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Objects of the International Union for Land Value Taxation and Free Trade, Suite 427, The London Fruit & Wool Exchange, Brushfield Street, London E1 6EL, England:

The objects of this organization shall be to stimulate in all countries a public opinion favourable to permanent peace and prosperity for all peoples, through the progressive removal of the basic economic causes of poverty and war, as these causes are demonstrated in the writings of Henry George. Specifically, towards the realization of these objects, the Union favours the raising of public revenue by public collection of the rental value of land apart from improvements and the abolition of taxes, tariffs or imposts that interfere with the free production and exchange of wealth.



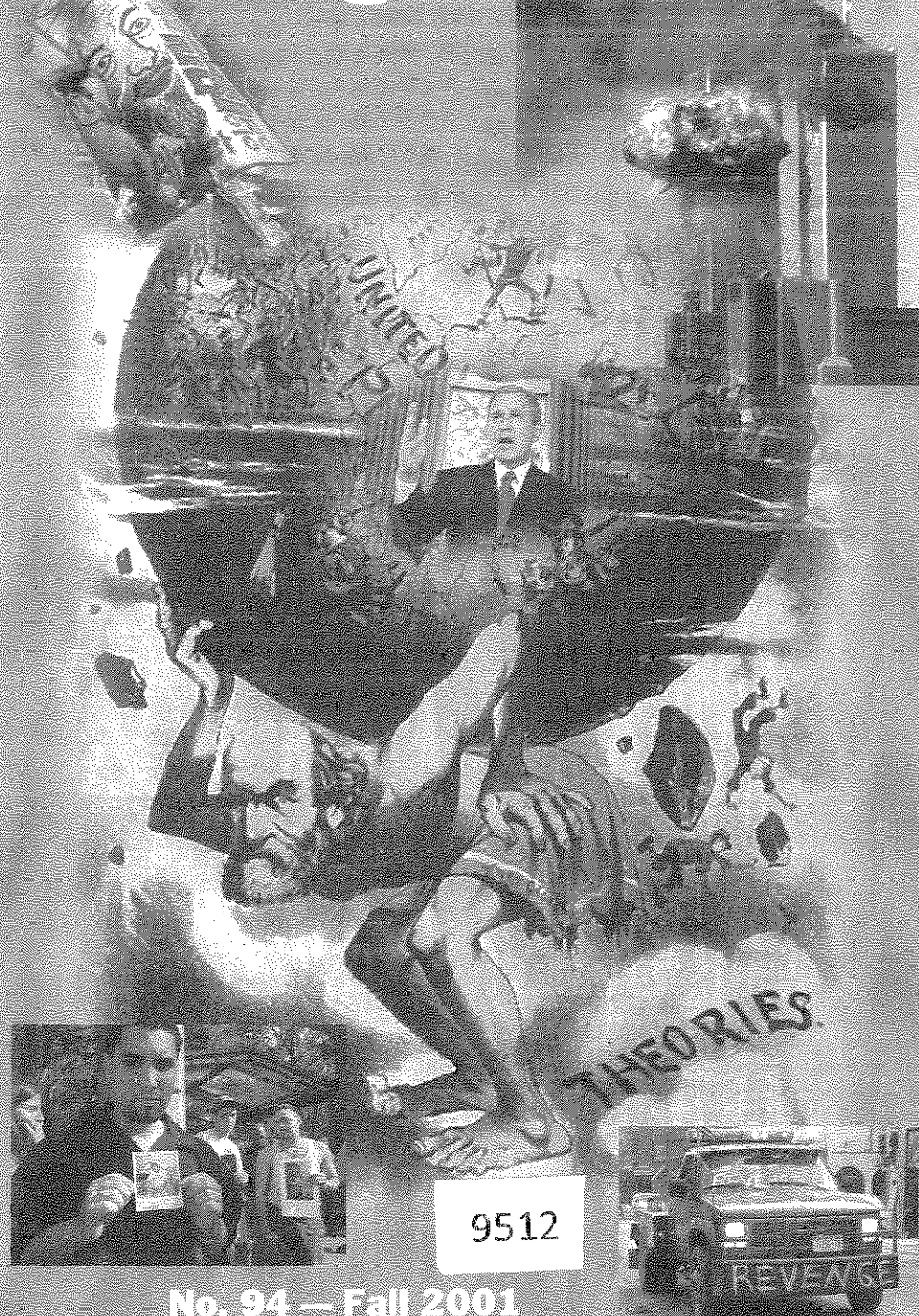
Statement of Purpose of the Henry George Institute, 121 East 30th Street, New York, NY 10016, USA:

In accordance with the philosophy of Henry George, the Henry George Institute holds that all persons have a right to the use of the earth and that all have a right to the fruits of their labor. To implement these rights it is proposed that the rent of land be taken by the community as public revenue, and that all taxes on labor and the fruits of labor be abolished. The Institute believes with George that "Liberty is justice and justice is the natural law," and that the social and economic ills besetting the world today are the result of non-conformance to natural law. The Institute pledges itself to bring this philosophy to the attention of the public by all suitable means.



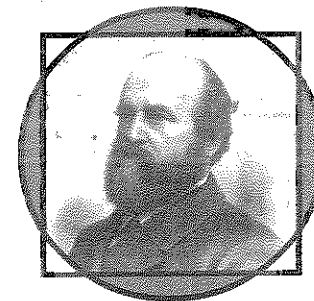
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The Georgist Journal



No. 94 — Fall 2001

The Georgist Journal



Number 94

Fall 2001

Dear friends,
On Wednesday, September 12, 2001 we all woke in a completely different world from what it was only one day before. The tragic events in New York and Washington confirmed that our planet is very small and it is practically impossible to shelter oneself from the cruel reality of the modern world. The tragedy is our common tragedy.

Huge resources of the richest country in the world are now being used in the search of those who are guilty. Yes, it is very important to know that. But no less important is the need to analyze and understand why the tragedy happened, why innocent people again and again in different countries have to pay such high prices for things that they did not do.

Something is very wrong in the existing world order that makes such events possible. Neither terrorism nor punishing blows is able to solve the burning problems of our contemporary world. More likely they could result in even higher tension in relations between the countries, between the West and the Islamic world, and create the risk of a new war.

But that is definitely not what people want and need.

We have contributed to the solution of the problems of the world, and understood that we have to unite our efforts and become more active. Georgists are among the best equipped to think about globally relevant solutions. Georgists do know that there is an alternative to the existing world order. Georgists also know that there does not exist any other real alternative.

Our International Union does not have great resources to organize major events that may bring great projects into life. But let us use what we have to the best effect. Let us give more thought to how to unite our efforts and the resources which are available. And let us think how and where we could find more support for our activities. We have to become better known in the world, for Georgist philosophy deserves being better known by people all over the world. Without this work there will be no common future. The time is right. — *Tatiana Roskoshnaya, President of the International Union for Land Value Taxation and Free Trade.*

Correcting is Coping

by Jeff Smith

Anybody's first two reactions after witnessing an unprovoked attack are retaliation and sympathy for the victims. While we must bring to justice anyone who attacks innocent people for whatever reason, and offer our blood and help to the survivors and their families, we must also do all in our power to prevent future attacks.


Killing the people who organize terrorism does not eliminate the problem. While America's wealth and power do make some people envious, it's poverty and injustice that push a few over the edge. From the masses of the oppressed, lone madmen recruit young male followers.

Our way of life is fragile. No matter how many precautions we take, however many rights we give up, complete security remains impossible. Police and politicians will add new security measures at airports, but we do not have to live hamstrung in our own fortress. We can strengthen both our security and our liberty. As Americans we must ask more of our government:

1. Much of the investigation must take place on foreign soil with cooperation of foreigners. Once suspects are identified, do not bomb suspected targets, which will assuredly kill more innocents. Instead, whoever is accused, try them in an international court of law, as we did with Nazis and Milosovic.

2. Do not abandon any ally but do be forthright about whose side (Israel's) the US is on in the Mideast. Join the conversation to hear and consider all proposals from all interested parties on how to settle this land dispute peacefully and permanently. Advance the possibility of sharing the land by sharing her annual rental values.

3. Acknowledge more sides of the story. Some rich Americans do use US muscle to increase their already vast wealth. By arming dictators of impoverished nations at the expense of US taxpayers, we alienate ordinary folk. Instead of wasting aid on corrupt elites, let foreign producers trade with America.

We Americans play a vital role in the world. Television showed males celebrating in a street in Palestine. Yet note: they all wore American sport shirts, American jeans, American sneakers. Like it or not, we are the world leader. We cannot get away with being good. We must be the best. What will help us to live in safety is to live in harmony with others, to make fewer enemies and more friends, to be as fair as we are powerful. So that innocents will not have died in vain, let us choose to use international courts of justice, to broaden the dialog for Mideast peace, and to use our power and prestige not to favor a few but to raise up the many. 

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What change may come, no mortal man can tell, but that some change *must* come, thoughtful men begin to feel. The civilized world is trembling on the verge of a great movement. Either it must be a leap upward, which will open the way to advances yet undreamed of, or it must be a plunge downward which will carry us back toward barbarism.

— Henry George, *Progress and Poverty*

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Letters

Let's Take Back the Term "Free Trade"

May I make the following contribution to the *Free Trade* debate (with apologies for not having made it in time for the Edinburgh conference).

Is mankind in the grip of a severe mental decline — due to pollution, pesticides, etc., as convincingly argued in a recent book *Terminus Brain* — with a huge decline in educational standards perhaps contributing too? My first comment must be: I find it astonishing that the WTO's take-over of the term "free trade" should have been accepted by the public at large as it has, and not greeted with a howl of derision.

Clearly nothing that involves a contract (i.e. trade) can possibly be called "free" unless it is freely engaged in by *both* parties. Hence, what the WTO advocates is *imposed* trade, which can be no more taken as "free" trade than slavery can be regarded as a "free" engagement of labour.

Thus, whatever we decide to do about the term "free trade" in our title, our great task alongside that must surely be the elementary educating of the public regarding the falsity of the WTO's *stolen* term.

Our title should be part of our educational effort. The WTO's claim to free trade being so illogical, I confess I find it distasteful that the true free traders should be forced to retreat under a banner of such sheer illogicality. Hence, I am in full sympathy with Fred Auld, who said recently in *Land & Liberty*, "It ain't us that's got it wrong." However, I take Ole's point too, that we shall be looked at askance.

We might succeed in reconquering "free trade" for sanity if we managed (by throwing out the deluding term "tax") to knit more closely together the two parts of our title, so that free trade could be seen more clearly to be part of the bigger picture — as we know it to be. The best I can come up with to meet that idea is the simple slogan "Land Rent and Free Trade" — making Land RAFT... for a society which is certainly sinking on dry land! We must of course avoid G(round) RAFT!

This would, I believe, succeed in proclaiming more clearly to outsiders the original concept of free trade — while it would certainly go some way toward disentangling it from those entirely false embraces of the WTO!

— Shirley-Anne Hardy, *The Rocks, Pitlochry, Scotland*

Submissions Wanted!

