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Where A Tax Reform Has Worked: 28 geonomic case summaries

By Jeffery J. Smith

Usually, a "reform" of taxes fails to live up to its advance billing. Yet there is one reform, albeit little known, that has an unbroken record of customer satisfaction. For whatever accidents of history, some peoples have tried it; and wherever tried, to the degree tried, it has worked. It is the collection half of "geonomics", of the policy to replace taxes with Land Dues and replace subsidies with Rent Dividends. The application of geonomics most widely used is the Property Tax Shift: shift the tax off buildings, onto locations.

1. France, 1790s

Back when the noble savage and natural law and natural rights were all the rage, the in philosophy was physiocracy, the idea that economies could run best by themselves, sans state interference, and government should sustain itself off the Rent people pay for nature. In 1798, the nouveau Republic of France paid for 80% of its budget out of collected land Rent. Might this tapping into the flow of Rent, as much as any other revolutionary reform, have motivated Europe's monarchs, whose fortunes were little more than concentrations of land Rent, to attack France en masse? If the monarchies had left France in peace, might the Revolution have been less bloody? In 1807 Napoleon's government crafted a tax on the increase in land value to be levied when parcels were sold but never applied the law (probably due to war, also why England never applied its land tax law a century later). By 1830, Rent as revenue was down to 25%. In 1980, France still collected enough Rent to fund 13% of its budget, more than do many other far less successful nations (Vincent Renaud in Lincoln Institute monograph #82-3: “Land taxation and land use”, Laconte, editor).

2. Denmark, 1840s

One crown prince was so convinced of the rightness of physiocracy that he impatiently overthrew his uncle, the king, in 1784. The new King Frederick then ended serfdom, proclaimed tenants’ rights, and helped peasants become owners. He also proposed reforming the land tax so that its amount was geared to site value, not size(as was traditional throughout Europe). His reform finally became law in 1844. Denmark went on to achieve the widest distribution of titles to farmland in Europe (Michael Silagi, *American Journal of Economics & Sociology*, 1994 Oct).

After the physiocrats, the best-known proponent of this tax and property reform was the American Henry George (1839-1897), author of the classic *Progress and Poverty* (1879). An inspiring speaker, George toured most of the US and British Empire, planting the seed of reform. He left a legacy we can measure today.

3. California, 1890s

Back then, many farmers and miners went without water because cattlemen like Henry Miller owned 1,000,000 acres of land. Miller could drive his herds from Mexico to Oregon and spend every night on his own land. In 1886 Miller won full rights to the water of the Kern River.

Some people concerned with justice figured the cattlemen had gone far enough. The state government passed the 1887 Wright Act, which allowed communities to create by popular vote irrigation districts to build dams and canals and pay for them by taxing the resultant rise in land value. Once irrigated, land was too valuable to use for grazing, and the tax made it too costly for hoarding. So cattlemen sold off fields to farmers and at prices the farmers could afford.

In ten years, the Central Valley was transformed into over 7,000 independent farms.Over the next few decades, those tree-less, semi-arid plains became the "bread basket of America", one of the most productive areas on the planet (magazine of the Historical Society of California).

4. Georgist Colonies, 1900s

Followers of Henry George after his passing (1897)founded three country towns: Free Acres (New Jersey), Arden (Delaware), and Fairhope (Alabama). As trusts they leased land, collecting Rent for public goods. Compared to other towns in their counties, they are cleaner, enjoy more services at lower costs(parks, libraries, and schools) and make decisions in town hall meetings. Fairhope, whose Quakers resettled in Monte

Verde, Costa Rica to avoid the draft and taxes of the Korean War, was one of only four towns on the Gulf of Mexico recommended in the 1980s for retirement by Consumers' Guide. Though a small town, it became wealthy enough to afford a modern hospital in the 1990s (Andelson, Robert V., ed. *Land-Value Taxation Around the World, 3rd Edition.* New York: Robert Schalkenbach Fdn, 2000).

