

A CITIZENS' DIVIDEND, ECONOMISTS CONTEMPLATE

By Jeffery J. Smith, Portland, OR

(The following is a report on a presentation that Jeff Smith made at the U.S. Basic Income Group of the Eastern Economics Association's 29th annual conference Feb. 21-23, 2003 in New York.)

Long known for its favelas, Brazil may soon introduce to the world the Basic Income, an extra dividend paid to all citizens, with no more strings attached than has your next breath of air.

In the Worker's Party primary last year, Brazilian Senator Eduardo Suplicy opposed new President Lula (who spoke before a crowd at the World Social Forum "slightly larger" than those there who heard Jeff Smith present geonomics). Suplicy keynoted the Basic Income track at the 29th Annual Conference of the Eastern Economic Association (which has Nobel laureates among its membership) in New York, February 22 (which Dan Sullivan described as "a great opportunity for some Georgist input" and for which he offered to draft table-top literature). In his SRO speech, Suplicy reported that the Brazilian Senate became the world's first national legislative body to adopt a Basic Income Grant.

Alaska, which pays its residents a dividend from oil rents starting decades ago, was the first state body. (Millennia ago, Athens was the first jurisdiction, paying citizens shares from the proceeds of the Laurion silver mines.) In South Africa, a white paper commissioned by the administration recommends paying everyone some amount rather than targeting poor individuals with grants, but the South African president has yet to submit the proposed universal income supplement to the national legislature.

In Brazil, the measure must pass the House of Deputies, then be signed by President Lula who already has indicated he would. The Brazilian government would begin paying the extra income in 2005 at a small amount, to be increased later.

The presenter who spoke before Suplicy, Jeffery J. Smith of the Geonomy Society (who had a letter printed in The New York Times on Dec 22), suggested funding this social salary from society's rents - the values of locations, natural resources, and government granted privileges - rather than tax and transfer the earnings of individuals. Smith showed that the total value of rents in the US could top several trillion dollars each year, and that collecting rents, unlike taxing wages and profits, would not diminish the tax base; indeed, recovering rents while de-taxing efforts would curb speculation, direct investment into producing real goods, and thus temper the business cycle. Suplicy replied that both rents and high incomes would be taxed to pay the universal grant in Brazil.

This fundamental reform of welfare policy was last con-

sidered in the US in the early 1970s by both the Republican White House and the Democratic Senate.

Thanks to a modicum of support from the Robert Schalkenbach Foundation, the geist reform of sharing rents in lieu of taxes cum subsidies made advances in other ways, as well:

* The professional economists in attendance (academics and researchers) picked up a couple hundred copies of The Geonomist (reprinted by the Henry George School of New York) from the unattended literature table.

* A couple of the publishers with display tables, after chatting a bit about geonomics with Jeff, asked him to submit a book proposal.

* His talk was attended by a couple dozen, which actually was a large turnout, given the dozens of concurrent sessions; some poor professional economists had only two people in attendance.

* During the Q&A after Jeff's talk, both the lovely Almaz Zelleke, a professor at the New School, who'd spent the previous night reading his materials, and Dr. Michael Samson, a researcher for the South African government, stoutly defended the notion of tapping rents while forgoing earnings.

* To hear Jeff, retired businessman who's in Who's Who, Jim Mann drove in from Connecticut and afterwards discussed co-presenting geonomics at the annual conference of the World Futurists with whom Jim is active.

* Conference organizers invited Jeff to organize a panel on nothing but recovery of rents for next year's conference in Washington, DC. Given financial backing, Jeff plans to comply and involve the many DC think tanks who also advocate aspects of geonomics - shifting taxes, shifting subsidies, collecting rents, or sharing rents.

* Both the office of The New York Times' Paul Krugman and the editor of The New Leader asked to be sent copies of his report above. Jeff left a truncated verbal version on the voice mail of The New Yorker business writer John Cassidy.

* Since returning, Jeff has already heard from one researcher who heard him speak, South Africa's Dr. James Thurlow, who was inspired to dig deeper and e-mailed to let Jeff know of his discovery of Andelson's world survey.

That's all, but it's plenty to build on for now and next year, here and elsewhere.

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