

## **Raffles had the winning ticket**

**By Mike Curtis**

Raffles had the winning ticket, say the followers of Henry George. In 1819, some fifty years before the publication of Progress And Poverty Sir Thomas Stamford Raffles established the British trading port of Singapore. Not only was it advantageously situated for trade, at the end of the Malay Peninsula, but it was set up with no tariffs or other taxes to inhibit commerce. Slavery and gaming were outlawed, and all revenue was derived from the rental value of land. As any Georgist would have predicted that population and productivity would grow at a rapid pace.

Slowly and surely taxes have been added since its founding including income and sales taxes, and gambling is today a very big tourist attraction. However, according to Schalkenbach's Land Value Taxation Around the World, in the year 2000 more revenue was collected from land rent than the income tax. Singapore has about five million people on an island of only 26.5 square miles, (186,000 people per Sq. Mi.) second only to Monaco in density. Seventy one percent of the population is employed, which is an exceptionally high proportion of the population. It is among the most productive countries, possibly the most productive per worker in the world. At the end of 2009, in the Great Recession there was only 3% unemployment. Ninety percent of families are considered homeowners, although it is hard to cipher the statistics it looks like 85% of the housing has been built with government direction and most of it is sold like condominiums. Poverty and homelessness were listed as zero, which must mean they are negligible.

I am sure they do not collect the full rental value of land; there is no free land margin where people could go to live and work; therefore, wages can not be significantly higher, as they would be with a broad application of the full Single Tax. However, Singapore and Hong Kong may be the very best examples of more than 100 partial applications of land value taxation around the world today. In Singapore, as in every case, the benefits are proportional to the degree and extent that the potential rent of land is the source of revenue.

What reminded me of Singapore was an email advertisement saying their recession is over, their economy is booming and it is now the best place to invest.

In preparing this little essay I looked at the CIA fact site on the web. Among all the impressive numbers I quoted was also the fact they had introduced a goods and services tax, like that of Canada. They have increased it several times over recent years and it is now at 7%. It is below the City of New York's sales tax of 8.25%; however, it means not only an increase in prices, but a reduction in the amount of land rent that is collected. Therefore, a significantly lower penalty for the underutilization of Singapore's industrial and commercial potential. []