

Relief amid much confusion

IN THE last issue of this journal, I criticised the Catholic Church for its continuing reliance on the encyclical *Rerum novarum* of 1891. The church has completely neglected Henry George's rejoinder, in which he systematically refuted the papal arguments in favour of the private ownership of land, and by implication against his own plan for making the rent of land the sole source of public revenue.¹

Considered in isolation, such resistance to a convincing truth could be dismissed as a failure of understanding, or as a surrender to the force of inertia; but a careful study of the origins of nation states, their present purpose, and the historical relationship between Church and State, makes the situation much easier to understand.

It is a matter of verifiable fact that all states, past and present, have been founded on conquest and expropriation of the

DAVID REDFEARN considers *Rerum Novarum*, Catholic Truth Society, 1991, £2.50

land, with a view to the economic exploitation of one class of persons by another.

That the main purpose of most existing states is the preservation of this power to exploit does not admit of such clear demonstration; but its acceptance as a working hypothesis makes it unnecessary to go through a whole catalogue of abuses, finding a separate explanation for each.

There was a time, before the Emperor Constantine's edict of toleration in A.D. 311, when organised Christianity, true to its first principles of equality and love, set its face against state activities with their inherent element of violence, and was persecuted accordingly.

Since then, however, the toleration has been mutual, and churches have in particular

been careful to refrain from adverse comment on the most powerful instrument of economic exploitation, namely the claim of a minority to own the substance of this planet, on which the mere existence of the whole human race depends.

Such is the most likely explanation of Pope Leo XIII's encyclical *Rerum novarum*, and the subsequent failure of the ecclesiastical authorities to take any notice of Henry George. When an opponent is evidently certain to win an argument, the most immediately prudent policy is not to argue with him.

Now, in 1991, we have to report the issue of the encyclical *Centesimus annus*, the hundredth year, that is to say, after *Rerum novarum*; and it remains to be seen whether it represents in any respect a retreat from the views therein expressed, or whether,

Stanley Kwok and Peter Wardle to name a few. Ray Spaxman, also an architect, is the only person identified by Gutstein as a planner.

One would presume that, having been head of Vancouver's Planning Department for 17 years, Spaxman would have been able to take the measure of the heavy pressure on land prices to the City's benefit; to protect the significant features of the City's liveability enjoyed by those already resident. Gutstein's references to Spaxman's role suggest to me it was "too little, too late". Certain failures in land policy, including the sale of the Expo site, and the ALRT financing method, in my view point rather to a land policy too narrowly conceived, if such a policy was considered at all.

What upsets most Canadians, says Gutstein, "is the different attitude Eastasians seem to have toward housing". He quotes property consultant Rick Gossen:

"The Hong Kong and Vancouver markets work quite differently. In Vancouver people spend weeks looking for homes. (In Hong Kong), if the development is by somebody with the reputation of Li Ka Shing, people will buy it unseen."

As a rule Vancouver buyers look for a place where they intend to live; their concern for a good investment or quick turnover is secondary. As I recall, it was the furore over

"monster houses" in which Asian investment was predominant, which eventually galvanized Vancouver's administration. The range and variety of information Gutstein has woven into this book is truly impressive. But I am not quite sure what, having gathered all these facts, he intends us to make of them. Are we to be left only with an unfocussed unease, a sense of foreboding, of powerlessness? Are our students to emulate the architects (urbanists?) and other professionals who devote their skills to the City as a money machine? Or as a human community? What is it that the UBC School of Planning is telling its students when it appoints Li Ka Shing's son Victor to its occasional staff?

One senses that Gutstein believes government policies at many levels are wrong. What I miss is any hint of precise policies he would recommend to deal with specific problems. For example, how should we deal with "flipping," "disclosure," housing shortages while housing is vacant, roller coaster land prices, and so on? Why is this massive Asian investment a problem? Is it only that problems endemic to our system are exacerbated?

Having given a detailed picture of the why and wherefore of Asian investment in Canadian real estate, Gutstein leaves it up to us to use our own set of values and reasoning powers. He leaves us, in other words, with important things to do.

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on the contrary, it re-affirms them.

AT THE very outset, the introduction makes it plain that no such retreat is contemplated; for *Rerum novarum* is there described as a document that was "to achieve so much good and to radiate so much light in the Church and in the world".

