

Growth—Escalator or Treadmill?

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“Economic growth is not, in democracies, an organised process undertaken by the community as a body and working to some grandiose master plan.”

ONE of the great pleasures of my youth—one which I placed immediately after “song”—was motoring. It was a day to remember, in 1954, when I took ownership of my first motor car. An eighteen year old Austin 7, it was not the sort of acquisition to put me on the wrong side of Jack Jones; but if it did not actually mark my entry into the affluent society, at least it showed that I was on my way, brothers.

Soon, however, I found that a large number of other brothers were also on their way. Most of them were pressing against my bumpers as we waited at the traffic lights down the road or crawled through the local High Street. And in my more frustrated moments I saw some glimmer of sense in the idea, then being tossed around, that the time had come for the Government to put the brake on the growth of the motor car and ration each year's increase in new drivers. After all, now that I'd got *my* licence there was no earthly reason for the Government to be dilatory or indecisive in dealing with a growing social problem.

Ten years later my motoring passed a milestone when, with the help of the Channel ferry, I transported my family for a holiday on the shores of the blue Mediterranean. True, the establishment we stayed at was not palatial; indeed, it was quite small and we had to remember to loosen the guy ropes at night. True also, we shared our little patch of the Mediterranean shore with a few thousand Dutchmen, Belgians, Germans, other Englishmen and a few French; and, moreover, that Mediterranean shore showed signs of that twentieth-century menace—pollution—and a drop of petrol from the tank was needed, now and again, to remove thick black oil from sunburnt anatomies. But despite these minor blemishes life had surely acquired a great new dimension.

All this time I had thought, in my self-satisfaction, that my progress from pedestrian to motorist and from ordinary holidaymaker to British tourist had been the deserved result of “getting on” in my occupation; the reward for being properly subservient to the boss and co-operative with his secretary. But according to a new book* by Professor E. J. Mishan, I could hardly have been more wrong.

In the first place, the developments that I had been viewing with such contentment were, apparently, not so much progress as mere “economic growth”. Pow-

ered mainly by the advance of science and technology, this is the process under which, every year, without any great effort on our parts, we produce more goods and gadgets, grow more food, motor more miles and take more expensive holidays in ever more exotic places than anyone ever thought possible.

And in the second place, according to Professor Mishan, this process is not only not good but is deplorable. In this book he takes a close analytical look at economic growth and makes it clear that he does not like what he sees.

Take my old Austin 7 for a start—what the Professor calls the “private automobile”. This, he asserts, is one of the greatest disasters that ever befell the human race.

“For sheer irresistible destructive power, no other creation of man—save, perhaps, the airliner—can compete with it. Almost every principle of architectural harmony has been perverted in the vain struggle to keep the mounting volume of motorised traffic moving through our cities . . . The automobile has multiplied like the locust and swarmed with noise and stench through every street and alley, with the consequence that all the mingling of crowds, all the gaiety in the street . . . have become things of the past.”

And the airliner? This, he says, apart from “plunging us into an era of shrieking skies” has “conspired



with the automobile to create a tourist explosion that, within a few years, has irrevocably destroyed the once-famed beauty spots of the Mediterranean coastline.” All right, Professor, *touché*.

All around him Professor Mishan sees evidence of the shattering decline in the standard of life brought about by the juggernaut progress of economic growth. Not only does travel lead to the destruction of the world's beauty spots, it also brings the spread of disease on a scale not met before. Drugs, originally introduced for fighting such disease have been found to have tragic side-effects and to lead to addiction. The march of technology brings weapons of war so horrifying in their potential effects as to put the whole human race in jeopardy. The environment, already sullied with urban sprawl and vulnerable to mechanical breakdown, crime and terrorism, has become polluted with noise and clamour, the stench of

**The Economic Growth Debate: an assessment*, E. J. Mishan, George Allen & Unwin, paperback £3.50.

fumes and litter and the poisoning of rivers. The pace of modern living stretches to its limit the human nervous system, and stress diseases and tranquiliser drugs have become part of normal life.

