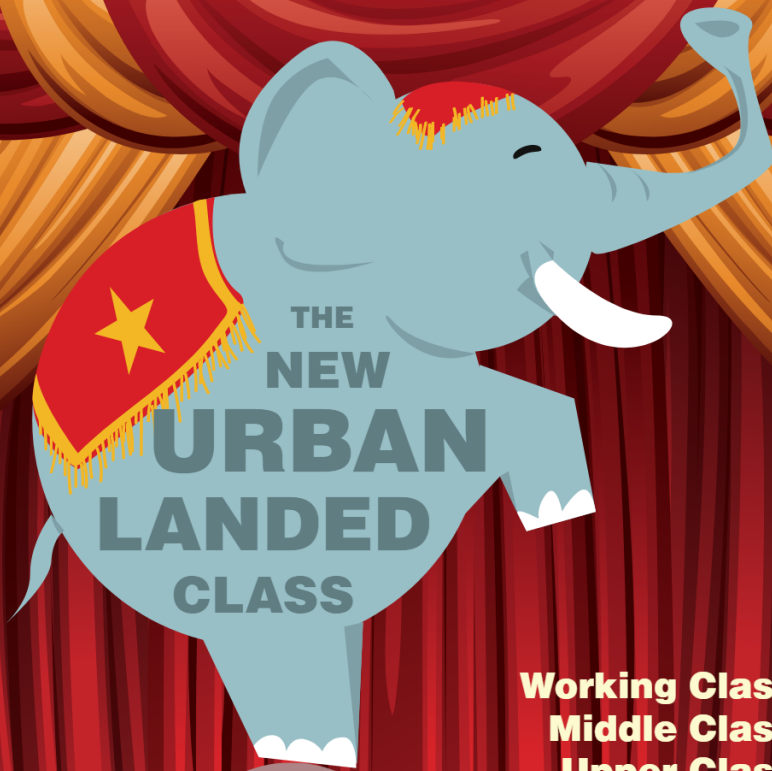


# Land&Liberty

putting people at the heart of economics

since 1894



## THE NEW URBAN LANDED CLASS

**Working Class—no more  
Middle Class—no more  
Upper Class—no more**

THE  
OTHER  
PEOPLE

Western society now has two classes:  
the people who enjoy the windfall of unearned  
wealth from economic privilege—foremost the land  
value under houses—and those others who do not.  
The rest is detail. Welcome to the 21<sup>st</sup> century's  
New Urban Landed Class



**Saving  
community  
—the  
future  
value of  
crofting**



**Render  
unto  
Caesar:  
politics  
in the  
pulpit**



**Family  
spending  
power  
and the  
sustainable  
economy**

vol. 116 AUTUMN 2009

## cover story

The old class distinctions are dead, today's classless society a hallucination: the New Urban Landed Class trumpets its power



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## columnists

Edward J Dodson is Director of the us-based School of Cooperative Individualism and author of *Discovery of First Principles*.

Lars Rindsig is Executive Editor of *L&L*.

David Triggs is Executive Chairman of the Henry George Foundation, publisher of *L&L*.

## news in brief ...

**Mongolian gold** Discovery of the Oyu Tolgoi deposits is set to transform Mongolia. Thirty-two million tons of copper and twelve hundred tons of gold will deliver eighty per cent of the rural country's new economy. Peter Morrow, CEO of the Khan Bank in Ulaanbaatar, told Bloomberg: "The transformational power of the Oyu Tolgoi mine cannot be understated". Finance Minister Sangajav Bayartsogt is establishing a sovereign wealth fund to distribute a 1.5m tugriks (\$1,060) dividend to every citizen. The government is studying the Alaskan example.

**Normality** Financial services website MyIntroducer reports the UK "market stabilising but not yet normal". Oh, the sector's denial! "The old thinking, the neoclassical Washington Consensus policies, have really been discredited, in fact disproved, by the reality of what has happened", says Southampton University's Chair in International Banking, Prof. Richard Werner, talking at Doshisha Business School: "We must abandon an economics that is totally unrealistic for the reality on this planet." Post-crisis—"normality" is the last thing we need.

**Kenya** Kenya's new Cabinet-approved National Land Policy has been published. The document varies from the draft presented for the Parliament's approval in 2008. The approved policy includes constitutional provision of a "sound framework for the taxation of resources such as land to facilitate efficient utilisation and distribution of land rights", and the establishment of "an appropriate land taxation system to discourage land speculation and mobilise revenue". To access the approved policy document go to [www.ARDHLGO.KE](http://www.ARDHLGO.KE) (See also *L&L* winter 2008/9 & summer 2009)

**Liberty in the UK** The annual Economic Freedom Index "measures the degree to which the policies and institutions of countries are supportive of economic freedom". Top of the list of the 141 countries measured this year is Hong Kong, followed by Singapore and New Zealand. Bottom comes Zimbabwe, preceded by Myanmar (Burma) and Angola. The UK's scores might give Gordon Brown cause to reflect: 'security of property rights' in the country declined over the last year from 8.69 to 8.37; 'freedom to trade internationally' declined from 7.77 to 7.56.

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**Correction** In last issue's news item 'Glasgow goes for land tax', the illustration stated that Band E tax bills would be "96% less". It should have read "96% more". The corrected illustration is available in our online edition from [www.LandandLiberty.net](http://www.LandandLiberty.net)

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*Land&Liberty* has chronicled world events for over 100 years. It has offered a unique perspective with its reports, analysis and comment on the core issues of political economy. And that uniqueness remains. *Land&Liberty* aims to explore how our common wealth should be used—and to demonstrate that this is the key to building the bridge of sustainability between private life, the public sector and our resources—between the individual, the community and the environment. *Land&Liberty*—putting people at the heart of economics.

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## Isn't it ironic?

The £8.6bn mega-development company British Land is currently reporting "renewed bidding competition" and a "clear improvement in investor sentiment" with 'strengthening yields' for land speculation. Ironically, the company was established with a distinctly different concern. In 1856 it was an offshoot of the National Freehold Land Society set up by Liberal reform politicians Richard Cobden and John Bright. To vote at that time it was necessary to be a male landowner: the Land Society's purpose was the extension of the franchise, which it facilitated by buying up land and reselling it in small plots to the people. With the extension of the franchise in the late 1800s, British Land began to operate as a normal business; today half the company's portfolio is invested in retail property, including shopping centres and supermarkets that have been bought from and are leased back to the retailers.

## World Bank gets it right in Pakistan?

Is the World Bank backing progressive reform of Pakistan's tax system? According to the *Business Recorder*, the Bank's 'Pakistan Tax Policy Report' sets out new proposals for the tax systems employed by provincial governments.

The present system is based on 'declared transfer values'—payable only when property is sold—and therefore a drag on the market. But "comprehensive reform of the taxation of the rural sector might pull back from taxing property transfers altogether. The rationale for this proposition is straightforward. Provincial taxes might be seen as a payment for public services received. It seems more reasonable to extract this payment yearly rather than at the time of a transfer." Urban land would continue to be taxed under the present system.

The World Bank says the first step of restructuring would be for mutation fee, registration fee and stamp duty to be "combined into a single land tax, levied on the basis of the market value of land"—according to the *Business Recorder*.

The Bank is reported to believe reform could "more than double rural land tax revenues".

## Co-operative policy

At its 2009 annual conference the UK's Co-operative Party has adopted land value taxation as part of its policy platform.

The party, although legally a separate political organisation, is closely affiliated with the Labour Party and often regarded as effectively a lobbying wing of it.



## Feeding the hungry

The global food 'crisis' is raising the price of food. In the age of temperature controlled air freight, foreign-controlled producers are buying into local land markets in order to secure their production. It's a situation ripe for the speculators—sensibly shy for the moment of the Western property market. According to BluSky Investments: "Some £8 billion of western institutional and government funds have been invested in agricultural land over the past 2 years alone, acquiring vast tracts of poor countries' farmland".



