

Tax bads, not goods

Alanna Hartzok's six-point green action list for tax reform.

- Tax pollution: directly levy pollution charges and collect the revenue – not issue tradeable carbon permits enabling polluters to profit from their pollution.
- Levy taxes on non-renewable energy. Energy taxes can be regressive, so combine them with tax decrease on wage incomes, and launch 'buy and invest in clean and green' campaigns.
- Levy land value taxes/capture while reducing taxes on buildings, particularly in the urban areas, to encourage infill, more efficient use of public transport and infrastructure, and the direction of funds into new 'green energy' technologies, and discourage energy-wasteful sprawl and non-productive investments.
- Capture the 'unearned income' from land and natural resources for much-needed government revenue that could be directed to public investment in 'green' public infrastructure, and lower taxes on sustainable and environmentally sensitive design and production. This tax shift combination will get the signals and incentives right for the energy shift necessary to address climate change.
- Encourage more labour-intensive, organic agriculture, rather than oil-intensive giant agribusiness. Land value capture will help keep land affordable for small farm agriculture, and better reward farmers for their labour as their tax burden is decreased or eliminated. This form of agriculture also encourages healthy communities and decentralised, local-based economies – decreasing the necessity for people to drive long distances to work.
- Consider Peter Barnes' Sky Trust, which 'land values' the sky and captures rent (see [L&L 1203](#)). A Sky Trust is a scarcity rent recycling machine. The formula driving the machine is this: from all according to their use of the sky, to all according to their equal ownership of the sky. Those who burn more carbon pay more than those who burn less. If you drive a bigger car, you pay for a bigger carbon parking space. Yet, as equal beneficial owners, all receive an equal share of the scarcity rent. Thus, you'll come out ahead if you burn less carbon, but lose money if you don't. Money will flow from overusers of the sky to underusers. This isn't only fair; it's precisely the incentive we need in order to crank down pollution.

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David Triggs' long view



'Freedom' is a word much used in discussions connected with law, politics, economics and social affairs. It is also used by engineers where 'degrees of freedom' are considered. Machines usually incorporate a certain measure of freedom to enable them to respond to changing circumstances, but they are never completely free. Neither is the designer entirely free to impose his will in deciding how the machine might meet its purpose; his freedom is constrained by laws beyond his control – the laws of nature. The more a designer understands those laws, the greater the scope for invention and more refined products.

Likewise, when people design human institutions they seek to devise 'good' rules that limit the freedom of members but enable the desired purpose to be achieved. 'Good' rules are fit for purpose and do not offend any superior rule. Here we note an essential difference between human laws and natural laws. Human laws have limited jurisdiction – people can, and do break them – whereas the laws of nature cannot be broken.

Our understanding of natural law is incomplete and our formulations or descriptions refer only to the law's operation under a limited range of circumstances. Thus whilst Newton's description of the law of gravity may be very useful for the design of a bridge, it may be insufficient for an understanding of the design of sub-atomic structures. Limited by our incomplete understanding, or wishing to deny responsibility or credit to another, it seems we have a tendency to suppose that an unexplained phenomenon is chance rather than the working-out of law. I think it was Gary Player, who, accused of making a lucky shot, retorted – "Strange, the more I practice the luckier I get!" Or Beatrix Potter in *The Tale of Peter Rabbit* – "You may go into the field or down the lane, but don't go into Mr McGregor's garden: your Father had an accident there; he was put in a pie by Mrs McGregor." The reality in both these cases involved will, skill and a knowledge of nature, rather than luck or accident. The lesson, it seems, is that if you want to be lucky or avoid unintended consequences whilst practising the art of living – know the law!

Science is the branch of human knowledge that concerns itself with the discovery of laws of nature. The science of political economy seeks to understand those laws as they influence the production and distribution of wealth for all in society. If we are to make human laws aimed at facilitating production and distribution, it is vital that we take adequate account of the superior laws of nature. One of Henry George's major insights here was to see the intimate connection between the process by which wealth is produced in society and the manner of its distribution. In this, I think, he saw a particular expression of a more universal natural law; this indicates that the genesis, form and end of all things are not essentially separate and independent entities but are one.

The purpose of a thing, its genesis, pervades and gives rise to its form. George showed how, since the end of production is the satisfaction of people's need, it was vital that wealth distribution reflected and reinforced this genesis. If, through human devised arrangements, people are denied the full satisfactions that would arise naturally from exerting themselves to produce, we should change those arrangements and avoid the inhibition of production and the poverty that accompanies it, in all its various forms.