The *Georgist Journal* welcomes articles of general appeal to Georgist readers. In addition, the Henry George Institute eagerly invites writers to submit topical articles for our online "Land Rant" series, which reaches 80-100 readers *every day!* Send by mail to the *Journal*, or by email to: lindy@henrygeorge.org

Edinburgh 2001

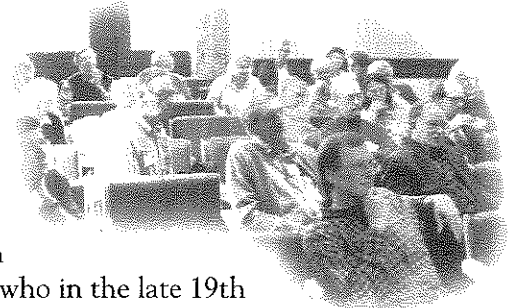
Report by Ed Dodson

On July 7 thru 14, 2001, at Edinburgh University, some sixty of our colleagues from the far-off corners of the globe came together to celebrate our survival as a unique community of people who share a vision of the just society. At the same time, a sadness was ever-present, a recognition of the great decline in membership over the last half century, of leaders no longer with us, and of so few younger people appearing to carry on the work. I, nevertheless, very much enjoyed this gathering and the opportunity to share ideas and experiences with people who have long carried the torch, so to speak.

Scotland was chosen as the location for this conference for a number of reasons, the most important of which is the current focus on land reform and the very real opportunity to influence the adoption of a land reform scheme consistent with

the principles espoused by Scots who in the late 19th century found common cause with Henry George. Peter Gibb, Executive Director of Land Reform Scotland, brought together advocates of various proposals for a systematic discussion of Scottish political and economic challenges.

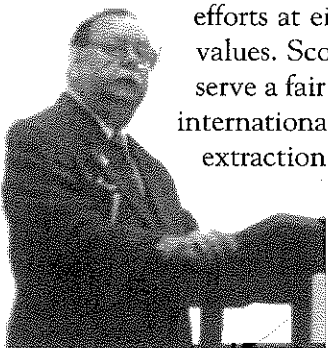
After arriving at Edinburgh's airport late Saturday morning, I purchased a bus ticket into Edinburgh and boarded the bus. Within a few seconds after taking a seat, I could not help but overhear a conversation underway between a man with a distinct Australian accent and a woman who sounded German. What were they discussing? The taxation of land values. I interrupted them to introduce myself and inquired whether they were headed for the International Union conference at Edinburgh University. This is how I met Neil Gilchrist, of Sydney, New South Wales, Australia. The object of Neil's attention was indeed a German woman (now living in Switzerland) who was to be a keynote speaker at another conference being held at the university, focused on the future of Europe. Their conversation continued along the same lines, with an occasional comment from me, until we reached the city and then together caught a taxi to the university. Our accommodations were not available to us until mid-afternoon, so the three of us found a quiet corner of the on-campus pub and continued to discuss philosophy, history, Nietzsche, and Henry George. An interesting beginning to the conference week, I thought.



The conference began late Sunday morning with a welcoming by Bob Andelson, President of the International Union. That afternoon Pat Aller (US) chaired an open-mike session, which generated discussion on a wide range of topics. I took the opportunity to encourage IU members to assist me in expanding the School of Cooperative Individualism project of creating a Biographical History of the Georgist Movement and was gratified with the positive response and willingness of a number of people to provide assistance.

Land Reform Scotland hosted the conference discussions on Monday (9 July), although the morning program focused on the situation in Russia. The keynote speaker for this first session was Dimitry Lvov, head of the Russian Academy of Sciences, who delivered a paper critical of the present privatization of the income flows from natural resources in Russia. He discussed his efforts (and those of others) to convince the government that public revenue should come from these income flows rather than from taxes on material assets and wages. Dr. Lvov stressed that the same challenges faced virtually all other countries and were not unique to Russia.

Then, presentations were addressed to the status of the land reform efforts in Scotland now that the people of Scotland have elected their own Parliament with the power to implement internal changes in law regarding land tenure and taxation. The great landowners of Scotland continue to be extremely powerful and have thus far successfully resisted efforts at either land redistribution or the taxation of land values. Scots are also deeply concerned about how to preserve a fair share of the sea's resources under European and international agreements that have permitted the sale of extraction licenses to owners of large fishing fleets under



Robert Andelson

rules that have decimated the stock of many species of fish. Tuesday's program was devoted in large part to this discussion.

On Wednesday, most attendees signed on for a bus tour of Scotland with stops at a number of sites of historical and cultural importance.

I took the opportunity to sleep in that morning, catch up on my reading, then go for a long run around the ancient volcano that is the area's most distinctive landmark. Rain fell all morning; then, in mid-afternoon, the sun appeared and warmed the air just enough to make my run a real joy. Such days are all too rare. That evening, after the conference attendees returned from their tour and had dinner, Bob Andelson delivered a very motivational and inspiring talk on Seeing the Cat. This I recorded and, as soon as I can have it transcribed, will make the text and

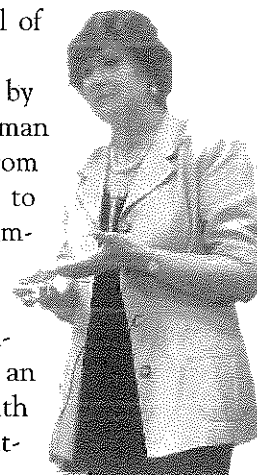
the discussion that followed available at the School of Cooperative Individualism website.

Thursday's sessions began with a presentation by Timothy Glazier (England) on how, in his view, human civilizations have fallen victim to the transition from community control over land and natural resources to that of individual ownership. Science provides the important insight that this may have a good deal to do with the difference between how men and women think generally and which sides of our brains are dominant. Fred Harrison later introduced Euan MacKie, an archeologist who has linked the physical evidence with an hypothesis that late Neolithic communities in Britain were cooperatively organized.

We heard from Karl Williams (Australia) regarding the struggles by indigenous peoples around the world to re-establish their sovereignty and obtain exclusive control over territory and natural resources. As Karl's presentation and the ensuing discussion confirmed, the remedies sought for past oppressions are seldom consistent with the moral principle that the earth is the birthright of all persons equally. We seem to be locked into the acknowledgement of limited claims to territory based on the right of first occupancy, or at least on some limited return of control over territory to those who controlled it prior to the arrival of European conquerors and settlers. One of the more difficult points of discussion is whether the survival of cultures not adapted to the modern era is important from a human rights perspective. Nic Tideman (US) added his own views on the subject with a paper titled, "Aboriginal Rights and Global Economic Justice".

The members of the International Union met on Thursday evening to consider changes to the organization's Declaration of Human Rights based on Equal Freedom first adopted in 1949 and amended several times over the years. Most of the changes adopted were for purposes of clarification, as well as modernization of language (*see page 40*).

Friday's program began with a presentation by Tatiana Roskoshnaya, who has since the beginning of the 1990s worked diligently to promote the adoption of reforms that would put Russia at the head of nations capturing land values as public revenue. Tatiana (Tanya to her friends) provided a thorough overview of the political situation and efforts to build support for the rent as revenue alternative. In the second morning session, the discussion shifted to a very pragmatic subject: demonstrating the connection between a thorough understanding of land markets and profitable investing. Phil Anderson (Australia) is principal of Economic Indicator



Tatiana Roskoshnaya

Services, and he has turned his study of the business cycle (including the 18-year property cycle described by Fred Harrison in his book *The Power in the Land*), market timing techniques developed by Wall Street analyst W.D. Gann and the economic studies of Russian economist Nikoali Kondratieff. Phil's presentation provoked a good deal of discussion and a strong challenge, from Karl Williams, over the validity of Phil's insights. I made the comment that in today's global investment market the number of variables that can affect the depth and duration of market disequilibriums have been reduced (e.g., the actions of the central banks are less and less able to influence the direction of domestic economies because of countermeasures taken by market participants).

The afternoon session on Friday focused on the money question. Alistar McConnachie (Scotland), editor of the monthly reform journal *Prosperity*, made the case for direct government issuance of legal tender, removing the central banks as intermediaries that issue legal tender in exchange for government bonds. The upside of this proposal is that governments avoid the challenge of having to raise taxes or borrow for the purpose of servicing a national debt. The fear, of course, is that history will repeat and repeat, meaning that governments will demonstrate their propensity to issue ever more currency in order to transfer purchasing power from savers to themselves.

My turn came next. The paper I prepared for the conference was titled "Promises to Pay Nothing in Particular: Monetary Diseases and a Proposal for their Cure" and proposes the chartering of banks of deposit that would (as did the Bank of Amsterdam in the 17th century) provide a real money supply — in the form of baskets of precious metals or other commodities, or even banks that would issue paper currency denominated in units of labor (most appropriate for small communities). Later, Fred Foldvary (US), a professor of economics at Santa Clara University in California, commented on the two earlier presentations and offered his own solution to the money question, advocating a return to free banking. Fred and I strongly agreed that the existing system represented an unwarranted governmental intervention in what are essentially private arrangements.

[At] the General Meeting of the International Georgist Union (as it is known "for short!"), the words "Free Trade" came close to being dropped. An indicative vote on this showed a majority of 14 to 10 in favour of dropping the phrase that makes Georgists active in the Green Movement seem such pariahs. However this would not have been enough under the constitution to cause a formal name-change, even if that had been on the agenda — which it wasn't. What swung the vote for some was the realisation that Henry George himself admitted that Free Trade without *first* having Land Value Taxation was impossible, so that nobody need feel they are betraying his name by refusing to campaign actively for it in present global circumstances.

— Tony Vickers

The Constitution of the International Union specifies that officers shall be elected by members attending the conference. Bob Andelson announced that he would not be standing for re-election as IU President. Two dedicated IU members were nominated from the floor — Ole Lefmann (Denmark, now living in England) and Tatiana Roskoshnaya (Russia). Tatiana became the first woman and first Russian to be elected to serve as an IU President. Frank Peddle (Canada) was elected to serve as Deputy President. Their terms of office continue until the next IU conference (a date and venue for which have not yet been established).

One final issue was taken up by the members but without any final resolution. Members have reported over the last few years that the IU's position as an advocate of free trade is something of a negative when working with groups struggling to end monopoly in their countries and who see nothing to be gained and much to lose by opening domestic economies to the global system of commerce — dominated as it is by multinational corporations, institutions such as the World Bank, the International Monetary Fund and the World Trade Organization. A proposal to change the name of the IU to the International Union for Land Value Taxation was discussed and a straw vote was taken to assess the level of support for a name change among those members in attendance. A majority supported the name change; however, a formal resolution was not submitted in advance for consideration. A vote on the matter will have to wait until the next meeting of members occurs.

The conference banquet took place Friday evening, with entertainment supplied by a Scottish piper and a group of dancers. Everyone seemed to enjoy themselves, and then we wished each other well and prepared to depart the following morning.



Barbara Sobrielo

An important footnote to this conference is that the IU conferences have for many years been planned and the details handled by two volunteers, Jose Mernane (IU Treasurer) and Barbara Sobrielo (IU Secretary). These two dedicated Georgists advised the members that they could no longer handle these responsibilities as they have for so long. Age has caught up with them, they told us. The job of planning conferences needs to be picked up by younger IU members. So, the IU will be facing significant challenges in the coming years: an aging and declining membership, increasing costs associated with holding international conferences and the recruitment of new volunteers who are willing to take on the responsibilities of conference planning.

The CGO's Pittsburgh Conference

report by Damon Gross

The theme of this year's conference was "Labor and Land: America's Lost Legacy." This is as fine a catch-phrase as can be crafted. But for this attendee the conference was all about some important events that have occurred since our conference last year in Des Moines. The most important of these events is that Allegheny County, Pennsylvania, in which Pittsburgh is situated, did a complete and disastrously erratic re-appraisal of all the real estate in the county. So chaotic were the new appraisals that Pittsburgh regressed from the split-rate legacy that has benefited its citizens since 1914 to a uniform tax rate on all types of real estate. Among other prominent recent events, Alanna Hartzok ran for Congress. The Henry George Foundation of America moved its offices from Maryland to Philadelphia. New leadership was installed at the Robert Schalkenbach Foundation. Mike Curtis was named Director of Education of the Henry George School in New York and Ken Ford Director in Philadelphia. And at least two new books of interest to Georgists were published.

