

BOOSTING SOUNDSCAPES WITH TAX BREAKS - SOME THOUGHTS ON THE APPLICATION OF HENRY GEORGE'S ENVIRONMENTAL ECONOMICS TO NOISE ANNOYANCE

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ABSTRACT

In order to tackle unbearable or even barely bearable noise annoyance and work for an improvement of the quality of urban life through noise reduction and 'indigenous' soundscape improvement it has to be borne in mind that the ecological system of taxation according to Henry George does not amount to "yet another tax" on top of the uncountable taxes already in place in most countries to interfere with the worldwide badly needed upswing of the business cycle.

The Georgist tax of natural resources and kindred factors of production is not an accretion of taxes, but the replacement of other major taxes over a reasonable period of years or decades. If the producer and the laborer are taxed all the more so in relation to their working more and being more productive a tax system that does not punish the economic subject for more work and a higher production output with ever higher taxes, but rewards them with tax breaks, is apt to boost the economy overall!

And as all natural resources including air and any kind of sound space are by definition preliminaries of any economic activity and as they are, hence, by definition communal, from there the full financial responsibility of the community should derive. This paper will discuss various economic aspects of Georgist fiscal policy conducive to the furthering of an improved environmental balance and sound protection from excessive noise annoyance. These will come under the headers of: cost-benefit, price-earnings, illness-health, noise outsourcing - social acceptance.

INTRODUCTION

If the objective of soundscape research be the improvement of the overall as well as the very specific acoustic eco-system or "human eco-biotop" this very improvement once agreed upon in its broadest strokes and in its most general outline can, no doubt, only be implemented if the importance of the economic factor is recognized. In the aural analyses the qualitative, not solely the quantitative character of the specific noise under scrutiny has to be recognized. Pre-judgements as well as pre-evaluations come into play in any communal and personal constituting of the environing soundscape. As far as the methodology is concerned the Georgist concept proceeds as follows. Within the Georgist framework of economic analysis the private invasion of public spaces proves to be nothing less than outright noise terrorism! Both supersonic planes as

well as low frequency truck noise as not even extreme examples constitute an annoyance we all may submit to with virtually no means of defense.

HENRY GEORGE AND HIS ORIGINS

A brief reminder may serve as to the essence and nature of the eco-tax system and the character of its founder: the revolutionary economist and “worldly philosopher” Henry George (1839 - 1897). If a great thinker like Leo Tolstoy summarizes his understanding on the subject in the sentence: “It is impossible to refute George, he may only be ignored”, then we may safely assume that he was not entirely at fault. His lasting contribution to science is all the more surprising as he was a true child of the Wild West belonging to the same generation as Wild Bill Hickok, Chief Crazy Horse, General Custer, Wyatt Earp, and Buffalo Bill. One of the brightest and most civilized descendants of that period was Teddy Roosevelt who George later beat in the 1886 election for mayor of New York City. While Henry George was writing his major economic work: “Progress and Poverty” the smoke of the gunfight at O.K. corral in Tombstone, Arizona hadn’t quite cleared. We, the succeeding generations, may be grateful that Young George in search for gold during the famous goldrush at El Dorado, California 1848 did not even find a few nuggets, otherwise we might most likely have been deprived of his best books.

George’s guiding principle curiously enough takes up the way of life of the American Indians and it certainly antedates all major thought on ecological balance and environmental protection. He himself summarized it in the sentence: “All natural resources are for the usufruct of the living” and the root of that wisdom goes back to the Biblical sayings attributed to Moses.

ECOLOGICAL ECONOMY AND ITS IMPLICATIONS

If we research the efficacy of George’s groundbreaking Ecological Economy over the periods of time in which it has partially and gradually been implemented in Denmark, New Zealand, parts of Australia, and Canada for example as well as in a number of heavily industrialized cities in the US such as Pittsburgh under the above given ratio-headers of cost-benefit, price-earnings, illness-health, noise outsourcing-social acceptance the following has to be borne in mind:

- if the cost of a given product under scrutiny exceeds the benefits that can be reaped from it its production will be terminated as unprofitable
- if the price of the commodity in question is way above the earnings that can be obtained from that selfsame commodity its generation will be discontinued
- if the illness factor in a given industrial area, the “industrial fall-out” so to speak, supercedes what should be the normal state of grace: namely health, the area thus burdened will be closed with the expediency concomitant to the increased annoyance of the inhabitants
- if the social acceptance level falls below a certain point of no return, even the outsourcing of the crucial noise will fall short of the desired result:

the creation of a viable environment for man! In these given cases earth is in the balance or rather imbalance both economically and ecologically. A brief checking of the evening news will indeed corroborate the fact that we are globally as well as nationally and locally steering fast and seemingly irreversibly onto the rock of that “imbalance”. If on the other hand this empirical circulus vitiosus can be reversed and turned into an aural as well as overall socio-economic circulus virtuosus the day could yet be saved!

