

- 6 -

## Earth Rights Democracy: Land Ethics and Public Finance Policy as if People and Planet Mattered

Presented at the Richard Alsina Fulton Conference on Sustainability and the Environment, Wilson College, Chambersburg, Pennsylvania, March 26 – 27, 2004.

**E**vaggelos Vallianatos, in his reflections on Why Small Farmers are Essential to Democracy, said: “When democracy thrived in Greece, so did farming. The two were inseparable.” He noted that those who worked very small plots of land, not philosophers, laid the foundations for ancient Greek democracy. “Democracy was the Greek smallholders’ answer to tyranny and the genius of Greek civilization,” says Vallianatos, who well remembers the joys and pleasures of childhood on the small Greek farm where he grew up. “My father’s farming was wrecked when the Americans converted Greece to agribusiness,” he tells us.<sup>1</sup>

Somehow our world has become complex. Stress related emotional and physical illness continues to rise. Most of us are born landless, without any real place to be. Our parents were probably paying rent or a mortgage while we were growing up. They did the best they could, and then we launched into the world of labor. While some never made it to the first rung of the ladder, others found employment as highly skilled laborers. An educator is a type of highly skilled laborer. Usually, the more highly skilled a laborer is, the further removed he or she is from the land. Yet that which all of the laborers need to survive comes ultimately from the earth itself.

Who owns the earth?

- A United Nations study of 83 countries showed that less than 5% of rural landowners control three-quarters of the land.
- Just 342 farm properties in Brazil cover 183,397 square miles - an area larger than California.<sup>2</sup>
- 86% of South Africa is still owned by the white minority population.
- 60% of El Salvador is owned by the richest 2% of the population.

- 80% of Pakistan is owned by the richest 3% of the population.
- 74% of Great Britain is owned by the richest 2% of the population.
- 84% of Scotland is owned by the richest 7% of the population.
- At best, a generous interpretation would suggest that about 3% of the population owns 95% of the privately held land in the United States.<sup>3</sup>
- 568 companies control 22% of our private land, a land mass the size of Spain. Those same companies land interests worldwide comprise a total area larger than that of Europe - almost 2 billion acres.
- Urban Land Institute calculations show that more than half of all corporate earnings are generated by real estate and real estate-related activities.<sup>4</sup>
- In Florida, 1% owns 77% of the land. Other states where the top 1% own over two-thirds of the land are Maine, Arizona, California, Nevada, New Mexico, and Oregon.<sup>5</sup>

Eli Siegel once said: "How the earth should be owned is the major economic question of this time.... The world should be owned by the people living in it."<sup>6</sup>

By some estimates, one percent of the population owns at least 60% of the land value in western countries. The value of all land in the United States in 1990 was \$3.7 trillion.<sup>6</sup> By now that number is likely to be more than \$6 trillion. The federal government no longer tracks land ownership and values. Apparently such numbers are too politically sensitive.

Let us take an example of how the average American family experiences the land problem. In smaller cities a typical \$120,000 house will be on a \$30,000 lot. In major population centers a house costs double, triple or even 10-times that price. In parts of California a comparable home would be \$400,000; in parts of Washington, DC it would be \$800,000. Labor and material prices for these homes are relatively equal. The price difference is the cost of land functioning under the "law of rent" as described by classical economist David Ricardo.<sup>7</sup>

Under our current economic system, the price of land is paid by the producers of wealth - labor - to those who amass wealth from unearned income for which they do not labor. Those who receive this unearned income from land price escalation are primarily (1) those who already own large amounts of land or land of high value; (2) those who are earning interest from real estate speculation; and (3) financial institutions via mortgage payments.

We must grasp the injustice at the core of our economic system. We need to understand how far we have strayed from reality and how we have been led into

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<sup>3</sup> United States Senator Jesse Helms read these facts and figures into the Congressional Record in 1981 as his way of "proving" that there was no need for land reform in the US as land is more concentrated in ownership in the US than in Central America where the US was waging wars against those seeking land reform.

illusionary games of finance. Patricia Mische said, "The more we grow in awareness of our own sacred source, the more we discover that our own sacred source is the sacred source of each person and all that is in the universe."<sup>8</sup>

Near a large metro area, a farmer can sell land at a price of \$20,000 to \$60,000/acre and in some cases even more. The farmer takes this cash and looks for another farm to buy farther from the city. Using a 1031 (tax-free) exchange he rolls the profits into another farm. Another group of agricultural land buyers are investors who conclude that land is a good investment after watching farmland prices go up. Farmers sitting on significant equity in land they already own also add to their current land base at higher prices when they perceive that land values are on the rise.<sup>9</sup> Farmland thus loses its utility value for agriculture and becomes a "good investment" - a cash cow to be milked for all its worth.