5. Kiaochow, China 1900s

The German Imperial Commissioner for Kiaochow (by the Yellow Sea, also Chiaochou and now Jiaoxian) was Ludwig Wilhelm Schrameier, also a member of the German Land Reformers. Having read the works of Henry George, at the founding of the colony (about 200 square miles in Shangdong, formerly Shantung) in 1898, Schrameier established a land-value tax. At 6%,this levy prevented land speculation, collected about half the land Rent, and funded government services until the Germans lost their colony at the outbreak of World War I. Sun Yat-sen (below #10) was impressed by the results in Kiaochow whose main city, Qingdao (also Tsingtao) had modernized (Adapted from www.progress.org by Fred Foldvary, after Michael Silagi in the *American Journal of Economics and Sociology*, 1984 April).

6.Australia, 1900s

While some towns Down Under were born taxing land (late 1800s), some states adopted the idea in the wee 1900s (New South Wales in 1905), and the federacy did so in 1910. In 1920 the continent's capitol (designed by a Georgist) was established on public land. Canberra owns and let its land to residents and businesses. The biggest city, Sydney, levies only one tax – on land. Neither Sydney's tax nor Canberra's lease recovers all the land's Rent, so these cities also get revenue from the federal government. But the poorer sections of both cities bear no resemblance to the degrading slums of nearly all American cities (Woodruff, A. M. & Ecker-Racz, L. L., “Property Taxes and Land-Use Patterns in Australia and New Zealand,” in *Land and Building Taxes, ed. Becker,* Arthur P, 1969, U Wisconsin).

In the state of Victoria around Melbourne, in over 20 elections from 1965 to 1989 to determine how to tax property, the proposal to exempt buildings and recover ground rent won by an average margin of 2 to 1. Dr. Ken Lusht, visiting from Penn State, found towns taxing site values have 50% more built value per acre than those that tax both land and buildings (“Site Value Tax [SVT] & Residential Development Patterns”, Lincoln Monograph Series, 1992). According to the Australian Bureau of Statistics (publication 8203.2, 1986 October 15), from 1974 to 1984 (last year the government released these statistics to the curious public), coinciding with some recession years, the number of manufacturers in Victoria decreased by 20%, yet in the SVT towns it increased by more than 10%. Throughout Australia, of the towns taxing both, 39% support over 40 shops; of towns taxing land alone, 61% support over 40 shops (“The Effect of Rating: a compendium.” BENNETT, John. Site Rating Group, Melbourne. 1996).

7. New Zealand, 1910s

Around the turn of that century, the earliest settlements in "Kiwi Country" began with taxing land, not buildings. By 1982, 90% of municipalities had chosen, usually by popular election, to tax land. The levy raised 80% of local government revenue. For a while, even the nation levied land.Employment averaged 99% from 1966 until 1975. When the oil shock hit, making their export goods too expensive since they had to be shipped so far by oil-burning freighters, employment dropped to a true (not fudged) 94%. Then the federal government repealed the national land tax, leaving Rent to localities, who did not always pick it up. Now, less than 2/3 of the jurisdictions tax land, not buildings (*Local Government Statistics,* no longer issued, via Bob Keall, Resource Rentals for Revenue, Auckland, NZ).

8. Western Canada, 1910s

As they came into being, many towns of the prairie provinces decided to go with the collection of site Rent exclusively. Generally they outgrew and out-served their neighboring towns. Besides the surface, British Columbia recognized living nature as a legitimate source of public revenue, too. Royalty from forests funds much of BC's budget (ex-BC Assessor Ted Gwartney, *Incentive Taxation,* ’87 March).

9. England, 1910s

Impressed by George’s argument but skeptical of its political chances, Ebenezer Howard began the Garden Cities. These exist on land owned by a corporation that consists of residents and investors. Letchworth, the oldest of these model towns, serves residents grandly from vaultfuls of collected land Rent. The experiment spread as far as Russia. For a while, Great Britain did pass land value taxation but could not implement it until reassessing all the land, and due to manpower constraints could not do that until the Great War was over.By then, the political winds had shifted and the reform was never implemented.