Pittsburgh's Assessment Debacle

It is hard to appreciate just how bad the new appraisals in Pittsburgh are without the copious details that were presented at the conference. Just one example: on one block in a commercial district the land assessments alone vary from parcel to parcel from \$14.71 per square foot to \$327.75 per square foot, and there seems to be no rhyme or reason to the variations. Comparable lots right next door to each other differ in land assessments by a factor of 2 or 3 times. Sabre Systems, the consulting firm that Allegheny County hired to do its first comprehensive reappraisal in more than twenty years, could not have done more to sabotage land value taxation even if it knew what it was doing.

Dan Sullivan, Joshua Vincent, and Bruno Moser made fine presentations on various aspects of the Pittsburgh situation, and there was much more to be learned about it in private conversations at breaks and after hours.

There was also good news. On the very day before the conference started, as the directors of Common Ground-USA were gathering to conduct our annual board meeting, Bill Batt drowsily picked up the local morning newspaper. His eyes immediately grew to the size of frizbees. He stuffed the paper in my face and said, "Look at this! LOOK AT THIS!" The headline was right there on the front page of the *Pittsburgh Post-Gazette*:



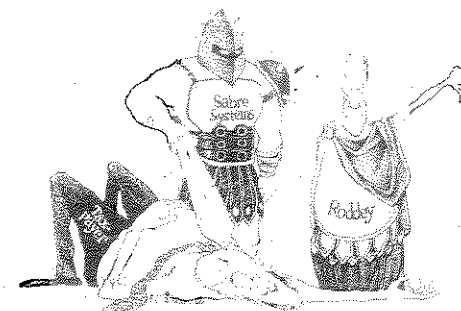
"Sabre's systems ditched." Allegheny county had fired Sabre Systems and Service and had hired a different appraisal consulting firm which is, coincidentally, one Ted Gwartney recommends, Cole Layer Trumble, to come in and fix the problems. This news cast an optimistic glow over the entire conference.

Hartzok's bid for Congress

After long-time Pennsylvania ninth district Congressman Bud Schuster resigned his seat under an ethics cloud, the Green Party of Pennsylvania nominated Alanna Hartzok to vie for the open seat. After a three-month campaign, Bud's son Bill Schuster won the special election. Hartzok garnered more than six thousand votes despite the fact that only one hundred people in her district were registered with the Green Party. But the real story is the publicity Hartzok generated for our cause during the course of the campaign. She held rallies, interviewed with the print, radio and television media, and participated with the major party candidates in televised debates. She clipped the newspaper stories for a scrapbook that she circulated at the conference, and I must say that the coverage she got from the press was overwhelmingly positive. It even bordered on "thorough," close to "comprehensive." If you didn't see her scrapbook, you missed something. The clippings clearly showed that even the press could see that she was the one candidate with real, positive proposals, ideas that could solve real problems. No wonder 44 times as many people voted for her as there were people who identified with her party affiliation! And all this was done on the tiniest imaginable budget. Next time let's get Alanna elected.

The HGFA move

I think I recall overhearing Josh Vincent tell someone that the Henry George Foundation moved to Philadelphia because that is where the action



This cartoon by Minnery, showing Pittsburgh Mayor Jim Roddey heartlessly doing in the city's taxpayers, was commissioned by Dan Sullivan to go on a flyer that would be distributed at the Labor Day Parade. Five days before that parade, however, Pittsburgh made the decision to fire Sabre Systems. Suddenly Dan had several thousand now-obsolete flyers, and a conference beginning that very day! Foregoing sleep, he quickly drew up a new flyer extolling the virtues of LVT (but not mentioning Sabre) and got it printed up in the nick of time. With luck, and with the continued advocacy of Dan Sullivan and his Pittsburgh associates, the "Sabre" of outrageous policy will be lifted from Pittsburgh's throat by next year!

is. I agree. Several prominent Georgists live in Philadelphia or within shouting distance, we have already made progress elsewhere in Pennsylvania, and, from what I have heard, Philadelphia is ripe for our reform. Of course the fact that Philadelphia is the birthplace of Henry George adds a nice touch. Vincent spoke at the conference. So did Steven Cord. And two of the new office staff of HGFA were present. Among Josh, Steve and their new associates, HGFA was prominent at the conference both from the podium and in informal groups.

The Henry George Schools of New York and Philadelphia

Mike Curtis spoke at the conference with his usual flair and analytic accuracy. Ken Ford also spoke with energy and determination. I predict that both of these Henry George Schools will flourish under their new leadership.

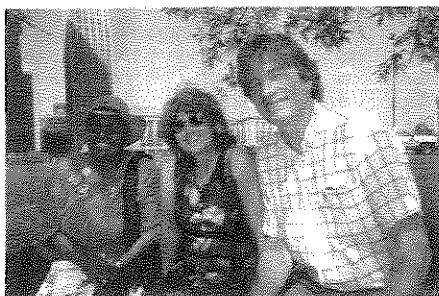
The Schalkenbach Foundation

Nicolas Tideman is now Vice-President, Frank Peddle is the new President, and, after an eight month long search process, Christopher Williams has been selected as the new Executive Director, succeeding Ted Gwartney who resigned to become city assessor of Bridgeport, Connecticut. Tideman and Peddle of course are long-time mainstays on the Schalkenbach board and as far as I know the Executive Committee of the board remains the same, so we can expect a good deal of continuity. But all of us wanted the opportunity to get acquainted with the newcomer, Christopher Williams, and we were not disappointed. Tideman, Peddle, and Williams all spoke at some length at the banquet Saturday night. From the gist of their speeches I would expect Schalkenbach to expand beyond its traditional roles of publisher and grant maker and be more proactive in the future. Williams mentioned some conferences on specific Georgist issues that he is working to put together. I look forward to seeing where some new tactics will take the Foundation.

A Brilliant Book and a Disappointing Book

Libertarian Party at Sea on Land is a well documented, clearly written, incisive critique of the views of past and present libertarians on land. It is must reading for libertarians, Libertarians, and the rest of us. At the conference we were treated to a fine talk by its author, Harold Kyriazi.

Kenneth C. Wenzer and Thomas R. West have written several essays that they have published as a book called *The Forgotten Legacy of Henry George*. Despite the intriguing title and the excellent reputation Wenzer



Pia DeSilva, Alanna Hartzok and Jeff Smith

has earned for his work on previous volumes on Henry George, I could not find much merit in this new book. Bob Andelson deftly sorted out some of the most important confusions in the book in a delightful review entitled "Seeing Which Cat?".

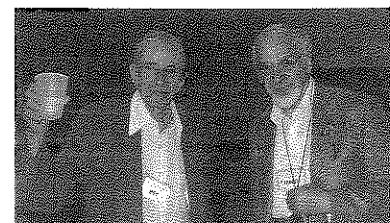
Miscellaneous Things that I liked

The main body of the conference was three days instead of just two days. Two days is too short. There was lots of open mike time. There were talks by real live local office holders like former Mayor Spozzi and former Councilman and current Representative Robinson. And lots of Pittsburgh people were there, a real tribute to the impact Dan Sullivan has had.

Miscellaneous Things that I did not like

Not all conferees were able to be at the conference from its beginning or stay till its end. I was one of many who left mid-day Sunday before the leafleting of the Labor Day parade.

Concurrent sessions. Because I was co-host of the conference last year in Des Moines I can appreciate the temptation to have concurrent sessions. There is too much to cover and too little time. Also, a sort of misguided modesty tends to creep into the planning process. The planners



Roy Corr and Ernest Kahn

think that not everyone might be interested in each and every one of the sessions they think should be included in the conference. Solution: concurrent sessions. Wrong solution to a non-problem! At the end of the Des Moines conference I felt that having concurrent sessions was the one real mistake

that we made in planning the conference. There were fewer concurrent sessions this year at Pittsburgh, but any is too many.

Microphones. Almost every speaker started his talk accompanied by a disconcerting chorus of "We can't hear you" shouted from the audience. A better sound system would be a huge boon.

The expression "21st Annual" in bold face on the front page of the Program Schedule. A first time attendee button-holed me and pointed to that, commenting, "I thought Henry George lived in the 19th century. If you have only been organized for twenty years or so, no wonder you are behind the eight-ball." I explained at length that a number of our organizations have indeed existed for many decades, and they have held various kinds of annual conferences in North America for 60 or 70 years. So, it is more accurate to say that this conference was our "21st annual" *since the CGO was formed to organize our annual conferences*. My explanation mystified the new attendee. I suggest that we determine, as (continued on page 15)

Dear Eli & Francie,

You missed a great time with your Daddy and his friends, August 29th-September 3rd, 2001, at the Pittsburgh Airport Holiday Inn!

Your Daddy has asked Scott and me to share our impressions of the event so here goes:

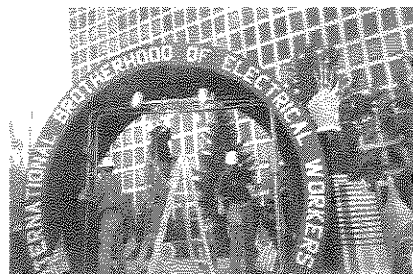
Our favorite memory was the sight of CGO Vice President Alanna Hartzok playing on the floor outside the main meeting room with the twin five-year olds Arden and Ingrid Metalitz. They all were having so much fun, we hated to tell them that we had to get on the bus. But... the tour of the Heinz Regional History Museum was great fun – and so was viewing the city from Mt. Washington later that day!

RobRob (Robin Robertson) and her buddy, JR (Nobody) Graham were the snazziest couple at the conference – their Prince and Princess outfits knocked us out at the Banquet. Before that, though, they had to work real hard. RobRob sneezed and sneezed (she was coming down with the flu) as she typed up the program, all afternoon on Wednesday. Then they hurried five miles to the nearest Office Max to make 2800 copies at 3 pm so they could later be assembled by Chris Toto, Brian Cole, Pia DeSilva, Uda Batholmew, Scott & myself at 5 pm, so participants could pick up their packets beginning at 6 pm... Whew! (Meanwhile, John Fisher & Claude Arnold ran after the hospitality goodies, and had everything on ice by 9 pm.)

We asked people to bring pictures of their cats in honor of the theme of "seeing the cat". Chuck Metalitz brought a picture of Arden & Ingrid's two gray kittens. Bill Judson, our sign & certificate maker, sent a picture of Carmen, a calico who doesn't like him to be on the telephone, and Hanno Beck brought lots of pictures of his five cats – including a rare one of all of them together. Your Dad brought pictures of you two and Mommy and your new house. It was



Arden and Ingrid



Labor Day in Pittsburgh

nice to see another side of our georgist friends. Next year, people get to bring pictures of their dogs.

People came up to our "hospitality suite" each night and had lots of refreshments like organic blueberries brought from Canada by John Fisher. Jake Himmelstein, the CGO's Treasurer and Chief Cookie Lover, had requested that I bake some cookies – so I made three dozen, plus two plates of brownies.

We don't get to hear most of the speakers because we're busy administering the conference, but we did get to hear State Senator Bill Robinson at lunch on Friday talk about tourism and the single tax. We plan meetings for a living, so we found that very interesting.