For most farmers, the value of farmland comprises the majority of net worth. The recent land price boom has been driven primarily by low interest rates. Because of these low interest rates, a young couple living in a metropolitan area can now buy a \$150,000-200,000 home. As a result of these new buyers, real estate developers are able to buy farmland at extremely high prices and develop entry-level to middle-income homes.

John Mohawk fully grasped the problem of our land tenure system. He said, "When land became a 'commodity' and lost its status as provider and sustainer of life, Western civilization began its history of subjugation and exploitation of the earth and earth based cultures."<sup>10</sup>

Today, this subjugation and exploitation is eroding middle class America as well. While the larger land parcels are bought with cash or very little debt, working people take on substantial amounts of debt to buy their small house plots. This further widens the wealth gap.

Americans are working longer and harder just to buy someplace, somewhere, to rest their weary bones at night. The United States is a super rich nation that spends a huge amount on health care and has multitudes of sick people. The Health Olympics tracks the correlation between illness, longevity and economic injustice as indicated by the wealth gap. This indicator shows that the greatest health hazard in the United States is the economic gap between the rich and the poor. With greater economic inequality comes worse health - lower life expectancy and higher mortality rates. The U.S. spends the most money on health care but ranks 26th in life expectancy on the Health Olympics 2003 chart. All of the countries that rank higher in the Health Olympics have a smaller gap in income distribution between their richest and poorest citizens.

Worldwide less than 300 multi-billionaires now have as much wealth as three billion people, which is half the six billion population of the planet. Just three people have as much wealth as the people of 48 countries. In the United States, the wealth gap has been steadily growing since the 1970s. Currently, the top one per-

cent of our population has accumulated more household wealth than the bottom 95 percent. The bottom 90% has only 29% of household wealth. The wealthiest 1% owns 49% of all stocks and mutual funds; the next 9% own 36% and the bottom 90% own 15%.<sup>11</sup>

Robert Reich said, "We now have more national income and national wealth concentrated in fewer hands than we've had since the gilded age of the late nineteenth century. This poses a fundamental threat to democracy."

One of the most disturbing aspects of life in this very wealthy country is the persistence of hunger. The U.S. Department of Agriculture (USDA) reports, based on a national U.S. Census Bureau survey of households representative of the U.S. population, that in 2002 11.1 percent of all U.S. households were "food insecure" because of lack of resources. Of the 12.1 million households that were food insecure, 3.8 million suffered from food insecurity that was so severe that USDA's measure classified them as "hungry." The report showed that food insecurity and hunger increased in the United States for the third consecutive year. Since 1999, food insecurity has increased by 3.9 million individuals: 2.8 million adults and more than one million children. In 2002, 34.9 million people lived in households that were unable to purchase adequate food and thus experienced food insecurity, compared to 33.6 million in 2001 and 31 million in 1999.<sup>12</sup>

The U.S. Conference of Mayors in their Sodexo Survey 2003 also reported that hunger and homelessness continued to rise in major American cities over the last year.<sup>13</sup> Twenty participating cities reported that unemployment and various employment-related problems were the leading causes of hunger. Other causes most likely contributing to hunger include low-paying jobs (13 cities) and high housing costs (11 cities). Participating cities were most likely to attribute homelessness to a lack of affordable housing (21 cities), mental illness and the lack of needed services (20 cities), substance abuse and the lack of needed services (19 cities), and low-paying jobs (17 cities). The survey documents significant unmet need for shelter in the cities surveyed. Eighty-four percent of the cities reported that emergency shelters have turned away homeless families due to lack of resources.

To remedy this injustice we must understand the land problem. Thomas Berry said, "Humans in their totality are born of the earth. We are earthlings. The earth is our origin, our nourishment, our support, our guide... Thus the whole burden of modern earth studies is to narrate the story of the birth of humans from our Mother Earth."<sup>14</sup>

The millions who are hungry and homeless in America are unlikely to ever have sufficiently well paying jobs or any jobs at all. Two million manufacturing jobs have evaporated since 2000. Manufacturers are either off-shoring jobs to China or automating as fast as they can. Information jobs are fast moving to India. Today there are roughly 15 million Americans working in manufacturing jobs. Every year for the next 15 years, a million or so Americans will lose their manufacturing jobs.