Before World War I, Francisco I. Madero proposed taxing land in Mexico, as did Alexander Kerensky in Russia after the war. Kerensky was thwarted by revolution, Madero by assassination by the US dictator designee. (Dr Steve Cord, Henry George Fdn). Between the world wars in Vienna and Budapest, Georgists also had success briefly, but an alliance of left and right quickly repealed the reform (Michael Silagi, *American Journal of Economics & Sociology*, 1994 Oct).

One country did buck the trend that Howard hoped to circumvent. In Denmark in the wee 1900s, the Liberals, erstwhile allies, had replaced the land value tax with a conventional property tax plus an income tax. In the 1920s, however, Danish Georgists reformed the property tax so that it fell more heavily on land, lighter on buildings.

10. Johannesburg, 1920s

Many settlements in the British Empire began with taxing land. South Africa's Johannesburg, which began as a mining town, was rapidly becoming a ghost town when the ore was being played out early last century. To avoid such a fate, the city councilors shifted their property tax from buildings to land, rescuing their town. Johannesburg grew to become the financial capital of the nation, eclipsing Cape Town, a port situated on one of the most strategic points on the planet, which taxed land and buildings equally, a victory similar to, hypothetically, Albany, New York, outpacing New York City. Jo-burg enjoyed the fastest site-recycling rate in the world, a little over 20 years, meaning urban sites were kept at best use, so sprawl was precluded. After apartheid ended, the new black government reverted to the conventional property tax, assuming (mistakenly) that it would increase their take from wealthier neighborhoods (Dunkley, Godfrey, *That All May Live*, Roosevelt Park, RSA; A.Whyte, 1990).

In many of the United States, the land tax is unconstitutional. When the Single Tax movement was at its peak and a threat to absentee landlords, they lobbied legislators to require the taxing of location and improvement together. Many states, such as California, succumbed to the pressure. In other states, such as New York, localities maylevy separate rates only with permission from the legislature. Hence,to recover rent many localities must use such legalisms as“assessment districts”, and to de-tax goods like buildings, they must use “property tax exemptions” or “abatements.”

11. New York City, 1920s

After World War I, many New Yorkers suffered from lack of housing. To solve the problem, Governor Al Smith borrowed a page from Henry George (who won the mayoralty of New York City in 1886, beating the Democrat and Teddy Roosevelt, yet losing out to Tammany Hall machinations). Smith persuaded the New York legislature to pass a law allowing New York City for the next ten years to tax land but not the buildings on it.

New construction more than tripled while in other big cities it barely doubled. Not only was there more housing, and thus lower cost apartments, there were more jobs and higher wages for construction workers, and more business for merchants who sold goods to the employed workers.

Economic good times in New York came to an end,though, when owners in 1928 began to anticipate the expiration of the tax-shift law (“How New York Solved Its Housing Crisis”, Charles Johnson Post, 1931?, Schalkenbach Fdn, Mason Gaffney, 2001). The drastic decline in building starts, not the stock market crash of 1929, was the real trigger of the Great Depression of the 1930s. A major condition that made a major collapse possible was the price of land; by 1926 it had already doubled in cities and was halved in the countryside (calculated Homer Hoyt.).

12. Kansas City, Missouri, 1930s

KC levied one site value tax for parks and parkways (pleasant streets that wend through parks in ravines) builtin the 1930s. Another was for trafficways, multilane throughways that move traffic with synchronized traffic lights built in the 1940s or1950s. To fund boulevards (through streets with synchronized lights that preceded the trafficways), KC levied a "front-foot"tax rate on each lot's front footage on the boulevard. This is close to a land value basis because all the boulevards are straight and in a grid pattern. When the city charter was revised in the 1950s, the site-value tax was included.

