

Capitalism 2.9?

Capitalism 3.0

by Peter Barnes
Berrett-Koehler Publishers, 2006
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This book is sub-titled 'a guide to reclaiming the commons'. By the commons the author means all the gifts we inherit or create together, i.e. land, air, water and so on. His solution to the 'problem' of the commons is to form what he calls 'common property trusts' to manage them for the benefit of all, and to curb over-exploitation and cut pollution. He is addressing an American audience but brings in examples from other countries.

From Britain he cites the Trebah Garden Trust in Cornwall as a microcosm of his ideas. To become a life member of the trust a donation of £250 is required. Members get free access to the garden (other visitors pay an admission fee) and elect a council to manage the property. They receive an annual report, audited accounts, and notices of meetings at which they may vote and submit resolutions. At present there are about a thousand voting members of the trust. Another UK example is the National Trust — a non-governmental charity founded in 1895 — which owns over 600,000 acres of countryside, 600 miles of coastline and 200 historic buildings and gardens. It has over 3,000,000 members who elect half of its fifty-two-person governing council (the other half is appointed by non-profit organisations that share the trust's goals).

The author suggests that as it is impossible for everyone to use the commons equally, then everyone should receive equal shares of the income derived from selling usage rights on the one person one vote principle. The USA is in an excellent position to create such trusts since nearly one-third of the land is government owned. Some twenty-two

states hold 155,000,000 acres in trust for public schools and colleges. The Alaska Permanent Fund, created in 1976 to absorb some of the windfall from leasing state land to oil companies, fits Peter Barnes' bill very neatly. Its aim was to create an endowment that would benefit Alaskans even after the oil is gone. To this end the Permanent Fund invests in stocks, bonds and similar assets and pays yearly dividends to every resident.

The obvious problem with this scheme for a country the size of the USA is the bureaucracy needed to administer it and pay every citizen their dividend. Barnes devotes two pages to Henry George and clearly understands land rent and the unearned income it generates. But he does not seem to grasp the power of taxing land values to deal with this.

That policy is simple and would solve most of the issues this book raises.

Geoffrey Lee

book notes

Alastair McIntosh, author of *Soil and Soul*, has published a collection of poetry, *Love and Revolution* (Luath Press, ISBN 1-905222-58-0). Its *tour de force* 'The Forge' explores identity, belonging and mythology in the political context of Scotland's land reform. The people of Gigha have requested a copy to hang in the island's hotel.

Journalist Antonia Swinson (who contributed the 'Land Girl' column in **L&L**) has published her fifth book, *You Are What You Grow* (Luath Press, ISBN 1-905222-64-5). Based on her 'Allotment Tales' column for *The Scotsman* and *New Consumer Magazine* Swinson shares not only her tips for gardening and allotment management, but also explores relevant social issues such as the history of British land ownership, organic produce and community building.

As well as their paperback edition of Fred Harrison's *Boom Bust* (see p 5), last month saw Shephard-Walwyn publishing Michel Glautier's *The Social Conscience* (ISBN 978-0-85683-248-2).

letter from the editor

It was an Edinburgh Tory MP, Noel Skelton, who coined the phrase 'property-owning democracy' and applied it as a political and social aspiration for early twentieth century Britain. The idea hit a mark, and the better part of a century later continues to do so. Britons are very enthusiastic owners of their own homes. The feeling is that all things being equal, if a family is not to have the possession of its own home, who should have that possession?

A more-or-less undeviating fiscal consensus within the Western world has been the unyielding conductor of public policy over the last two decades. It has set the world organisations' agendas for the developing countries: it has been the foundation of the work upon which Gordon Brown and Alan Greenspan have rested their enviable and well-defended reputations. Brown has been a superior Chancellor of the UK's Exchequer. But he is heading for a fall.

Brown's move to 10 Downing Street will not shield him from the fallout from a clear and growing problem in Britain. The problem is that all things taken into account, young people, debt laden, increasingly *cannot* afford to buy their own homes. 'Starter' homes are being acquired by the wealthier baby boomers, and rented to their children and their friends. So what way forward for our property-owning democracy?

The first thing that could happen is that as a society we retreat from that ownership aspiration. We could accept the emergence of a new urban landed class, from whom an increasing number of us would rent. That development might be thought regressive: certainly Brown could not see it as 'socialist'. And the socialist version of a greatly increased social housing programme, might be unattractive to a 'prudent' Prime Minister.

The second thing that could happen is that a housing crash — again — could be allowed to occur. Through a battlefield of negative equity, repossessions and foreclosures, the average home could, once again, for a while, become affordable for average wages. Realising the PM's reputation is tightly tied up with the avoidance of this particular crash outcome, it will be interesting what the government will do to head things elsewhere.

The third course could be a long-term period of high wage inflation — 're-adjusting' the ability of wage-earners to pay a mortgage. Many people, not least Brown, would see great problems in that approach too.

The fourth possibility is the creative one — tackling at root the fault in (in, not of) the market mechanism. If Brown could identify the *underlying* driver of the problem gathering around him, and correct it, he could save his reputation. And to my mind it has always seemed clear that what 'underlies' our homes is land. Mr Brown should look again at land value, and where it comes from, and what it can do.

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Scotland: taking

Rob Gibson MSP reviews some of the possibilities for a creative new land reform programme

When I was asked by a land owner keen to support the SNP at the recent election if there would be a land tax in our plans, I said not immediately. However any move to Local Income Tax and away from Council Tax can only raise enough cash for local services by tapping other sources. The SNP manifesto talked of efficiency savings in government as one source. However any longer term solution to stabilising or increasing the local component of local taxes in Scotland has to revisit land values as opposed to property values.

That said the minority SNP government will have to build a majority for each reform it wishes to implement. So the scrapping of the unfair Council Tax and its replacement with Local Income Tax would seem most likely. [For a different perspective, see p 1. Ed] Given Scottish Liberal Democrat support it would be a good start to meet a popular priority across Scotland. A proposed Common Good Bill by the LibDems would also find common ground with the SNP who want Community Councils to gain more powers.

Meanwhile the Cabinet Secretary for Rural Development, Richard Lochhead MSP, has shown support for land value taxation. He will inherit a pledge from the last administration to review the Land Reform Acts. This could build on a Labour manifesto commitment to extend the community right to buy into more urban areas. There may be room to include a scoping exercise that extracts the lvt component of the Burt Report (see **L&L** 1216) to give it closer scrutiny.

Communities seeking to buy their land have suffered from a far from simple process which includes more ministerial discretion, but also a straight jacket for the applicants. It is clear the abolition of the Scottish Land Fund has

not helped. Changing circumstances has frustrated many would-be initiatives. The Big Lottery home for potential land Chancellors is sucking out cash to pay for the London spiraling costs dwarfing land transmission.

Building consensus in minorities should be possible. The Crown Estate Commission by Robin Callander. It was authorities in Highlands prominent Labour and Liberal in the last session. The SNP remove the 'tax' on development. Estate levies on ports and transmission.

Also Member's Bills proposals for Succession early instalments in a new for Scotland. **L&L**

Last month Rob Gibson was re-elected for a second term as a Scottish Nationalist member of the Scottish Parliament representing the Highlands and Islands.