

CHURCH 'TO BLAME IN PHILIPPINES'

PROPERTY rights are at the core of the problems of the Philippines, according to Mason Gaffney, a professor of economics at the University of California at Riverside.

In remarks to a conference on land reform and development, the professor gave a verbal lashing to the church and the United States, which he accused of fostering a system of tenure which allowed exploitation of the mass of people.

The church, he recalled, was implicated in the original Spanish conquest. Jesuits acquired vast lands in the 19th century, and those who opposed them were branded as subversives.

"The upper catholic hierarchy has generally supported the prevailing land dispensation," said Prof. Gaffney. "Liberal popes criticize worst abuses and indirect results - like poverty, unemployment and death squads - but uphold the core concept of private collection of rents and unearned increments."

Can the church be changed? He recalled: "The run-around we economist-pilgrims got in Rome in 1986 suggests the Vatican apex is as immovable as any other bureaucracy. There is



• Mason Gaffney

change in the field, among brave and dedicated priests on the firing line, but it is poorly supported at the top, and vulnerable to local bravos in the field."

The Filipino president, land-owner Cory Aquino, says she supports land reform. As for Cardinal Sin, "He supports Cory, who has emerged as just another political hypocrite who promised reform but backed off from her window of opportunity, and passed the buck to an unwilling Congress."

"Philippine society needs radical, wrenching reforms. But the church, trying to be liberal, has lost its radical mission. Trying to conciliate, the church has not led. Trying to participate, the church has been co-opted. Trying to make religion easy, the

church has made it trivial."

The professor attacked proposals that the U.S. taxpayer should finance land reform in the Philippines "by buying back the same land their spending makes valuable, to return to the Filipinos from whom it was stolen."

Instead, he proposed that the U.S. should gradually withdraw its support for the country. This would encourage the Philippines to defend their own nation by taxing land. He elaborated a model of economic growth which focused on the tax on rental income.

"Tax reform of this kind obviates other land reform, because the market reforms itself under this stimulus. The landholder is the successor-in-interest to those who stole the land from the majority. He now compensates them in three ways: by supporting government; by hiring workers to put the land to its highest use; and by producing goods for the workers to buy with their new wages."

"Supply-side and demand-side economics work together to raise real output and income."

"Land reform of this kind is free of defects that have made most other land reforms exercises in mere tokenism, stalling, graft and CIA militarism."

Land taxation raises money, he pointed out, without burdening labour or capital, whereas "Liberal 'land reform' buy-outs cost money, raised, if at all, by taxing commerce, industry and labour in the cities and aborting urban development, the very thing this country needs most."

Liberal points

Professor Gaffney says:

• Liberal "land reform" benefits at best the handful of lucky ones who get farms; land taxation helps everyone by lowering other taxes, making jobs and increasing output.

• Liberal "land reform" accepts and validates the extreme concentration of wealth; land taxation strikes at its root.

• Liberal "land reform"

is strictly agrarian; land taxation deals with urban, mineral, forest and other lands and, properly constructed, deals with all economic land including fisheries, radio spectrum, air rights, water rights, amenity rights, recreation values, etc.

"Of course," admits the professor, whose out-

spoken defence of a radical strategy for land tenure and taxation has not endeared him to many in the academic Establishment in the United States, "the very virtues of land taxation guarantee it will arouse powerful opposition. Greed and fear often have their way; it was ever thus."