

# HOW I “SAW THE CAT”



## Phil Anderson

continues our series of personal journeys relating the different paths by which we arrive at the great geoist vision. 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've seen the cat, the geoist paradigm just seems so obvious.

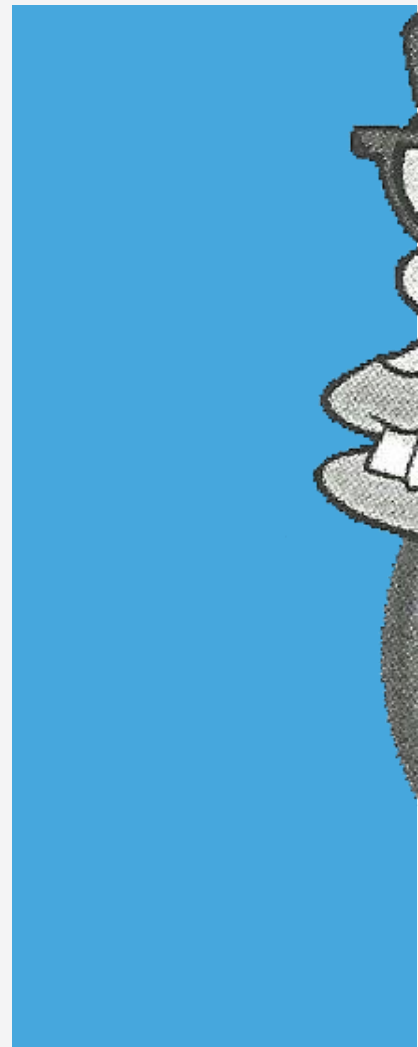
**F**or some reason, I have a bent for economics. At 12, whilst all the other lads were busy swapping football cards or playing marbles, I was into collecting the business news. Sad I know, but there you go. I still have my first cutting from The Herald of 1974, business section, highlighting the recent economic downturn. It had caught everybody by surprise so the report said and there were lots of differing opinions as to why the downturn had occurred. Some were saying taxes were too heavy, causing business to fail. Others agreed it was

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the weak banking system. Someone else suggested the recent rise in inflation was to blame. There was even a suggestion that it was all to do with sunspots, which themselves showed a clear 11 year cycle.

Of course it was all Labor's fault, Dad would say at the dinner table. If Whitlam had not been elected Prime Minister, Australia would not have been in this wretched recession. Dad was in business, he employed a lot of people, he ought to know (I thought). Nevertheless I resolved to investigate this problem a bit further someday.

I had just started secondary school and one of the subjects coming up in a year or so would be economics. Perhaps this might be a chance to get the answer? (If only...) Around the same time, I had begun to take a bit of an interest in the share market. Heaven knows why, but I did. Some-times I would check the price of the stock I was following - Renison Gold, I think. One day it was at 20 cents, the next day 22. Why on earth would a price do that? Surely it was the same company today as yesterday. Though the possibilities were interesting... If I bought at 20, then sold at 22, mmm, perhaps I could get around the world on a small budget, and without working, after all.



I did end up in that economics class. Did well at it too, an A. But could I still explain satisfactorily to myself about that '74 recession that was now history? Not at all. This was a major issue for me. The university classes in economics, as part of my accounting degree at RMIT were no better either at answering this dilemma: the early '80s at university, yet another downturn and yet more suggestions as to causes.

This time it was the workers who were to blame. They had been asking for wage rises that were beyond the capacity of companies to pay them. Of course, it stood to reason I thought. My father complained about this all the time. Wages were always too high. Still,

