

In the same session, Jeff “Mr. Geonomics” Smith related how US President Lincoln levied a form of

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land tax to pay for the civil war, though it was largely kept by the tax collectors. Talking etymology, Jeff explained how “own” and “owe” used to be almost synonymous – one **owed** rent based on the land one **owned**.

And how come, Jeff mused, scalping football tickets is illegal, but scalping land isn’t?!!!

In a session entitled “*The Housing Crisis*”, Tatiana Roskoshnaya related the dismal situation in her native Moscow where IMF-sponsored neoclassical economics has produced colossal disparities in wealth with a real crisis in home affordability. At least the old communist system used to take some responsibility to ensure adequate housing, but today’s under-resourced decentralised authorities are helpless against the new system.

Scot Peter Gibb produced some solid data to prove his point about the British situation. For instance, in 1970 the median home cost 3.7 times the average wage, but in 2000 it was 6.8 times and since then has continued to rapidly escalate. Respected commentators like George Monbiot use the term “intergenerational equity” to describe this little-publicised but crucial phenomenon. We might reach the stage where we have intergenerational mortgages (as they now have in Japan), or where we accept that a person only acquires a home through inheritance or not at all. Meanwhile, due largely to tax exemptions and allowable deductions, there are 700,000 empty homes in Britain.

Fernando Scornik presented a similar story for Spain, which has its own housing crisis and is physically empty but legally full. In the last 20 years, wages have risen by 300% but home prices have jumped by 600%. Politicians, with no eco-

nomical solution, now accept unaffordability as a given fact. Once hopes were pinned on government-funded cheap houses, but they were soon resold at a profit and this was said to “overheat” the system.

It’s all arse-about, said Fernando (well, he didn’t exactly use those words). What we should have is a place to live at the **start** of our working life whereas, at present, we’ll hopefully just be lucky enough to get one before we drop dead from the effort.

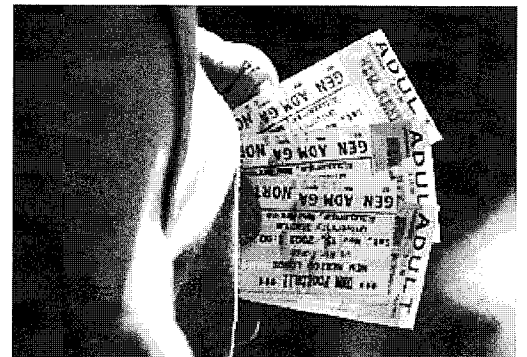
“*The Transition to a Market Economy – The Russian and Chinese Cases and the Process in Other Countries*” was another cracker of a session. More was said about the rampant rent-seeking in Russia – for example, last year Moscow itself improved its GDP by 18%, but this was entirely diverted into property prices.

Fernando returned to share his personal experiences in China, and made the provocative point that the Tianamen Square massacre ultimately saved China from sharing the same fate as Russia, as the overthrow of the Chinese Communist Party would have led to Western “experts” stepping in to reform China in the way it suited the big-time rent-seekers. While Chinese leaders have virtually admitted they don’t know what is economic rent, they are sure that land should basically remain in the hands of the state. This is the primary reason for the continued and extraordinary growth in China, although it is certainly not being reported in the West.

The current Western concept of “property rights” does not include land in China – instead people have the right to *lease* land. While the lease payments mightn’t be assessed as regularly and accurately as geoists would want, at least the Chinese authorities are very clear that land cannot be sold. And, in contrast to the secrecy (and high degree of corruption) of Russia, the issue of certificates granting “land use rights” in China is fairly open and efficient.

The charming Ana Martin Uriz presented “*Historical Briefing of the Georgist Movement in Spain*”. Trivia flash: *Progress & Poverty* was published by the Spanish Ministry of Agriculture in the movement’s heyday in the early 20th century. When the very first I.U. conference was held in 1913 at Ronda, Spain, there was a huge Spanish Georgist following. Posters widely proclaimed LAND UNUSED AND UNMANNED DOESN’T WORK and FREE LAND – FREE MEN. What really killed the movement were killings! – assassinations by big landowning interests in 1912 then Franco’s purgings and exiles at the end of the civil war in the late 1930s.