The Pakistan national monument

## HGF report

**AGM:** The Henry George Foundation's Annual General Meeting was held at Mandeville Place on Saturday 26<sup>th</sup> September. Gathered members enthusiastically received and discussed reports presented by officers and volunteers about the activities and finances of the Foundation during the past year, and on plans for the coming 12 months. Treasurer John Cormack was able to report on a healthy financial situation where operating expenditure had been more than covered by the revenue received during the year from donations from members, supporters and friends. These funds in part offset the loss in income from—and value of—the Foundation's savings and investments, which were not immune from the overall decline in financial markets during the past year. Executive Chairman David Triggs was pleased to report

## MonopolyCityStreets

Hasbro has teamed up with Google Maps to create an ultra-realistic game of Monopoly played on real world maps. Bidding means that at the time of writing, *L&L*'s shared Piccadilly address is worth some \$2.5m: nearby Lloyd Street (or rather the land beneath) would be worth \$1.4m—were it not for the bio-hazardous building on it, which crashes the separately calculated rental to a negative \$333k. The game demonstrates the workings of land value. The game is free to play until January at [WWW.MONOPOLYCITYSTREETS.COM](http://WWW.MONOPOLYCITYSTREETS.COM)

## Emerald taxation

The Irish government is finalising its €90bn plan to tackle its banking crisis. A key element of the National Asset Management Agency proposal will see a windfall tax of 80% on profits from land value gains following rezoning decisions—"to ensure that speculation is not rewarded in the future", reports the *Irish Examiner*. The Green Party claims credit for the idea.

The Irish Planning Institute "strongly welcomes" the windfall tax. It believes the NAMA Bill "one of the most critical in the state's history", because "landowner and developer profit remain the sole objectives of construction" and had "contributed to the current financial problems of the state"—according to the *Examiner*.

But the *Belfast Telegraph* reports Labour leader Eamon Gilmore saying the windfall plan was "too little too late, because landowners have already got away with the massive profits made during the bubble." *L&L* is concerned plans may be ill-cast: the new tax must take the form of an annual charge on the market value of all land.



## Houses of wealth

Vince Cable MP's proposal to tax expensive houses

IN A party conference move that surprised even front benchers and party confidantes, Vince Cable, Deputy Leader of the UK Liberal Democrats and his party's shadow Chancellor, has launched a proposal for a 'mansion tax' on valuable properties. Cable is judged by political observers to want to pull his party closer in the direction of land value taxation.

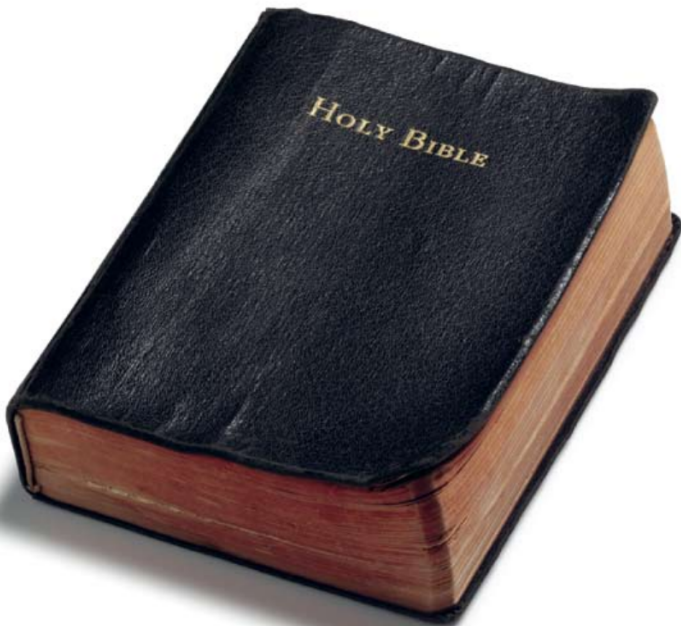
The floated policy would apply a new charge of 0.5% to the total value of properties above £1m—which it is estimated would raise £1bn a year. The increased yield would be used to raise tax thresholds for the lowest earners with annual incomes below £10,000—enough to make them tax-free.

Mr Cable first tested the proposal at a LibDems' Tax Commission, the party's 'Axe the Tax' Commission, which is pushing for a local income tax to replace the existing Council Tax, a move that would find political support. The Commission's final draft policy, Dr Cable's proposal, is to be discussed at the party conference.

A source within the *L&L* that its Federal Policy Commission is arguing bitterly over local income tax, wanting more 'Green Tax' to lift more out of income tax. Against that background, the leading party

Photos: © Wikimedia Foundation (CC); The CBI and mairlin (flickr/CC)





# Render unto Cae

Secular reformers agree *in policy* how to ‘render unto society and the individual. But in daily life and practice often hard established, ill positioned and well defended reflects on being accused of “an excessively political

UNTIL THE late nineteen-eighties, and again from 2003, I served as a Methodist lay preacher around Brigg in North Lincolnshire. I have given much of my lifetime in the voluntary service of the church, from which I readily acknowledge I have received huge enrichment in the spiritual sense. Over the years, my sermons embodied my convictions about what is just and unjust property, in the light of moral law and of Scripture that declares “the earth is the Lord’s” [Psalm 24: 1]. But in 2007 complaints were received with regard to my conduct of worship—that I was guilty of “an excessively political bent”. On refusing to confine the subjects of my sermons to the Lectionary, I was suspended: I believe property reform in the general public interest cannot be carried forward by anything short of the religious conscience.

I would like to account for my position. I take for my text Matthew 7: 12—“Therefore all things whatsoever ye would that men should do to you, do ye even so to them: for this is the law and the prophets.”

On Remembrance Sunday the hymn “Thy kingdom come, O God, Thy rule, O Christ begin” will have been sung. The hymn echoes words of John Wesley, the founder of Methodism, at the close of his sermon ‘Blessed are the pure in heart’: he said—“O God! How long? Surely all these things shall come to an end, and the inhabitants of the earth shall learn righteousness. Nation shall not lift up sword against nation, neither shall they know war any more.” Jesus, in our text, speaks of the time when the inhabitants of the earth shall learn righteousness, love God with all their strength, heart, mind and soul, and their neighbour as themselves.

I need to speak of the sermon that I assume led to complaints of “an excessively political bent” upon my part. In doing so, first I wish to refer to a book entitled *The Rule of Law*, which I read prior to the preparation of the sermon, and also to the book’s author. I found myself interested in the book because I once attended a conference at which the author spoke and later in the day joined a workshop that he led on the subject of religion. The author was the late Sir Kenneth Jupp. His book was published posthumously in 2005 by his widow, Lady Jupp, and family. Jupp was born in 1917, awarded the Military Cross for bravery in Italy

in 1944 and became a barrister of London and a leading draughtsman before the

Court Judge in the Queen’s Bench. As a High Court Judge, his dedication in the administration of the highest order was of the highest order with him upon a much higher bench for a number of years. I served on the bench as a magistrate, and on the Police Committee of the

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County Council. A Judge required to justly pass who offend the law. They do not make the statute book by Parliament. A magistrate to attempt than by judicial precedent mean it could rightly be were guilty of “an excessive

When Communism joined a party of academic country and addressed its leading Parliamentary social institution of pr

Photo © Shutterstock/DN199



deal worse off, without an owner to take care of them as their property, than when a slave. When too old to work, they could be, and often were, left to starve. Sir Kenneth writes: “Even today, the distinction between the landed and the landless remains as evident in the us as anywhere in the world”.

I come to my use of that part of Jupp’s writings that I can only assume resulted in the complaint of “an excessively political bent”. Sir Kenneth considers what is known as ‘The Old Covenant’—the first five books of the Bible, which have become known as the Torah. (The name is also used for the entirety of Judaism’s founding legal and ethical religious texts.) If the people choose to obey the Torah, then God promised to make them a prosperous nation and give them a land in which to dwell.

Jupp says it is a remarkable fact that in spite of the hostility often displayed between them, Judaism, Christianity and Islam share and ultimately depend upon the teaching contained in the Torah and the law and the prophets.

To the Jews, together with the Psalms and the Talmud these are the holy books.