In 15 or 20 years, there will be zero people in America working in manufacturing jobs.

Those who still have jobs are less secure than they have ever been before. More than 40 million Americans have no health insurance and 140 million are facing soaring health costs. Retirement savings are at an historic low.

The richest 10% of capital owners own 71% of America. If current trends continue they will own it all. They are now financing the robotic revolution. Robots are going to create completely automated factories in the very near future. Automated retail systems like ATMs, kiosks and self-service checkout lines are just the beginning. These systems will proliferate and evolve until nearly every retail transaction will be handled in an automated way. By 2022 computers run at one trillion operations per second. Computers with the capacity of the human brain could cost as little as \$500.<sup>15</sup>

What will become of democracy? What will become of "we the people?" What kind of life awaits our children and grandchildren if they have no jobs and no income to buy food or shelter?

Henry George had this insight more than a century ago:

Our primary social adjustment is a denial of justice. In allowing one man to own the land on which and from which other men must live, we have made him a bondsmen in a degree which increases as material progress goes on. It is this that turns the blessings of material progress into a curse.<sup>16</sup>

Either we will be in bondage, or we will build an economic democracy and be free to celebrate life on this amazing planet. We must find the way and quickly. The forces of concentration of wealth and power have nearly overpowered us. A poem in *The Lord of the Rings* mirrors the mythic times we are living: "One ring to rule them all, one ring to find them, one ring to bring them all, and in the darkness bind them." We are bound and the cord is tightening. "Full spectrum dominance" is the phrase the elite have coined to describe their intention to rule the world.

We are on the threshold of the second American revolution. We need to proceed with the non-violent approach taught by Thoreau, Gandhi and King. We need to build an economic democracy based firmly on this most basic principle - the earth belongs equally to everyone as a birthright.

Thomas Jefferson gave us a first principle ethic when he said, "The earth is given as a common stock for men to labor and live on."

Abraham Lincoln told us:

The land, the earth God gave to man for his home, sustenance, and support, should never be the possession of any man, corporation, society, or unfriendly government, any more than the air or water, if as much. An individual, company, or enterprise should hold no more than is required for their home and sustenance.

All that is not used should be held for the free use of every family to make homesteads, and to hold them as long as they are so occupied.

Tom Paine gave us a policy approach to the problem of escalating land values when he said:

Men did not make the earth...It is the value of the improvement only, and not the earth itself, that is individual property...Every proprietor owes to the community a ground rent for the land which he holds.

Several early political economists had begun to grasp the problem and the solution. John Stuart Mill was aware that:

Landlords grow richer in their sleep without working, risking, or economizing. The increase in the value of land, arising as it does from the efforts of an entire community, should belong to the community and not to the individual who might hold title.

Henry George said:

Do what we may, we can accomplish nothing real and lasting until we secure to all the first of those equal and inalienable rights with which.... man is endowed by his creator - the equal and inalienable right to the use and benefit of natural opportunities.<sup>17</sup>

Thus far we have looked at how the land problem is the root cause of the wealth gap. Sustainability people are well aware of the costs to the planet when wealth and power spiral into the hands of so few. Loss of species and topsoil, deteriorated air and water quality, global warming - the list of catastrophes and potential catastrophes grows each day. Those with clear vision frequently feel frustrated by lack of power and financing to remedy these problems.

War is the last topic to touch upon before describing how we can adjust - add justice to - the economy so that profits can serve people and planet. Most every war throughout all the ages has been fought over land and natural resources. During the past one hundred years, governments have been destabilized and wars have been fought over land and natural resources in Indonesia, Vietnam, Iran, Iraq, Nigeria, Chile, El Salvador, Nicaragua, Guatemala and many other small countries.

We have seen oil conflicts in the Persian Gulf, the Caspian Sea Basin, Nigeria and the South China Sea and water conflicts in the Nile Basin, the Jordan, Tigris-Euphrates and Indus River Basins. Internal wars have been or are being fought over minerals and timber in Angola, Sierra Leone, Liberia, the Congo, Bougainville/Papua New Guinea, Borneo, Brazil and Indonesia. Hostilities over valuable gems, minerals and timber are under way in Angola, Brazil, Burma, Cambodia, Columbia, Congo, Indonesia, Liberia and the Philippines.

