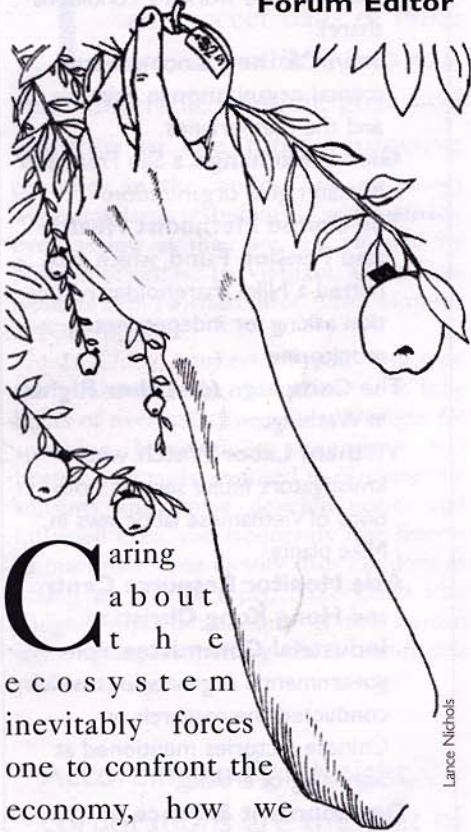


GEONOMICS

A Policy for Planet and People

by Jeffery J. Smith
Forum Editor



Lance Nichols

Caring about the ecosystem inevitably forces one to confront the economy, how we chew earth at one end and spew waste at the other. Yet to survive, all species do this. What's different about the way we convert earth into wealth is that it may no longer be sustainable.

Depleting and polluting ourselves out of our earthly home is not necessary. Available to us are products and practices that are sustainable. Yet, neither producers nor consumers choose them. Why? Because "bads" cost less than goods: sprayed food costs less than organic, virgin materials less than recycled, hydro electricity less than wind power, and so on.

Yet given open competition, isn't waste supposed to cost more and efficiency less? Why are prices backwards? Examine the flow of public revenue. Note how taxes and subsidies tilt the playing field in favor of extraction and consumption, unintentionally inducing sprawl and waste.

Price distortion renders the knee-jerk strategy of "just say no" hopelessly inadequate. As long as despoliation is cheaper, our salmon and forests haven't a chance. Correcting taxes and subsidies, to make prices precise, has become the cutting-edge of environmental advocacy.

Requiring responsible parties to pay their way while all of us share the benefits of nature has a name: geonomics. While aspects of this policy are already finding their way into law in Western Europe, the idea is not new. The collection half—shifting taxes off effort, onto earth—goes back centuries. In the 1600's, John Locke and Baruch Spinoza proposed a socialization of land rent. In the 1700's, the physiocrats—which included Rousseau and Voltaire, Jefferson and Paine—thought that *l'impôt unique* (the single tax on land value) would have "as great an impact as that of the invention of writing."

In the 1800's, John Stuart Mill flirted with the idea, noting how "landlords grow rich in their sleep."

American reformer Henry George, author of *Progress and Poverty* (1879), made himself famous promoting the shift. Around the planet, many jurisdictions have tried his reform, each time with positive results. The world's fastest site recycling rate (which precludes sprawl) belongs to Johannesburg, South Africa; there they tax land, not buildings.

As a new millennium dawns, it's the greens' turn to wonder about the backward incentives of taxes. As contributors Sara Carter and Jeff Allen observe, we tax things we do want—homes and income—and not things we do not want—pollution and depletion. If you like traffic, don't tax it. If you're fed up with congestion, read what Randall O'Toole suggests. Were we to make polluters pay, how would we charge them? We'd auction off permits to pollute,

argues William Ashworth. Taxing bads is such a good idea, David Bean claims smart taxes can obviate much costly regulation.

The rationale for taxing resources can be extended to levying dues for the use of any site. Land value measures not what improvements an owner makes but how well society is doing. Tapping site value, points out Richard Forester, could pay for new infrastructure—even make home sites more affordable.

On the other hand (the hand doling out largesse), follow the trail of public dollars to factory farms. Family farms are victims of subsidy abuse, explains Michael Tedin, who dives into the politics of western water. And if you don't like salmon, our indicator species, do subsidize dams. It's our choice, one we should make consciously and democratically, advises Jim Lichatowich of the Oregon Business Council.

Even though the geonomic idea is win/win (who would not want to replace their income tax with a geo-bonus?) it still must be conveyed by those who can relate to all sides, declares Steve Berwick.

The justification of geonomics, for all this rearranging of revenue, is that we—if not all life—have a right to

Earth in good health. Like other basic rights, Bill Boyer would put this one in Oregon's Constitution. From there, land-use dues in lieu of taxes could logically and legally follow.

Jeffery J. Smith, editor of *The Geonomist*, has testified before such bodies as the Russian Duma and has toured Europe as a guest of the Greens. He is organizing a conference on land dividends to take place in Portland next year. He can be reached at geonomist@aol.com or c/o this magazine.

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