As to Christianity, Christ himself said he had come to fulfil the law and the prophets, and the Torah, which is the most important part of them. He added: “For verily I say unto you”—He could not have been much more emphatic than that—“Till heaven and earth pass, one jot or one tittle shall in no wise pass from the law, till all be fulfilled.” [Matthew 5: 18]

As for Islam, Al Arberry, Oxford’s former Professor of Arabic, in the introduction to his translation of the Qur’an, says many passages state that the book had been sent down confirming what was sent before it—by which was meant the Torah and the Christian gospels. The content of the Jewish and Christian scriptures, excepting such falsifications as had been introduced into them, are taken by the Qur’an as true and known.

There is one portion of the Torah, if taken seriously by all the teachers of the three religions, that would end much of the animosity between them. Underlying the whole of the Torah is the warning God gave to Moses in the desert of Sinai: “The land shall not be sold for ever: for the land is mine, for ye are strangers and sojourners with me”—or settlers, tenants and guests in other translations. [Leviticus 25: 23]

A former chief Rabbi Dr JH Hertz comments: “This verse enunciates the basic principle upon which all these enactments [of the Torah] rest. ‘The earth is the Lord’s’ [Psalm. 24: 1 ], and His people hold their lands in fee from Him. The ground itself, then, was not a proper object of sale, but only the

result of man’s labour on the ground”. (*The Pentateuch and Haftorahs*) Dr Hertz, a notable biblical scholar, is by no means alone among Rabbis in this view.

The Christian Church, possibly because they are, or were, extensive landlords, have rather avoided referring to this. Moses and Joshua, however, during the campaign to conquer the Promised Land, more than once had been instructed by God to share the land equally among the families, as the Torah states.

Yet, however way the land is equitably divided initially, changes inevitably occur during the course of a generation or two. Some families will have grown larger. Others will have declined. Some will have suffered loss

“Were the Tolpuddle Martyrs guilty of ‘an excessively political bent’?”

of crops or animals due to storm, drought, disease and other calamities, and have been forced into debt, poverty and slavery. So the Torah ordained a ‘Jubilee’: it was called “the acceptable year of the Lord”. [Luke 4: 19] This would occur every fiftieth year. The trumpet of the Jubilee would sound: all debts would be cancelled; all slaves would be set free; and all lands sold would be returned to the original family. Liberty, and the return of the family inheritance, was the substance of the Jubilee.

While God gave these instructions to Moses, in the centuries following, the Jubilee appears to have gone by default. So God sent his prophets to warn against disobedience of the Torah. These included Isaiah, Jeremiah and others. In the parable told by Jesus of the lord of the vineyard, who let it out to husbandmen, the prophets were sent away empty, some beaten, some killed. The vineyard owner said he would send his own son—“...they will reverence him”. The husbandman said no: “...let us kill him, that the inheritance may be ours”. [Luke 20: 13-14]

So Jesus spoke in the Nazareth synagogue and reminded his hearers of the Jubilee. The book of Isaiah was delivered to him: he opened it and found the place where it is written: “The Spirit of the Lord is upon me, because he hath anointed me to preach the gospel to the poor; he hath sent me to heal the brokenhearted,

to preach deliverance to the captives, and recovering of sight to the blind, to set at liberty them that are bruised, To preach the acceptable year of the Lord”. [Luke 4: 18-19] He handed the book again to the minister.

Jupp says Jesus stopped abruptly, dramatically, in mid-sentence. The sentence complete from Isaiah would have been: “To proclaim the acceptable year of the Lord, and the day of vengeance of our God”. [Isaiah 61: 1-3] The day of vengeance of God would become relevant only if they rejected Christ’s teaching. Yet they did reject his teaching—and as Jupp adds: “It is still rejected today”.

Although at first all bore him witness and wondered at the gracious words that proceeded out of his mouth, this favourable reception did not last. Those that heard him were ultimately filled with wrath: “...and thrust him out of the city, and led him unto the brow of the hill whereon their city was built, that they might cast him down headlong”. [Luke 4: 29] But, passing through them, he went on his way.

Why the fury? Was his preaching seen as an attack on the property classes and of “an excessively political bent”?

Jupp says that the essential requirement of the Torah is that the land be seen as belonging to God and not to any private individual—“The earth is the Lord’s and the fullness thereof”—this fullness intended by God for the support of all mankind. Under the true rule of law, the rule of God (“Thy kingdom come”), there can be no landlessness and, therefore, no poverty or oppression.

Jupp echoes other Christians before him, such as Dr Thomas Nulty, Bishop of Meath in Ireland from 1864 to 1898. In his essay ‘Back to the land’, published in 1881, Nulty argued for collecting as public revenue the community-created values that attach to land (and which were not due to the labour or capital of the landowner), with the abolition of taxation levied on labour and capital. He saw this as the application of the principle of the Jubilee in a modern industrial society: others have explained how this could be implemented.

In this way the impediments to the two natural rights which Jupp saw missing in the *Declaration of Independence* would be removed—providing labour with the full fruits of its effort and establishing the divine injunction to hold land in common for all mankind.

It would seem that in saying this from the pulpit I am regarded as of “an excessively political bent”. If that is true, could the same be said of Isaiah and the prophets when they accused the princes of eating up the fruits of the vineyard and grinding the faces of the poor? Could the same be said of Jesus when he preached at Nazareth and said—of the Scribes

and Pharisees who claimed: “...If we had been in the days of our fathers, we would not have been partakers with them in the blood of the prophets”—“Ye are the children of them which killed the prophets” and “Ye serpents, ye generation of vipers, how can ye escape the damnation of hell?” [Matthew 23: 30, 31, 33]

Could it be said of the founder of my Church, John Wesley, who is said to have spoken out against the institution of slavery when it was a settled, recognised state of social existence and when hardly anyone possessed the public spirit to condemn its character?

I believe rebellious Primitive Methodism in the early twentieth century sustained the spirit of the local preachers and chapel stewards I knew, who provided local village leadership of branches of the Agricultural Workers Union.

It was earlier, in 1832, that six Dorset farm workers from the village of Tolpuddle—including their leader George Loveless, who was a Methodist local preacher, and another local preacher—were transported in convict ships to penal settlements in Australia, for the offence of forming what was called a trade union. Were these men, the Tolpuddle Martyrs, guilty of “an excessively political bent”?

After much suffering in detention the Martyrs received a pardon. But only one of their number—James Hammett, 22 years old when transported, married with a small child—returned to Tolpuddle. He was the last of the Martyrs to leave Australia, in 1837, the others having been released the previous year and emigrated to Canada. When the first Union of farm workers was formed in 1872, it was decided to make a presentation to James Hammett. No place in Tolpuddle could be found for the meeting, although there was a local Methodist chapel. The presentation was held in a field two miles from the village.

Later, old and blind, refusing to be a burden to anyone, James Hammett went into the workhouse to die. He was buried in the Tolpuddle churchyard and the Squire stood by the grave to make sure no one spoke for or on behalf of trade unionism. No one who knew him—or knew the Martyrs’ leader Loveless, to speak on behalf of Methodism— it seems, said a word in their favour.

Nowadays, in the third week of July, an annual Tolpuddle Martyrs Festival is held. Trade unionists rally there with a long procession through the town, with bands, banners and speech-making. On one year, more than ten years ago, my wife and I travelled to the Festival. Tony Blair, a Labour shadow minister then, was principal speaker. Was Methodism by now in evidence? I saw a Methodist Minister—I believe the Director of the Luton Methodist Industrial College—carry a wreath, followed by trade unionists, and

place this on James Hammett’s grave, where George Loveless had preached. I understood that year’s President of the Festival.

During his lifetime, received no such tribute. He suffered and died alone, so did Jesus, on the cross, except for the few remaining disciples, even then, on him throughout his ministry shall see in his hands the trust my finger into his hand [John 20: 25] I think we have been any one of the present when Jesus first stood in their midst.

But Scripture is full of consolation for those who “Blessed are they which do righteousness sake”. [Matthew 5: 12] The Psalmist also says: “Man that walketh not in ungodly, nor standeth nor sitteth in the seat of delight is in the law of the Lord. He doth he meditate day and night. So, I believe, that men should do to you, for this is the law and the

George Curtiss has been a Methodist, trade unionist

(Passages from the Holy Bible. Authorised King James Version)

# An income to sustain life

Post-crisis there's an ever more urgent need to build a sustainable economy, argues **Prem Sikka**

THE CONCEPT of 'sustainability' is often invoked to signal debates about climate change and the environmental degradation brought about by excessive consumption, pollution, destruction of biodiversity and the depletion of natural resources. These are the inevitable consequences of relentless pursuit of profits and have become a major threat to the survival of the human race and planet earth. But we also need to think about sustainability of the economy, everyday life and social justice, so that all citizens can live fulfilling lives.