The hotel staff was very helpful and nice. They even gave our hard-working leafleteers a lounge to rest in on Monday after the parade.

Saturday night's banquet was great fun. Every year your Daddy makes up award certificates for our volunteer workers. This year he came up with the "Rooster Little" awards "for pluck and perseverance amidst a plethora of problems". The look on hard-working conference host Dan Sullivan and his wife Amby Duncan-Catt was one of "well it's almost over – thank heavens".

Next year we'll be in London, Ontario, Canada, August 20-25, 2002. John Fisher will be host – he has promised us lots of blueberries and good Canadian donuts. Not only will our hotel have an indoor pool with water slide and children's playroom, but it will also be downtown – not way out by the airport! There'll be plenty of restaurants and stores, and even an indoor farmers' market, three blocks away. The hotel is just four blocks north of the Amtrak Station for those who prefer not to fly.

Looking forward to seeing you next year!

Sincerely,
Sue & Scott Walton

The Pittsburgh Conference

(continued from page 13)

nearly as we can, how many years Georgists have held an annual North American conference. Suppose it is 72 years. Then we could bill next year's conference as "The 73rd annual Georgist Conference in North America, 22nd under the auspices of the CGO." That would more clearly reflect our heritage.

In the Final Analysis

This was a great conference. It takes a lot more work to put on a conference like this than you would know unless you had been involved in planning one yourself. We owe a huge debt of gratitude to the CGO, the local host Dan Sullivan, conference facilitators Sue and Scott Walton, the Schalkenbach Foundation, all the speakers, and everyone else involved. And, yes, let's give a hand to all the attendees.

One Final Point

As I revise these comments, I am struck that something is missing that is more important than the mention of some session that I have omitted or better balance in my treatment of some topic. What I cannot capture on paper is the sense of exhilaration and humility that one cannot help but feel in attending a Georgist conference. For that, you must attend the conference yourself. ☺

Philadelphia Story: LVT in 2001? by Josh Vincent

It's easy to see why Georgists everywhere are looking hungrily toward Philadelphia. Unlike many urban US communities that have seen slow declines or even progress in the past half-century, Philadelphia's trajectory has been steeply down.

Designed in the early 1900s for five million people, Philadelphia's population peaked in 1950 at 2,071,000; since then it's been steady loss. The 2000 Census counted 1,517,000, a 4.3% loss since 1990. Those that are left are the rich, the poor and a struggling middle-class.

Georgists have no trouble explaining the fiasco. High taxation, notably the Wage Tax that is up to 4.5% higher than surrounding towns and counties, dealt the city staggering blows. The Wage Tax is a bit more than double the city real property tax. High taxation of labor is given as a prime reason why homeowners and builders routinely do their business elsewhere. The commercial sector reports the same because of a "double" real estate tax in the form of a Business Privilege Tax, as well as the usual insane buffet of other taxes. That makes Philly a "no go" zone for markets, while suburban sprawl thrives.

This understanding led the two Georgist organizations with the closest identification with urban problems to pull up stakes from the odd, decontextualized suburbia of Columbia, Maryland to the streets of Philadelphia in early 2001. The Henry George Foundation and the Center for the Study of Economics also helped "seed" the soil by responding to a request from an ally in the City Controller's office for a Georgist candidate who could act as a Deputy Controller and defend, in theory and in numbers the Georgists' message. That candidate, Switzerland's Bruno Moser, has been stellar in spreading the message through the bureaucratic maze of City Hall. City Controller Jonathan Sidel has been an energetic and forceful proponent of land value taxation, and will make it a major part of his tax reform package to make Philadelphia once again a rational place to live and do business.

Helping us has been a diverse but powerful group: the Greater Philadelphia Board of Realtors, led by their dynamic and chic government affairs director Diane Lucidi, Jimmy Tayoun, former Councilman, old friend of the Georgist movement, and mover and shaker to the stars, many council and mayoral staffers as well as LVT bill sponsors Blondell Reynolds-Brown and Frank DeCicco.

From the end of 2000, Georgists have been holding meetings with small groups trying to rally support for land tax in 2001. Alanna Hartzok has brought her message of empowerment to the homeless and working poor communities. Many graduates and associates of the Henry George School in Philly, including Ed Dodson, Richard Biddle, Uda Bartholomew

and Ken Ford have taken a proactive stance, getting groups and individuals to take an official concrete stand for land tax in Philadelphia.

What is the bottom line? This coalition's message is that LVT must be implemented with a first year collection of 50% revenue from land — right now, at least 75% of the revenue collected by Philadelphia's real property tax comes from buildings. The next year: 100% from land. Then, a reduction of the hated Wage Tax, to be rolled into the land value tax. We should also be heartened by the prospect that this building to land shift will be done in an environment of school, city and county taxes rolled into one taxing unit. The economic benefits will be huge. That's the plan. So far, it's been smooth sailing.

Of course, we all know that the other shoe has to drop. Who opposes land value tax? We know for sure that the owners of the petrochemical plants in southwest Philly hate the idea — they have tons (*continued on page 39*)

This August Uda Bartholomew, a Philadelphia activist seeking to gather support for the LVT initiative there, wrote to Mumia Abu-Jamal asking for an endorsement. She received this reply:

LLJA! 8/29/01

Dear Ms. Bartholomew,

Thanx for your most recent letter.

Initially, I think it only fair to tell you that my endorsement of your/HGI's efforts in Phila. may prove counterproductive to your objectives. You should know this and act accordingly. This is not something that I take personally, but an observation. Assuming you find it helpful, I'll add the following.

...for the better part of a decade, I taught dozens of students (most from Africa) the basics of Georgist economics, drawn for the most part from his classic *Progress and Poverty*. I taught introductory and secondary courses... As George explains, most taxes are fundamentally unfair, yet the least objectionable is LVT. Taxes are problematic, as they are a burden on production, increasing its costs. George argues that his theory is in accord with the natural law.

After years of teaching students from across the US, from Nigeria, Zimbabwe, Saudi Arabia and beyond, I had to suspend my correspondence instruction so that I could continue my own studies.

Reasons for Supporting LVT: to lessen the burden of taxation is to unburden production, and by extension, to lessen the costs of products all the way down the line, to the consumer. Georgist economic theory is particularly opposed to land speculation, where land is held out for the profit it may bring in the future. This is a strategy for holding on to land that is unproductive, and as such, an underlying force in shaping urban ghettos.

Essentially, George argues that every system of taxation must meet the test of fundamental fairness. LVT amounts to a system that taxes the least, and thus, most approximates fairness....

I hope this is helpful to your project.

w/alla best
M.A. Jamal

Georgist Analysis: Some Room for Improvement

by Mason Gaffney, Ph.D

Henry George's core ideas include a formula for achieving full employment and relieving the poverty of the landless well within the bounds of existing settlement. It is a matter of substituting labor for land, in many respects and dimensions. There is virtually no need to go against the market — for well-oiled markets contain their own price incentives to foster appropriate technology. It is a matter, rather, of removing tax biases that presently warp the market the wrong ways.

There are some crudities, errors and omissions in George's writings, but none of them is central or powerful enough to annul the relevant core of truth. Nevertheless, it might be useful for George's supporters to examine some of the areas in which George's — and Georgist — thought should be updated to deal with modern realities.

George's Errors George went overboard identifying capital with labor because labor produces capital. He saw labor, simply, as the source of capital — ignoring the specific role played by saving and investing behavior.

As a theorist, George was insouciant about the need for market incentives to create capital. He saw the role of taxation in weakening such incentives, and so he advocated untaxing capital. But, his rationale is rather twisted — he thought that by untaxing capital he was untaxing labor. This left a blind spot among some of his modern like-thinkers, who are not alert to the bias and distortions involved in untaxing capital while taxing labor.

George had little concept of the role of interest rates and rates of return in allocating or rationing capital. He did not envision the role of interest rates in conserving working capital from being sequestered and wasted in "pyramid-building" kinds of projects (whether developmental, premature, or just megalomaniac). He dismissed his contemporary Austrian economists for what he took as merely scientific obscurity, pomp and pretense, while he missed the valid analysis underlying them. They taught that the function of interest rates is to direct capital away from "hard path" technology, reserving it for the "soft-path." The way they saw it, higher interest rates discourage what we now call "upstream" production (mining, primary products) in favor of more downstream production (processing, storing, packaging, distributing, recycling, etc.), nearer the ultimate consumer. ("Near" may mean in space or in time, or some combination.) Thus, high interest rates are friendly to the environment, and today's panacea, lower rates, lead us from soft to hard technology.

Curiously, George's first book, *Our Land and Land Policy*, (1871) contains a cogent criticism of the waste of capital in premature railroad building — but this is missing from later works.

Needed Modern Adaptations Like any great writer's ideas, some of George's are timeless. Others need modifying in view of later insights, perceived problems, technologies, and social organizations.

Green Economics George's paeans to compact settlement, both rural and urban, are highly compatible with the modern need to discourage invasion of wilderness areas, wetlands, etc. George would satisfy the demand for land on the lands best suited for human use, leaving most of the earth undisturbed by people. If anything, he understated the high capacity of good lands to meet all human needs. As a son of the frontier, he overstated its virtues in some oratorical passages, anticipating Frederick J. Turner. His pioneering work on the marginal productivity theory of wage determination puts too much emphasis on the frontierish "margin of cultivation," borrowing from Ricardo. In practice, however, George was a devoted urbanist (like Ricardo himself).

In other respects, to "green up" Georgism we need to free it from its exclusive focus on the virtues of a land tax levied in the form of a property tax. George himself stated his central thesis in another form: "We must make land common property." To him, the property tax was simply the most convenient and practical tool to that end, one directly at hand.

Recalling that George's definition of land included the entire material universe, exclusive of humans and their products, we can see the need for some modifications. One is to recognize the occasional virtues of taxes on the extraction or withdrawal of natural resources from the earth. An obvious modern case is the withdrawal of water from rivers and wells. Another obvious case is levying effluent charges on polluters, where that is feasible.

Additionally, we must recognize the pervasive tax biases toward extracting and consuming energy and other primary products. It is not just that a commodity like gasoline is subsidized; it is worse than that. Within the stream of production, subsidies go to those activities involved in extraction, while taxes fall on activities downstream that conserve and economize on the primary product.

"Preemptive" Capital Some capital serves its owner to preempt common lands. An example is a large, fast, noisy, dangerous, polluting motorboat on a small lake. Thousands of small lakes would in effect be made larger, in terms of satisfying human wants, by taxing or banning such craft.

A more common example is the preemption of space on streets and

The annual CGO conference is a vital clearinghouse for new ideas, findings and strategies.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

When did you first read *Progress and Poverty*? _____

Did you have a georgist mentor? If so, who was it? _____

What book by Henry George did you read most recently, and when was that? _____

What book on political economy or social justice (other than George's works) did you read most recently?

And now, for Henry George Institute members only:

Our annual dues are too low.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

I believe that the surge of interest in our courses among prisoners is a positive development and should be encouraged.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

I believe that the surge of interest in the Georgist philosophy in Africa is a positive development and should be encouraged.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

The HGI's Internet projects are a great asset; we should continue to expand our work in this area.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

highways by vehicles. Many modern Georgists recognize the wisdom of parking meters, seeing them as an example of applied Georgism. But, moving vehicles also occupy scarce, valuable public space, and should pay for it. The Georgist tradition is to see things that move as productive, and to avoid hindering them. It is a good reflex, a needed antidote to the more general bias to "tax anything that moves." In this case, though, the moving vehicle actually preempts even more space than the parked one, and needs to be constrained.