It certainly may be counted to the credit of Leo XIII that, long before socialism was given its first full-scale trial, he foretold

(section 4 of *R.n.*) that 'the working-man himself would be among the first to suffer' from it, and that it would "bring the State into a sphere that is not its own, and cause complete confusion".

What then is the proper sphere of the state? This is a question that *Centesimus annus* does its best, in a somewhat disjointed fashion, to elucidate.

John Paul II could hardly be expected to go along with Henry George in considering that,

when once the state had fulfilled its prime function of collecting economic rent, and then spreading its benefits by spending it on public works, it would have little else to do but to operate undertakings which of their nature are monopolistic, and to step in where absolutely necessary to safeguard public health, safety and morals.

He could not be expected to do this, because he would thereby tacitly admit that the arguments elaborated by his



•Diabetic in Bow: patient has also lost her sight and legs



•Furrier: Frustrated by the way things have turned out

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make the poor vulnerable to disease and stress-related physical and mental illness.

DAVID DONNISON, Professor at the University of Glasgow, reiterated in *The Guardian* of August 21, 1991, the claims of Dr. Widgery, citing conditions in Manchester's Hulme estate, where, he says, the poor have no choice but to under-feed themselves, steal or fiddle the meter.

He describes residents as being desperately short of cash, forced to borrow from illicit money-lenders operating at cruel rates of interest, who then use strong-arm tactics to recover their funds. This then funnels the borrowers into drug dealing and crime.

So conditions spiral downwards, soon creating what those in a more comfortable sphere dismiss as "the underclass", "the inner city", and "problem estates". The companions of poverty are pain, powerlessness and stigma, with poor health being a central feature of the pain. To quote David Donnison: "Liberation, not poor relief, is the name of the game, liberation not only from illness but also from anxiety, helplessness and humiliation".

The impact of prolonged levels of unemployment strikes even deeper than poverty and homelessness, creating in people a sense of despondency, worthlessness and eventual physical ill-health. The effect on communities is a cumulative despair.

TO COUNTERACT these degrading conditions, Professor Donnison advocates better family benefits, public services which are more accountable to those who use them and "new policies to get those appalling estates right". These would seem singularly appropriate, but they fail to identify the problem.

Dr. Widgery, for his part, asks if the future of the Docklands should not have been shaped by those who lived there rather

predecessor about the sacredness of property in general, and then applied in particular to landed property, were an interesting example of the fallacy of the undistributed middle.

And yet, with all the evidence before him from the so-called western world of increasing unemployment, poverty, homelessness and crime, he could hardly hold this world up as a model to those socialists who are beginning to have second thoughts about socialism.

He refers indeed to "increasing instances of poverty in many parts of the world, including those where systems predominate which are based on an affirmation of the right to private property". This reference to private property, it is worth noting, follows within the same paragraph as a reminder that Leo XIII, when he used the term, normally meant "land".

It would be going too far to claim that John Paul II is endorsing our "working hypo-

thesis" that the main purpose of the "western" state is to enable private property in land, and the consequent licence to exploit, to continue uninterrupted; but at least he is coming face to face with the idea that this may be one of its purposes.

It is permissible for us here to supply the corollary of a 'licence to exploit'; for he admits elsewhere (section 33) that there are

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than those who owned the Title Deeds. This is perhaps the most relevant question asked in this work. He also suggests that even if there were no alternative to turning inner London over to private developers, those vested with planning authority could impose terms on them.

He mentions the New Town of Letchworth, which operated a scheme in which 50% of the increase in land value is divided between the owners and the New Town Corporation. He reports that a weakened version of such a scheme was kicked out by Canary Wharf who were "not interested in profit sharing".

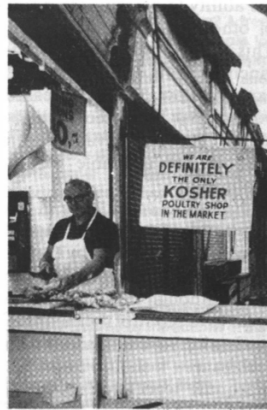
Neither Professor Donnison nor Dr. Widgery venture an antidote to the miseries of poverty, nor to the excessive power of arrogant developers.

Dr. Widgery, in an interview with Yvonne Roberts for *The Observer* (7 July 1991), discussed his affiliation to Marxism. "Instead of becoming angry, my Marxism helps me to explain what I've seen to myself and others". He advocates increased spending in health, education and housing.