Ordinary people spend money on everyday things such as food, drink, travel, education and household essentials. This has a far greater multiplier-effect on the economy than that concentration of wealth in relatively few hands. Yet the disposable income of ordinary people has been under attack, and as a result a sustainable economy cannot be built.

The annual pre-tax median income of the UK, with considerable regional variations, is around £25,000. This is barely adequate to sustain family life, educate children, pay for housing and save for a decent pension. In 1976, 65.1% of the GDP went to wages and salaries. After the destruction of many skilled and semi-skilled jobs in manufacturing and other sectors and the rise of the new shelf-stacking economy, the workers' share of the GDP shrank to 52.6% by 1996. The introduction of the national minimum wage and huge investment in the public sector has raised it again slightly, to 53.1% in 2008. But the wages and salaries pie has been sliced unevenly, with the fat-cats grabbing the biggest share. As a result of the inequalities, nearly one-fifth of the population lies in households with incomes below the poverty line (60% of median income). Nearly 2.9 million children live in households below the official poverty line, a figure that rises to 3.9 million after taking account of housing costs. In the UNICEF child welfare league, the UK comes near the bottom.

With erosion of incomes, many have turned to debt, something also encouraged by the relentless expansion of credit. The UK is the debt capital of Europe and its economy has been fuelled by debt. Personal debt in the form of loans and credit cards is around £1.4 trillion, and is bigger than the UK gross domestic product. The 'buy now, pay later' culture cannot easily be sustained, especially as banks have responded to the current financial crisis by restricting credit.

Neither can people sustain the economy by dipping into some reservoir of wealth. The official UK statistics show that 50% of the UK population owns about 7% of the wealth. This figure includes the value of their dwellings. However, if the value of dwellings is taken out of the equation, 50% of the population owns only about 1% of the wealth. Looked at the other way, 1% of the population controls 34% of the wealth. Just before the current recession, the UK had a negative savings ratio. As people are now cutting back, the ratio has risen to around 4% but this has been accompanied by record business bankruptcies.

We cannot easily expect pensioners to sustain the economy as many face harsh choices between food and heating. With pension credits, the basic state pension adds up to less than 30% of average earnings, compared to the EU average of 60%. Two million pensioners live below the poverty line. With many employers withdrawing good pension schemes, future pensioners will be ever-worse off unless radical steps are taken to redistribute wealth.

Many rich people and corporations are opting out of taxation by using tax havens and complex tax avoidance schemes; though they are quite happy to accept the tax-funded benefits of security, policing, social infrastructure and massive public subsidies (eg. banks, agribusiness). The Treasury is estimated to lose nearly £100 billion a year through complex tax avoidance schemes.

Under the weight of pressure from rich people and corporations, the UK government reduced capital gains tax from 40% to 18%. Corporation tax has been reduced from 52% to 28%. A National Audit Office report stated that almost one-third of the UK's largest 700 companies paid no corporation tax in 2006-7. Governments have found it easier to shift taxes on to labour, consumption and savings, which has inevitably eroded the purchasing power of ordinary people. Prior to the 2009 budget, the poorest 20% of the population paid nearly 40% of their total income in direct and indirect taxes, compared to 34.8% for the richest 20%.

Whichever way one looks there are enormous problems in building sustainability. We can't go back to a debt-fuelled economy. The unemployed won't have enough money to spend. There isn't a great reservoir of savings to sustain the economy. Building the spending power of ordinary people, especially the least well-off, should be a major priority. This can be done by increasing the national minimum wage. I have also advocated the idea of 'maximum wage'—say ten times the median wage in any company. That means that if directors want more they also have to pay other wealth creators—the employees—more. This would result in improved distribution of income.

Governments have to adopt progressive taxation policies to shift the tax burdens. No-one on the minimum wage should pay income tax. That would mean raising personal tax allowances. Since the wealthy would benefit from that too, the top rates of tax and higher income tax rate thresholds should be adjusted to claw back the benefits. The state pension should be raised to average EU levels. An immediate increase of 20% in the state pension would cost around £9 billion. That could be financed by removing the artificial upper limit on national insurance contributions: currently income above £844 a week does not attract any NIC.

The ending of the Iraq and Afghanistan wars would raise nearly £10 billion, providing resources to increase support for the unemployed, so that they too can help to build a sustained economy. Rather than subsidies to railway and agribusiness, the government should boost manufacturing, science, technology and green industries to build skilled and semi-skilled jobs.

Revenues for tax cuts and public projects can be found by clamping down on the £100 billion tax avoidance industry. The tax base should also be diversified. Alcohol and cigarettes are taxed because the products are harmful. Gambling is also taxed. These two elements are combined in financial products, such as derivatives, which are central to the current crisis. The global face value of derivatives is around \$1,148 trillion: a modest 1% tax would yield nearly \$11 trillion—a sizeable chunk of which would accrue to the UK.

None of the above would have an easy ride as vested interests used to getting their way would fight tooth-and-nail. But a vigorous debate is long overdue. The Welfare State alone cannot manage the consequences of inequalities arising from the maldistribution of wealth and income. How long before the deepening divide between the 'haves' and 'have nots' persuades some people to opt out of the system altogether, or lead to prolonged social unrest? This must worry even the most ardent of free-marketeers: sustainable economies require social stability and cannot entirely be built on debt. Without adequate disposable income people cannot spend and capitalists cannot make profits, which in turn has consequences for jobs and everything else that flows from that. [L&L](#)

*Prem Sikka is Professor of Accounting at the University of Essex's Centre for Global Accountability.*

"As Chancellor Alistair Darling drafts his annual budget, he needs to give priority to putting cash in people's pockets. This is the only sustainable way of stimulating the economy.

"For far too long, people have been encouraged to borrow to keep the high street afloat. That is no longer possible. We should not be returning to the debt-fuelled economy—we should, instead, improve distribution of income and wealth.

"The government should broaden the tax base by levying tax on speculative financial instruments, such as derivatives,

and a Tobin tax on all currency and stock market gambling. A land value tax should be levied so that when house and office values increase due to adjacent road, rail and public investment some of the gains are shared with the taxpayer. Companies should not be able to abandon their pension commitments to employees. Thus any company making a payment of dividends to shareholders should also make good the underfunding of pension schemes..." **'It's time for a sustainable budget'**—Prem Sikka on [guardian.co.uk](http://guardian.co.uk), 4<sup>th</sup> April.

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# The future value of crofting

Will proposed new legislation be the saviour or the Scotland's unique crofting culture? Calls for deregulation, encouragement of 'free market' practices in croft land, its commodification as a capital asset, its tapping as a source of unearned wealth, and its securitisation by global financial markets, community going to the dogs, argues **Susan Walcott**

What is crofting?

Crofting is a social system unique to the marginal, rural highlands and islands of Scotland. Crofting is characterised by a particular statutory form of secure and regulated land tenure, strong and cohesive community bound by kinship and common working, small-scale food production, and other economically marginal enterprise. Individual crofts, enclosed on the better 'in-bye' arable land, are small holdings typically of five to ten acres (but occasionally much larger), usually developed with a 'croft house'. Individual crofts are held and worked by 'crofters' under 'crofting tenure'—a unique form of leasehold—while remaining the nominal property of a crofting landlord. The crofting system distinguishes between the use and rental values of land—it then conveys the former by secure tenure to the indigenous occupant of a property, and effectively extinguishes the latter by strict market and rent control with token nominal rents.

Crofts are organised geographically into named 'townships'. Attached to these are 'common grazings' on the poorer quality surrounding hill ground, and other common resources. Individual crofters have rights of usufruct (limited use) over these—rights managed by a committee of township shareholders. Tenancies are transferred (assigned) usually by inheritance (which, with generational migration, has created a problem of vacant crofts and absenteeism), but can be sold. Incoming tenants traditionally pay to the outgoing tenant the value of just the improvements to the croft—houses, buildings, fences, ditches & drainage, etc.—but nothing for the land.

