

# Middle Class Welfariat

A prosperous, entrepreneurial, liberal middle class, thrifty but risk-taking, supportive of honest but limited government and suspicious of the established order, has been the foundation of Western, capitalist, civilised society. Unfortunately, in our lifetimes, the British middle class has fragmented. Only a decreasing part now fits that description. The rest has joined, become, the establishment, a middle class "welfariat".

To the civil servants and local government clerks, one must add all those others who are dependent on the state - those in quangoes; in nationalised industries; in undertakings reliant on state patronage, state subsidy, or the state as a sole or prime purchaser. The list includes many among the legal and medical professions, the teachers, lecturers, performers, 'farmers', and the sophisticated welfare scroungers (literate, miss nothing - how unlike the real poor).

They are afraid of freedom, of standing on their own feet, of the rolling back of the state. To them, Lady Thatcher's rhetoric sounded an increasing threat, and she had to go. It was all acceptable so long as only workmen in overalls were being laid off, but going beyond talk and actually laying a finger on middle class white collar office workers was a step too far - and that was even before the slump!

The new, dependent middle class thought it had comfort and security. Underlying timidity, and "what I have, I hold", surfaced at the first sign of trouble. Life for most people has been getting better more or less uninterrupted since 1945. Why risk it? Why experiment? There is also envy. "It isn't fair!" has become the great middle class whinge. A generation of snivellers has been brought up to worship differentials. Such people would rather not be better off themselves than see their neighbour better off still.

That arguments can be advanced in mitigation, is interesting but no more than that. What matters is that those of us who want to see changes in the way our country is run, be clear where we are starting from. Unhappily, we have to accept that while the ethical case for the collection of the economic rent of land remains the paramount justification of land value taxation, few middle class voters are likely to be interested. They want to know what is in it for them, and they will want to hang on to their privileges much more tenaciously than any trade unionist to his "Spanish customs". Noses will be readily cut off to spite faces. This is gloomy, but it is far from

hopeless. State paternalism comes at a price, and that price will be rising, no matter which party holds office. State action is erratic, unreliable, unpredictable, unprincipled, "not fair!" The obstacles to a radical programme are not so overwhelming as they at first seem.

Those standing to gain from LVT are immensely more numerous than those who might be losers, and in a democracy it should be possible to prevail within a generation of serious trying. Politicians are (for the most part!) undeniably capable of the necessary cerebral effort to acquire an understanding of LVT, but they have much else to do which requires urgent attention, and in practice they live off their intellectual capital, and never have the opportunity to acquire anything after they enter the legislature which they did not have before election to it, except the ability to cope with administrative detail.

Yet politicians are in the business of holding on to their seats and of acquiring and holding office, and this requires quick and visible results. Once they are persuaded there is a case, whether from conviction or desperation, they will move fast.

Here lies the opportunity. *Costing the Earth* has shown that there is serious money to be

had from land values. LVT supporters must demonstrate that it is possible to raise revenue and do a great deal of good at one and the same time - but not with half measures!

I do not believe there is an elaborate, deep-rooted conspiracy by big landowning individuals and companies (not in modern, advanced, Western nations, anyway). They get away with it because economics as generally taught is confoundedly sloppy, and because no one has yet mobilised a vested interest against them. Two such come readily to mind. Businesses which have enormous investments in capital and little in land are obvious targets - petroleum and chemicals, for example (oil and gas producers already pay royalties, a rough-and-ready form of LVT). At the other extreme, farmers on marginal land (crofters and the like) look clear winners from LVT.

To cap it all, anyone who pays any form of tax on earnings, savings, goods, or services, has a vested interest in seeing land rent collected and used for government expenditure instead. Even Mr. and Mrs. Suburban-Nimby can be persuaded to part with the land value of "The Acacias" to receive a share of the Square Mile and the rest, if all their taxes are slashed too.

## Putting the Land Question back in politics

LEWIS LITTLE