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## **How I Came to Embrace the Principles Embraced by Henry George**

By Mark Hassed

Melbourne's Mark Hassed continues our series of personal journeys relating the different paths by which we arrive at Geoism. To "see the cat" is to experience a sort of revelation, in the manner of when a kid sees the hidden cat in those activity book drawings of a tree or bush. After you see the cat, the Geoist paradigm just seems so obvious.

It seems to me that seeing the cat usually comes as an insight, all of a sudden. It came upon me like that over the period of a weekend.

For quite a few years now I have been a member of the Melbourne School of Philosophy. This organisation is an offshoot of the School of Economic Science (SES) in London. The SES was founded by Mr Leon MacLaren and both he and his father, Andrew, were avid Georgists. Consequently the SES has always taught Georgist economics and it is still a condition for membership of the senior part of the School in London that you should have studied a 3 year course in economics.

No such condition exists in Melbourne but Dr John Tippet (PhD in economics) still runs courses from time to time. When I saw the course advertisement I thought that it was ideal for me. The main reason was that I wanted to understand why things happened.

I had already realised by that time that the things politicians and the press said were often not true - who could forget Bob Hawke's "No child will live in poverty by 1990"? But, I didn't know why the ideas that sounded so fine in theory didn't work in practice. Why doesn't (for example) increasing welfare payments fix poverty?

So, about a decade ago, every Friday evening from 7.00 pm to 9.30 pm we'd meet in the City at Latham House and discuss economics. The course was very structured but quite enjoyable, even if for the first few months nothing was coming together as a picture. I kept wondering why we were always harping on, week after week, about this thing called economic rent. I speculated that it must be important, but what it really was or what it meant didn't really make sense to me at that stage.

A key diagram in this course was a picture of an uninhabited island on which people arrived and slowly took up residence. This diagram showed the level of rent and wages as the budding society developed. It also showed the effects of taxation (at

least the traditional kind) on wages.

**Finally in about the middle of the year a light went on. Rent was a benefit that accrues to someone by virtue of their being in control of a superior site.** I think it takes so long to see because we have so many other connotations we attach to rent. Fortunately, Dr Tippet always spoke with great enthusiasm about Henry George and in particular his masterwork [Progress and Poverty](#) (P&P). About the time the light went on regarding rent Karen and I took a holiday to Queenscliff. One of the first things you pack on a holiday is a good book and it just happened that I had just bought P&P.

I'm not sure if I was good company that weekend, but I read almost all of P&P. As I read, every aspect of Henry George's great logical treatise lit up for me. I devoured every page with avid interest. For me it was like a thrilling detective novel where you couldn't wait to turn the page to see what happened next. I can say that on that weekend I saw the cat. The picture of Georgist economics came together as a whole. It all made sense and not in a disconnected way where I could spout a few glib concepts, but in its totality. The amazing thing about seeing the cat is that once you do there's no going back.

**The exciting thing for me was that suddenly I could explain the things I saw around me. Wealth, poverty, prices and the whole myriad of economic transaction we see came into focus. The real beauty of seeing the cat is that you can apply the principles to any situation and discover the answer.**

For example a few years ago I began to wonder why we had such healthy economic fundamentals during the Menzies era. Now, I know that the labour supporters will howl with dismay at that statement but it is true that **we had the highest standard of living in the world at that time. Applying Georgist principles I finally worked out that it was because he rigorously controlled land prices by restricting access to borrowed money. The banking system was the key!** Today we can borrow money like there is no tomorrow and so we are staggering under record debt levels, land prices have shot out of sight, banks are making record profits and we are all the poorer for it. So much for deregulating banking industry.

Over the past few years I have been amazed to discuss economics with others who did the course. They all found it great fun and very interesting but almost no one else got it! They could talk about ideas and concepts but they didn't see the whole picture and certainly can't relate what they learnt to everyday life.

Later, I took over running the course and did so for several terms. My success at passing on Georgist concepts has been no better than Dr Tippet's. Over a period of 3 or 4 years I lectured to a total of several hundred people and, I'm sorry to say, none of my students have wound up as active Georgists in at Hardware Lane.

One thing I did learn from teaching was that a short passionate explanation gave people a better idea than the slow, step-by-step approach we often adopt in our courses. Hence my interest in the speeches of Henry George and my publication a few years ago of *The Prosperity Paradox*. [Ed: An excerpt of this brilliant book, available from our office, is quoted in this issue].

Why is it so hard to grasp the teachings of Henry George?

Perhaps it's because we have so much tripe fed to us by the academics, media, politicians and the economists. I honestly believe that if you came to Henry George's reasoning with a clear and open mind it is irrefutable. The problem is that so few people have a clear and open mind. I am not saying that my mind is conspicuously clear and open, but rather I persevered to keep dropping traditional teaching.