There are currently some 17,923 registered crofts in the highlands and islands, and around 12,500 crofters. Around 10% of the region's population lives in crofting households—but locally this can be up to 65%, as on the Isle of Skye. About a quarter of the agricultural land area in the so-called 'crofting counties' is under crofting tenure—some 1.9m acres—producing 45% of the area's breeding ewes and 20% of the beef cattle, both of which are sought after for their quality. Crofting is admired as a traditional form of sustainable agriculture that has lessons for the crises-ridden global age.

The advent of the internet has transformed the opportunities for economic activity within the Crofting Counties. The development of the renewables energy industry is presenting marginal crofting communities with an opportunity to benefit from resource rent capture from wind, wave and tide—providing an income not enjoyed since the heady days of kelp and the herring. Newly commercialising energy technologies such as micro hydro are releasing crofters from the tyrannies of peat burning and the tanker-fuelled diesel generator. The reforms from Scotland's land reform programme—and in particular the innovations of the Community Land Tenure initiative—are bearing particularly positively on some crofting communities. After decades of insecurity and decline, a synergy with the community land trust model may be helping crofting to find new feet: here and there populations are stabilising (after a fashion—although demographics often are not, and local character may be diluting) and some school rolls showing hopeful signs; indigenous Gaelic culture and language is on a rolling revival; local and regional political confidence is growing, social capital building, and economic security strengthening.







Cuir do mh  
cha do dh'

Put yo

A BATTLE is taking place in the north and west of Scotland which few outwith that area will have heard about, but which is very much about land and, in a sense, about liberty. As the Scottish government tries to bring a new crofting reform bill to parliament, a yawning chasm has opened up between those who bitterly resist the idea of increased regulation of crofting, and those who fear that crofting will rapidly disintegrate if nothing is done to control abuses of the crofting system, such as the sale of croft land on the free market.

Crofting has sustained communities around Scotland's northern and western margins for two hundred years, and it could be claimed for many centuries before that. Crofters practiced self-sufficiency and sustainability long before it became fashionable—displaying a deep

understanding of and reliance on the land and the local environment. Yet crofting and its culture and ethos seem to be little understood within Scotland, let alone further afield.

A succession of Acts from Westminster tried to bring crofting into the modern capitalist economy. The 1976 Crofting Reform Act (see box below) gave crofters the right to buy their croft at fifteen times the annual rent, or buy and 'decroft' their house and garden ground (convert it to conventional tenure). With many crofting rents as low as £5 a year, it must have been assumed this would result in a deluge of applications; and perhaps there was a hope by civil servants and governments that this anachronistic form of land tenure would be gone for ever. But even in 2009, particularly in the Gaelic-speaking counties, it is remark-

able how few crofters have taken up the offer, apparently preferring to remain faithful to the ethos of occupying land to which their family has a right in perpetuity, but retaining an indigenous understanding that the land should never become a private economic asset.

However, with rises in house site and property prices, particularly over the last decade, some have understandably been tempted to use their 1976 rights. Now, instead of a harvest of potatoes, oats or turnips, some crofters are gleaming a one-off harvest of pounds sterling—putting whole crofts, tenancies, house sites and decrofted croft houses on the open market at prices out of the range of local people.

The Crofters Commission is the body which is meant to regulate crofting. It has been at best weak and at worst complicit in allowing free

marketeeing in croft assets, and in failing to take action on absentees who leave crofts empty and unworked and communities with gaps in them. At each successive sale of croft assets on the open market to those often with no kinship to the people, the place, or the land (and who have no intention of using for crofting purposes what they buy), the indigenous aversion to selling off the 'family silver' is further weakened.

The stark results of what would happen if increased deregulation were to take place are only too evident in Glendale in the north of Skye. There an early experiment in ownership of croft land by the crofters was achieved in 1906 through a spirited attack on landlordism by the Glendale Martyr, John MacPherson, and his followers. One hundred years later, MacPherson would not recognise his native

community: on the one hand, there are now and forty-seven crofts, and many active crofters; the cost of crofting has soared so that it is now almost impossible for young people to acquire crofting as a result there is an ageing population of crofters in the small community of Glendale. With a sense of despair, many holiday homes—many Primary School (in Highland) are currently not in use on the school roll; several of crofters in the small community of Camuscross, my own home on the Isle of Skye, decided to leave there is a revival of interest in crofting township, with more people coming to live locally and together on the

History

Highland landlordism appeared out of the breakdown and subversion of the traditional Scottish clan system of social organisation. It was driven by rapacious individual chieftains, forgetful of their duties to their kith, revelling in their privileges, and increasingly greedy to participate as equals in the aristocratic social environments provided by the newly created United Kingdom and the Enlightened Europe. From the 1700s Highland landlords developed an increasingly commercial attitude towards the land and its people charged to their care, resulting in the Highland Clearances, and contributing to the Scottish dispersion.

During the late 1800s a series of uprisings by tenants—encouraged by the Irish Land League, and with Henry George visiting Skye in 1884 with his 'Scotland and Scotsmen' public speech—resulted in the seminal Crofters' Holdings Act of 1886. By giving crofters both secure and inheritable land tenure and the right to fair rents, the Act sought (overtly) to encourage the improvement of land through secure family possession and protect and sustain vulnerable populations, and (covertly) to quell social unrest and disempower emerging non-establishment political potential.

It mostly worked—and the highlands became a relatively contented place for the next hundred years. The cost, many have argued, is an institutionalised system of bureaucratic social patronage and enforced peasantry, overseen by government agency—the Crofters Commission (*ughdarras nan croitearan*)—and many have wondered why such an arrangement has often been anxiously held-onto in the face of offers of increased autonomy. The 1886 Act was followed by further crofter legislation—notably in 1955, granting the right to assign a croft to a non-family member, and in 1976, giving crofters the absolute right to buy and 'decroft' their house or garden ground, and the right to buy their whole croft.

Photos © Gustavo Nakano (flickr/CC)

Summer shearing and





## Crofting Reform 2009—Shucksmith & all that

The most recent Crofting Reform Act, of 2007, was heavily criticised for failing to end speculation on croft land—a major crofter concern. Mark Shucksmith, Professor of Planning at Newcastle University, was appointed to chair a Committee of Inquiry into Crofting.

The Inquiry's main concerns focused on: land and environment issues; strengthening rural economies, supporting affordable housing, reforming governance of crofting, regulation and enforcement and encouraging young people and new entrants to crofting. Its final report was submitted last year—but, apparently (although the suspicion is of a vocal minority at work) did not go down well in the crofting community. In spite of this, elements of its recommendations have been incorporated into draft new reform legislation—public consultation on which has just closed. The main legislative proposals are:

- reform of crofting 'governance'—ie. Crofters Commission
- reform of the Crofting Register to clarify boundaries and interests
- shifting croft house financing to the private sector
- introduction of croft occupancy requirements
- enforcement against absenteeism and the neglect of crofts.

Some of the proposals nudge crofting towards the free market, some towards greater regulatory control: different crofter perspectives take succor or are angered accordingly. The reforms seem pragmatic but unprincipled in the face of a divided subject. Would they encourage a market in croft land as a capitalised asset, or introduce new securitisation to the private financial sector?

The letters pages of the regional (and national) press—like the West Highland Free Press—are currently raging with concern. Conservative views wish no change at all to current arrangements: "we are a minority group of people who are having legislation forced on us that we don't want and this is indeed a very serious matter. We see no need for any of the changes in the current legislation."

The embattled common crofter is generally sceptical of the proposals: "it is doubtful whether such policy will find much favour with the men and women who go to the hills and moors in all weathers to tend to livestock, know what a fank smells like, support the local shows and yet continue to fight against the odds to retain their communities, after having witnessed their year's work sold 'for a song' by detached men in white coats."

