

BOOK REVIEWS

SUSTAINABLE ECONOMICS

No Free Lunch

Tony Beamish, £2.50

THE AUTHOR argues the case for sustainable economics and suggests that the current obsession for industrialised growth is leading to social degradation and environmental despoliation. The desire to maximise production and trade at the expense of human and ecological needs has created a crisis that the author believes will not be resolved without a complete rethink of present-day policies.

Growth, stalled now by the recession, has not been a solution to the problems of rural decline, urban decay, poverty, rising crime or long-term unemployment. The boom and bust cycles that are concomitant with attempts to increase production and trade without reference to demand are one aspect of the mania for growth. The depletion of non-renewable resources, and the consumption of renewable resources at a rate faster than they can be replaced, is another aspect. Tony Beamish rightly says that this cannot go on.

He points out that whereas at one time the world economy consisted of many agricultural countries trading with a few industrialised nations, we now have a multiplicity of fully industrialised and newly industrialising nations, all of which are seeking to expand the market for their products. Every one of them is deliberately trying to increase its production far beyond the ability of its home market to absorb it, with the expectation of exporting the surplus. Clearly, if everyone has an excess of similar products at similar prices, then the doctrine of comparative advantage no longer holds good. And if labour costs are less in one country than another then, says Mr. Beamish, capital and jobs will be exported to the low-wage

nations.

Tony Beamish gives several pages of suggestions for possible solutions. Some are obviously sensible - such as powers to control pollution, land-use regulations and land-value taxation, the setting up of an integrated transport policy, and so on. However, other suggestions seem unnecessary - controls on foreign exchange, the breaking up of big companies and, most controversially, a protectionist policy rather than free trade.

The proposals regarding large companies are unnecessary since, with a sound home economic policy, no country would need them. If big firms are too large with diseconomies of scale and divergent interests, then they will of their own volition divide, as ICI has done recently. If they are uncompetitive because of their size, then smaller rivals will take their markets, as IBM has recently found to its cost.

AS FOR FREE trade - exports must balance imports in the long run. Floating exchange rates will see to that. Cheap imports only cause unemployment when a country has a flawed economic system. If Robinson Crusoe was offered food by a neighbouring island in exchange for something he could produce with much less labour, then he would accept it with alacrity. It would be the nearest thing to a free lunch that anyone is likely to get.

* Available from the author at Preston Hall Barn, East Preston, BN16 1HU, for £3 (including post and packing).

GEOFFREY LEE

PRINCE OF REFORM?

Highgrove:

Portrait of an Estate,

The Prince of Wales and Charles Clover, Chapman, £20

PRINCE CHARLES has offered his views on land. In a colourfully illustrated book on his home in Gloucestershire, he states: "I am convinced that we need to take a fundamental look at our relationship with the land."

But the Prince is not talking about EVERYONE'S relationship with the land, of course. He means that current owners ought to treat nature with greater sympathy. Hence his interest in organic farming. He states:

"All the things I have tried to do at Highgrove have been the physical expression of a personal philosophy. I believe that if you treat the land with respect and love (in particular, respect for the idea that it has an almost living soul, bound up in the ever-lasting miraculous cycle of growth, decay, death and rebirth) then it will repay you in kind".

All of which is laudable, of course, except that the heir to the English throne has yet to make the breakthrough to an understanding of how the health of society dictates an equally radical review of tenurial rights. For the hand of the land monopolist is behind many of the phenomena of he censures.

Such an investigation need not threaten the monarchy, for English common law vests all land in the Crown. In legal theory, the Crown is the guardian of society's natural heritage.

The prince is a lateral thinker. He is correct in calling for a reappraisal of the way in which we treat the environment. This does provide some hope that, after further reflection, he could produce a blueprint for rescuing the nation by restoring the birthrights of "freeborn Englishmen". Such an act would bestow on him the title of land reformer, and he would thereby go down in history as the king who reversed 800 years of history.

PETER POOLE