Someone of whom we’re going to hear lots more is the English dynamo Dave Wetzel, the vice-chair of Transport for London. His subject was what he called “LVT on wheels” – “*The Success of the London Congestion Charge and How It Relates to Land Value Taxation*”. Although this bold initiative had to face a barrage of media criticism, the congestion charge has been an unequivocal success by any measure, and Dave builds on this to push in every direction for further geoist



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reforms.

And there is still so much to be done – London, for instance, charges no rates at all on properties whose buildings are not being used! The astronomical prices for real estate continue to soar way beyond the means of ordinary wage earners. This economic system, asserted



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Dave's presentations were powerful and absorbing and, off stage, he's a really likeable guy. *Progress* will, in future, feature more and more of Dave's energy and insights.

Do you know the meaning of the word *iatrogenic*? It refers to diseases caused by the very medical treatment or examination that is meant to heal the unfortunate patient. Well, American Fred Foldvary coined an excellent term for the modern, self-defeating, financial

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system under which we live - IATROGENIC ECONOMICS!

"*Land Value Taxation and International Organisations (UN, World Bank & IMF)*" featured some passionate and powerful condemnations by our globetrotting geoist, Alanna Hartzok, whose addresses never fail to deliver. She compared the alarming situation with another enclosure of the Global Commons – seed patent rights – to the end of a game of Monopoly (which is what Monsanto and fellow corporate crooks love to play), where just a few players have all the pieces.

However I did appreciate a cautionary word from the chair, Fernando Gerstein, in relation to the much-

lauded passages from ex-chief economist of the World Bank, Joseph Stiglitz. Fernando said that the few selective passages in our favour from Stiglitz only show a limited understanding of geoist reforms, and any knowing geoist would stand out much more obviously than Stiglitz.

The conference packed much more into its 4 days and, as always, it was the eager networking out-of-session that was particularly valuable. Fernando Gerstein is to be commended for his organisational work as well as for attracting so many Georgists from Latin America. For this there was a simultaneous translation service during the entire conference which was ably handled by a professional translator who took up this job knowing nothing about geoism. By the end of the conference he had become a paid up member of the International Union!

Applied at a high enough rate, LVT will even out the property cycle and avoid these booms and slumps. (A bit like the suspension on a car)

- Dave Wetzel



WHAT YOU CAN DO

For enquirers:

READ geoist literature. The 3 information kits (available from our office, for no charge) will explain the basics. We have a bookshop and, for members, a library. Perhaps the most readable and accessible of Henry George's works is *Social Problems* – you won't be disappointed!

QUESTION what you read! Contact any of the execs listed on the contact page (by phone or email) and state any doubts or difficulties in understanding. Hey, geoism is a major paradigm shift in understanding how the world goes round – almost everyone struggles with it in the early stages.

STUDY online – go to www.henrygeorge.org and choose from a range of courses. It's a standard correspondence-course format with each enrolled student being assigned an individual instructor, with whom he or she corresponds throughout the course and, usually, through further courses in the program.

For those further along the road – both of the above, plus:

ATTEND some of our meetings, both social and serious. Our monthly executive meetings are open for all to attend. Meeting in the flesh enables your questions to be much better answered.

DISSEMINATE the good word. Mention to friends and family who appear interested that *Proz Oz* offer a complimentary trial subscription to *Progress*, and inform the office of their postal addresses.

For Cat-Seers – all of the above, plus:

SUGGEST how we can carry the movement forward. We know (or think we know) how to solve countless planetary problems. but we're amateurs in actually getting the message out there.

NETWORK with other organisations, and put them in touch with us.

VOLUNTEER your skills and energy. There are endless ways you can help us and, along the way, get to know our organisation better. For instance, the office always needs filing, I.T. skills (any website designers out there?), bookkeeping, reception work and just about anything you can offer. Members for 2+ years are welcome to join our executive.