

letter from the editor

We can take some encouragement from the recent interest in the land question shown in the media and fine new publications such as *Rethinking the Economics of Land and Housing* by Josh Ryan-Collins, Toby Lloyd, and Laurie Macfarlane. It is becoming increasingly obvious that the private monopoly of land is distorting the economy and lies at the heart of the housing crisis in the UK. Fewer and fewer families are able to buy a home, while the cost of rents is taking an increasing proportion of household income.

Yet despite this new interest in the land question and the evident effects it has on the whole of our society, there remains no real indication that governments will implement any practical reform. Gavin Barwell, the former housing minister, lost his seat in the June election, but no change in policy has been proposed. In many ways the preoccupation with Brexit offers a distraction from the fundamental problem of housing in the UK. And while Labour has increased its proportion of the vote and members of Parliament, it continues to present social ills in terms of class struggle, including the housing problem, and LVT as just another tax.

It would seem that, no matter how clearly it is demonstrated that the private monopoly of land harms the economy as a whole, it still cannot be grasped. Even the recent *Paris Agreement* on climate change does not grasp that abuse of the earth follows logically from the monopoly of land. The only recent document of major importance that does recognise vested interests as the main obstacle to social and environmental reform is the Encyclical of Pope Francis *Laudato si', On Care for our Common Home*. Arguing that the earth is the common home of all humanity and all other creatures, Francis sees it as distinct from any commercial ownership. It is what the Creator has provided for all as a gift, and disregard of the earth as a gift lies at the root of material poverty and the spoliation of our natural habitat. This is a 'theological' truth recognised by all the great religions. Henry George would have welcomed the encyclical of Pope Francis with open arms. The Church has moved much further after *Rerum Novarum* in 1891, which George challenged in *The Condition of Labour*, than secular economics or humanist social sciences.

Why is there such a disparity between this obvious 'religious' truth and present economic theory? Is it merely because people now commonly dismiss religion and the Church? And if this is so, how has that come about?

History helps us here. The founding of economics as an independent branch of science took place amid huge social and intellectual crises, and the new scientific outlook of the seventeenth and eighteenth centuries directly opposed the Christian tradition and the medieval understanding of community. 'Reason' would now conquer 'superstition'. In this adulation of reason the rational and the ethical realms were split apart, and 'reason' could not find any firm

ground for ethics. Economists like Adam Smith vainly imagined that common decency and Christian values would hold while economic progress would take place through the new understanding of the market.

The great compromise adopted was to reduce ethics to social contract, no longer informed by the Christian understanding of the person to be honoured as the image of God, or the ancient tradition of the virtues, but replaced by legal obligations. Thus positive law, laying down contractual obligations between persons and commercial companies, imitates the new scientific mechanistic vision of nature. The human person is now defined by the property they own, not by character or by vocation. The new vision of conquering nature with science finds its counterpart in economics through property ownership. And what more obvious way to amass property than to take possession of the earth itself by contractual right and to see all economic enterprise in terms of competition for such ownership.

And so we remain in our times trapped in the rift between the mechanistic economics of property-owning competition and ethics. It would seem that the imposition of contractual obligations between citizens offers the only compromise between justice and outright self-interest. This contractual vision of society naturally gives birth to the conception of human rights. A society founded on mutual exploitation, where every citizen is in competition with every other – for land, for homes, for jobs, for wealth, for status – can only resort to human rights as a means to curb the worst excesses of such mutual exploitation. Thus human rights emerged for citizens who regard themselves as natural enemies or slaves to one another. They are simply a further expression of contractual obligations replacing community ethics or collective responsibility. As Simone Weil puts it, "The human person is reduced to a legal entity". Yet rights are all that is left as a final resort after human relations are conceived in terms of mutual competition and the exploitation of our common home, the Earth.

Thus the logic of replacing all taxation with the natural revenue arising from the value of the land created by the community as a whole runs counter to the contractual notion of individual citizenship and the proprietorial conception of our relationship with the earth. Yet only through a true relation with our home the earth can economic theory and ethics converge, and through the elimination of the principle cause of poverty can all be set free to follow their natural vocations for the common good rather than remain slaves to self-interest.



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