But some progressive elements within crofting—perhaps only now letting their voices be heard—whilst rejecting some of the proposals on the table, are broadly supportive: "Would we, as individuals, rather have land productive and worked, children running about, and our schools open and thriving, young families able to set up home, houses lived in rather than occupied two weeks a year? Or do we as individuals prefer to forego all of that in exchange for money in the bank? Those of us who are lucky enough to have inherited or acquired a croft have a great duty of responsibility on our shoulders. I do not care if my croft house or land is devalued financially: I would rather have neighbours, children in the village and my own potatoes than some numbers on a bank statement. It is a different kind of wealth, but one that is equally precious. And I do not believe I am alone—I believe the vast majority of silent crofters are of the same opinion."

gone wrong with crofting—and what could be achieved if it were properly regulated.

For crofting is not only a unique system of land tenure, with a long and rich history; but, when viewed within the context of the rapidly approaching problems posed by food insecurity, unsustainable food miles and rising carbon emissions, it shows itself to be a system that is extraordinarily apt, not just for the present but for the future. If encouraged and supported, it could give each crofter the freedom to operate outwith the vagaries of the market economy: allow him to live and grow food on his own piece of land, simultaneously increasing local food for the whole community; and build community cohesion and strength, through the management of the common land and a revival of old communal work practices—and by giving access to affordable land and houses unweighed-down by land capital cost. It is a system with the potential to give people living at the margins, remote from centres of population and employment, the right and freedom to recreate a modern version of the self-sufficient and sustainable communities of the past.

Crofting is worth saving. If we can return to its traditional ethos where land was valued for the food and security it could give, rather than its marketable value, it could be used as a shining example of what might be possible for other areas and other countries; for it respects people and place, language and culture, the past and the future, the land and human liberty. [L&L](#)

*Susan Walker is a crofter and artist on the Isle of Skye. On their two acre croft and share of the hill grazing, she and her husband keep a milk cow and beef cattle, and produce hay, potatoes, turnips and other meat and vegetables.*

# The nature of natural law

In the last issue of **L&L** columnist Ed Dodson raised the question of 'natural law'. Here **David Triggs** takes issue with him and reflects on what natural law meant for Henry George

ED DODSON has recently raised questions in **L&L** regarding the nature of natural law (see box). He may be consoled to find that he does not "constitute a minority of one" when he objects to the use of the term 'natural law' as an expression of 'just' law, or moral law. I at least agree with him, and have to confess that I have not come across many people who would not. But then neither am I aware of many who would say "if only we would live according to the creator's system of natural law, all would be well in the world"—although I can sympathise with those who hear admirers of George extolling the importance of natural law and suppose that that is what they mean.

Some of the confusion that Dodson laments may arise from the meaning that he, and the likes of Mortimer Adler whom he quotes, give to the term 'natural law'. When Adler says "Let us first be clear that by 'natural law' we mean principles of human conduct, not the laws of nature discovered by the physical sciences", he is surely not referring to the same thing that Henry George so respects. It is true that Henry George does not limit the discovery of these laws of nature to the *physical* sciences but he is clear that they need to be discovered, described and acknowledged and that they do operate through human nature just as much as they apply to stars and atoms.

The essential characteristic of the natural law that Henry George refers to is, surely, that it always operates, whatever people will, think, or do—irrespective of whether it is acknowledged or ignored. Problems arise, however, when it is ignored—hence when George says: "the evils arising from the unjust and unequal distribution of wealth... are not imposed by natural laws... they spring solely from social maladjustments which ignore natural laws", he does not fail, as Dodson suggests, to "treat natural law as descriptive" nor treat them as 'prescriptive'. George here identifies the source of "the social problem" as the "social maladjustments": the problem is not that the natural law has not been operational but that it has been ignored.

Probably the most familiar example of the inviolable nature of a natural law is the one that we call 'the law of gravity'. It operates irrespective of whether humans acknowledge or ignore it. Human well-being is however clearly affected by the extent to which such a law is

understood, described and taken into account in the adjustments human beings make. When humans fly, neither human nature nor the law of gravity cease to operate, but conscious human adjustments have been made to accommodate them. When an infant loses a toy because it falls from its grasp, he or she begins the learning process. It may take a Newton and

"The term 'natural law' is used as an expression of 'just' law, or moral law. Most who embrace this meaning look no deeper than their faith in a conscious creator. They say: if only we would live according to the creator's system of natural law, all would be well in the world. To a degree, this belief was held by Henry George who wrote: "the evils arising from the unjust and unequal distribution of wealth... are not imposed by natural laws... they spring solely from social maladjustments which ignore natural laws."

But I believe we should treat natural law as descriptive—as distinct from moral law, which asks the 'ought' questions, as prescriptive. In so doing we would avoid confusions inherited from past philosophical discourse. Mortimer Adler said—"it is hard for most to understand how a natural law has anything to do with moral matters."

—Ed Dodson, **L&L** summer 2009

then an Einstein to describe the law and inspire more refined adjustments of human behaviour, but every baby child learns to acknowledge and work in harmony with the same law.

When Dodson criticises the "use of the term 'natural law' in the singular because some writers seem to imply that it had something to do with right and wrong", it is unclear whether he objects to the use of the term in the singular itself. Clearly, the use of the singular to indicate a type or class of law does not preclude the existence of the many laws that may fall under that same type or class—eg. statute law, Roman law, English law etc.

As far as human comprehension is concerned there does however seem to be a difference between the singular natural law as 'type' and particular manifestations of natural laws. Which comes first? Do we first observe phenomena and then identify a commonality that indicates 'type' or, aware of the 'type', do we then recognise conforming examples?

Here George comes to our aid when, in *The Science of Political Economy*, he indicates that both the 'inductive' and the 'deductive' modes of human reason are valid and necessary. The inductive or a *posteriori* method—based on accurate observation and "reasoning from particulars to generals in an ascending line, until we come at last to one of those invariable uniformities that we call laws of nature", he says, comes first. He continues: having "reached what we feel sure is a law of nature, and as such true in all times and places then an easier and more powerful method of ascertaining the truth is open to us—the method of reasoning in the descending line from generals to particulars. This is the method we call the deductive, or a *priori* method. For knowing what is the general law, the invariable sequence that we call a law of nature, we have only to discover that a particular comes under it to know what is true in the case of that particular".

George provides further clarification when he says: "So far as our reason is concerned, induction must give the facts on which we may proceed to deduction. Deduction can safely be based only on what has been supplied to the reason by induction; and where the validity of this first step is called to question, must apply to induction for proof. Both methods are proper to the careful investigation that we speak of as scientific: induction in its preliminary stages, when it is groping for the law of nature; deduction when it has discovered that law, and is able to proceed by shortcut from the general to the particular, without any further need for the more laborious and, so to speak, uphill method of induction, except to verify its conclusions".

We might further note George's recognition and use of a third 'method of investigation', which has been found to be effective in the discovery of truth in the physical sciences, ie. where a 'tentative deduction' or hypothesis may be employed.

The quotations cited above show how Henry George saw the importance of natural law in connection with political economy and human behaviour, and that it does not operate only in the material world. He went on to show how it permeates the subtle worlds in which man wills, thinks and desires and which are critical to the social aspects of human nature and the production and distribution of wealth throughout society.

Thus far we have not found it necessary to refer to moral law or just law in showing the importance of natural law to society. This is not to suggest that they do not matter to society but rather that natural law is of a different order.

My own feel for 'laws of a different order' is possibly helped by my experience as an engineer involved in water projects throughout the world. I easily recognise the differences between natural laws and man-made laws, regulations or requirements. The former operate through the materials and forces that engineers employ, whilst the clients and/or governments in whose jurisdiction the project may be located impose the latter. The former are fixed, do not vary and always apply: the latter may proliferate or be cancelled, may vary or be exempted.

Likewise it seems that where individual societies declare artificial 'moral laws', they may or may not be based upon natural law but they cannot be as universal in their application as are the natural laws themselves. It may well be that there is a class of laws that apply to all *human* societies but such laws could not override those imposed by nature on *all* societies. They would exhibit an accommodation with the natural law by adjusting their application in accordance with the peculiar nature of man and human society. To the extent that a human society observed these laws it might be expected to thrive. If humans and human society choose to ignore natural law and to observe only regulations that represent 'maladjustments', they might be expected to suffer—maybe to the point of extinction!