Under the leadership of Mayor Bartels, the city used straw parties in the 1950s to secretly buy up half of Platte County (then rural farmland) for an airport. The city leased sites around its new airport opened in 1972 at full market value for hotels, warehouses, an aircraft overhaul base, postal distribution center, etc – even to farmers. Outside airport land, investors bought land and built hotels. When the 1970s recession hit, all the hotels buying land went broke while the hotels renting city land survived. Able to learn, some big hotel chains survived the crash at the end of the 80s by separating the hotel real estate into REITs apart from corporate hotel operators.

In the 1980s, voters approved by referendum a doubling of the land tax rates. Speculators challenged the land taxes as against the state requirement for all real estate taxes to believed on the value of land and buildings. The Missouri court (most of KC is not in Kansas but in Missouri) ruled that the land taxes were "special assessments" and not subject to the state requirements for taxes (via Joe Casey, ex-KC resident, banker, Geonomy Society member).

13. South America, 1930s

Some Hispanic republics continued the physiocratic tradition. In the 1840s, Argentina had a president who tried to capture ground rent for social betterment – until the army put an end to his flirtation with justice. In the 1920s, both Colombia and Uruguay passed laws letting commissions build new roads using funds collected from roadside landowners. After a few decades of success, this mechanism declined. Confusion arose when one property was near more than one road. And as the roads pushed up land values, land assessments lagged behind. With corruption and inflation, poor people could not afford to pay even those assessments lagging behind. Still, as late as the 90s, Bogota used resultant rent to pay for 80% of anew road. For the general fund, Columbia has a city land tax at 1%and a national one at 2%, and a land gains tax up to 50%, yet land is registered at 20% of its value (Ortiz, Alexandra. “Economic analysis of a land value capture system used to finance road infrastructure: the case of Bogota, Colombia; 1996”, and Prest, A.P. *Transport Economics in Developing Countries;* Praeger, 1969).

14.The "Four Tigers," 1940s

Apologists for state planning and state partnership with big business point enthusiastically to Pacific Rim Asia but overlook the fact that all these success stories began on a firm footing of land reform. The city-state Singapore, founded on Georgist tax principles, reached a tax rate on land of 16%. Hong Kong existed only on crown land,funding 4/5 of their budget with 2/5 of site Rent (Yu-Hung Hong,*Landlines*, 1999 March, Lincoln Inst., Cambridge, MA). The city uses land rent, not subsidy, to fund their new metro and in its suburbs grows much of its own food. Hong Kong enjoys low taxes, low prices, high investment, and often the highest per capita salaries. The city is often voted the world's best city for business by *fortune* magazine and the freest for residents by the Libertarian International, though both neglect to mention that their favorite exists on and succeeds on public land.

Gen. Douglas MacArthur, an admirer of Henry George, forced the Japanese provisional government to write land reform into their new democratic constitution that limited Rent paid by tenants to owners. South Korea adopted a similar Rent reform. Gen. Chiang Kai-shek likewise forced land reform on Taiwan (below). A 1980's World Bank study credited land reform with creating the basis for their economic miracles.Secure farmers can afford to consume manufactured goods. Soon successful industries can trade with other developed nations. Another World Bank report, in 1998 by Roy Prosterman and Tiom Hanstad,Chapter 10, "Land Taxation" by Jennifer Duncan, noted, *"Land tax is an important vehicle for transferring some of the benefits of land privatization to the public sector. Revenues from land tax can fund significant and increasing portions of infrastructure and social services, fostering public and local government support for privatization."* Today, to try to control their skyrocketing location values, both Japan and Korea have tried to tax land, though still minusculely.

15. Taiwan, 1940s

Old Formosa was mired in poverty and fast breeding. Hunger afflicted the majority of people who were landless peasants. Less than 20 families monopolized the entire island. Then the Nationalist Army, led by Chiang Kai-shek, retreated to Taiwan.General Chiang figured he lost mainland China in part by not reforming land-holding. Chiang did not want to risk losing his last refuge – east of that isle lay nothing but open ocean (Although Taiwan did receive a billion dollars from the US, it was mostly military aid, spread out over eight years.).