Few would dispute the efficacy of that expenditure, but rarely are the origins of the necessary financing tackled in the same breath. Where is the money to come from? And a further question: How can land speculators be curbed and prevented from sapping communities of their life and vitality?

The answer to the two leading questions to surface from this work is simple: institute a land value tax, so inhibiting the upward spiral of land values and limiting land speculators' profits, and use these rents to strengthen the community. Had this system been in place, development in the Docklands would have occurred intrinsically and generically, taking place gradually as land became available due to unprofitable usage.

I wonder if Dr. Widgery has explored the philosophy of Henry George as an alternative to Marxism, the latter system presently witnessing such an inglorious finale in the USSR?.



• Still serving: Last vestige of the old Orthodoxy



• On call: Dr Widgery in Limehouse where he was recently mugged

still cases where those who cultivate the land are excluded from ownership, and are reduced to a state of quasi-servitude!

It is evident that he makes this admission with extreme reluctance; for it comes at the end of a hopeful attempt (sections 32 and 33) to prove that land is no longer of the first importance, but that its place has been taken by "man himself" (the Pope's italics), that is, his knowledge, his capacity for interrelated and compact organization, as well as his ability to perceive the needs of others and to satisfy them. This theory would be more convincing if His Holiness would explain how these increased powers that he correctly attributes to labour will avail it when land is not available for its application.

His lack of confidence in the old world of land and capital monopoly is betrayed by the list of duties that he assigns to the state. Although it should not go so far as to "control the means of production" — for this would be socialism — it should introduce "adequate legislative measures to block shameful forms of exploitation", and to control the market "so as to guarantee that the basic needs of the whole of society are satisfied".

Then again, although "the mass of the poor have no resources of their own to fall back on, and must chiefly depend on the assistance of the State" "the role of the workers' movement" (the Pope's italics) was an important one in securing such measures of relief as "social security, pensions, health insurance and compensation in the case of accidents".

It would seem that His Holiness has little faith not only in the efficacy of unspecified state interventions to control the



• Pope John Paul II

market and prevent exploitation, but also in the state's willingness even to provide relief without first being subjected to strong pressure.

AFTER such pitiful confusion and evasion on the part of the higher echelons of the Catholic Church, it is refreshing to observe that its field-workers have a more realistic and consistent appreciation of the origin of the same social diseases of unemployment and poverty.

The Catholic Fund for Overseas Development (CAFOD), for example, founded in 1962, has its representatives in many parts of the Third World, and runs educational programmes in other countries, not with the prime object of raising money, but in order to increase people's awareness of world problems,

REFERENCES

1. Henry George, *The Condition Of Labour* (1891), London, Land & Liberty Press, 1947. (Also in: Henry George, *The Land Question*, etc. New York, Robert Schalkenbach Foundation, 1941).
2. "Latifundia perdidere Italiam" Gaius Plinius Secundus (Pliny the Elder). *Naturalis Historia*, Book XVIII.

thereby making them more effective instruments of change.

Notable specimens of its teaching materials are a video and corresponding booklet, both entitled "Proclaim Jubilee: Land And Poverty," which deal among other matters with the economic situation in Brazil. Ten and a half million families there, it is pointed out, are either totally landless or have too little land to support themselves, while 1% of landowners in the north-east own 45% of the land, and cash crops such as coffee and sugar are grown for export while about 1m people go hungry.

Many of the large estates are not fully cultivated; so, as a formal gesture in the direction of would-be land reformers, a law has been passed to the effect that, if uncultivated land in occupied and worked for a year and a day, it becomes the property of the occupier. With a government of landowners not slow to resort to violence, it is not to be wondered at that few men are brave or foolhardy enough to attempt to take advantage of this law. All this is set out explicitly by CAFOD.

Brazil is a Catholic country with immense but badly distributed natural resources; and CAFOD is a Catholic organisation with years of Brazilian experience behind it. Why then is there only one faint hint (see section 33 already quoted) in *Centesimus annus* of the kind of situation of which the Brazilian one is typical?

Surely His Holiness cannot be unaware that latifundia are ruining vast areas of the world just as surely as they ruined ancient Italy?² Can it be that he is still in some way bound by his predecessors' tacit agreement with the Emperor Constantine of 1,680 years ago?