The problems are formidable of designing optimal taxes on and controls over moving vehicles; and even moreso when we see them in holistic terms, as part of recasting our whole approach to mass transportation, and integrating it with massive reforms of land settlement patterns. Those are, however, the modern problems we should address. In doing so, we can do no better than think of ourselves as applying George's principle that land — space on the surface of the earth — is common property.

Offroad vehicles are another obvious example. Part of our great secular superstition about property is the notion that pieces of capital equipment are, maybe, even more sacred than persons themselves: that the vehicle endows its owner with more rights to public space than the simple possession of two legs. (This is also encouraged today by merchants who see motorists as bearing more cash than pedestrians.) Above all, those who foster this attitude are the makers and sellers of vehicles, fuels, and paving materials.

Surfboards make another example, but once one gets the basic idea, one can furnish scores of additional examples of preemptive capital. To tax such capital is, in effect, to tax the grabbing of common lands by the owners of the capital. Sometimes regulation or banning is the better choice, depending on particulars, but the principle is Georgist: recognize land as common property, and take measures to assert that common ownership.

The Rural Landed Gentry Georgists have focused on urban land, stressing its stupendous value p.s.f., and also its high value per capita. Some have favored ignoring rural areas completely, to placate the rural vote, and the supposed rural preservation of old cultural values. If those notions ever had merit, they do not today. Persons of great wealth have fled the cities and bought up (or retained) vast and valuable lands in rustic retreats. In addition there are individual spreads so vast they constitute regions in themselves. Once known mainly for blood sports, owners in these areas wrap themselves now in the mantle of environmentalism — a major challenge for those seeking to reconcile fair taxation with ecological values.

Where land is valued less for amenities, and more (continued on page 25)

A survey on the state of the movement in 2001

Please indicate your level of agreement/disagreement with each statement.

I think the movement has made significant progress in the last 10 years.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

All in all, I believe we are on the right track and should seek to expand our current efforts on all fronts.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

I am impressed with the quality and professionalism of books and publications offered by the georgist movement.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

I am impressed with the quality and professionalism of Internet presentations offered by the georgist movement.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

When people ask for hard numbers, we have few to offer, and this hampers us. We should devote the following portion of our resources to empirical research:

☐ 10% ☐ 25% ☐ 40% ☐ 55% ☐ 70%

We have developed an aloof, all-or-nothing idea of our mission, and this hinders our progress. We should devote the following portion of our resources to building common cause with other activists:

☐ 10% ☐ 25% ☐ 40% ☐ 55% ☐ 70%

The number of people who understand the Georgist philosophy is dwindling, and this jeopardizes our potential. We should devote the following portion of our resources to popular education.

☐ 10% ☐ 25% ☐ 40% ☐ 55% ☐ 70%

The two-rate reform movement is the only practical, real-world success story we have. We should devote the following portion of our resources to activism in support of georgist property tax reform.

☐ 10% ☐ 25% ☐ 40% ☐ 55% ☐ 70%

Progress and Poverty, while certainly a classic, is too old and difficult for today's students. We need a new basic textbook.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

Our traditional advocacy of free trade is out of step with today's global realities.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

All taxes are collected at the expense of aggregate rent.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

As georgists, our paramount goal is to eliminate land speculation and, thereby, raise wages.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

The people of the world should develop a mechanism for the public collection of the rental value of transboundary resources at the international level.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

The value of a site is affected by the improvements made on that site.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

The annual CGO conference has great potential as an outreach tool, and significant resources should be devoted to exploiting this opportunity.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

Georgist Analysis...

for cash crops, absentee ownership runs high in much of Iowa and central Illinois, with rents going to Chicago lawyers and European investors. Likewise the oven-like Imperial and San Joaquin Valleys of California, whose absentee owners are more likely to live in coastal California, but also have addresses all over the world — some real, and some in tax havens.

In such regions, land values per capita run high. Vilas County, for example, an abandoned old “cutover” county centered on Eagle River, now has the highest land value per capita in Wisconsin, thanks to its many little lakes, and the high social status of summering there.

There is no reason, in equity or efficiency, to exempt from taxation all this lavish use of rural lands. The challenge is to implement policies to sift out the legitimate contributions to the environment from the country club and boating and “trophy” and “privacy” and “fin and feather” and “snow-bunny” qualities that give these lands most of their market value.

Substituting Capital for Labor Georgists have a blind spot about the problem of biases in taxation, and other institutions, that force uneconomical substitution of capital for labor. The blindness follows from George’s virtual identification of capital with labor. It leads many modern Georgists to focus mainly on getting capital exempted from local property taxes, ignoring the strong biases in income taxation that favor capital over labor, with malign consequences, both allocative and distributive.

An irony (or inconsistency) about this is that George had included in *Progress and Poverty* one lurid passage that might have inspired Karel Capek to pen his memorable play about Rossum’s Universal Robots. George had raised the specter of the complete elimination of jobs, as labor-saving technology progressed, and landowners substituted machinery for labor. His specter was premature, as market forces tend to foster “appropriate technology,” meaning that as land becomes dear, and labor cheap, technology bends in the direction of using more labor and less land. However, modern tax biases have brought the specter back in full force, because the tax code is now loaded with biases that favor the use of capital and penalize the use of labor, thus trumping market forces that would do the opposite.

Adapting to the Changing Nature of Inter-regional Competition Georgist policies had a good run at the local level in the days when cities sought to grow by attracting population. Federal income tax policies have changed that. By loading the Federal tax burden on labor, while sparing capital, Congress creates a universal bias for cities and counties to see purely proletarian labor as a “fiscal deficit generator,” a parasite to repel, while

I think that the traditional three-course series in *Principles of Political Economy* is very effective and should be maintained as it is.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

I think that the additional courses offered in *Human Rights and Liberation Theology* and *Land Reform* are important extensions of our curriculum and should be continued.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

I think the HGI should develop more courses.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

I think that the HGI would greatly benefit from seeking accreditation for its distance learning program, even if it requires a significant investment of time and money.

☐ No way! ☐ Not really ☐ Hard to say ☐ I guess so ☐ Absolutely yes!

Here's my suggestion for how to make the HGI more effective in its work:

Please mail to: HGI, 238 Hadley Mill Rd., Brooks, ME 04921 USA. Results will appear in the next issue of the *Journal*.

Your name (optional) _____

Thanks!

capital and housing for the rich generate local fiscal surpluses. The resulting local biases toward selective growth policies are well known, but most advocates of housing for the poor are merely hacking at the branches of evil, ignoring the roots in Federal tax policies.

Capital Formation, Conservation and Maintenance George did see the merit of untaxing capital, but he had no concern about the aggregate supply: by inference, importing capital was as good as forming it locally, or domestically. Incentives are needed, not just to import capital, but to form domestic capital. Besides forming capital, we need incentives *not* to squander existing capital, in the manner of the notorious Prince of Brunei who indulges himself with his traveling harem, retinue, yachts and racehorses; or worse, in the manner of Osama bin Laden who indulges his passions with the Jihad that not only consumes his own capital, but destroys that of his enemies.

Modern conservative champions of incentives for capital formation err in failing to note that it is important to use any given aggregate of capital efficiently — as important as to create more capital. They err even more egregiously, and tendentiously, in making their favorite cause the exemption of “capital gains” from taxation. I put “capital gains” in quotes because most capital gains are land value gains. A tragedy of modern Georgism is how easily its Philadelphia convention, during the first Bush Administration, was stampeded into memorializing Congress to repeal the capital gains tax. A convention of land speculators could have done no worse.

Corporations George wrote little about the corporate form of organization. His modern allies are aware that corporations are our major land-holders. That is a most important truth, one neglected by most other economists and reformers. However, the Georgists are mostly content to let it go at that. They do not see the corporate form itself as a menacing kind of special privilege. In this they are somewhat behind other reform groups, and have, alas, little to contribute to the current debate on this matter. They are unaware of the seminal old work by inveterate Georgist lecturer John Z. White on the meaning of the Dartmouth College Case decision of 1819.

The Frontier Speculators George's critique of land speculation came to be focused on “Speculator Type #1,” who withholds good lands from timely use. Georgists have neglected to condemn the counterpart “Speculator Type #2,” who acquires marginal lands cheaply, and then lobbies public agencies to extend roads, utilities, military and police protection, and other public services to them, below cost. This is a pervasive bias in most of our institutions, from city departments of public works up through

state public utilities commissions clear to the Pentagon, World Bank, and CIA. Types #1 and #2, in tandem, create our form of Imperialism, that perpetual quest for Lebensraum that is our curse.

In my political experiences, one collects more cuts and bruises combating Speculators Type #2 than Type #1. The socio-political bias for territorial expansion is even stronger than the bias against cultivating, intensifying and renewing our internal frontiers. The Georgist dream of taxing central rents to finance public services becomes a nightmare when the public money is dissipated in enriching Speculators Type #2. This kind of spending not only dissipates rents, and wastes capital; at the same time it despoils the environment.

Renewal as Intensification George observed land speculation in California when it was young and raw. Today, an equally or more baneful aspect of underusing land is found in older blighted slums, where underuse takes the form of non-renewal. Thus, land of high capacity is providing only minimal service and employment. Why do we not get timely renewal? The most obvious reason is that the carcasses of old buildings bear only minimal tax valuations, and so do the sites under them. Let the owner renew the site, and taxes shoot up: not only on the new building, but often on the site as well. Result: nonrenewal. So capital migrates outward instead, to where tax rates are lower and subsidies are higher, wasting capital in duplicating the infrastructure, and of course also wasting land.

Many Georgists fail to see that a major part of the problem is under-assessment of the land. Land is underassessed when tax-valuers lapse into using the “building-first, land-residual” method of separating land from building values. This results in land valuations so absurdly low that one observes, in many cities and neighborhoods, most of the joint value of land/building being allocated to the building in the very year that the owner chooses to demolish the building, i.e. when the building really no longer has any value at all. Then the assessor raises the land valuation under the new, or replacement building — making the land tax in effect an additional tax on the new building. The correct method is the “land-first, building-residual” method: value the land as though vacant, and give the old building the excess, if any, of the joint value over the land value. Then the land value remains fixed when a new building arises, and the land tax serves, as it should, as a stimulus to rebuilding.

Many modern Georgists tend, oddly, to trivialize the power of tax bias to keep land from its best use. This was inadvertently demonstrated by Chicago-School economists Gail Johnson and Stephen Cheung. They showed that sharecropping, as a private arrangement, creates a bias on the part of tenants to substitute land for labor and equipment, almost without

limit. This is because extra land costs the cropper nothing, unless it adds to output, so the cropper's interest is to substitute land, which is free to him, for his labor and capital, which he pays for.

Taxes based on gross output affect all landowners the same way the cropshare lease affects croppers. They make every landowner a cropper of the state, giving every landowner a motive to substitute land for labor and capital indefinitely.

In conjunction, consider that taxes (other than property taxes) are based solely on cash flows, thus entirely exempting all the imputed income from and imputed consumption of the service flows of land — the "amenities." Government tells the landed gentry, "Hold land as an heirloom, a private hunting and riding park, a speculation, a hedge against inflation, an entry into high society, a beach access, a protection against future neighbors, a shooting range, a golf course, a ski hideaway, a drinking club, a private landing strip — anything private and narcissistic or exclusionary or snobbish — and your pleasures are tax exempt. Produce goods and services for others, though, and we will treat you like a sharecropper — and tax your employees, too."

