

Fire!

The Silver Bullet

by Fred Harrison

theIU, 2008, 220pp, p/b

ISBN: 978-0-904658-10-1, £10

Many countries suffered from the advice of celebrated 'end of poverty' economist Jeffrey Sachs. Illustrating how the Washington Consensus perpetuates and aggravates the world's social and economic problems, Fred Harrison highlights the case for policies such as land value taxation. By switching our attention from the role of lvt in the countries of Europe and North America, to many countries in Latin America, Asia and Africa, he drives home the potential worldwide importance of the policy.

Harrison emphasises that "competition delivers optimum efficiency *only if the distribution of income also conforms to the principle of justice*....In the capitalist economy, most social and economic problems stem from the fact that the pricing mechanism is legally and institutionally constrained from functioning either efficiently or fairly. Specifically, the problem is located in the system of public prices – government's taxes – which are a covert way of redistributing income *from the poor to the rich*". I needn't spell out here Harrison's explanation of how that works, but it is clear and it is important to understand it. Harrison's case studies all throw up points of interest.

For example, after overthrowing the last imperial dynasty in China in 1911, Sun Yat Sen – in his *Three Principles of the People*, combining economic understanding from the West with the ancient wisdom of China – followed the teaching that land values shall revert to the community, *or*: when Chiang Kai-shek led the Kuomintang to Formosa after their defeat by

Mao's Communists in 1949, Sun Yat Sen's *Three Principles* helped to launch Taiwan's development as a modern economy. But Harrison hopes the way may still be open for China to evolve a form of what he calls 'social capitalism', based on the *Three Principles*.

Social capitalism, he emphasises, would not be "a hybrid (a pastiche of existing political doctrines), but a unique

philosophy of social organisation designed to liberate the individual and protect the common good". It would be based on "the socialisation of rent and the privatisation of wages and profit".

President Chavez of Venezuela, for example, should have realised that "the socialist paradigm is of little use to the people. It was well tested and abandoned in the 20th century. So why wave the socialist flag under the beak of the American eagle?...If Chavez had announced not land reform but tax reform, Washington would have found it more difficult to justify its plots against [him]."

That insight into presentation prompts me to end with three suggestions for getting intelligent, active people to give serious attention to the book's case.

First, we should use today's language. Busy, fully engaged people don't have the time and energy to figure out how the meaning of 'rent' in classical economics differed from what it means in everyday life today.

Second, beware the 'silver bullet' concept. Don't fall into the 'single tax' trap. People think they know very well that there is no single solution to poverty. Not only taxation, but other elements too have a bearing on poverty. Public spending, instead of distributing a share of the value of common resources as a citizen's income, now subsidises profit-making private sector corporations (including financial ones) to provide public



a quick note ...

Reclaiming the Economy – Alternatives to Market Fundamentalism in Scotland and Beyond by Andy Cumbers and Geoff Whittam (eds). p/b £9.99

Prem Sikka, Mike Danson and others go in search of "a radical left agenda...grounded in a practical politics" and a "global vision challenging the free market fundamentalism of our time."

Bring on the Apocalypse: Six Arguments for Global Justice by George Monbiot. p/b £11.99

Five stars, for anyone who has not read Monbiot's articles in the Guardian or on his website. Vivid, radical and wide ranging.
– R Dunn, Amazon

On the Wealth of Nations: A Book That Shook the World by PJ O'Rourke. p/b £8.99

For an easy introduction to Smith and his ideas (and this is a very quick, undemanding read) this is not a bad point to start, so long as you take O'Rourke's interpretation with a very large pinch of salt.
– Humphrey Plugg, Amazon

Economics of Poverty, Environment and Natural Resource Use by Rob B Dellink and Arjan Ruijs (eds). p/b £38.50

An academic book searching for explanations for the "resource-poverty nexus" and asking "to what extent [can] payments for environmental services...be an effective tool for stimulating sustainable resource use and poverty alleviation?"

infrastructure and services to dependent citizens. Creating the *national money supply* in the form of profit-making loans to bank customers, encourages its investment in rising land values, not productive employment. Those, like the present tax system, are poverty-creating institutions that need reform.

Third, global warming and green taxation are now central concerns, as we face the 21st century threat of combined worldwide systems collapse – ecological, economic and social. We need to explain why land and tax reform is relevant to them. The answer is that people should pay for the value they take from using or preventing others from using scarce common resources. Among these are land sites as well as the environment's capacity to absorb carbon emissions and provide many other kinds of support.

