bidder is not entering into a contract to purchase the property. Rather the bidder is "expressing serious interest in the property and in pursuing contract discussions".

Frivolous bidders (and sellers) who fail to complete transactions are quickly highlighted by eBay's reporting system making it extremely difficult for them to conduct business online.

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# special report from London

## GROUND BREAKING CONFERENCE PROVES A BIG SUCCESS

*Paul Brandon, Deputy Chief Executive of the Henry George Foundation (UK) and conference organiser reports from London:*

On Thursday 24th October 2002, the Mayor of London's new City Hall played host to "Urban Regeneration: A Fresh Approach," a conference designed to explore a new way forward for delivering an urban renaissance in the UK.

Over 130 Delegates, drawn from all parts of the community and three continents, listened to a wide range of speakers in a political environment increasingly open to the idea that land rents would be the best funding mechanism to create a just and equitable society.

Co-organised by the Henry George Foundation and the Land Value Taxation Campaign, the conference debated how 'community created land values' can be used to fund urban regeneration. Post conference feedback has revealed it was a considerable success, with delegates registering high approval ratings and welcoming further events on the topic.

**Peter Gibb, Chief Executive of the Henry George Foundation and conference speaker said this week, "Our effort to build bridges to the outside world is paying dividends. The Foundation's message is resonating in more and more areas of public and professional concern. Last week's conference is an excellent example of how the Foundation's work is professionalising -- and how it's becoming much more effective. We believe our approach is the way forward for all those who would advocate the application of rent for public purposes."**

Dave Wetzel, Vice Chair of Transport for London and conference chair for the day also was upbeat: "The conference was an original approach to the regeneration debate. It was also noticeable during the debates how many

leading figures in private and government circles are taking a real interest in land value taxation and the role it could play in the regeneration of the economy. As well as finding the day very useful, many delegates asked for another conference to be held to discuss the issues in more depth".

A report, commissioned by the Office of the Deputy Prime Minister and published by ATIS Real Weatheralls (a leading property consultancy in the UK), concerning the impact of new transport infrastructure on land values, was exclusively revealed to the conference. They will now set up a pilot study in Croydon, South London to assess the impact of the new tram link on the value of land holdings. Jeremy Edge of ATIS Real Weatheralls told the conference that their brief did not extend to piloting or investigating a land tax. However he did recognise that the study could be used to justify a levy to fund infrastructure, such as the London Crossrail project.

One of the highlights of the day was the presence of Sir Joe Dwyer, Chairman of Liverpool Vision and former chief of Wimpey Homes, Ted Gwartney, chief assessor of the city of Bridgeport, and Bob Kiley, Transport Commissioner for London -- all speaking in the same session.

Sir Joe Dwyer's speech made the situation in the UK very clear: "There isn't a land scarcity, there's an artificial land scarcity. It's simply a direct result of land speculation and hoarding". He concluded, "Should land value tax be introduced into the UK, then in terms of impact there is no greater example than the UK housing market, with huge benefits in releasing the housing market from the grip of the high inflationary aspects of land speculation and hoarding".

Bob Kiley is a supporter of Tax Incremental Financing (TIF). Based on his experience in the US he considers TIF a suitable mechanism to capture land

value increases in London. He concluded, "Full land value taxation may not happen in the near term ... but we may have an opportunity here to take an important step forward toward that goal through some variation on the tax increment financing scheme and in so doing we will have made a crucial investment in the future of London".

Earlier in the day the conference heard from a number of supporters of our work. Dr Tim Jenkins, Research Co-ordinator from Friends of The Earth, the UK's leading environmental campaign group and Darren Johnston former Green Party London Mayoral Candidate, both made the case for environmental tax reform through the use of land value taxation.

Don Riley, author of 'Taken For A Ride' and property developer, also presented

**"There isn't a land scarcity, there's an artificial land scarcity ... land rents would be the best funding mechanism to create a just and equitable society"**

his ideas on capturing land values. In his book he argues the £3.5 billion cost of the Jubilee Line Extension to London's Tube could easily have been paid for via some fiscal claw back mechanism, based on the benefits landowners had received. Don's solution, as he made very clear to delegates, was not a tax but an Infrastructure Renewal Levy (IRL).

Tony Vickers gave his personal perspective, based on his experience of working in Liverpool on the Smart Tax/LVT project. Speaking after the conference he said "This conference did a great deal to improve the understanding of leaders of the property industry that LVT is pro-development, pro-enterprise".

The final session, chaired by author Antonia Swinson, featured Peter Gibb, and David Mills of the Land Value Taxation Campaign. As you would expect, both speakers backed calls for the policy of land rents as public revenue. ►