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EDITORIAL

Arthur Laffer has been quoted as saying some nice things about Henry George, so it would be nice to return the compliment. On the basis of the early policy pronouncements presumably based on the Reagan Administration's reliance on Laffer economics, it would be difficult to make the feeling mutual. While beneficiaries of public spending--reported at least as 1 out of 3 American households--are raising the expected objections to the "cruelty and injustice" of the proposed spending cuts, others including serious economists and scholars have raised some fundamental questions about the validity of "supply side economics" or whether the new approach is likely to have any positive effect at all on inflation, productivity and the national economic health.

While Georgists generally would welcome cuts in both spending and taxation, there is no particular prejudice in favor of military over domestic spending or cuts in personal income taxes made up by rises in payroll taxes. In fact, an argument can be made that spending more for arms and continuing to index Social Security with inflation, both in payment and wage withholding, are likely to fuel more inflation than the food stamps and the income taxes the White House is ready to cut.

Aside from the disquiet over its budget proposals, a number of specific actions of the new Administration indicate its insensitivity to our deeper concerns with natural resources. The abrupt withdrawal from the treaty of the Law of the Sea, in which the principle of global sharing of only some of the ocean's resources is proclaimed, is not a good sign of planetary awareness. Here was a chance to tangibly demonstrate the principle of cooperation and equity in the natural resources of earth in an arena still relatively free of violent international conflict. Perhaps reconsideration, as Washington promises, will help lead this country and the world back to the cause of peace through freedom on a global scale.

On a domestic level, the movement to free broadcasters from government regulation includes a removal of any requirement from public service time, little as that was. That means the private use of the public airwaves will pay nothing back in kind or in cash, to the public which presumably owns this natural resource. If broadcast rights were leased, at the very least, like drilling rights on the Continental Shelf, we might collect some economic rent and make the market truly free. The devotion of the new Administration to free market economics might be laudable but will not be convincing until there is some recognition of the public need to collect the economic rent from monopoly access to our natural resources.