Here we come to a critical point in our enquiry and the need to take into account the nature of the human being. We need to recognise the unique degree of freedom that is available to human beings—a freedom that comes with the free will, highly developed brain, and versatile body that humans enjoy compared with all other creatures. We must recognise also the importance of our unique ability to adjust our actions to ends of our own devising. We need to acknowledge how this freedom, diversity and a susceptibility to both individual and social influences characterises human existence and how the relationships between individuals and between individuals and society is affected. It is obvious that individuals vary in how they feel, think and

behave and, whilst we recognise the importance of nature to people's character, it is to which an individual is not exclusively determined but these important characteristics

Personal experience of feelings, thoughts and freedom to feel, think and act would wish. For example, that repeated indulgence to an addiction that curbs individual's freedom to practice of a virtue tends to influence the likely direction

Since, as I imagine it, seem to be subject, in some

**“We need to recognise the unique degree of freedom that is available to human beings—a freedom that comes with the free will, highly developed brain, and versatile body that humans enjoy compared with all other creatures.”**

the influences of both (and I imagine most) may then experience. I mark that the influence of a vice may in behaviour tend to be different whilst, when under the influence, tend to be more discernible and considerate of others. the operation of a natural

This link between a consequence does not of personal intent, social or man-made law but of an influence that is beyond society—ie. not 'artificial'



If there were water



(cont. from back cover)

It seemed a good start to what is a counter-intuitive debate. Why, when discussing water—and I do that a lot as the author of the new book *Peak Water* (see reviews, p.22 *Ed*)—does everyone fixate on the idea of our water problem being resolved by war? But then, why is a renewable resource like water becoming exhausted in the first place? And why is it that most people live in places that have relatively little water?

In the answers to these questions lies the real reason why the pipe and the bucket should triumph over the gun. Firstly though, let's be clear about the nature of our crisis. Controlled water for farming is a key factor in the global population boom of the last sixty years—irrigated land is up to four-times more productive than non-irrigated. Much of that irrigation water comes from underground wells, or aquifers. Unfortunately, though, a significant proportion of irrigated land is becoming unusable through salt build-up, and the wells are being pumped to exhaustion. Industrial water management on the land displaces people, who are moving to cities, which are themselves running out of water. As writers such as Mike Davis note, the urban sprawl is no longer a sign of wealth or improvement, but represents poverty and diminished life chances. The world's thirst is rising and we are approaching 'peak water', the point at which demand will exceed supply. That's the problem.

Is war the solution, or at least an inevitable conclusion? The fixation on war seems to lie in

the assumption that any major shortage can only be resolved by conflict. Run out of oil? Invade Iraq. Need more land? Send tanks over the border. Military engagement seems to be the civilised way of restocking our national store cupboard.

Yet there are profound limitations to war's suitability to resolving the water crisis. The stress on water resources doesn't neatly fall according to national boundaries. The USA certainly takes water unfairly from Mexico, and sucks at Canada's reserves; but the essential water problem is between a dry east and a wet west. There might be an international conflict; but *civil* war is more likely, between the dry regions and the wet ones.

Where the issue is more obviously between two nations, say Egypt and Ethiopia over the Nile's waters, are we to believe Cairo would invade and permanently occupy Addis Ababa to prevent new dams being built? I doubt such acts would either be feasible or tolerated. Unlike oil—the obvious comparator in the resource war stakes—there is no global distribution system for water. This means the pay-off for any conflict, in terms of greater supply, is much harder to achieve.

The world's water crisis is on one level about the locational mismatch between population and resource. In short, lots of people live where there isn't much water. That's because civilisation has been very successful at getting water to follow man. We've diverted rivers and pumped wells to suit our needs. The consequence is that we've settled in places that do not have the capacity to support us over the long term. Beijing has boomed, but its water is down to a trickle. India has fed over a billion, at the cost of draining its wells. Both China and Delhi have large armies and could wage war on neighbours, but to what gain? Would they divert Siberia's Lake Baikal to irrigate the paddy fields, or the glacial melt water of Mongolia to the swimming pools of Mumbai?

A more practical, if currently outlandish, suggestion would be for the people to move to where the water is—and it must happen in

time. Jared Diamond, in his book *Collapse*, on the failure of civilisations, suggests Australia has the capacity for a population of around 8 million, but is home to over 20 million. Where will the spare 12 million go? Apply the same arithmetic to India or China and you have a massive global problem. Moving would be smart, as the planet has enough water for everyone, just in places which are currently underpopulated.

Would this be our war: not to seize water assets, but to resist the tide of people who will come knocking at the border gates of the wet lands, asking for a new home? If it is, then perhaps it should be the water-rich who buy the weapons—for a war of defence.

So I am left with this puzzle. Will the water war be a very local affair, between neighbours disputing access to a stand pipe; or a civil one between wet regions and the dry; or international, and if so, who will be the aggressor and who the defender?

What, though, if there was no war? What if we all chose the bucket and not the gun? We have got into our current mess because of our success at controlling water, and because we took simple technology for granted. If we began to rate the mastery of water as one of our great achievements, our life-giver and the defining substance of our existence, we might become better guardians of its future. Further, if we recognised that the droughts or floods of distant places were a problem to us all, and we saw merit in investing in safe and steady supplies for everyone, then the catastrophe of war might become less likely.

What is certain is that a nation-by-nation, or region-by-region solution is not enough. Those in the wet world are dependent on the food and goods produced in the water-stressed parts, and the security of all depends on the social and political stability of arid regions. We are in this together. Perhaps a World Water Bank could be established, which would invest in the rich world's water systems, much as private companies currently do, but redistribute the profits not to shareholders

'Water Wars—one man, a bucket, and a cautionary tale' was a show that ran for two weeks at this year's Edinburgh Fringe Festival. Writer and one-man performer Alex Bell presented the thoughtful, audience-interactive event at Schop—an Old Town mini-gallery also hosting an art show by Nigel Peake (see 'a quick note', p. 23). "Brilliant beyond expectations" said *The Scotsman* theatre critic and columnist Joyce McMillan of Bell's show—which presented a roving international youth audience with the ideas he sets out in this article.



Photos: © BBC/Photo/Imagoe/Bell, Geoffrey Hopton and James Bray, Mark Crouline/Oliver Chapman Architects



The one-cup tax?

Following John Pinchard in the summer issue of *L&L*, how anyone can still justify the only tax. There is a case that should apply to all wealthy contribute more. Certainly *LVT* has the but it is necessarily limited directly dependent on the or to fixed situations work factor. *LVT* would work property, but would not mobile footballer or professional trader who needs only a room or remote cottage. How would these wealthy Surely they also benefit infrastructure and services for, in whatever country, trading of course can be. Another anomaly is a phenomenon. Everyone high street enterprise these big stores and areas of business. But under pay high street values superstores would be p-values. In an article in August, 2009) George Tesco is slowly but releasing the economic centre of Machynlleth, in Wales answer and neither do would solve that one. A mix of taxes. It would from *L&L* readers what

Robert Ilson  
London, England

Ian Hopton  
Lodève, France

Little Dragons

It is a georgist legend that city-states, and notably Singapore, derive finance from the collection. If so, then Georgist such Little Dragons (as east) would fare well indeed. Is that indeed the case?

