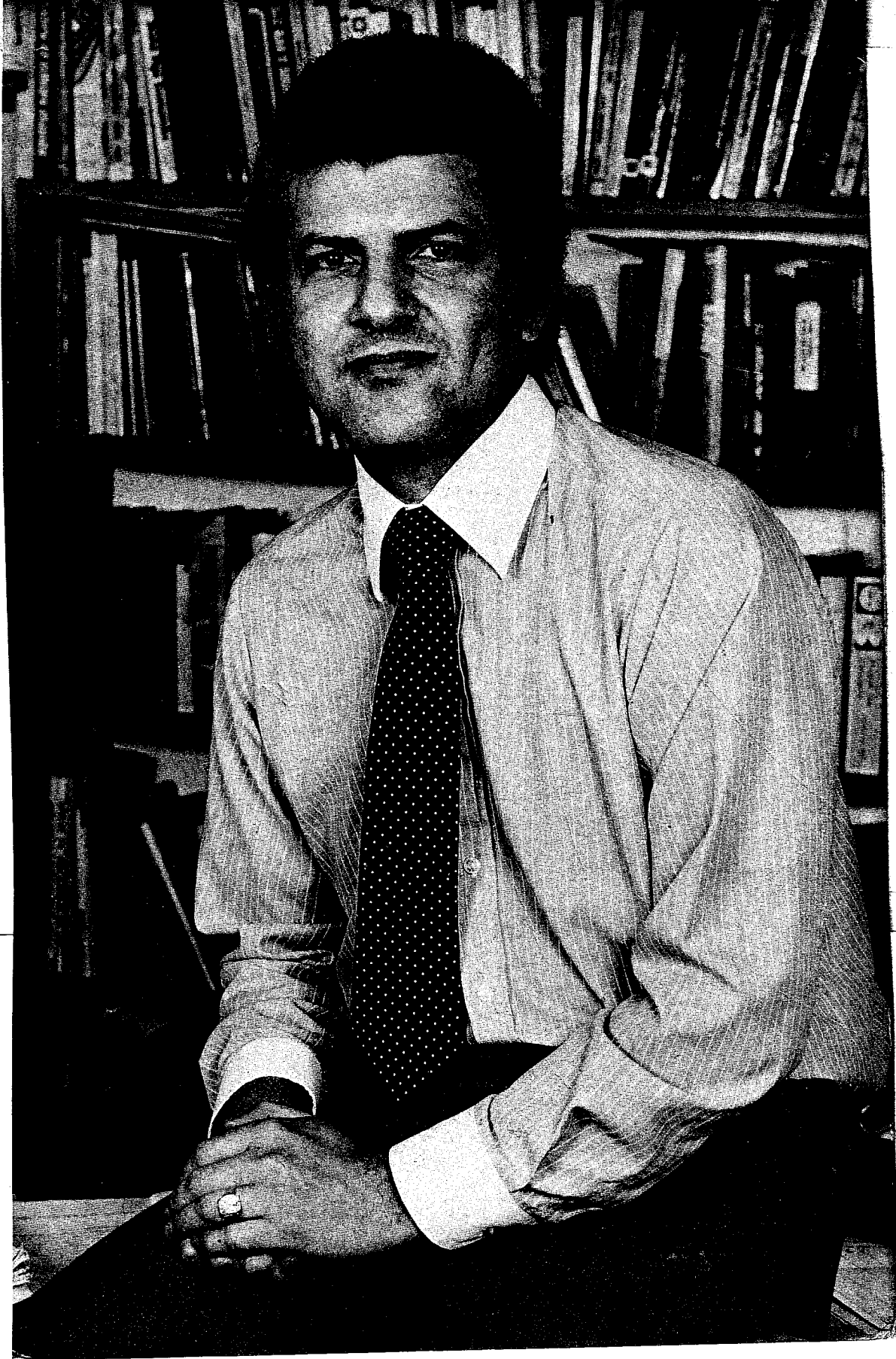


FRED HARRISON

THE
POWER
IN THE
LAND

UNEMPLOYMENT, THE PROFITS CRISIS
AND THE LAND SPECULATOR



The power in the land lies at the heart of the present global recession. Fred Harrison maintains that it has been the unrecognised cause of the periodic booms and slumps which have regularly afflicted the industrial economies of the West over the past 200 years. In his lively and readable account he shows not only how this power can be — and is — used to enrich a few and impoverish millions, but also how it can be harnessed, without violent upheaval, to achieve a fairer distribution of wealth and reduce unemployment. The inability of current policies to tackle the present crisis without harmful side effects (monetarism — unemployment; Keynesianism — inflation; the planned economy — authoritarianism), stems from a serious distortion in our understanding of how the industrial economy works.

Adam Smith provided the captains of industry with a theoretical framework and moral justification for the new mode of production which sprang from the Industrial Revolution. He believed that he was setting out the rules for a free market system but, as Fred Harrison points out, he granted landowners an exemption which enabled them to exert a monopoly influence on the market. This was the real cause of the degradation of the 19th century, and it continues to exercise a baleful influence on the modern economy.

The Marxist critique blames the capitalist, yet Marx himself acknowledged that the power of the owners of capital was contingent on the monopoly of land. Thus Marx, as well as Smith, recognised the special position of landowners who, in the words of J. S. Mill, “grow richer in their sleep without working, risking or economising”. However, neither pursued the macro-economic implications and, if anything, covered them up.

In *The Power in the Land* the author investigates these implications. He traces the origins of the collapse of the 1980s, with its shock-wave effects on the financial system and the industrial heartlands of the West, to land speculation. This exploitation of a unique power, which is intrinsic to land, gives rise to inner city decay, urban sprawl, misallocation of resources, mass unemployment and the meteoric rise in property values.

Four economies — the United Kingdom, the United States, Japan and Australia — are singled out as case studies, but evidence is drawn from countries like Taiwan, South Africa, Israel, Yugoslavia, Sweden, Poland and the USSR to test the major hypotheses.

The conflict between labour and capital is a false one that obstructs a rational strategy for rescuing the Western economy from the depression of the 1980s. The remedy proposed is a fiscal one: the transfer of the burden of taxation from labour and capital to economic rent, which is publicly created revenue. This would create employment and higher growth rates, while avoiding the inflation-risk policy of deficit financing: increased consumption and investment would be generated by the private sector, not the government.

ABOUT THE AUTHOR Fred Harrison read Philosophy, Politics and Economics at Oxford University, and he received his M.Sc from the University of London. He is currently working for a Ph.D, and is chief reporter of one of Fleet Street's Sunday newspapers. Research for this book has taken him to the four corners of the globe, to study at first hand the operations of the land market in the widest variety of geo-political conditions.

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