

books

Capitalism 2.9?

Capitalism 3.0

by Peter Barnes

Berrett-Koehler Publishers, 2006

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This book is sub-titled 'a guide to reclaiming the commons'. By the commons the author means all the gifts we inherit or create together, i.e. land, air, water and so on.

His solution to the 'problem' of the commons is to form what he calls 'common property trusts' to manage them for the benefit of all, and to curb over-exploitation and cut pollution.

He is addressing an American audience but brings in examples from other countries.

From Britain he cites the Trebah Garden Trust in Cornwall as a microcosm of his ideas. To become a life member of the trust a donation of £250 is required. Members get free access to the garden (other visitors pay an admission fee) and elect a council to manage the property. They receive an annual report, audited accounts, and notices of meetings at which they may vote and submit resolutions. At present there are about a thousand voting members of the trust. Another UK example is the National Trust — a non-governmental charity founded in 1895 — which owns over 600,000 acres of countryside, 600 miles of coastline and 200 historic buildings and gardens. It has over 3,000,000 members who elect half of its fiftytwo-person governing council (the other half is appointed by non-profit organisations that share the trust's goals).

The author suggests that as it is impossible for everyone to use the commons equally, then everyone should receive equal shares of the income derived from selling usage rights on the one person one vote principle. The USA is in an excellent position to create such trusts since nearly one-third of the land is government owned. Some twenty-two

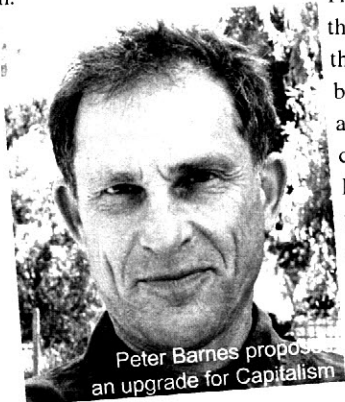
states hold 155,000,000 acres in trust for public schools and colleges. The Alaska Permanent Fund, created in 1976 to absorb some of the windfall from leasing state land to oil companies, fits Peter Barnes' bill very neatly. Its aim was to create an endowment that would benefit Alaskans even after the oil is gone. To this end the Permanent Fund invests in stocks, bonds and similar assets and pays yearly dividends to every resident.

The obvious problem with this scheme for a country the size of the USA is the bureaucracy needed to administer it and pay every citizen their dividend.

Barnes devotes two pages to Henry George and clearly understands land rent and the unearned income it generates. But he does not seem to grasp the power of taxing land values to deal with this.

That policy is simple and would solve most of the issues this book raises.

Geoffrey Lee



Peter Barnes proposes an upgrade for Capitalism