George wrote back in 1879 about the tendency of the rich to hold land as a totem — for pleasure and prestige. He noted that tendency in an age before we even had an income tax, or state sales taxes. Our present tax system magnifies the tendency beyond all reason, resulting in the relegation of much of our best land to the indulgences of the landed gentry, old and new. (C)

The Georgist Remedy for the Nations of Africa: Promises and Pitfalls

by Lindy Davies

In the last ten years, more and more HGI students have come from various nations in Africa, most notably Nigeria, Ethiopia, Mali, Zambia and Zimbabwe. In general these students have been very enthusiastic — wanting to learn more and spread the ideas. It makes sense that Africans would see the cat. They have been spectacularly failed by economic paradigms of both the right and the left. Generally, no economic policy they have undertaken, as post-colonial sovereign nations, has worked. Across the continent, standards of living have worsened, life expectancies have decreased, production has declined, debt has risen and infrastructure has decayed.

It is important to speak of "nations", because at this stage of history, the national level is where meaningful reform has to start. It is true that the nation-state in Sub-Saharan Africa (for example) is a far less secure entity in the international pecking order than, say, the West European nation-state. African national boundaries were drawn by an entirely different process than European boundaries, and *not* to benefit either the people of Africa or the land of Africa. Nevertheless, the nation-state is the sovereign entity that the world deals with. Laws about currency, foreign exchange, immigration, environmental policy, etc. are enacted at the national level.

That's an important thing to remember in this time of the WTO and the Bretton Woods Institutions. It is sometimes said that national sovereignty is being usurped by WTO rules — but that is not strictly true. Any nation is free to enact its own safety or pollution standards — even, perhaps, in defiance of WTO rules — *as long as it is willing to accept the consequences: not being allowed to play in the WTO's game.*

This is even more dramatically true in the area of international debt. In many cases, a nation's debt was contracted by a regime that is no longer in power; but in *every* case these foreign debts were not contracted by anything remotely resembling a democratic mandate. (For example, the estimated foreign debt of the Democratic Republic of the Congo was estimated at \$12.3 billion, back in 1997, when it was still called Zaire.) So who should pay them back? Of course, the citizens of the nation will be



One of the most thought-provoking panels at this year's CGO conference was "Land and Poverty in Africa", chaired by Dr. Heather Remoff, the author, anthropologist and longtime georgist educator. Dr. Inno Onwueme, Director of the Fulton Center for Sustainable Living at Wilson College, an expert in sustainable agriculture and published fiction writer, gave an authoritative presentation on the environmental, economic and political challenges facing farmers in Africa today. Lindy Davies offered a paper which is presented on the following page. Dr. Onwueme, who is new to the georgist philosophy, offered this verse when he arrived home from the conference.

The Rat Sees the Cat: a Tribute to the Henry Georgists
When land matters stink, beset with ethical pollution,
When there's a mess, rife with the smell of rat;
In step the Georgists, with a unique solution;
What rats can linger, when they see the cat?

called upon to pay them back, which they cannot do, for many good reasons. These debts cannot be paid back, and they are not just. So why do national governments not simply exercise their sovereign prerogative and refuse to pay them?

In short, they could refuse to play by the IMF's rules, but the IMF would throw them out of their game. And without that continued infusion of foreign capital, how could they meet their public sectors' existing commitments — much less form capital, create infrastructure, provide safe drinking water, build new schools, on and on and on?

They could refuse to play by the IMF's rules, but the IMF would throw them out of the game.

In their efforts to secure debt restructuring and partial relief, nation after nation has submitted structural adjustment plans under the HIPC (Heavily Indebted Poor Countries) program to the IMF, detailing how they plan to open markets, stabilize currencies, buy lots of Western goods and totally integrate into the global economy — and nobody believes these documents. They are prepared by teams of highly trained specialists, submitted, evaluated, revised and resubmitted, and meanwhile the debt grows and the national economy moves not one iota closer to meaningful development.

At first glance, the Georgist remedy seems utterly ideal for a nation in such straits. It would (theoretically) enable them to get the debt monkey off their backs. It would give a country a chance to unilaterally default on its foreign debt, and still be in a position to say, "Go ahead, cut off our line of credit. Impose trade sanctions. Boycott our country if you must. We are still able to form capital and increase our people's prosperity, because our people will have access to land, and their production and commerce will not be burdened with taxation!"

But, as an economist friend of mine is fond of saying, "It's a little more complicated than that." The brutal fact is that today's "globalization" policies are being welcomed by a small elite in each country that stands to benefit from them. This small elite is in control of the banking system, the government, and nearly all of the economically valuable land. But the crazy thing is — as Hernando de Soto points out in his recent book *The Mystery of Capital* — that although these elites hold, probably, 100% of the assets in these countries, they may not hold the majority of the wealth. Most of the buildings, farm machines, merchants' inventories, etc. are owned in a manner that is recognized and supported by a local community according to its own rules, but not codified in the legal framework of the country. Hence, the wealth that people create, and, importantly, the saving they undertake, is not held in a form that is fungible. It cannot be transferred outside the community that recognizes local property-rights customs, and it cannot be borrowed against. This is a huge disadvantage

— possibly an insurmountable impediment to economic development.

But although ownership and tenure is not formalized in a Western sense, it is real. De Soto keeps returning to the "barking dogs" image: traveling in Indonesia, he had no idea where the property lines between farms were — but he heard the dogs barking every time he crossed a boundary. He says that the boundaries exist, informal but very real. The laws have already been written.

This is exactly, de Soto argues, how property law was created in the United States. Settlers in the midwest, and later in California at the time of the gold rush, created *ad hoc* arrangements for ordering property rights and settling disputes. In

many cases these arrangements were contrary to Federal laws (which favored the interests of land speculators). But, Washington's law couldn't be enforced. Settlers filled the vacuum with legal arrangements of their own. In order to avoid outright rebellion, when the national government asserted jurisdiction over those lands, it had to incorporate these arrangements into the formal legal system. In other words: a

No Second Mortgages in Ethiopia

The Council of Georgist Organizations invited Kidane Hiwot, our colleague from Ethiopia, to address this year's conference in Pittsburgh. But, alas, it proved impossible for Kidane to get a visa to come to the United States. After he waited in line for three days to speak with them, US embassy officials plied him with questions about his employment history, his bank account and his personal habits, before denying his request. Because they had been grilling him about assets, I asked him (over the phone) whether he owned his own house. "Yes," he answered, sounding rather puzzled, "but that doesn't help me here." — L. D.

legal system must recognize and honor the "folk-legal" conventions of property ownership that people have created on their own. If it does not, its laws cannot be enforced: If it does (and to the extent that it does) its laws will be essentially self-enforcing.

So, de Soto argues, simply allow people legal tenure to the land and wealth that they already own in a *de facto* sense, and then turn the economy loose! Prosperity will follow.

Georgist readers will quickly seize upon the flaw in de Soto's argument. Although he is mostly talking about real estate, he writes as though all property is equal, acknowledging nothing special or distinct about land. Georgists understand that a failure to understand this crucial distinction undermines and ultimately incapacitates any economic reform program. Land is not produced by human labor; it is fixed in supply; it is the gift of nature; it is fundamentally different from the wealth that is produced by labor; these are essential truths that I wish de Soto understood. But for the moment, let us avoid the easy path of criticizing this writer for not seeing

the cat, and let us try to learn from what he does see in the Rest of the Picture.

If we simply plop down the single tax in, say, a typical West African nation, what will happen? The export-oriented plantation owners, exploiters of slave labor, will scream bloody murder. The small minority of urban real estate owners who are blessed with secure title to their real estate (many of them foreign) will, probably, benefit somewhat, and support the reform. What middle class there is (there is very little) will be concerned with preserving their precious toehold on prosperity, and not be interested in any sort of reform. But how about the majority of the people in the nation?

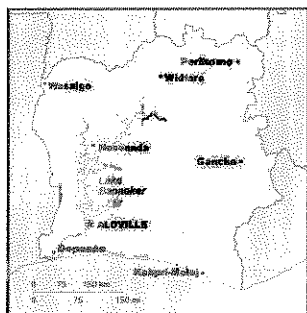
Being relieved from taxes will mean little to them, because they are not part of the formal, legal economy in the first place — they are not taxed! Being “taxed” on land — or paying “rent” for it — sounds threatening to them, because (officially) they are squatters, and any formalization of land tenure threatens what little autonomy they have managed to eke out. Becoming integrated into the “formal” economy is anathema to them; it smacks of IMF austerity, and corruption. In such a context, the single tax begins to sound more like a part of the problem than any sort of panacea.

The News from Alodia

Seeking plausibility above all else, the tellers of the Alodia story have envisioned the probable response of the rest of the world to Alodia's experiment. Led by the Bush administration, the Western powers have imposed the strictest possible trade sanctions. Alodia has, however, lucked out in the aspect of its currency; because it uses the French African Franc, or CFAF, its currency could not be declared invalid without penalizing other uninvolved nations; therefore, day-to-day transactions could still be made. But, denied its accustomed export markets, the regime was sweating out its need for foreign exchange. In the nick of time, China agreed to buy certain of Alodia's exports (possibly to thumb its nose at the US).

A highly public fracas arose in the Aloville market between a Mr. Jobe, a member of a team charged with formulating a new constitution for Alodia, and an outspoken woman, Monique Sassafras, who criticized the “Westernization” of the Alodian economy. In the fallout of this highly publicized “debate”, Jobe was fired, and Sassafras was hired by the interim government, in the post of “Undersecretary for Non-formalized Economic Affairs”.

The regime is hanging on; if it can weather the storms of the coming year or two, it envisions a bright future. Point your Web browser to <http://www.henrygeorge.org/alodia> to read the latest news — or to create some, yourself!



But I believe we have found the outline of a workable solution to this problem! It was just this sort of question that led the HGI to embark on its “simulated nation” project on the world-wide-web. We set up a fictional West African nation called Alodia, in which a junta had taken control, stating its intention to implement a Single Tax economy: assessing and collecting the rental value of land, eliminating tariffs and other taxes, and (although this last is not, of course, part of George's remedy), unilaterally refusing to continue payments on its foreign debt.

Our goal was to make our simulation as realistic as possible — and in that context, we had to figure out how the Alodian assessment team (staffed, of course, by prominent Georgists) went about creating the national cadastre. We had to come up with land valuations, in many places where records were conflicting or nonexistent. Given the informal nature of land tenure documentation, how was the assessment team to figure out who owned what pieces of real estate?

In essence, they listened to de Soto's barking dogs. The Army sent out foot soldiers into the field to collect data. They were sent to localities where they knew the people, the customs and the language, and they were told to figure out who owned what pieces of land. They were given maps and tasked with piecing together, as in jigsaw puzzles, who owned what parcels. Then, a Georgist assessment team determined the rental values of those parcels, and the land cadastre was published.

After the allotted time period for appeals was past, any improvements on the land parcels, *as delineated in the national cadastre*, became the absolute legal property of the landholders, who were issued legal documents to that effect. Furthermore, this deed entitled them to secure tenure on the land that they occupied, provided that they paid their land rent (if any) to the local government. (In rural areas, where traditional models of land tenure still held some influence, this decree amounted to a policy of non-interference with tribal and village traditions.)

Now, in Alodia, individuals could not collateralize their land value (as Hernando de Soto would want), because the state would be collecting something approximating the full economic rent of the sites they occupied. However, they did, now, possess secure legal title to the *improvements* on these sites. The people of Alodia suddenly, magically, had a significant asset base of formally codified wealth, where none had existed before!