But surely, the gadgets of modern technology bring more leisure in which we can enjoy its fruits? Not so, says the Professor. The demands of the growth society are such that leisure needs to be used for self-improvement, to keep abreast of developments for fear of losing our jobs. And even if there were any real leisure, the abrupt change from the normal round would tend to leave ordinary men and women in a state of "restlessness, indecision and anxiety."

What Professor Mishan preaches, in short, is that the sum of human happiness cannot be much enhanced by further scientific discoveries and that there should now be a ban on all scientific research and technology, exceptions being made, "on appeal," for research directed to "clear humanitarian purposes."

Few readers of the book will be completely at odds with its author. Who among us has not, at some time, longed to "quit the rat race" and to "get away from it all"? But Professor Mishan's almost unrelieved condemnation of modern society is not easy to take *in toto*. In his eyes, nothing in

this world is right. If unemployment were to disappear he would, no doubt, regret the ending of social life in the dole queues. If he should win the Pools he would doubtless bemoan his luck in having to count the money.

In any event, can there be any expectation that man would ever—could ever—switch off that power to develop and improve his lot that is the main characteristic distinguishing him from the animal? Economic growth, after all, is not, in democracies, an organised process undertaken by the community as a body and working to some grandiose master plan. It is, for the most part, the sum result of independent action by individuals, or small groups of individuals, working to their own inclinations and giving vent to their native inventiveness and powers of innovation.

It may be that social conditions—and social injustice—pervert the course of man's inventiveness. In which event the righting of basic wrongs in society can have only beneficial effects which might modify Professor Mishan's views about the process *per se*.

But if Professor Mishan really does advocate a general ban on man's inventiveness, then he might as well call for a general ban on breathing. Or perhaps save his breath.

Change These Tax Laws!

I am glad to see this committee consider the subject of the valuation and taxation of farming and grazing land in Arizona, because the state's policies in this area since 1968 have resulted not only in the granting of preferential tax treatment to property owners who claim to be involved in farming and ranching but aren't, but also in the granting of tax relief totalling 90 to 99 per cent to Arizona's legitimate farmers and ranchers.

I don't think that was the intent of the Legislature when it enacted the provisions referring to "current use" and "future anticipated increments of value."* Unfortunately, however, the vague language of the statutes and the failure of the Department of Revenue and its predecessor, the Department of Property Valuation, to establish strict requirements for the classification of farm and ranch

IN our September/October 1977 issue, we published an article "A First Step to Reform" in which Joseph Zashin recounted his efforts to have rectified certain inequities in the property-tax assessments of Pima County, Arizona. Stephen Emerine, County Assessor, in a letter to the Editor, has indicated that he is aware of these inequities and is concerned in attempting to change the relevant legislation so that more equitable assessments may be made.

Mr. Emerine enclosed a copy of a statement he made to the Senate Finance Committee on November 30, 1977, which we reproduce with his permission.

property, together with a failure to update any of its agricultural valuation in the past ten years, has resulted in the fact that we are now granting agricultural tax

breaks to those who aren't entitled to them and we're giving larger tax breaks than perhaps any other state in the nation to Arizona's farmers and ranchers.

This would be bad enough if we were like most other states, in that more than half of our property was privately owned. As you know, however, only 17.9 per cent of the land in Arizona is privately owned and therefore subject to taxation. As a result, the impact of these loose agricultural tax laws and policies hit home owners, business people and other non-agricultural property owners very, very hard.

Let me use Pima County as an example. Our county is 5.9 million acres in size, and only 813,000 acres—or 13.8 per cent—is privately owned. Of that 813,000 acres, more than 271,000 acres—or 33.6 per cent of the taxable land—qualifies as grazing land under state laws and guidelines, while another 51,000 acres—or 6.3 per cent—qualifies for special tax benefits for farming land. The net result of this is that only 8.3 per

*These provisions require that the Assessor consider "present use" and discount amounts paid for "future increments of value" thus making it impossible to assess underused land at its full market value. (Ed.)