Michael Klare astutely observes in his book *Resource Wars*:

What we are seeing is the emergence of a new geography of conflict - a global landscape in which competition over vital resources is becoming the governing principle behind the disposition and use of military power.... the result is a new strategic geography in which resource concentrations rather than political boundaries are the major defining features.<sup>18</sup>

A few days ago I saw a large earthworm wriggling around frantically in a puddle of water contained in plastic sheeting, so there was no way it could escape. I picked up the worm, and then carelessly threw it in the bushes. The worm snagged on a rose thorn. I was angry at myself, having saved the worm and then murdered it. Again I carefully picked up the helpless creature and laid it gently on the ground. A few moments later, much to my relief, the worm began to wiggle and find its way underground.

I am certain that most of you at this sustainability conference are like me in this way. You respect life and living things. Some of you take spiders outside instead of smashing them, set out food or water for birds and use have-a-heart traps for mice and groundhogs. And yet, you and I are murderers. We murder other living things. We murder children, women and men. Part of our time each day pays for the killing of human beings just like us. We do this because our lives are embedded in an unjust economic system that breeds war and destruction. We do this because we pay for this with our hard-earned tax dollars. Each day we hand over fistfuls of money to build weapons of mass destruction, fuel dangerous, dirty and polluting technologies, and subsidize huge conglomerates that concentrate the wealth of the world for the power of an elite few.

What if we, instead, were to find a way to share the earth? What if we, instead, were to find a way to end tax tyranny and align our visions and values with how we finance government? The way forward is coming into sight.

Ecological economists are attempting to cost the earth - to put a dollar amount on the services that the planet provides. The cost of earth services is, as we might suspect, multi-trillions of dollars. Geonomic economists are calculating resource rents - the market value of surface land and natural resources - and are finding that for the US the amount could be as much as half of GDP. Visionary philosophers say these sums represent our common heritage and should profit the many, not the few. A prophet once said, as recorded in Ecclesiastes (5:9), "the profit of the earth is for all."

In 1996, the UNCHS - United Nations Center for Human Settlements - issued a global agenda for ensuing access to land that weaves together person/planet concerns and states in part:

Access to land and legal security of tenure are strategic prerequisites for the provision of adequate shelter for all and for the development of sustainable human settlements affecting both urban and rural areas... The failure to adopt, at all levels, appropriate rural and urban land policies...remains a primary cause of inequity and poverty. It is also the cause of increased living costs, the occupation of hazard-prone land, environmental degradation and the increased vulnerability of urban and rural habitats, affecting all people...

Within the UNCHS document, adopted by consensus of all UN member states, are the crucial recommendations d, h, and k:

- (d) Apply transparent, comprehensive and equitable fiscal incentive mechanisms, as appropriate, to stimulate the efficient, accessible and environmentally sound use of land;
- (h) Consider the adoption of innovative instruments that capture gains in land value and recover public investments; and
- (k) Develop land codes and legal framework that define the nature of land and real property and the rights that are formally recognized.<sup>19</sup>

Decades earlier, another international conference produced a document which provided such a land code and framework that defined land rights. The International Declaration on Individual and Common Rights to Land declared that the earth is the common heritage of all and that all people have natural and equal rights to the land of the planet. By the term "land" is meant all natural resources. The Declaration says:

Subject always to these natural and equal rights in land and to this common ownership, individuals can and should enjoy certain subsidiary rights in land.

**These rights properly enjoyed by individuals are:**

- The right to secure exclusive occupation of land
- The right to exclusive use of land occupied.
- The right to the free transfer of land according to the laws of the country.
- The right to transmit land by inheritance.

**These individual rights do not include:**

- The right to use land in a manner contrary to the common good of all, e.g., in such a manner as to destroy or impair the common heritage.
- The right to appropriate what economists call the Economic Rent of land.



The Economic Rent is the annual value attaching to the land alone apart from any improvements thereon created by labor. This value is created by the existence of and the functioning of the whole community wherein the individual lives and is in justice the property of the community. To allow this value to be appropriated by individuals enables land to be used not only for the production of wealth but as an instrument of oppression of human by human leading to severe social consequences which are everywhere evident.