Thus, the process that we have envisioned of practically administering a new single tax regime in a West African nation has accomplished much of the reform that Hernando de Soto sees as essential for development. But, it has done so *without* giving away the wealth — the nation's land rent — that truly belongs to the entire community and, therefore, provides the just and efficient basis for its public funds.

On the Sept. 11th Terrorist Attack in the USA

by Paul Martin

I was and am as shocked and moved as anyone viewing the constant live updates. I actually have flown on the very route from Boston to LA which yesterday ended up plowing into the World Trade Center. Wide-eyed, I took in every image and word uttered by the expert reporters. But I sure would've liked to also hear the Georgist point of view on this latest experience of barbarity! We only get to hear the news from one perspective, especially when something big hits the ground. Even here in Nicaragua, on the self-proclaimed "alternative to monopoly" radio station, our Tuesday morning show was bumped so they could connect to the monomind international news network. In effect, when history is being written in its most critical and emotionally potent hour, the monopoly system has things well wired to ensure full control over the microphone.

What would we have said in our show? First, we would have asked different questions, such as: Why would someone want to do such an act? What is the goal of those people? Who are they trying to serve and please? What has the USA done to attract such animosity? Does the US government bear any responsibility for this event?

Our answer is, take a step back from the personalization of the event and look at the socio-economic world in which it took place. The world

The world functions upon natural laws. No empire has ever been able to defy them, although they have all tried their best.

functions upon natural laws. No empire has ever been able to defy them, although they have all tried their best. Wherever there is injustice, the world presses for the reestablishment of justice, like water seeking its level against a flimsy dam. The law of justice is the natural law. There can be no security, no peace without justice as the reign-

ing principle, because sooner or later, the dam will break, sometimes in increments, sometimes in larger more dramatic explosions, and justice will be served, even if an empire has to come crumbling down.

The United States of America houses the economic-military structure which supports the imposition of an international system of economic slavery, benefitting a minority who control the Earth's natural and socially developed monopolies. There, I said it. The United States was not so much the innocent victim here as the target of retribution. As always, the innocent took the hit: the passengers, the WTC workers, etc. These victims are just the latest addition to the body count for which the global system of monopoly is responsible. To get the full count, you need to add in all the domestic homicides, suicides, drug related deaths, death squad hits, military massacres, bombings, etc. that have been perpetrated as a conscious or unconscious result



of our unjust economic system.

All over the world, millions of people see the attack on the USA as a tragic, but all-too-likely consequence of its Government's arrogant disregard of human and national rights.

Nothing can be done to keep terrorist acts like this from happening unless we

change the system that moves much of the world to hate the United States because of the resource monopolies which it serves. The only thing that the US can do to stop these acts of war is to allow freedom and justice to reign as universal principles in the world. If we don't, no amount of "security measures" will be sufficient. How long will it be before the first suitcase atomic bomb, or vial of bubonic plague, arrives to New York or Washington? This is the beginning of the end of the US as we know it if we don't work on resolving the cause of the problem: economic injustice. There will never be enough security, and the government will have to sacrifice more civil rights and constitutional rights (as they have already been doing for some time — just ask someone who has been arbitrarily detained or humiliatingly searched in an airport) to keep us all safe from the growing threat of terrorism.

Anyone who has read and understands the georgist economic analysis knows that all this drama about finding and punishing the perpetrators of the terrorist act is just more of the same energy which caused the attack. Each side believes that they are punishing the other for past transgressions. We know that the only way our civilization will not spiral into self-destruction, as have all other empires before us, is for the people of the world to reject the true cause of the conflict, monopoly economics (a form of slavery), and to embrace the new paradigm of objective economic justice (the only real freedom) which George ably spelled out for us in *Progress and Poverty*. For instance, the conflict between the Palestinians and the Israelis is over territory. We know that by applying the georgist remedy over the whole region in conflict, a strong moral base can be established for all to be able to live in justice, prosperity, and peace there.

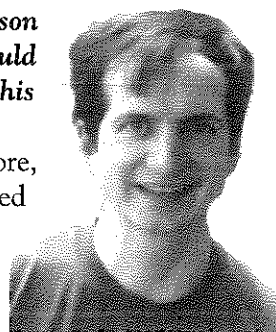
We stand at a crossroad, each day, each absurd horrific event proving the Georgist theory correct, and it is up to those of us who have been blessed with the privilege and responsibility of knowing the truth, to get up and speak it in a way that will be heard by others, all over the world.

We should feel confident and strong in this mission. All we are proposing is that people learn about political economy so that (continued on page 43)

Daily Progress: An Interview with Hanno T. Beck

Hanno Beck is the President of the Benjamin Banneker Center for Economic Justice and Prosperity, the Baltimore-based organization which has created, over the last six years, a robust World-Wide-Web platform on which Georgists can make their voices heard in unprecedented numbers. Here are his thoughts on beginning the fifth year of his flagship publication, The Progress Report.

Benjamin Banneker seems like the sort of person who didn't believe in the word "impossible". Could you tell us a bit about your choice to name this organization after him?



We are located slightly southwest of Baltimore, Maryland. Benjamin Banneker was born and lived just a few miles from here. It is certain that Banneker understood the importance of land and location in an economy. To survive as a poor black farmer in a slave state where racial prejudice was normal, is impressive. Still more impressive is to decide, as an old man, to take up astronomy and to proceed from there to predict eclipses, calculate the ephemeris for several almanacs, and join the team that surveyed the boundaries of the Federal District that became Washington, DC. Banneker simply paid no attention to his poverty, his race, or his advanced age, and moved forward to fulfill his life's potential. That is an inspiration for anyone who has ever been tempted to quit because of adverse circumstances or the opinions of others.

Just for a start — give us an idea about quantity. How many people see the Banneker Center's World-Wide-Web presentations?

Banneker Center web sites — there are 21 of them, encompassing several thousand separate pages — have been viewed by more than two million individuals. On a typical day, over 3,000 page viewings occur.

It's hard to make sense of these numbers in a vacuum, so here is a little comparison. In 1987, I was on the staff of the city magazine of Austin, Texas. We had 18 full-time employees. And we reached the same number of people each month that the Banneker Center, with a regular staff of one volunteer, is now reaching via the World Wide Web each month.

The Progress Report has sought to fill the niche of "non-partisan daily news, focusing on economic justice". About what portion of the pieces it runs are explicitly Georgist? What are some of the benefits and drawbacks of this broad strategy?

Opinions differ as to what makes an article Georgist. Must it mention Henry George? Must it refer to land value taxation? Would every article in favor of democracy and human rights be Georgist? Others can debate

these questions. I simply try to make sure that anyone viewing *The Progress Report* sees links to several articles of lasting Georgist value — but everyone has his or her own taste. If I concentrated on publishing something specifically Georgist every single day, we'd have to close down because (a) we would quickly run out of new material, and (b) people would stop visiting *The Progress Report*. Variety is the spice of life. Web sites that sound just one note over and over do not prosper. The beauty of Georgism shows best with a background, just as a painting needs a frame and a wall.

Some web sites, the HGI's being a notable example, make efforts to transform a visitor into a Georgist in one fell swoop. That is very good. But *The Progress Report* is not trying to do that — rather, it is a news service where Georgist ideas get the full attention that they deserve, and the result is a unique and exciting news product.

Once people do visit The Progress Report, what things keep them coming back? What are some of the ways that you assess its effectiveness?

The Progress Report is our largest web site and since it is a daily news service, we make changes to it seven days a week and have done so for over four years. On any given day, about two-thirds of our visitors are there for the first time, and about one-third are previous visitors returning for more.

I don't know exactly why people come back again and again, but it is true that we offer a unique combination of news and views that you cannot find among the "mainstream" media. You also cannot find our viewpoints on web sites that merely parrot one "liberal" or "conservative" point of view. Our aim is to publish little-noticed material that is of interest to people who care about Justice, no matter what the source.

Also, we sometimes print items with which we disagree. One of our hopes is to stimulate discussion, not just to preach one set of answers.

There is no easy way to assess our impact, but our audience has grown by more than 35% every year. Every day we receive email messages and letters to the editor. Our online "discussion room" is noisy — and the participants are often new names, not previous Georgists. We are building a constituency for worldwide economic justice, with Georgism at the core.

Are some of the Banneker Center's web sites tailored for newcomers who know nothing about Georgism?

We have several such sites. My personal favorite for newcomers is the Ask Henry search engine — which gives links to all other Georgist web sites in the world, and features a searchable index of every word of every page of just those sites. A newcomer can choose his or her own interests, topics, etc., and find the Georgist web sites that are most relevant to those interests. No need to guess which Georgist WWW site to recommend to a particular person — just recommend Ask Henry and they'll find what suits them best.

What are some of the pieces you've published that have gotten the biggest reactions?

Dr. Fred Foldvary has been writing weekly editorials for *The Progress Report* since its debut in 1997. We have published debates, angry diatribes, fables, reprints from classic Georgist literature, interviews, tall tales, you name it — but many of Foldvary's editorials rank at the top of our popularity list. Fred is an expert at addressing major current issues with a reasoned, Georgist viewpoint. We need more such articles from Georgists all over the world.

What can your Georgist colleagues do to help make *The Progress Report* more effective?

Most Georgists would love to be listened to by one or two nonGeorgists. Well, if you write an article for *The Progress Report* and it appears on the front page, many, many people will notice what you say. Depending on how popular your article becomes, you might wind up reaching tens of thousands of readers, far more than usually see a Georgist book or pamphlet. Write your thoughts on a subject of current interest — politics, economy, environment, society, whatever you like — and send them to me. My dream is to wake up one day with too many, not too few, good articles to choose from. What an enjoyable burden that will be!

What's next for the Banneker Center?

We are quite busy maintaining and enhancing our current projects, and our hopes for expansion will not meet reality until we find more funding to support new efforts.

The Banneker Center is a nonprofit organization but not of the 501(c)(3) variety, so our journalistic range is not hampered by any requirement to be non-political — but, alas, contributions to us are not tax-deductible.

We own and operate 21 different Georgist-flavored web sites. We also provide hosting and storage space for the web sites of several other Georgist organizations. Anyone who likes what we are doing and wants us to do more is invited to make a donation. I can promise you that the Banneker Center will utilize your contribution with the utmost frugality! And we are not so wild about the word "impossible", either!

SOME BANNEKER CENTER WEBSITES

The Progress Report

www.progress.org

Economic Justice Discussion Room

www.progress.org/progs/wwwboard

Ask Henry

www.askhenry.com

Citizens' Dividend

www.progress.org/dividend

Green Tax Shift

www.progress.org/banneker/shift.html

Corporate Welfare Shame Site

www.progress.org/banneker/cw.html

Sprawl Information Center

www.progress.org/sprawl

Green Economics

www.progress.org/green

Prosperidad (in Spanish)

www.prosperidad.org

Philadelphia Story...

(continued from page 17)

of land, don't use it well, employ few and create lots of pollution. However: they can't pick up and move to avoid higher land tax. No one will have them.

Absentee owners of rental units in the poorest sections of the city will have to pony up more. If they walk away from their properties it'll be no worse than the current rate of abandonment. And, many point out, that just might mean that the tenants themselves will get to own the houses, an outcome that a city that needs freeholders will applaud.

Downtown commercial parking lot owners will squeal. That will be music to the rest of the city, who blanch every time a historic office building is torn down to make way for King Asphalt.