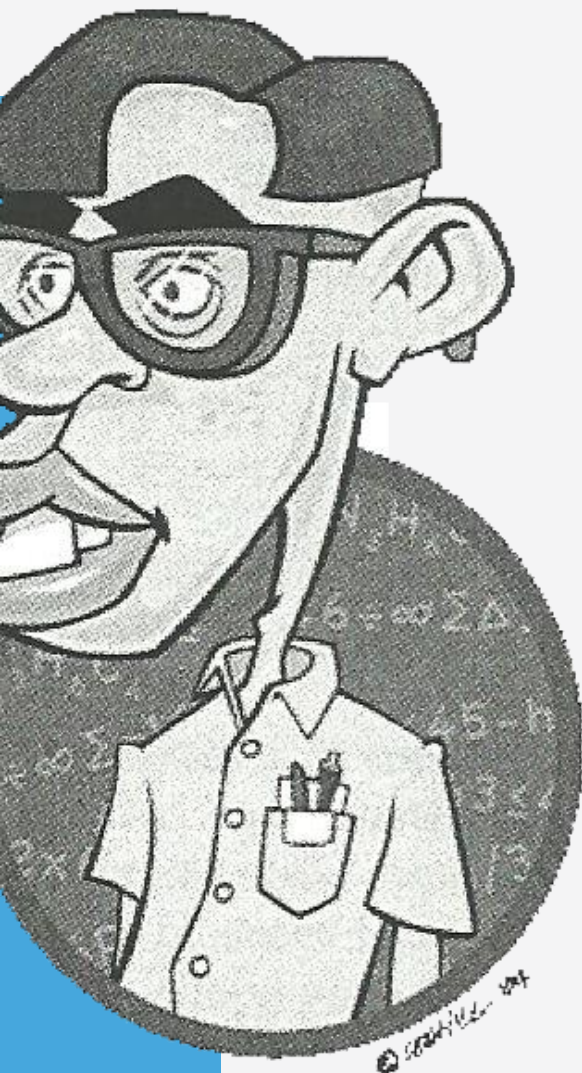
that argument was better than some of the others I had researched in my own time about other down-turns in history: depreciation of the currency, appreciation of the currency, lack of foreign markets, lack of fixed policy in government affairs, elections, extravagance both public and private, even because we had given women the vote !

The economics professor out front of class — well if he didn't know the answer, could anybody know it — was taking great pains to show his explanation, the new Philips curve. This purported to prove that high unemployment and high inflation could not co-exist, that there was a trade off which offered the government a clear choice of one or the other but not both. Funny thing was though, Australia's inflation rate, and its unemployment rate, both hit new record highs the following week. Typical economist I have come to learn: a person who sees something working in practice, then decides to set up a test to see if it works in theory.

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Confusion reigned. By now however, there were simply too many other curves at University, (a luxury not afforded me at high school), to worry about the one invented by Philips. Late starter: little did I know that girls were even more confusing than economics.

With a degree in hand, and many low paid menial jobs later, (and having seen Renison slip from 20 to 10), it was time to see the world. Starting in Europe, a mate and I walked, hitched, drove, trained or donkeyed our way from Switzerland, through Russia, to Beijing, then back eastwards to Tibet (one of the first westerners allowed in, we practically wrote the first guidebook that came out later) and from Tibet around Everest at 6000 metres into Kathmandu, then India. (Phew, 2 years in one sentence.) It hit me in India. I would describe India as the richest country in the world. But the poverty amidst the plenty astonished me. People are born, they live and they die on the Delhi railway station. Stepping through the kitchen of many a family on Calcutta's pavement was trouble-some to me. One's own earthly problems seemed a bit flimsy now. Anyway, in a rush to get to the bank



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one morning, in central Delhi, I stepped hurriedly out of the hostel I was in — a squat, in reality — straight into an elephant. Somewhat dazed, I could only stare at the small children behind it ready to pounce on the dung (for fuel) should there be any forthcoming. I wondered why should children be forced to do that. Should they not be at school? Still recovering, I took up a piece of gutter and sat down, elephant long gone by now, and realized I was sitting face to face with the most emaciated beggar; dying it seemed to me for lack of food, yet for shade from the ferocious Indian August sun, was lying underneath the best, most colourful, most beautiful cart load of fruit that I had ever seen. The cart had everything; bananas, oranges, papaya, mango, you name it, it was on that cart. But a man lay hungry underneath. At that moment I knew what I had to do.

I arrived home from India angry. It didn't seem right what I had seen. I joined a political party — but not the two mainstream ones and stood for parliament. Things were 'a-gunna' change! Alas, it seemed to take me longer to discover what everyone else took for granted these days, politicians are beholden to

vested interests. Democracy? An inconvenience.

At this point, a strange brochure fell out of some notes I had recently made and was reviewing, ironically, of a recent class I had just started at the School of Philosophy. The brochure had been sent to me by an obscure mob called Tax Reform Australia (TRA). Ordinarily, I was not predisposed to read what I (mistakenly) thought was some old right wing polliie espousing his view of justice. Cynicism had triumphed. But giving 'coincidence' a chance, I opened it up.

It was Churchill's story of the Toll Bridge. And it created for me a blinding flash of insight that lasted an eternity yet was over in a billionth of a nanosecond. A Eureka moment. Why that's it! How simple. Why had I not seen this before. The beggar was sitting on it, occupying the space. It's a land question. How could it be anything else!

