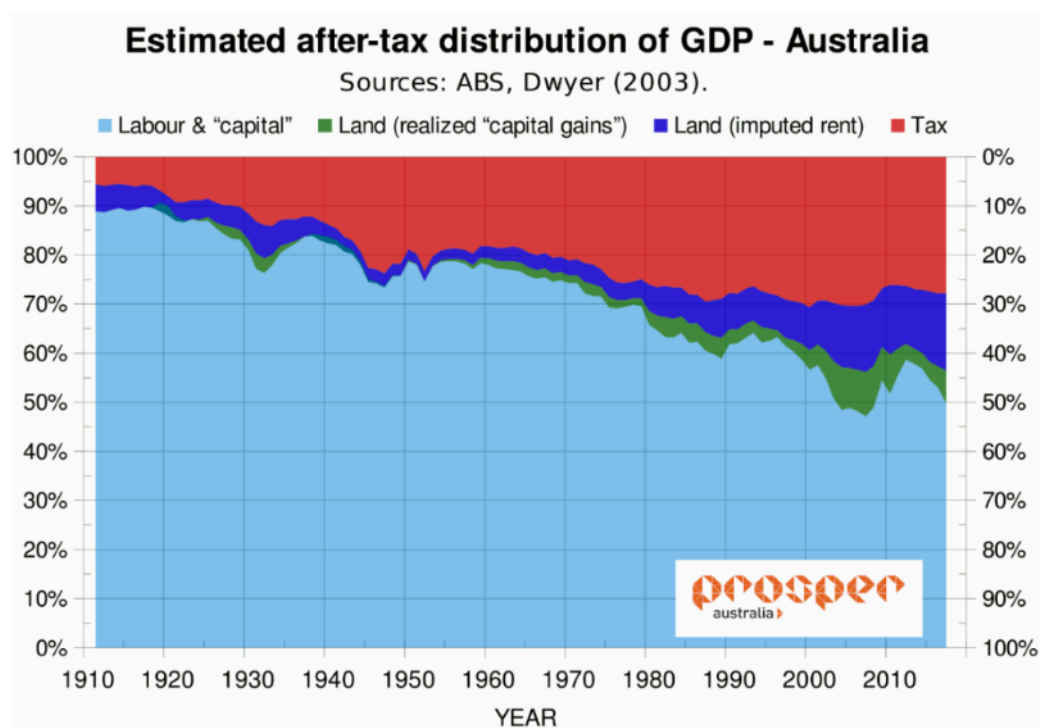


Contrary to economics textbooks, I want to suggest that **“All the world is rent, and we are merely payers.”** But to whom do we pay it? Henry George’s public capture “remedy” to replace the pathological extraction of taxes from incomes and purchases is a scientific explanation: **“The cause of industrial depressions and of increase of want with increase of wealth”**. And aren’t we seeing the latter right now?

Since **‘The Power in the Land’** in 1983, Fred Harrison has taken Georgist analysis to another level by patiently documenting the *timing* of these disastrously-bursting bubbles in land prices. They represent a deep socio-economic illness – certainly not ‘the natural business cycle’! So, we need to call out the upcoming 2027 financial collapse as part of a recurring scandal. We’re presented with a unique opportunity to do so — not to do nothing, nor to resort to worthless palliatives — but to argue for structural reform, the abolition of misbegotten tax regimes; and to demonstrate that the 18-year boom-bust cycle acts only to serve privilege.

The essence of any scientific explanation is accurate forecast. Thanks to Fred Harrison’s work, we may embark on talking truth to power about the upcoming 2026-27 bubble-burst. And what an enormous one it’s shaping up for a likely President Trump to oversee. With social media linking us all now, we need to throw our weight behind Fred and others making headway in calling the upcoming taxation-and-land-price induced financial collapse. The sub-title of George’s “Progress and Poverty” entreats us to do so!

In going through 1920s copies of the Australian Georgist magazine PROGRESS, I found no prognostication about an upcoming great depression. In my opinion, that was a gross failure. Were we not experiencing the evidence, a feel for the times, as now? Ironically, the only foreboding of economic depression came from a non-Georgist, a Mr. RG Menzies. The PROGRESS journal of the first of December 1929 cited Menzies, when standing for public office in 1928: *“Since the war, we have suffered from an unnatural prolongation of post-war inflation of land values, keeping up land values at an artificial level.”* Where is the politician prepared to say that today? RG Menzies went on to become Australia’s longest-serving Prime Minister, from 1949 to 1966.



This GDP time series chart beginning in 1911 is based upon Dr Terry Dwyer's "The Taxable Capacity of Australian Land and Resources" in the 2003 refereed academic journal "**Australian Tax Forum**". Engineer and maths' whiz Dr Gavin Putland extended it to 2018 in his paper "**Trickle-Up Economics**" for Prosper Australia in 2019. Along with other excellent research, that paper can be found on Prosper Australia's website.

As the heading of the chart shows, this is Australia's estimated after-tax distribution of GDP. Taxes are shown in red; land rent in dark blue, realised capital gains in green and the *net returns* to labour and capital are the disappearing pale blue.

If we accept that all taxes and their excess burden come out of rent (ATCOR and EBCOR), all but the pale blue net incomes of labour and capital is economic rent. At 2018, it was 50%. That's an enormous amount and suggestive of from whence a citizens' dividend may come to deal with increasing poverty and dispossession. A universal income amounts to a direct deduction from currently expropriated economic rent and is not inflationary.

At 2018, land rent was 16% and taxes and realised capital gains were the other 34%. There's the nation's net income or Karl Marx's 'surplus product' owed equally to all citizens, but taken by rent-seekers. That the latter was twice the value of land rent is in close accord with Martin Feldstein's estimations of excess burden for income tax: also, with my separate assessment for all taxes, based upon removal of real estate bubbles. (The late Dr Fred Foldvary approved my assessment against a challenge on Fred Harrison's website.)

The chart is an estimate. It has limitations. There's double-counting in economic rent, insofar as 'taxation' includes a very small amount of publicly captured rent, whereas the dark blue is the estimated total land rent. More than offsetting that, though, the pale blue still includes untaxed super-profits from monopolies such as banking, social media and the e-commerce giants.

Conversely to public capture of economic rent, taxes are doubly perverse. Not only do they extract from earned incomes and get passed off into the price of goods and services, but to the extent that land rent is allowed to be privatised, it's capitalised into real estate spec and impossible mortgage debt. So, there's a double whammy!

Regardless of *well-meaning* tax transfers, the taxing of incomes and purchases represents excess burden and deadweight loss - and explains at this critical point why the world is tanking into a 2027 depressionary abyss.

Georgists have a scientific explanation to address this. We needn't be shy about it. This is the moment to press urgently for a shift of taxes to rents!