**All humans have natural and equal rights in land that may be exercised in two ways:**

- By holding land as individuals and/or
- Sharing in the common use of the Economic Rent of land.

The Economic Rent of land can be collected for the use of the community by methods similar to those by which real estate taxes are now collected. That is what is meant by the policy of Land Value Taxation. Were this community created land value collected, the many taxes that impede the production of wealth and limit purchasing power could be abolished.

The exercise of both common and individual rights in land is essential to a society based on justice. But the rights of individuals in natural resources are limited by the just rights of the community. Denying the existence of common rights in land creates a condition of society wherein the exercise of individual rights becomes impossible for the great mass of the people.<sup>20</sup>

These two important international documents lay out how we can build economic democracy based on the equal right of all to the land and resources of the planet. They give us both the ethics and the policies whereby the earth can be secured as the birthright of all people. They carry forward the previously quoted earth rights democracy ideas of Thomas Paine, John Stuart Mill, Thomas Jefferson, Abraham Lincoln, and Henry George. Several progressive think tanks<sup>21</sup> are developing public finance frameworks - sometimes called "green taxation policy" - that are fundamentally based on the ethic and policies of these two important international documents. The goal of green tax policy is to create a system of public finance that strengthens and maximize incentives for:

- Fair distribution of wealth
- Environmental protection
- Basic needs production
- Provision of adequate government services
- Peaceful resolution of territorial conflicts

Green tax reform makes a clear distinction between private property and common property. Private property is that which is created by labor. Common property is that which is provided by nature. Green tax policy removes taxes from wages and other private property and increases taxes and user fees on common property. Reducing taxes on labor increases purchasing capacity, reducing taxes on capital encourages efficiency. Shifting taxes to land and resources curbs speculation and private profiteering in our common property and is a practical way to conserve and fairly share the earth.

Captured in brief sound bites, tax waste, not work; tax bads, not goods; pay for what you take, not what you make; and polluter pays become tax shift principles readily translated into voter friendly policy recommendations with broadbased political support.

Green tax policy seeks to ELIMINATE SUBSIDIES that are environmentally or socially harmful, unnecessary, or inequitable. Slated for drastic reduction or complete removal by Green Scissors and other tax cut campaigns are subsidies for:

- Energy production
- Resource extraction
- Commerce and industry
- Agriculture and forestry
- Weapons of mass destruction
- Green tax policy aims to ELIMINATE taxes on:
- Wages and earned income
- Productive and sustainable capital
- Sales, especially for basic necessities
- Homes and other buildings

Green tax policy INCREASES taxes and fees, thus capturing resource rents on:

- Emissions into air, water, or soil
- Land sites according to land value
- Lands used for timber, grazing, mining
- Ocean and freshwater resources
- Electromagnetic spectrum
- Satellite orbital zones
- Oil and minerals

These tax policies<sup>22</sup> both enhance the power of the people as a whole and trigger environmental improvements. One of the first examples of environmental tax reform as a two-pronged incentive strategy - raising taxes on the use of resources

while decreasing taxes on income - was in 1991 when Sweden began levying a carbon dioxide tax and, in conjunction with it, cut the income tax. Other countries followed Sweden's lead, as Denmark, Spain, the Netherlands, United Kingdom, and Finland cut taxes on personal income and wages and raised taxes on motor fuel, coal, electricity, water, waste, carbon emissions, pesticide, natural gas, and other energy sales. These were small shifts, to be sure, the largest being Denmark which eco-shifted 2.5 percent of total tax revenues.

In the US, J. Andrew Hoerner, a senior research scholar with the Center for a Sustainable Economy, a nonprofit public interest research organization based in Washington, DC, has compiled a Survey of State Initiatives detailing 462 environmental tax provisions currently in place at the state level. "We are still learning how to design environmental taxes and tax incentives, and many current approaches to environmental taxation will surely be found wanting," says Hoerner. "But there is a danger in a rush to judgment, in trying to impose a single theoretical paradigm on the immense diversity of emerging instruments."

Movements are underway in several countries, some detailed in the appendix of this paper, to collect increasing amounts of resource rents for public benefits. The Alaska Permanent Fund is one such excellent example of a transparent, public institution that collects and distributes resource rents for the people as a whole. Under the Alaska Constitution all the natural resources of Alaska belong to the state to be used, developed and conserved for the maximum benefit of the people. The Alaska Permanent Fund was established in 1976 as a state institution with the task of responsibly administering and conserving oil royalties and other resource royalties for the citizenry. The principle of the Fund is invested permanently and cannot be spent without a vote of the people.

