

Oil Rent & the Single Tax

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THE Lincoln Institute's 1994 working paper "The Single-Tax Limited in Abu Dhabi: Problems and Perils of a Petrocracy" by Dr. R.V. Andelson raises Cain with one's sense of proportion. It does so, at least, if one's logic in the understanding of human behaviour starts with motivation.

Why — to begin with — has the Institute funded what could not have been an inexpensive study, and printed it so poorly? Its 28 pages include two pages of photographs which are so badly reproduced as to make them virtually illegible. The report is, in the author's own words, "necessarily somewhat anecdotal and impressionistic." Clear photographs might have helped with forming an impression, but not so with smudges.

Why has the eminent scholar and philosopher, Dr Robert Andelson, chosen to see the City of Abu Dhabi, or the markedly unique United Arab Emirates (of which Abu Dhabi is the "provisional" capital) as a specimen in which to examine the difference between Henry George's Single-Tax and Thomas G. Shearman's Single-Tax Limited?

Or, more disproportionate yet, why does he call upon readers to wrestle with a distinction even he calls "academic", when there is so much else about the United Arab Emirates to warrant attention in this unusual day and age?

"Trucial Oman or the Trucial States," as Andelson tells us the political unit is called, is (are?) a remarkable phenomenon in this transitional age, but not because a fine line is being drawn there between Single-Tax and ST Ltd.

They (it?) add up to 32,000 square miles of almost empty land, only 1% of which is arable, on which lived until

three short decades ago "no more than about 86,000 (people) altogether." Now they have (it has?) more nearly 2,500,000 people, membership in the United Nations, the World Bank, and the International Monetary Fund, with their (its?) own embassy at 600 New Hampshire Ave. NW in Washington D.C.

Why, I cannot help wondering? The general answer is obvious, but what are the specifics in this case?

An inescapably significant thing about the UAE is the peculiarity that leaves me unsure whether it is singular or plural? Until petroleum began to be drawn up out of the earth there as recently as the early sixties, they were "seven impecunious desert sheikhdoms." Now there are seven pecunious emirates. The atlas still shows them as dots along the shore.

Now, all at once, these seven "more or less autonomous" units, have agreed to coalesce under the leadership of Sheikh Zayed ibn Sultan an Nahayan who is president, or at least presides over "the emirs in council," which we are told is the highest federal authority.

Intellectual proportion, within the architectonics of social construction, would rank this phenomenon alongside the current raging debate in the United States over federal mandates and local control. Where does the power rest? Are there balances? The fact that "all but an insignificant fraction of Abu Dhabi's public expenditure is derived from land rent" is intriguing. But the question of whether the citizens are getting it all or only part of it seems out of proportion.

Dr Andelson does not tell us how much money is left. There are few hard facts with which to make the

suggested empirical analysis, but we are told why. Facts there are hard to come by. They don't talk about such things publicly in Abu Dhabi. "Expatriates are subject to deportation virtually at will, and even nationals may suffer loss of privileges if they incur government displeasure, however trivial the reason."

The World Almanac says per capita GDP in the UAE is \$12,900 and the population estimate for 1991 was 2,389,000. It has crude oil reserves of 98 billion barrels. Figure it out.

The standard use of these terms gets us back into trouble. The DP in GDP is for "domestic production". How much of the enormous sum is really "produced" in the UAE? How much is the result of labour and industry there? The "value" involved here is clearly an international factor.

The decision to use some small part of that revenue to meet local public expenditures may be something of a whim on the part of the man who pulled these seven sheikhdoms together and is keeping peace in the family. It pales in the face of the billions of dollars drawn from those who ultimately consume it, as Dr Andelson clearly understands.

We are told "Sheikh Zayed is a leader of unquestionable charisma, famed for his openhandedness and skill at consensus-building." My sense of proportion stirs up more questions about this challenging man, and his mind, than about the George-Shearman debate. How did he persuade his colleagues to work together? And how has he managed to "share...oil profits with the broader world?"

This working paper gets back toward central questions in the

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RELIGION IN A SOCIETY FREE OF LANDLORDS

IN ASKING what the church would look and sound like in what Georgists call a Single-Tax Society, we have to distinguish between whether we are talking about all the world doing away with rent-appropriation, or just one country. If we are talking about England, the situation would not be the same as if we were talking about the United States of America or the Third World. The Rev. ARCHER TORREY of Jesus Abbey, South Korea, reflects on the religious character of a Single-Tax Society

THE CHURCH of England and other state churches (e.g. Scandinavia) own huge tracts of land and are tax exempt. The income supports ancient structures which the present membership are either unable or unwilling to finance, as well as supporting clergy for poverty-stricken areas.

In a Single-Tax society, the individual church members would be far less poverty-stricken and would, at least, be able to support their clergy. In addition, the church should be prosperous enough to take back its responsibility for education, medical care, old age care, and the like, and unload the State of these burdens

which the State does very badly at tremendous waste of funds. The ideas that humanism or the pursuit of pleasure are the primary motivations in life could be countered with the Christian teaching that human beings are here to serve one another as well as God.

How the church would maintain its ancient land-marks and architectural works of art is an interesting question. Perhaps the state would be willing and able to accept most of these as National Treasures and provide for their upkeep, while the clergy would be supported by the congregations meeting there.

With no landlords to suppress

theological discourse, the church people (beginning with the theologians) could be properly informed and adopt new attitudes based on the Bible, as exegeted by Henry George! How long it would take the theologians to admit that they had been wrong all along, is hard to guess. The rank and file would respond instantly, as they did in Henry George's time before the debate was stifled.

With this new understanding, such movements as the "Back Home" movement, to return to the countryside and enjoy a more meaningful life working the land and living "close to creation" would, possibly, create a labour shortage for the factories. On the other hand, many industries that are now engaged in producing worthless luxuries or even evil items could quietly go out of business. The capital involved could be deployed elsewhere. With this return to the rural there would also be a new and balanced concern for ecology as well as for rural crafts and arts.

LOOKING AT the broader picture, it is a fact that the Christian church,

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author's Conclusions, where we learn that Sheikh Zayed can be credited with "a massive distribution of 'world territorial rent'," and more specifically that in "the peak year of 1974, when the price of oil had reached its zenith, Abu Dhabi contributed approximately 28% of its income to foreign aid."

There are few conclusions but there are critical questions. They

include the possibility ("not improbable," Andelson warns) "that the demand for Abu Dhabi oil might plummet drastically" for various reasons, two of which he raises in particular. What then?

This working paper has whetted my appetite for a better understanding of what must be a man of strong vision.