

Down-to-earth policy to solve

Mother Nature, claims FRED HARRISON, will eventually force a drastic revision of property rights

THREE HUNDRED years ago, a new philosophy of property emerged that ruptured mankind from his past. The logic of 200,000 years of socio-biological evolution was abandoned in favour of private ownership of land.

Apologists for the consequential social deprivation argue that this property right was necessary to support the new mode of production: the industrial method of manufacturing wealth. That claim is spurious, but the debate is now a futile one. For the concerns of the 21st century beckon, and the logic of history – from which modern man tried to escape – is reasserting itself, forcing us to relearn the secrets of ancient property laws.

Mother Nature is beginning to compel stubborn man to dig deep into his past, to rediscover the lessons of *sustainable* living. For Earth is haemorrhaging – gouged and burnt by behaviour unhinged from the rhythms of life – and she will exact a terrible price if the appropriate reforms are not quickly introduced.

If this analysis is beginning to sound like a retreat into mysticism, fear not: the remedial action is down-to-earth.

ECOLOGICAL problems reduce to one simple proposition. The philosophy of private property in land permits people to use nature without paying the full current market price for the privilege.

But that does not mean there has been a “breakdown” in the market, as has been claimed by *The Economist*,¹ for that market was never fully established in the first place. As that newspaper editorialised: what we now have to achieve is a method of “making sure that prices reflect the full social, and not just private, cost of energy-burning or car-driving or waste-dumping,” so that “the grimy hand (the market) can be cleaned up to make the world a safer, quieter, prettier place.”

This analysis, in fact, is mystical. The market is not a thing which can be grimy – or can be cleaned up. The market is a process: the interaction of billions of people. It is those relationships that result in the grime that now coats the environment, but it is the *rules* that facilitate the process.

We will achieve nothing without a thoroughgoing debate on the nature of those rules: for right now, the people and organisations that are free to exploit natural resources to their private advantage are manipulating the language of discourse.

Institutions that do NOT want prices to reflect social costs are able to marshal a powerful battery of lawyers, professors, politicians and journalists to bend the meaning of words to preserve their privileges.

That power is awesome: it has been one of the instruments for alienating man from his natural environment, and it is a strange irony that it will take the strength of nature to destroy it.

Lone voices have spoken the truth and suffered the consequences. One such man is Mason Gaffney, a professor of economics who



• Professor Gaffney has long pondered the purpose of Californian acres behind barbed wire but he has doubts

has distinguished himself with his scholarly investigations into the economics of land and natural resources.

Prof. Gaffney's employer is one of the most prestigious in the United States: the University of California. He educates students on the university's Riverside campus, an hour's drive into the rolling hills east of Los Angeles.

Riverside is a pleasant community, sprawling outwards over scrubland barely fit for longhorn cattle, a jarring reminder of how the ingenuity of man can transform appearances without, in the end, altering the reality.

For Riverside, the reality is that it would implode as an urban centre if it was not for the power of those politicians who were able to manipulate the economics of natural resources – in this case, of scarce water.

For consumers in Riverside, water – delivered almost free along a canal from a river 15 miles away – costs one-fifth the price outside the town boundary. If the citizens of Riverside are the winners, who are the losers?

- Mother Earth. Her resources are being depleted at a faster rate than would otherwise occur, if consumers had to pay the full and fair market price for the benefit of using the water.

- Other communities. Taxpayers who do not gain the benefits are underwriting the costs of providing the infrastructure to channel the water to the beneficiaries. Those benefits can be measured in very precise terms: the value of the land onto which the water is canalised.

IN THE United States, the present political debate about the viability of current property rights. That debate will begin to deepen as regional conflicts deepen.

For example, competition between California and Arizona for

REFERENCES

1. "Capitalism's visible hand," *The Economist*, London, May 19, 1990.
2. Fred Harrison, "Sensitive tensions," *Land and Liberty*, Jan./Feb. 1991, p. 8.



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achers who continued his movement, maintained very much the same attitudes concerning wealth. In particular, they would find very strange the modern notion that wealth is increased by accumulation. The Old Testament writers and Jesus and the apostolic preachers all perceived that accumulation does not cause wealth, it causes poverty, and it spreads poverty and inequality and injustice.¹¹

This is a very broad summary of the biblical witness, but at least it gives us some starting-points, and some criteria for judging our contemporary scene. Certainly, the whole area of economic power is very complex and very mysterious, and

theologians and biblical commentators ought to be extremely cautious about how they make judgments which are properly within the expertise of other people. But then, we could say the same about such a subject as In Vitro fertilization. But the complexity of this subject has not prevented theological and moral commentators from involving themselves seriously in the debate.

It seems to me to be very strange that there is so much sophisticated study concerning the status of the foetus, and relatively little about the meaning and the handling of wealth. Some moral theology seems to be able almost to ignore the great importance which the bible as a whole gives to questions

both of the creation of wealth and the distribution of it. Such questions, we can see, were close to the top of the list of priorities for Jesus; they are also all over the place in the teaching of the Apostles and of the early Fathers of the Church.

There are two other principles which appear in the assumption of the Bible concerning the creation of wealth; the first is that *all citizens will be in one way or another involved in the creation of wealth*. Secondly, the style of Jesus in making judgments about social order is almost always that a social system, or a religious tradition, *must be judged by how well it works for those who have least advantage*.

Against these principles, how do we judge a system such as that which obtains for us at present, in which the institutions considerably protect the decision-makers of society from any real contact with the suicidal environment which unemployment creates around the human spirit? In other words, it ought to be impossible seriously to consider the subject of the creation of wealth without reference to the processes which exclude people from participating in the creation of wealth.

• The concluding extract from the Bishop's speech will appear in the next issue of *Land and Liberty*.

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development, the owners have expressed their displeasure by allowing the orange trees to die. Dying orange groves are an effective way of blighting a locality.

ORANGES are an illustration of perverted public policy. On the one hand, the system of regulation by quotas holds up the price of crops - but necessitates the burning of surplus stocks. On the other hand, the subsidised price of water results in an expansion of orange groves - which results in a downward pressure on prices.

This is not the economics of the free market, but of state regulation - the western version of the socialist command economy laced with the rhetoric of capitalism!

One of the results is urban sprawl, as residential development is forced to leapfrog the orange groves onto scrubland. Taxpayers then have to subsidise the cost of new roads, pipe in fresh water for the inhabitants, collect and remove household waste... costs that would not be incurred by urbanisation that rested on a rational system of land use.

Prof. Gaffney argues that the one policy that would reincorporate rationality into modern systems of land use is a very heavy tax on the annual rental value of land. That revenue, he believes, would be sufficient to make it possible to reduce those taxes on labour and capital that happen to undermine people's efforts to enjoy a decent life.

The land-value tax would solve many other problems, as well, because it is the economic method of making people pay for the privilege of using natural resources. So there would be no dog-in-the-manger waste of scarce resources - idle sites in prime city locations, for example. And there would be a slowdown in the rate at which water is now being depleted from rivers and reservoirs, to the ultimate benefit of future generations.

But the interests that have the most to lose from a transition to a rational system of taxation and land use will fight hard to preserve their privileges. *And a key plan of their attack will be an appeal to the rights of property, which is why the destruction of the environment will continue until there has been a democratic confrontation over the legitimacy of the rights of land ownership.*