In 1980, the Alaskan Legislature created the Permanent Fund Dividend Program to distribute a portion of the income from the Permanent Fund each year to eligible Alaskans as direct personal dividend payments. Individuals who received the annual dividends each year from 1982 to 2003 have received a total of more than \$20,000. Alaska is the only state where the wealth gap decreased during the past decade. There is strong citizen interest in the Fund's operation and activities. The Alaska Permanent Fund website ([apfc.org](http://apfc.org)) keeps current all investment and distribution activities of the Fund. Also posted on the website are stories, puzzles and games for teachers to use in their classes to educate their students about the Fund.

The Alaska Permanent Fund is a well-managed and transparent earth rights institution. It is a remarkable pioneering model of a fair and effective way to secure common heritage wealth benefits for the people as a whole. However, the challenges of global warming and non-renewable resource depletion dictate that oil and other non-renewable resource rents should be invested in socially and environmen-

tally responsible ways and primarily in the needed transition to renewable energy technologies.

The handful of non-renewable resource rent funds in the world should be citizen empowered to both increase their resource rents and royalties and should transition towards capturing substantial resource rents from surface land site values (ground rent) and other permanent and sustainable sources of rent, such as hydro-power points, electromagnetic spectrum and satellite orbital zones. Resource rent funds should be established worldwide from the local to the global level.

Cities in Pennsylvania have been pioneering the ways and means to capture the value of land for public benefits. Civic officials in twenty municipalities of this state are decreasing taxes on buildings, which encourages improvements and renovations, and increasing taxes on land values to discourage land speculation, encourage good site use, and furthers access to more affordable land. Shifting the tax burden from buildings to land values promotes a more efficient use of urban infrastructure and recaptures the values that society creates. The benefits of development can be broadly shared when housing maintains affordability and public coffers are solvent.

Pennsylvania's capitol city of Harrisburg was in shambles in 1980 when it began to shift to land value tax; now this city of about 55,000 people taxes land values six times more than buildings. Harrisburg's mayor, Stephen Reed, writes:

The City of Harrisburg continues in the view that a land value taxation system, which places a much higher tax rate on land than on improvements, is an important incentive for the highest and best use of land... With over 90 percent of the property owners in the City of Harrisburg, (this) tax system actually saves money over what would otherwise be a single tax system that is currently in use in nearly all municipalities in Pennsylvania. .... the City of Harrisburg was considered the second most distressed in the United States twelve years ago under the Federal distress criteria.

Since then, over \$1.2 billion in new investment has occurred here, reversing nearly three decades of very serious previous decline. None of this happened by accident and a variety of economic development initiatives and policies were created and utilized. The (land value tax) system has been and continues to be one of the key local policies that have been factored into this initial economic success here.

Here are a few of the improvements mentioned in the Harrisburg literature:

- The number of vacant structures, over 4200 in 1982, is today less than 200.
- With a population of 53,000, today there are 4,700 more city residents employed than in 1982.
- The crime rate has dropped 22.5% since 1981.
- The fire rate has dropped 51% since 1982.

There are many more examples of the successful implementation of resource rent and green tax policy approaches than can be mentioned in this paper. Movements for land value taxation and resource rent for revenue are now underway in other states and in England, Scotland, South Korea, Russia, Nigeria, Namibia, Australia and Venezuela. Historically, versions of this public finance approach have resulted in substantial land reforms in Taiwan, Japan and the central valley of California.

Green tax reform is a comprehensive, holistic framework and could become a universally accepted approach to public finance policy. The policies and principles of green tax reform can provide the underpinnings for worldwide economic democracy. Freedom to live or work in any part of the globe would also further equality of entitlement to the planet.

Green tax policy provides a basis for the resolution of resource wars and territorial conflicts. There would be no more private profit as unearned income from earth resources. Instead, transparent and accountable resource agencies would collect resource rents and distribute those funds in public services or as direct citizen dividends. With fundamental democracy in rights to the earth firmly established through legal means and mandates, basic needs would be secured for all and the militarized national security state and its bloated budgets could wither away.