ECOLOGICAL ECONOMY AND ITS SUPPORTERS

It may well be those reasons that put eminent statesmen such as Woodrow Wilson, Winston Churchill, Sun Yat-Zen, and Theodore as well as Franklin Delano Roosevelt firmly on the side of Georgist reform. It may well have been what outstanding thinkers and scientists like Tolstoy, Einstein, Huxley, Bernard Shaw, John Dewey, and Helen Keller had in mind when they overtly endorsed his teaching. And it may well be the teachings of John Locke, Herbert Spencer, Thomas Paine, as well as Thomas Jefferson, and Abraham Lincoln that find their practical culmination and economic completion in Henry George’s Ecological and Noise Protection Tax Plan.

A BRIEF SUMMARY OF THE SYSTEM

It is a surprising fact that George's economic-ecological analysis is firmly rooted in the neoclassical thought of the economists Adam Smith, David Ricardo, and John Stuart Mill, even Marx as long as he places himself in the same tradition and does not deviate from it. Thus there are three main factors of production: Land, labor, and capital. Of those, fully in line with classical and neoclassical thought, George accords only to labor the capability to create economic value. The other two are contributing but not "productive" factors in the original sense of the word. Human exertion is thus the original source of value. Given that all human life becomes hence worth living to the degree to which each member of society is granted access to the creation of wealth. In George's view - and here he is both superceding neoclassical thought as well as grounding it and bringing it back to its empirical basis, bringing it "down-to-earth" so to speak - there is no contradistinction between capital and labor. Capital as productive, not financial capital is nothing but accrued or "stored" labor, the economic effort of a given productive group or generation of yesteryear measurable quite tangibly in stock and inventory of the productive outlet in question. Thus as long as the "capitalist" or entrepreneur is working he is not distinct from the worker or laborer. They both find themselves on the side of production, nay, they are veritable and genuine producers! They are the ones who are creating economic value. There is no reason in George's analysis why these producers should even be deprived of one iota of their productive gain by way of taxes. They were earning it in the sweat of their brow and hence it is fully theirs. But how can any society finance its necessary and indispensable infrastructure if no profits or incomes or proceeds are taxed at all?

THE PARAMOUNT IMPORTANCE OF NATURAL RESOURCES

At this point comes George's both astoundingly simple as well as with regards to most conventional economists revolutionary concept of land. Land cannot be produced that is it is solely and wholly a product of nature, and George subsumes all natural resources under this generic term. "Land" or natural resources, like the air we breathe or the ocean we may swim in or the ground we walk on is or should be consequently free of cost and should be within the limits of rightfully titled ownership be accessible to all. Land value is a function of density of population. It is nothing that the landowner per se is causing through any of his actions. Thus "land" should be fully taxed with a 5 % rebate to the owner to establish the title and establish him as a caretaker of his property. Through this full or "Single Tax" on natural resources economically detrimental land speculation as well as monopolies of natural resources - about which most wars in the ultimate analysis are fought - are definitively precluded. Cultivation of land, erection of buildings, farming as well as any kind of productive activity shall go tax-free as this creates economic value while land monopoly hinders it.

ECO TAX AND NOISE TAX

As air is the main medium to transmit sound automatically - be it classified as noise annoyance or not - it would be fully taxed under George's system. A "noise tax" would need to be echeloned in accordance of the perpetration of unwanted sounds in the common sound space. Zoning and the different areas of noise origin: air - road - rail - industry - construction - leisure activities etc. would have to be evaluated and dealt with respectively. Thus the Georgist Eco Tax and Noise tax would not be another tax burden added to the many burdens we all as economic subjects are already carrying it would be in accordance to the famous words of Woodrow Wilson the "tax to end all taxes" and redress the balance of the earth, it would in turn boost the desired soundscapes with tax breaks.

REFERENCES

References can be obtained under the above email.