Between a rock and a dry place

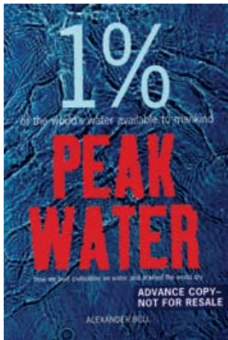
Peak Water by Alexander Bell Luath Press, 2009, 256pp, h/c, ISBN: 978-1906817190, £16.99

Peak water is the point at which the demand for water is higher than the rate at which the supply is replenished. Although water is a circulatory system—sea evaporation, atmospheric water vapour, cloud formation, rainfall, groundwater, drainage by river systems back to the sea—in fact because of intensive human use it behaves like a finite resource such as oil. It's not that the water's going to run out; it's just that there won't be enough available to meet needs; and specifically not enough in the locations where it's needed. The UK Environment Programme predicts that, by 2025, two-thirds of the world's population will be experiencing water stress, and 1.8bn people will be living with absolute water scarcity. Water is of course the source of life; and it is water, not land, the author argues, that is the building block of civilisation. "From the hanging gardens of Babylon and the ancient myth of the Nile to the fountains in Las Vegas, water is the one constant. We are fed by irrigated fields, live in plumbed cities, and turn on a tap without a moment's thought. Yet, this simple technology that underpins

everything is at bursting point." It is the places where water is, or can be got to, that are of value to us: or, perhaps more clearly, without a supply of water a place is of little value to us. And whether considered in terms of natural resource or of public distribution, a supply of water is a tapping into a common resource. Bell's book surveys the world and its history through a watery lense. He sees that there is a real problem in the mismatch between the locations of human populations and of fresh water. He reflects on the solutions (no pun intended): conflict—civil or international—conservation, or mass migration. He questions the possible efficacy of the first, advocates the necessity of the second and anticipates the inevitability of the third. What Bell does not do, although his arguments do lead the reader in this direction (and his back cover article in this L&L suggests it), is advance the notion of a market-based global-commons rent system for the management of the problem. The model would be Peter Barnes' Sky Trust—often raised in L&L—www.SKYOWNERS.ORG. That would be the efficient and just solution for the fair allocation of a scarce natural resource: it would ensure the universal distribution of clean fresh water according to human need; and collect for the common good the economic value of the best local industrial application of the remainder of any available supply. Alex Bell is a man who has

already proven himself in other fields and media: *Peak Water*, an incredibly interesting read, is a first book by an author who may go on to much more significant things.

Peter Gibb



Caring is not enough...

People First Economics by David Ransom & Vanessa Baird (eds) New Internationalist, 2009, 240pp, p/b, ISBN: 978-1-906523-23-7, £9.99 / \$16.95

Noam Chomsky, Naomi Klein, Susan George and a host of (nineteen) other celebrated thinkers and writers from the left take "a long, hard look at the mess globalised capitalism is in",

and shift the focus "back to where it belongs—putting the needs of people and the environment first." Well I can't complain about the PR—but I do complain of the result. Between them all the authors succeed in pressing a few of the appropriate (mostly left-hand) buttons—tax justice, carbon taxes, the commons, stewardship—but they manage to ignite precisely nothing. This is a book by people who care deeply, but are as blinded as the Neo-liberalist Washington Consensus by their theoretical and ideological inheritance, denying what's in front of them, and floundering in their incomprehension of the solutions. Good luck to them...

Maxwell Lewis

...We have to do what is required

Don't Bet the House on It—No Turning Back to Housing Boom and Bust by Toby Lloyd Compass, 2009, 50pp, p/b £5—or available free by download from WWW.COMPASSONLINE.ORG.UK/PUBLICATIONS/

The London-based independent 'democratic left' thinktank Compass is a favourite of Gordon Brown. Toby Lloyd, the Henry George Foundation's previous

deputy chief executive, has authored the pressure group's latest report on housing. "As well as presenting a clear and comprehensive picture of how and why the housing system has failed us", Compass says, "the report provides an easily approachable discussion of the measures needed to get out of this mess and create an equitable, sustainable housing system that delivers the quality homes we all need at fair prices". And it does. The report opens with a review of the housing problem ("bubbles always burst"). It then sets out the principles for a new housing economy. The report goes on to deliver fifteen pages of comprehensive discussion of how housing policy needs to be reformed; including two pages on taxing land values, which conclude—"We do not underestimate the opposition from those with a vested interest in the unequal and ineffective outcomes of the market as it is currently structured, but as Churchill said, 'It is not enough that we do our best; sometimes we have to do what is required.' Taxing unearned land value increases is not just necessary but desirable and feasible." The report made UK front page news in August. *The Daily Express* headlined with 'Land tax "an attack on middle classes"'—reporting views of Tory housing spokesman Grant Shapps, who considered the idea 'thoroughly unappealing'. *The Express* also discussed the proposal in its Leader.

Ashley Seager in the *Guardian* took a different and more positive view, stating the report "makes a compelling case for a wholesale reform of the housing market in Britain, including a land value tax that would curb property speculation".

Peter Gibb

Calling our rights to mind

Community Land Rights: A Citizen's Guide by Andy Wightman Balalan House, 2009, 96pp, p/b, ISBN: 978-0956143815, £15

This short new book aims to assist citizens, activists and researchers investigate local land rights. It is the first comprehensive overview of land rights belonging to Scotland's communities. The book offers research sources and techniques including "how to interrogate the only-ever comprehensive map-based survey of landownership in GB and Ireland—the Lloyd George 1910 Land Valuation Survey", and a series of case studies, including Edinburgh's city centre Waverley Market (between the station and the Balmoral), and the Forest of Birse on Deeside.

Maggie Hold

a quick note ...

WWW.WIKIPEDIA.ORG The greatest knowledge project of human civilisation—the multi-lingual, web-based, free-content, encyclopedia venture, based mostly on anonymous contributions—now at thirteen million articles. Go read the entry for your favourite subject: if you're not happy with it, put it right; if it's missing, write it yourself. Anyone can write and make changes to *Wikipedia*.

Land Reform in Russia: Institutional Design and Behavioral Responses by Stephen K Wegren, p/b, £40 (released 31<sup>st</sup> January 2010) "In Russia, a country controlling more land than any other nation, land ownership is central to structures of power, class division and agricultural production." This book is an account of the country's land reform initiatives from the late 1980s to the present day.

The Rule of Law by Kenneth Jupp, p/b, £ 14.95 "The challenge of the twenty-first century is how to establish access to the resources of the earth for the whole population so that the able-bodied can support themselves. The welfare state can then be slimmed down to no more than is necessary to provide for the diseased and disabled... with more generosity than at present."

Limits to Free Trade: Non-Tariff Barriers in the European Union, Japan and United States by David Hanson, h/c, £65.00 (released 31<sup>st</sup> December 2009) This book reviews the trade complaints being raised by the US, EU and Japan about each other and concludes that non-tariff trade barriers are being created more quickly than being resolved by trade liberalisation.

Maps—fields, paths, forests, blocks, places and surrounds by Nigel Peake, p/b £10 Peake's poetic cartography of memory, imagination and desire reminds us that not all we value is immediately concrete and measurable. Peake's 'pre-market' maps of "fictional realities" are a "delicate poise between politics and imagination", according to Tim Abrahams.

Land Value Taxation by Richard Dye and Richard England (eds) (Lincoln Institute) Taxation of Land Values and the Single Tax by William Smart After the Crash by Mason Gaffney (Wiley-Blackwell) The Community Land Trust Reader (to be published by the Lincoln Institute in 2010)



# If there were water

The places where human life has grown up and established itself, in hard-fashioned cities built on centuries of effort, are running out of water. It's a millennia-old difficulty that periodically has felled civilisation. Though in recent years it has caught up comfortable society in little more than hosepipe bans, in the twenty-first century the problem is now increasingly turning geo-political. **Alex Bell** ponders the providence of water in a good location

A WATER war is coming, so let me offer you a choice. In this war you can either have a weapon, or technology to conserve water supplies. This war will either be against other humans as we dispute water access, or it will be against poor water management. Now, which one do you go for—the gun or the pipe?

I was putting this choice to audiences during this year's Edinburgh Fringe Festival. My weapon was a water pistol and my technology was a bucket. Asked to choose, the smart audience members went for the bucket, even before I had explained the merits of each, or the circumstances of our water problem: it was the counter-intuitive pick at a show entitled *Water Wars*, and as such the obvious choice for the thinking person.

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## Water & the presumption of service

The infrastructure and services provided within cities are critical to their existence: they are critical to the economic activity that can take place in any particular location. Information communications such as the internet, telecommunications and broadcast media, power supplies such as electricity, gas and oil, and waste removal like bins and sewerage, are critical to a site: but, on a different level, water supply is absolutely and immediately essential. Without any one of the former, economic output would slow down and become less tradable; human life would become less rich, and

more uncomfortable. But without the provision of the latter in a place, human life there would cease within the week. Locational value—deriving from what any site can provide to those who possess it, delivered by the common birthright of nature and public provision and due to the community as its revenue—proceeds from an asset list at whose head—just below a bit of firm ground to stand upon and some air to breathe—is water. The looked-for prize for cities in future conflict will be, in TS Eliot's words: "If there were rock / and also water".

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