Full resource rents from surface land would eliminate the need for land mortgages as land could be secured on the basis of a simple annual fee according to land value. No other charges would fall on the backs of labor and thus wages and purchasing capacity would increase. Secure private home ownership would be the rule. Labor with access to affordable land would produce quality affordable housing for all.

It has been calculated that nearly half of corporate profits comes from real estate related activities. A tax on land would thus fall heavily on corporate held lands that cannot escape from taxation via offshore accounts and other tax shelters. With the power of the people focused with laser clarity on the task of taxing monopolistic land holdings, corporate rule would erode. Labor would gain affordable access to land resources and capital. The products of labor on land would increasingly be owned and controlled by voluntary cooperative organizations. The removal of federal subsidies for agribusiness combined with affordable land access will give a great impetus to organic, sustainable agriculture.

Green tax policy is a mechanism for full cost recovery of environmental damages. A condition of the permission to extract resources or to use water or air would be the advanced payment of environmental security deposits. While heavy pollution taxes would drastically increase incentives for clean technologies, the environmental security deposits would only be returned if the land resource was left in an acceptably healthy condition.

There is a huge task ahead of us. The incentive signals of the world's taxation systems currently promote waste, war, environmental damage, and the concentration of wealth. Approximating the composition of the world's \$7.5 trillion tax pie reveals that 93% of taxes fall on work while only 3% is collected from environmentally damaging activities. A mere 4% of global tax revenues is captured from natural resource use and access fees. A modest global tax shift scenario proposed by David Roodman at Worldwatch Institute would collect 15% from environmental damage, 12% from land use and resource royalties (to total \$900 billion each year) and cut environmentally harmful subsidies by 90%. This would free up an additional 8% of current revenues (\$600 billion) and permit a nearly one-third reduction on wages and capital to 65% of total global taxes.<sup>23</sup>

Public finance legislation is underway in several states based on green tax shift calculations done by Northwest Environment Watch for the Pacific Northwest. This bolder and more detailed green tax shift scenario is detailed in these "before" and "after" pie diagrams next page.<sup>24</sup>

The planet and all its resources of land, water, forests, minerals, the atmosphere, electro-magnetic frequencies, and even satellite orbits are the common heritage of all and must no longer be appropriated for the private profit of a few to the exclusion of the many. As we place this fundamentally just earth rights ethic within a fully established green tax agenda, the profits of the earth will benefit the people and the planet and secure an age of peace and plenty for all.



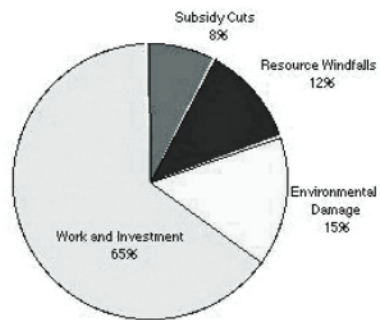
No child should live and play in squalor like this. Earth Rights Democracy would secure an equal right to earth as a birthright for everyone through fair land tenure and tax policy.

**Current Revenue Source**



**Global Tax Shift Scenario**  
(a modest green tax shift proposal)

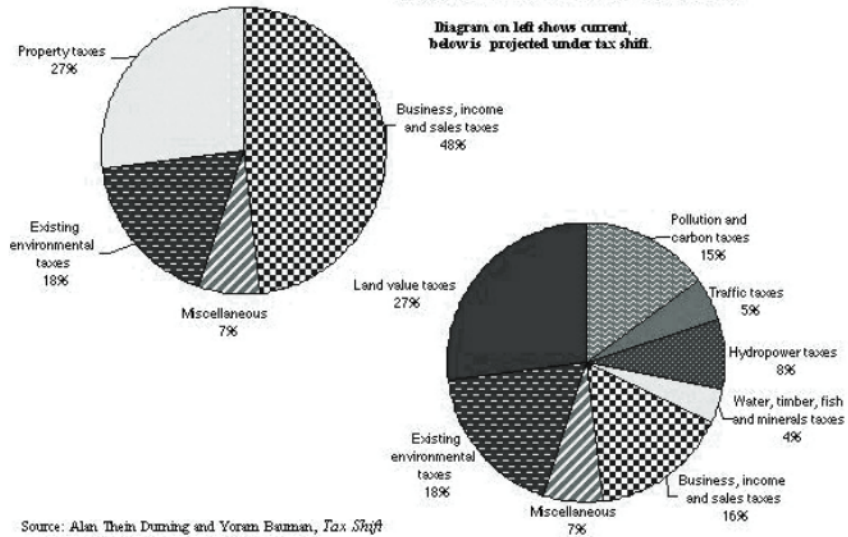
**Projected Revenue Source Stage One Reform**



Source: David Malm Roodman, *The Natural Wealth of Nations: Harnessing the Market for the Environment* (New York: W.W. Norton & Company/World Watch, 1988)

**Tax Shift Scenario for the Pacific Northwest**

Diagram on left shows current, below is projected under tax shift.



