

TWENTY YEARS OF LVT WISDOM

* Susan L. Roakes and Harvey M. Jacobs (1988), *Land Value Taxation And Urban Land Use Planning: An Annotated Bibliography*, No. 216, available from the Council of Planning Librarians, 1313 East 60th St., Chicago, ILL. 60637.

A BALANCED introduction to the literature published since 1970 on the subject of land value taxation (LVT) is now available.*

The bibliography concentrates on the physical impact of this fiscal policy, but the authors offer a considered review of both the economic and social effects to be expected from a change in the tax structure.

The *theory* strongly favours LVT and the authors note that "recent trends in public opinion indicate support for LVT." But they fairly acknowledge that the empirical evidence in support of the policy is mixed. There are several reasons for this, not least the shortage of fiscal jurisdictions that have implemented the policy.

But even where the policy is in action - in places like New Zealand and Australia - studies often produce ambiguous verdicts. There may be good reasons for this. For example, authors Roakes and Jacobs fail to point out that the conclusions are derived from jurisdictions where the tax rates are very low indeed; there would be fewer ambiguities if the rent of land was taxed at rates similar to those that apply, say, to the wages of electricians and bricklayers.

The compilers of this bibliography are urban planners; even so, their summary of the economic virtues of LVT is an admirable one. The beneficial impact on the construction industry is analysed, providing researchers with clues as to where to look for further evidence.

The discussion on the adequacy of rent as a revenue base is not satisfying, but that is to be expected; after all, many of the most ardent advocates of LVT have failed to develop their case much beyond the original analysis in Henry George's *Progress And Poverty*.

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duction costs; and it would be useless to expect them to pay more.

Unfortunately, George's proposals have so far been applied only locally and in part. They have, however, had the interesting results of bringing more land into use, spreading its ownership, and increasing general wellbeing to some extent, all without further state action.

The same degree of success can hardly be claimed by the advocates of Marxist socialism, advanced originally as the only way to achieve economic justice, and given full scope for its application. Its weaknesses are now being amply demonstrated.

THE SECOND general plan of action, that of ignoring the basic injustice that causes gross inequality in the distribution of wealth, and instead concentrating on the mitigation of its effects, reached its culminating point in the welfare system constructed by the British labour government of 1945 on the model of the Beveridge Report, and now being steadily demolished by a conservative one.

It is in the context of all these theories and events that Ruth Lister's book, one of a series of publications of the Child Poverty Action Group, needs to be considered.

She is propounding the comparatively new idea, contrasting strongly with previous ones, that economic justice consists, not in securing to each man what is properly his, according to Plato and George, not yet in securing to all an equal right to access to natural resources, according to George, but in a universal right to welfare benefits, untrammelled by the means test.

Welfare benefits, according to Ruth Lister, should be for all, without exception. Nor is she

alone in this opinion; for her text is supported by no fewer than 251 references and quotations - an average of 3.7 to a page.

What she and most of her quoted authors are advocating is in fact a remodelling, more fitted to the refinements of modern civilised life, of Gaius Gracchus' institutionalised distributions of corn.

But, whereas he acted with the ulterior motive of attracting to his own movement the proletarian hangers-on of the aristocracy, in the hope that they would pack the *comitia* and maintain what he thought would be a permanently beneficent land reform, Ruth Lister and those of like mind are thinking of their measure as in itself permanently beneficent.

There can be no doubt on this score. Such statements recur as:

But housing, food and health are not gifts or benefactions. They are the first rights to be claimed by every citizen in civilised societies.

Or: It is perhaps a testimony to the strength and resilience of the citizenship ideal that, despite its imperfect incarnation in the post-war welfare state and its gradual demise as a principle guiding social policy, it is now acting as an inspiration once more to those who want to rebuild the welfare state on the foundations of justice and democratic participation.

It must be that the welfare itself constitutes the justice; for no other interpretation is even hinted at.

The linking of citizenship with welfare is elaborated in this way. Citizenship implies a right to welfare; and its duties may be impossible of fulfilment for those not provided with it.

Democratic participation in the welfare state may be extended by claimants' being allowed to share in the administration of the benefit system, and par-