A follower of Sun Yat-sen, the father of modern China and an adherent of Henry George, Chiang knew of the Single Tax. Borrowing a page from George via Sun, the new Nationalist Government of Taiwan instituted its "land to the tiller program" which taxed farmland according to its value.Soon the large plantation owners found themselves paying out about as much in taxes as they were getting back as Rent. Being a middleman was no longer worth the bother, so they sold off their excess to farmers at prices the peasants could afford.

Working their own land with newly marketed fertilizers, new owners worked harder. They produced more, and after years of paying taxes to cover the onerous public debt, at last kept more and lived better. From 1950 to 1970 population growth dropped 40%, and hunger was ended. (William Rich, Overseas Development Council, *Communique #16*, 1972 April) Taiwan began to set world records with growth rates of 10% per annum in their GDP and 20% in their industry.. (Fred Harrison, *The Power in the Land*, 1983).

16. Third World, 1950s

While British territories, Jamaica (1957-1962) and East African nations taxed land and exempted all improvements. However, as land value grew, the governments did not keep assessments in pace. Today, there's little to show for such meager taxes on land (Dr. Mason Gaffney, UC-Riverside).

17. Denmark, 1950s

The Danes built on their land tax heritage. In 1957, the tiny Georgist Justice Party won a few seats and a role in the ruling coalition. Anticipating a higher rate on land, investors switched from real estate to real enterprise. One year later, inflation had gone from 5% to under 1%; bank interest dropped from 6.25% to 5%. By 1960, 100,000 unemployed in a country of just five million had found jobs and at higher wages, the highest widespread pay raise ever in Danish history (*The New York Times* editorial, "Big Lesson From A Small Nation", 1960 October 2).

Though people were better off, to convince them otherwise next election landowners spent more money than ever before in the history of Dansk politics. The Justice Party lost its seats, the land rate lost its boost, and investors again became land speculators. Quickly inflation climbed back up to 5% and by 1964 reached 8%. Land prices began to skyrocket, from 1960 to 1981 increasing 19-fold while prices of goods and services went up merely fourfold (Knud Tholstrup, MP, *A Third Way*, 1986, edited by yours truly).

18. Denmark, 1960s

Before 1970, the annual income tax fell upon the previous year's income; in 1969, the government taxed 1968 income.Then parliament decided to tax income in the same year it's earned; in 1970, they taxed 1970 income. Earners realized that any 1969 income over their 1968 earnings would not be taxed. Their response, from 1968 to 1969, was to double the increase in production (4% to 8%), halve the inflation rate (8% to 3.5%), quadruple investment increases (5% to 20.5%), raise savings by a quarter (from 2.9 million kroner to 3.8), and employ nearly all workers (Knud Tholstrup, *A Third Way)*.

19. San Diego City, 1960s

When under Spanish, then Mexican control, much good land in California was "pueblo"(public). Very little of that remains today. Some of it, though, is quite valuable. One lucrative pueblo land is the Port District of San Diego, formed in the '60s by the various towns sitting on San Diego Bay. The Port Authority collects hundreds of millions of dollars of Rent each year and is the only local government agency with a positive cash flow (SDPD Annual Report). Where does that cash flow?Not into the bank accounts of its owners – the "pueblo".The Rent collected from the Yacht Club, a social club for millionaires, is only $1.00 per annum (*The San Diego Union-Tribune)*.

20. Hawai'i, 1960s

To build up their tourist economy, the newest state in 1963 reformed their conventional property tax. In place of one rate on both land and buildings, they began to lower the rate on structures while leaving a high rate on sites (with many technical complexities yet no surcharges to protect open space). Within a few years, this property tax shift led to 30 large resort hotels in Honolulu's Waikiki Beach. Built value was up to 25% more than it would have been, concluded Richard Pollack and Donald C. Shoup in *Land Economics* 53,no 1 (1977), p 67-77. Opponents of Rent-sharing dragged out implementation for years, and as growth drove up site values, and none of the collected Rent was returned as a dividend or voucher,residents and speculators rebelled. In 1977, the legislature knuckled under and repealed this graded property tax, phasing out in two years what had taken 14 to phase in. The two counties of Hawaii and Kauai still have the split-rate; Kauai's ratio is nearly two to one, land to buildings, and Hawaii County expanded its ratio somewhat in the 1990s (*Incentive Taxation*, 1999 June, via Josh Vincent).