I could not sit down for a week. I had to tell everyone about it. Which is where the questions really began. The world will never know how lucky it is to have organisations like Prosper Australia (and other organisations such as the School of

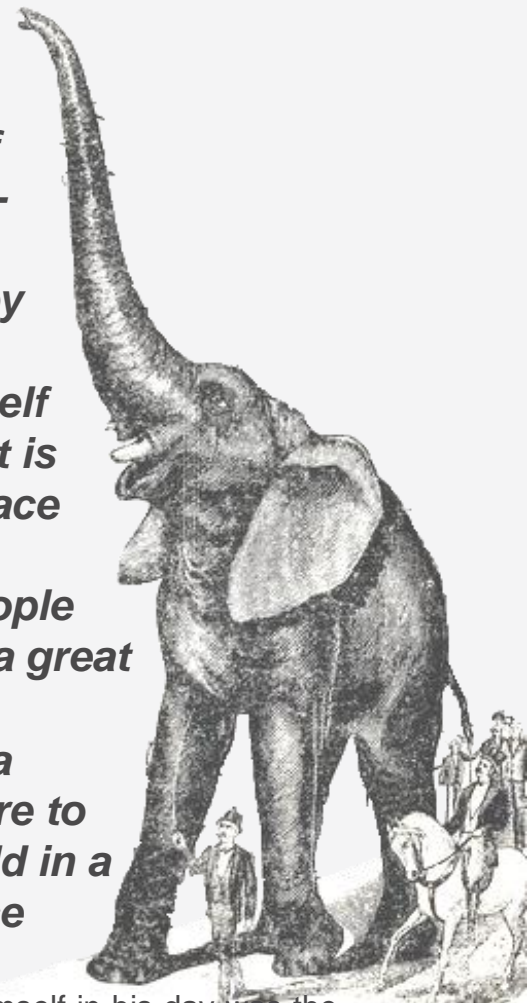
Philosophy) around to help those newly arrived to the concept of true justice. I was lucky enough to even have a job there once at the old TRA. Praise be to Karl Williams who helped organise the opening at the time more than likely. I felt I had come home. Strange it was indeed to be part of an organisation that is not bound by members over-riding self interests but is instead a place that brings together people purely with a great love of true justice and a fervent desire to see the world in a lasting peace. The work there culminated in a campaign to save site value rating at local government level from going the way of the Tasmanian Tiger and becoming forever extinct in Victoria. Happy to report we had a victory of sorts against overwhelming odds and vested landed interests. Doing that, and working with John Bennett in those days as the economist for Site Rating Defence was a great privilege. John taught me much about how to market George — something I think that generally has been done without much real thought over the years. But that is another story.

I found my answers at the School of Philosophy — perhaps not THE answers, but mine at least. Though I did not like what I found necessarily; the world is exactly as it should be, it's just a play. The physical reflects simply what is in mind. Well that was that.

I found my hope in Henry George. He really and truly showed how to create a heaven on earth, economically speaking at least. I have also been fortunate in having been able to combine a bit of George's insight on the subject of real estate cycles with the great stock market writings of W. D. Gann, who proved with his work in the stock market how time moves in a circle, and how the future repeated the past, going on to give away a good deal of his profits to worthy causes I might add too. But I digress.

Some questions remain. Pick up any book on Winston Churchill and you will find not a page about his Georgist activity, yet Winston spent the best part of his youth stumping for George. Why is that? Churchill's speeches about George are some of the most eloquent ever spoken. Churchill, with Lloyd George as Prime Minister, took on the whole House of Lords and damn near won. England almost got a land tax. Oh how things would be different now.

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Henry George himself in his day was the third most famous man in America, behind Thomas Edison and Mark Twain, (both still household names today) yet go into any public library in Australia and you will struggle to find any reference to George and his magnificent books. Why? The final few chapters of George's Progress and Poverty are some of the most

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awesome and inspiring words ever written down by anyone, anywhere. It's almost a conspiracy. It's certainly a crime. Explain to someone the simple concept that rent belongs to society, to be collected for all via say a small land tax —with no other taxes levied on them at all mind you — and it brings forth some of the most vitriolic and intense language and animosity to any idea the it is possible to bring out.

The battle goes on.

To have seen the cat is indeed a wondrous, but life changing moment. For those who believe there is a God in heaven (not me, being Buddhist she's inside, not up there on a throne somewhere) perhaps it's akin to some sort of religious conversion. For me, seeing the cat is knowing that economics ought rightly be based on abundance, not scarcity. That there is room on this planet for all of us. Overpopulation is an issue of scarcity, not abundance. That in true justice, the rent that naturally arises when any group of people meet to live and to work belongs to everyone and cannot be claimed by one individual or nation state.

When it is, we live like we do today: in fear, based on a false promise of scarcity, of not enough. Some years in boom, some years in bust. Just as George said.

It wasn't meant to be this way. It can be changed. But a paradigm shift is required. So bring out that cat. It needs to be ever more widely seen.

*Phil Anderson trades markets for a living. The (unearned) gain so acquired is put to further use investigating the real estate cycle.*

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