

Future Resources—Ever New

SCARCITY AND GROWTH, by Harold J. Barnett and Chandler Morse. Published for Resources for the Future, Inc., by the Johns Hopkins Press, Baltimore, Maryland. 1963.

Reviewed by Robert Clancy

"The Economics of Natural Resource Availability," is the subtitle of this book; and Resources for the Future is a nonprofit corporation for research and education in the development, conservation and use of natural resources.

The authors review different views on natural resource scarcity, with emphasis on the classical economists, Malthus, Ricardo and Mill. Malthus was the most pessimistic, stating that there is a flat limit to natural resources which increasing population will overtake, leading to famine and disastrous shortages. But, say the authors, "the notion of an absolute limit to natural resource availability is untenable when the definition of resources changes drastically and unpredictably over time." They give as an example, Vermont granite, which two decades ago was only building and tombstone material, whereas now it is a potential fuel with a usable energy content 150 times that of coal.

The Ricardian hypothesis, while based on Malthus, is somewhat less pessimistic, stating that increasing population will use progressively inferior natural resources—but Ricardo did not put an end limit to this process as Malthus did.

Mill, while tending to share the classical pessimism on the eventual outcome of increase of population, found a great many mitigating factors, such as the discovery of new re-

sources, increasing productivity, etc.

This book unfortunately does not go on to explain Henry George's view, which, carrying Mill a step further, states positively that increasing population brings its own increase of productive power without diminishing nature's potential.

Credit, is given to George however, for influencing the Conservation Movement, to which special attention is given. "The Conservationists' views of scarcity effect," say the authors, "probably derived more directly from the popular writings of the American political reformer Henry George than from the abstract, long-antecedent economic analyses of Ricardo or Mill."

This interesting statement is not elaborated, except to suggest that owners of choice natural resources "sometimes benefit"; and that conservationists criticize the rampant misuse of resources brought about by unrestrained monopoly. The father of the Conservation Movement, George Perkins Marsh, had several ideas on man and nature reminiscent of Henry George.

The better part of *Scarcity and Growth* is given over to mathematical analyses of such matters as the effects of resource depletion, mitigations of scarcity, and the unit cost of extractive products. It is too bad that nothing is said about artificial scarcity created by land monopoly and land speculation; or about the effects of taxation on resource development—in particular, land value taxation.

But the authors do make the important point that today's major social problem is not the scarcity of natural resources but the achievement of economic growth through improved social and human adjustments.

Henry George expressed it more poetically than mathematically when he

wrote: "It is a well-provisioned ship, this on which we sail through space. If the bread and beef above decks seem to grow scarce, we but open a hatch and there is a new supply, of

which before we never dreamed. And very great command over the services of others comes to those who, as the hatches are opened are permitted to say, 'This is mine!'"



The "Growing Army"

THE many readers who have been following the career of S. James Clarkson with interest and approval, will be glad to know that he was re-elected Mayor of Southfield, a suburb of Detroit, in a close decision and against the bitter opposition of the well-entrenched President of the City Council.

Mayor Clarkson campaigned on a "Program of Progress" which included a policy of protection against penalty taxation on home improvements, and reduction of taxes on homes and buildings. In a voters' bulletin, which could be read in a minute and 40 seconds, he told "the truth about the new assessment," exposing the fact that those opposed to revaluation of property values were large companies whose holdings have long been under-assessed, whereas the longer list of groups favoring the revised assessment, include many civic home improvement associations. The reappraisals, made by a Cleveland firm and based on fair market values, showed increases in some cases more than a thousand per cent in excess of former figures. The mayor's bulletin made it clear that this under-assessment of large properties is responsible for the burden of taxes on homeowners and the revised

valuation would, in the majority of cases, reduce the assessments on homeowners.

Favorable news comes from The Incentive Taxation Committee of California that "ACA 20"—the amendment to allow cities and counties to reduce or remove taxes on improvements and personal property, and collect public revenue from a tax on land values, is now out of committee.

Sidney G. Evans of San Diego and Hyman Ledeen of Pasadena have organized a homeowners' association to fight excessive taxation through education. "Homeowners are the prey of every new tax scheme, local, state and federal," they observe, "and as taxes increase, our freedoms decrease because of growing government control made possible by bigger and bigger government budgets." Mr. Evans and Mr. Ledeen say they have joined the growing army of businessmen and homeowners who see land speculation as the evil underlying unemployment, low incomes, slums, delinquency and crime. They want to reduce land speculation and give industry and homeowners a break. They expect to collect signatures from at least 200,000 California residents who are in agreement.