21. Vermont, 1970s

To thwart speculators,Vermont taxes land sales when the turnaround is under six years. Now more people, including lower income people, are buying land for farming. Conversely, fewer people, especially out-of-state investors, are buying land for speculation or sprawl-type development (R. Lisle Baker, Suffolk U Law School, Boston, MA).

22. Arabia, 1970s

Thanks to the oil under desert sands, Saudi Arabia, United Arab Emirates, and Kuwait collect enough oil royalty that they can afford to build a modern, large-scale infrastructure without taxing their citizens. Kuwait even paid their people Heritage Shares. Formerly nomadic tribesmen moved to cities where they live more sophisticated lives. Now Kuwait pays citizens (not guest workers who are about 2/3 the population) bonuses for marriage and monthly stipends for children and provides free schooling and doctoring(*Christian Science Monitor*, 2001 Apr 18). Two more small Muslim petrol-nations, Bahrain and the UAE, are taxless and busily building.

23. NorthAmerica, 1980s

Where population is sparse, people can more easily figure that natural resources belong to government. If government can formalize that understanding as population grows, then it can recover Rent to benefit everyone.Thanks to the oil under Arctic-windswept plains, the province of Alberta, Canada, and the state of Alaska, America, have lower taxes.Alberta has no sales tax, allows bigger deductions for federal income tax than do other provinces, lowers residents' utility bills, when gas prices rise refunds a bit of the energy bill, and provides more free social services, such as excellent health care and university education. (Alberta *Heritage Fund Annual Report)* Alaska, with 12.5% of the market value of Prudhoe Bay oil, pays 80% of its state budget. It also pays a share to its citizens, about $1500 per annum (varying with the price of oil and the return on their investments).

While mineral land, such as oil fields, is an obvious source of plentiful public revenue, old-fashioned surface values also abound.

24. Pennsylvania, 1980s

Penn's Woods is the only state granting cities outright the option to levy different rates. The state went from two cities in 1975 (Pittsburgh and Scranton), to 20 in 2000 who practiced this reform. All these cities, sited in the midst of impoverished Appalachia, are developing 16% more per year than their neighbors (Dr. Nic Tideman, VPI, Blacksburg, VA), and growing denser, meaning they can provide public services like mass transit at lower cost.

Pittsburgh, which from 1980 to 2000 taxed land six times higher than buildings, renewed its urban core without substantial federal subsidy and created an urban park out of its most prime location, the Golden Triangle, without an agonizing citizens effort to overcome developer resistance. Housing costs and crime rate, like a small town’s, were far below the national average. Rand-McNally named the Steel City"America's Most Livable City" for 1985 and 1986. When Ling Temco Voight, Inc. closed steel mills in the region, Pittsburgh lost its factory. In nearby Aliquippa, which still taxes land 16 times higher than buildings, former employees bought one mill at a priced is counted by the underlying land’s tax liability and re-opened it,while other investors built a new mill there, keeping the local economy alive. Succumbing to pressure applied by speculators, the Steel City returned to the conventional property tax. In 2001, construction starts fell steeper, 38.1%, than in the rest of Pennsylvania, 1.5%. For 2001 and 2002, compared to 1999 and 2000, building permits declined 21.3% while nationwide they rose 6.7% (*Incentive Taxation*, 2003 June, Henry George Fdn).

25. Aspen, Colorado, 1990s

High up in the Rocky Mountains, rich people like to enjoy their leisure by going skiing. In the American state of Colorado, rich skiers have bid up the price of resort sites into a Rocky Mountain high – a million dollars for a vacant lot. In Aspen, Vail, and environs – lovely and hilly for skiers – normal people can not afford to live where they work – not even doctors. So Aspen helps them; residents qualify as in need of housing assistance even if they earn up to $150,000 per year and have a quarter million in the bank. While there is a means test, over half of residents pass it, and this majority is not poor; it's their land that is too expensive.