Source: Alan Thein Durning and Yoram Bauman, *Tax Shift* (Seattle: Northwest Environment Watch, 1998)

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- <sup>1</sup> E.G. Vallianatos, *Why Small Farmers are Essential to Democracy*, The Progressive Populist, August 1-15, 2002, p. 6.
- <sup>2</sup> Worldwatch, Oct. 1988.
- <sup>3</sup> Peter Meyer, *Land Rush - A Survey of America's Land - Who Owns It, Who Controls It, How Much is Left*, Harpers Magazine, Jan. 1979.
- <sup>4</sup> Urban Land Institute, *America's Real Estate*, 1997, p. 14.
- <sup>5</sup> Eli Siegel, essay on *Ownership: Some Moments in The Right of Aesthetic Realism to be Known*, a periodical of the Aesthetic Realism Foundation, 5/5/99.
- <sup>6</sup> J.W. Smith, *Economic Democracy: The Political Struggle of the Twenty-First Century*, 3rd edition, p. 309.
- <sup>7</sup> Smith, *ibid.*, pp. 306 & 309.
- <sup>8</sup> Patricia Mische, *Spirituality and World Order*, published in *Toward a Global Spirituality: The Whole Earth Papers #16*, Global Education Associates, 1982, p. 7.
- <sup>9</sup> Richard Brock, *Farmland Prices EXPLODE*, The Corn and Soybean Digest, Mar 1, 2004.
- <sup>10</sup> John Mohawk, *The Problem of the Modern World*, CREATION, May/June, p. 18.
- <sup>11</sup> Edward N. Wolff, *Recent Trends in Wealth Ownership*, 1983-98.
- <sup>12</sup> Edward N. Wolff, *Recent Trends in Wealth Ownership*, 1983-98.
- <sup>13</sup> Economic Research Services, USDA, <http://www.ers.usda.gov/publications/fanrr35/>
- <sup>14</sup> For Berry and other Earth Ethics quotes see: [http://www.earthethics.com/archive\\_of\\_quotes.htm](http://www.earthethics.com/archive_of_quotes.htm)
- <sup>15</sup> See Robotic Nation articles at: <http://www.roboticnation.blogspot.com/> or <http://www.marshallbrain.com>
- <sup>16</sup> Henry George quote from *Progress and Poverty*, Chapter 26: The Call of Liberty.
- <sup>17</sup> Henry George, *Social Problems*, Robert Schalkenbach Foundation, p.202.
- <sup>18</sup> Michael T. Klare, *Resource Wars: The New Landscape of Global Conflict*, New York: Henry Holt, 2001, p 214.
- <sup>19</sup> For the UNCHS document go to United Nations website [www.uno.org](http://www.uno.org) or to [www.earthrights.net](http://www.earthrights.net) publications section.
- <sup>20</sup> Originally composed and declared at a conference of the International Union for Land Value Taxation held in 1949.
- <sup>21</sup> For instance, books, papers and studies published by Worldwatch Institute, Northwest Environment Watch, Robert Schalkenbach Foundation, Center for Economic Studies, Institute for Land Policy, Land and Labor Campaign, Land Reform Scotland, Earth Rights Institute, New Economics Foundation. For others see Council of Georgist Organizations and International Union for Land Value Taxation websites.
- <sup>22</sup> For these and additional examples, references and details on green tax policies see several articles by Alanna Hartzok posted on Earth Rights Institute: [www.earthrights.net](http://www.earthrights.net).
- <sup>23</sup> David Malin Roodman, *The Natural Wealth of Nations: Harnessing the Market for the Environment*, New York: W. W. Norton & Company/World Watch, 1998.
- <sup>24</sup> Alan Thein Durning and Yoram Bauman, *Tax Shift*, Seattle: Northwest Environment Watch, 1998.