James Robertson

On liberty

John Stuart Mill:
Victorian Firebrand
by Richard Reeves
Atlantic Books, 2007, 616pp, h/c
ISBN: 978-1-84534-643-6, £30

Many readers will know one poem about Mill, which is quoted in this book.

John Stuart Mill, of his own free will / On half a pint of shandy was particularly ill.

A few may know another, which is not.

John Stuart Mill / By a mighty effort of will / Overcame his natural bonhomie / And wrote Principles of Political Economy.

(It is lucky that Mill's grandmother abandoned the original more Scottish surname Milne). Between them the poems summarise what is still, probably, the prevailing view of Mill: a humourless, frigid pedant of hooded eye, black coat, and winged collar, as in the portrait by GF Watts, which glares out from the cover of Richard Reeves' book.

Reeves tells a different story: one which is well known to scholars, and partly known to anyone who has read Mill's self-bowdlerised *Autobiography*, but still needs to be told in the lively way this book does. There are some factual errors, but generally the book is reliable.

The picture Reeves paints is dramatic and rather sad. JS Mill was a one-boy educational experiment. His father proved that he could pump all knowledge into his pre-teen son, who was apprenticed to his father's colleague Jeremy Bentham at 14. But at 20 he suffered what he called 'a mental crisis' on realising that Benthamite utilitarianism was emotionally shallow. He started to read conservative thinkers like Coleridge; he wrote poetry criticism; he was for a while a friend of the violent reactionary Thomas Carlyle. He fell in love just once, but passionately, with Mrs Harriet Taylor. In the ensuing triangular relationship,

continues on p. 21

The Evolution of Resource Property Rights by Anthony Scott. h/c £65

Traces the development of property rights over different kinds of natural resource from classical times through to the 19th century, and makes a special plea for the multiple-purpose and multi-owner management of resource rights.

George: Political Ideologue, Social Philosopher and Economic Theorist by Laurence S Moss (ed). p/b £19.99

Can we imagine a reworking of the entire theory of capital based on the idea of georgist monopoly rents? Part of a series of 'Studies in Economic Reform and Social Justice' of the *American Journal of Economics and Sociology* (see next issue for full review).

lars rindsig's view from the right



If people won't give us their hearts and minds (quite literally) we'll jolly well have to take them ourselves. This seems to be the logic behind the human spare parts appropriation programmes that an increasing number of Western governments are initiating. The debate raged in the Danish press in the autumn and has since appeared in the UK and America: should the government be able to nationalise organs from corpses? In Spain and other countries they don't debate – they act. If you have a kidney, they'll come and get it. Just like that.

It's not that it doesn't make a twisted sort of sense – rather like how, when governments decide they need money for public services, they raise it simply by grabbing the funds. It's the same simple reasoning used by Faith, the mean-girl character in *Buffy the Vampire Slayer*, once she fully fathoms her super strength and what it puts her in a position to do: "want, take, have".

This brand of government-sponsored grave robbery, in other words, is indicative of the way the basic concept of property rights is being – whether by intent or by folly – misrepresented and perverted and misrepresented and perverted again because of its continued removal further and further from how things ought to be. This is true not only in economics where (crikey are they ever) concepts are royally screwed up, but also in the realm of people. Like when forced labour is the accepted norm as long as you're forced to work for the military. Or when the state gets to lock you up on bread and water for keeping what's rightfully (if not legally) yours, instead of donating it to the taxman? Or when it's alright for the state to chop up the recently deceased, contrary to their own wishes and those of their bereaved families. What's next? – An impost on keeping your child alive in a respirator because the longer she lives, the longer you are preventing the excavation of her organs as a 'societal resource'? Utter brutal madness.

Forty-eight years ago Marilyn Monroe sang "My heart belongs to daddy". Miss Monroe's intentions may not have been as literal as L&L's in its interpretation of her catchphrase. But the way things are going, we're approaching a situation where we might all burst into a song of our own: "My heart belongs to Big Brother." Boo-boop-be-doo, indeed.

The very real need for organ donation, of course, cannot and should not be denied. One might consider it an imperative to help out our fellow man when in dire need of something that we ourselves aren't quite capable (being dead and all) of utilising to its full potential. "I leave my body to science" used to be an eccentric thing to put in your will, but it rather does make sense.

For all I care you can do with my soulless body what you will when I'm done with it, be it human repairs or fish bait. However I've long signed up as an organ donor, because – it seems to me – there's no good reason why my or anyone else's remains should not go to further use.

But, please, have the decency to ask first.