Aspen's public monies for housing assistance come in a small way from a tiny tax on retail sails but mainly from a tax on capitalized rent, from a 1.5% tax on the price of property when it sells. Aspen's law exempts from the tax the first hundred thousand dollars of the sales price, in most cases more than enough to cover the cost of construction for a condo, their most popular form of housing. Hence this is a tax on land value rather than on built value. Where the price of land is high, it's due to location(the three most important factors in real estate), not improvements, which even when new immediately begin depreciating (just like a new car). The program benefits a few thousand people, half the workforce; city legislation aims to aid 60%. The recovery of rent for housing has drawn so much attention that the city was forced to publish a red book it periodically updates to answer the many questions (copies: Maureen Dobson).

Despite, or because of, its success, the state legislature voted to outlaw the real estate title transfer tax for any other local government in Colorado (Larry Thoreson, Housing Office, 970/920-5029, 2004 Apr 16). While states often make it difficult for localities to recover ground rents, they don't make it impossible. State law also has within it tax breaks for developers – Redevelopment Districts and Enterprise Zones and the like – and funding mechanisms for pet projects – Assessments Districts for beautification of an upscale neighborhood, for instance. Rather than just let the well-connected use these tricks of the trade, a savvy polity with the common weal in mind could establish itself as a Redevelopment District to axe the property tax, as an Enterprise Zone to neuter the sales tax, and as an Assessment District to recover local ground rents. As long as the recovered rents are kept out of the general fund and instead directed to one purpose that benefits all residents equally – such as a local Housing Voucher for all area voters – than the levy used to recover the rent is not legally considered to be a tax and is not affected by tax-limitation legislation.

26. Mexicali, BC, Mexico, 1990s

Seeking funds for new and better infrastructure, the mayor of Mexicali, Baja California, Milton Castellanos Gout, on the advice of a graduate from the U of California - Berkeley (Sergio Flores Pena), jettisoned the entire conventional property tax and replaced it with a land tax. For a few years, bureaucrats opposed updating the cadastre, yet subsequent civic administrations continued to modernize official land values.Revenue went from under three million pesos in 1988 from the property tax to over 63 million in 1998 from the land tax. This rapid rise was accompanied by no complaints from landowners. It must be better to own serviced land that is taxed than unserved land that is tax-free.In 1995, Mexicali drew 15.3% of its revenue from its land tax while others cities in BC drew only 8.4% from their property tax, and other cities around the country averaged only 10.3%. Hence the Mexicali land tax has been adopted by other cities in BC and in the neighboring state of BC Sur (Lincoln Inst's *Land Lines*, 1999 Sep).

27. Ethiopia, 1990s

Around the outskirts of the capital, Addis Ababa, shantytowns sprung up on land that had been used to feed the city, pushing out farmers on to land that had lain fallow for centuries. The longer trek to central markets raised the price of food there. So the Regional Government, against the advice of the IMF, adopted a tax on land values and parcel size. The tax on structures inside city limits was drastically reduced. The Economics Section of the Ethiopian Embassy in Washington, DC reports greater occupancy and refurbishing of older structures in the city (Henry George Fdn, Philadelphia, PA).

28. Estonia, 1990s

After the break up of the Soviet Union, each newly separate republic had to find its own way of raising revenue.Estonia, across the gulf from Finland, found the tax for farmland.Because neither land nor its value can be hidden, it was the most feasible way for the new government to raise funds. Collecting from farm owners was vastly more successful than trying to collect from others, succeeding over 95% of the time. The low tax rate of 2%,which even governmental owners of public land had to pay, was still enough to spur efficient use of land (*The Economist*, 1998 Feb 28).

These 28 case summaries of real-world successes is not complete and suggest that their number should grow. Society could secure everyone's earning while sharing Earth's worth. Which society will be next to prove the merit of geonomics?