Finally, it appears that the biggest opponents to Land Tax have been the assessors of Philadelphia County. Why? We're not quite sure. Certainly, downtown land is gravely under-assessed and buildings are certainly over assessed. "Difficult" residential neighborhoods, such as the exclusive and bucolic Chestnut Hill, are valued with little consistency or rhyme. It is conceivable that some unsavory practices might be exposed by greater scrutiny on the property tax as a whole and the valuations that support it.

As 2001 comes to a close we know this: the overwhelming majority of property owners in Philadelphia will save with LVT. There is no other source — save land — from which to replace the revenue now being raised by the reviled wage and business taxes. The bill to implement a land tax is in the City Council hopper. The stage is set; but this is an ongoing story, one that will take years to play out.

But this time, Georgists are ready, Georgists have allies, and Georgists — of all stripes — know what has to be done to win.

Geonomics is — the annoying habit of seeing the hand of land in almost all transactions. In geonomics we maintain the distinction between the items bearing exchange value that come into being via human effort — wealth — and those that don't — land. Keeping this distinction in the forefront makes it obvious that speculating in land drives sprawl, that hoarding land retards Third World development, that borrowing to buy land plus buildings engorges banks, that much so-called "interest" is quasi-rent, that the cost of land inflates faster than the price of produced goods and services, that over half of corporate profit is from real estate (Urban Land Institute, 1999). Summing up these analyses, geonomists offer a Grand Unifying Theory, that the flow of rent pulls all other indicators in its wake. Geonomics differs from economics as chemistry from alchemy, as astronomy from astrology. "Hey, everybody, the IMF is holding a cookout and we're invited!"

— Jeff Smith, in *The Geonomist*, Summer 2001

Declaration of Human Rights Based on Equal Freedom

The International Union for Land Value Taxation and Free Trade (The International Georgist Union) declares that:

The economic, the political, and consequently the intellectual and moral conditions of any people are ultimately determined by the system of land tenure under which they live.

Since everyone has an equal right to live it follows necessarily that everyone has an equal right to the use of land by which alone life can be sustained.

The private appropriation of the rent or value of land constitutes a violation of those equal rights, and its

consequences are that holders of privilege exact a monopoly price for access to land, the community is deprived of its natural revenue, taxation is heaped upon trade and industry, production is harassed and arrested, and industrial depressions inevitably occur.

The more completely the land is thus monopolized, the greater is the insecurity of employment and the nearer are wages driven down to the mere subsistence level. This is true of all countries, no matter how they may differ in their forms of government, in the nature or development of their industries, in their tariff policies, monetary systems, internal or external public debts or in any other way.

We therefore advocate: That the equal right to land be secured by requiring of all landholders an annual payment to society approximating the full rental value of the land held, whether it be used or not, and excluding the value of the improvements thereon; and that such payment, at all levels of government, be based on a valuation showing the true rental value of the land, this valuation being made public and being kept up to date by periodical revision;

That such payment be construed to be the rightful and sufficient public revenue for all levels of government;

That imposts on earnings and consumption, taxes on improvements, customs tariffs, exchange controls and other burdens and barriers that restrict sustainable production and obstruct free movement of people and goods be concurrently abolished;

And we maintain that: The public collection of the annual rental value of land and the abolition of taxes that are repressive on industry and commerce would enable the producer to enjoy the full fruits of his or her labor, make the withholding of land from use unprofitable, put an end to the monopoly of land, and, by freeing the channels of trade, remove the main causes of international strife;

The wide field of enterprise being thus thrown open, illimitable except for provisos to protect human life, health and the environment, involuntary poverty would be banished; "over-production" would be inconceivable until all human wants were satisfied; labor-saving inventions would be rendered a blessing to all; and there would be such production and distribution of wealth as would enable all to achieve comfort and leisure and to participate in the advantages of progressing civilization.

We condemn, As infringing personal liberties and menacing the general welfare, all plans — except for provisos to protect human lives, health and the environment — that involve regimentation of the individual by the state; invoke the arbitrary powers of government to control or prohibit import or export trade; profess the need for maintaining tariffs in one country because of their existence in others; imply the retention and mere management of monopolies instead of their abolition; use the proceeds of taxes and loans or the manipulation of money to put goods on the market at fictitious prices; or contemplate the unbalancing of budgets and the expansion of public debts on the pretext of spreading purchasing power by these methods will have beneficial social effects.

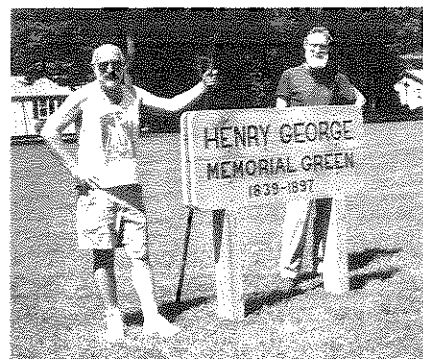
*Established at the 7th International Conference in 1949;
most recently amended
at the 23rd International Conference in Edinburgh, 2001.*

Ardentown Dedicates Henry George Memorial Green

by Bob DeNigris

Recently a sign commemorating the Henry George Memorial Green in Ardentown, Delaware, was installed by Rodney Jester and Bob DeNigris, members of the Georgist Guild.

The sign, commissioned by the Village of Ardentown, was designed and made by Walter Broadbent and has been placed in an open area of the Green.



Bob DeNigris and Mike Curtis

At its September 2000 meeting, the Village of Ardentown voted unanimously to name the Green as a memorial to Henry George, whose ideas on land value taxation form the basis of the Deeds of Trust on which the villages of the Ardéns were founded.

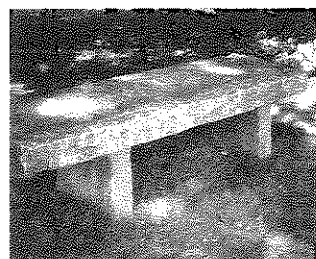
Also installed on the Green and dedicated last September is a stone bench commissioned by the Guild and put in place by Rodney Jester.

Rodney also recently installed a metal plaque with a quote from Henry George on a rock placed next to the bench. The plaque reads:

On the land we are born, from it we live, to it we return again – children of the soil as truly as is the blade of grass or the flower of the field. Take away from man all that belongs to the land, and he is but a disembodied spirit. Material progress cannot rid us of our dependence upon land.

Stefanie Lombardo and Page Dwyer have volunteered to provide landscaping to the area.

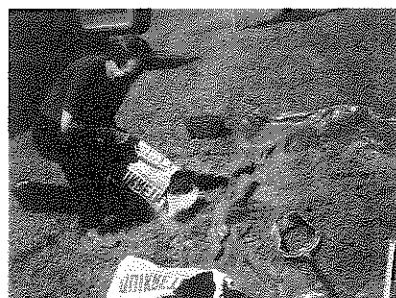
We invite all who come to Ardentown to stop by the Green on their walks through the town and join us in remembering the man who helped to make our way of life unique. Many



thanks to all who have or who will participate in this project, especially Rodney and the Georgist Guild.

— Bob DeNigris is a trustee of Ardentown. His paper "Henry George and the Single Tax" can be found on the Web at:

<http://www.henrygeorge.org/denigris.htm>



Rodney Jester gets his hands dirty

Farmers and Teachers...

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supplies for less. I have news for them. No supplier is going to sell for less unless he needs to. But he doesn't need to unless he has a competitor. And he won't get a competitor until it gets easier for someone to become a competitor. The competitor won't appear until he can afford a location and such buildings and equipment as he might need. Enter tax incentives (a tax on bare land makes it cheaper to buy, while taxes on buildings and equipment makes such things more expensive).

Unfortunately, advocates of such "incentive taxation" too often emphasize the term "land value tax", forgetting the all-important policy of tax relief on improvements. Farmers react with fear because they think of themselves as land owners. The fact is that the expensive land is in town and farm taxes would actually go down in a land value tax system. Many farms would pay no property taxes at all.

To summarize: the farm problem is a market problem, and the market problem is a city problem, and the city problem is expensive land (taxed too lightly) and expensive buildings (taxed too heavily). This reduces the number of people who would like to sell to farmers, and also the number who would like to buy farm products.

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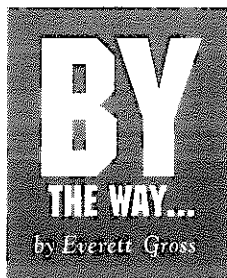
September 11th, 2001...

(continued from page 35)

they may oblige their governments to apply the remedy. Let us develop projects in the US, in Europe, and in whatever countries they are possible, such as: scholarships for university students to study georgist economics, projects to establish nationally syndicated radio and TV shows which educate and advocate the georgist remedy, educational videos, multi-media PR campaigns, popular education programs and member organizations which offer something for attending and passing the course. We must attract good youthful people to the cause, and find ways to make promoting georgism profitable and self-sustaining.

A country like Nicaragua has everything to gain and little to lose from giving the georgist remedy a try. Here, with a rented office and less than \$20K a year, the IHG has been able to arouse the interest of thousands and the participation of hundreds of Nicaraguans in promoting the georgist remedy. And our numbers keep on growing. In the coming years, we hope to establish the critical mass here to make the question of the georgist remedy a national priority.

Yesterday's tragic act of terrorism is horrible and should not be condoned, but it is not giving approval to say that there is a cause for its perpetration, a cause that must be addressed if we really want to avoid the repetition of this horror. — *Managua, Sept. 12, 2001* (This article was edited for publication by Lindy Davies)



Farmers and Teachers

So much recent news seems to be about problems concerning teachers and farmers. I can speak from both backgrounds, since I grew on a farm (in Valley County, Nebraska) and became a teacher. I like to believe that I have some insight from schools of thought that are rarely, if ever, referred to in most popular discussions.

Few, if any, modern writers seem to see these problems as facets of a general problem of poverty. The usual suggestion is "The rest of the economy is so rich, and my occupation is so poor!" But we need to ask ourselves a few questions. Do we know of any common ordinary fields of endeavor whose members do not feel themselves to be put upon? Farmers and teachers are far from the only ones who are up against the wall.

We are constantly told how good the economy is and that the Fed has things under control. I don't believe it. The evidence of massive hardship is all around us if we would only look and listen. Each person has an explanation of the hardships that beset his own area of endeavor.

I was a farm boy in the early 1930s, and things then were largely the same as now: a few farmers were well off, but most were either struggling or giving up. But so it was with all other pursuits. I don't know who was first singled out for subsidies and other special considerations. Even with such help, we still lost our farm to the finance company.

Many people have come forth with ideas for solving the farmer's plight today — but, there aren't so many different approaches. Most of them center around looking for higher sale prices for farm output, or loans to enable holding grain for better markets, or thinking that exports will improve sales.

All of these sound fine at first — but has anyone noticed any long-term benefits? It is hard to believe that the problem of poverty can be solved for farmers without solving it in general. For a long time now, some professional and amateur economists have seen a major problem in the tax system. The problem is not the total quantity of taxes, but the manner in which they are levied. That is, who pays how much — and as a penalty for what. One economist referred to our tax system as "harnessing the profit motive backwards." Most countries base their property tax mainly on the improvements such as buildings, machinery, inventories, equipment, etc. These things all benefit other people. A tax on improvements is an inducement to employ less of them. What really hurts is the very expensive but poorly developed city lots that are held for speculative gains. If farmers think they are not hurt by that, they can guess again. Every part of the economy is connected to every other part.

All of the farmers I know wish they could buy (continued on page 43)