

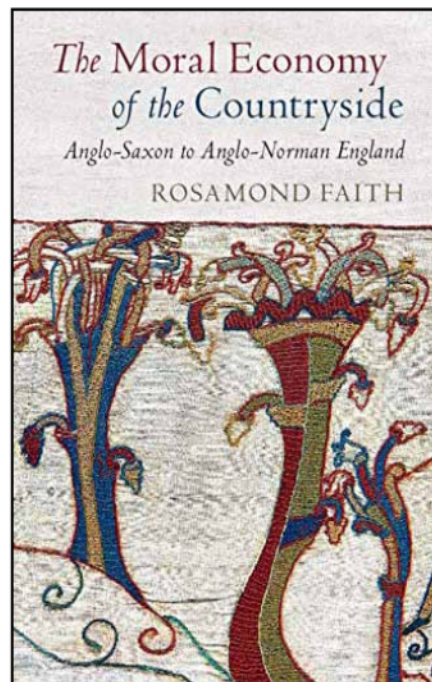
with minimum disturbance to current tax arrangements. For this reason it will be better to start with the modification of existing taxes, with development into a full land value levy to follow in due course. A report by the Wealth Tax Commission suggests only a one-off tax (albeit in five annual instalments), but this is because it recommends a tax on all assets, which would make valuation more difficult. However, it does suggest that if an annual tax is instituted, it could be by a modified Council Tax.

Council Tax is the nearest to a levy on land values that is immediately available. Unfortunately it is unjustifiably regarded as having fatal flaws. The general opinion is that not only is it based on out of date property values, it is also extremely regressive because the tax payable on the most valuable properties is only three times as much as the tax payable on those with the lowest value. But these actual or apparent flaws are either not significant or can be easily remedied. The real objection to Council Tax is to the way in which it is calculated at present. Although it is usually described as being based on the banded property values, it is not based directly on the band values at all. There is a superimposed arithmetical computation of the tax payable, based on varying ninths of the band D assessment. The lowest band is assessed at six ninths of the band D charge and the highest band is assessed at eighteen ninths of the band D charge. It is this superimposed calculation that limits the maximum payable to three times the minimum. This is extremely regressive but it can be easily corrected by scrapping the superimposed calculation and using the gradation of the band values instead. The result of this correction will be to increase the maximum payable to about ten times the minimum, with proportionate increases on intervening bands. The tax will then be far more closely aligned to the variation in land values.

The broader problem of out-of-date land values is due to a misunderstanding. Houses generally remain in the same bands and this means that the band value figures will have increased in line with the increase in house prices. Assuming that all house prices have increased at the same rate, the present band values must be at least four times those in 1991. The report of the Wealth Tax Commission suggests that the starting value of the top band, presently only £320,000 is now about £1.5 million, a far more realistic figure. Admittedly, some values, particularly those in the London area, have risen more and band values can be only an interim substitute for individual land values, but bearing in mind the proposed gradual introduction and increase with the sharper increases applicable to higher priced houses, the gradation of the levy by band values, provided that it is charged at a national rate, is justifiable. It will permit an immediate start to the urgent need for additional government revenue and provide time for a revaluation of residential land and a full land location value levy in due course.

Additional revenue can also be provided by reducing and ultimately withdrawing the reliefs given for the value of homes for Capital Gains Tax and Inheritance Tax. This can be justified as a partial recovery of the already captured land value described above.

By refreshing and deepening the vision in this way, Georgism will show how it can begin to correct the fundamental error in economic thinking with its deplorable effects, and bring true economics with justice and natural harmony in the world, the truth that has been obscured since George wrote in 1879. 📖



**THE MORAL ECONOMY OF THE COUNTRYSIDE
ANGLO-SAXON TO ANGLO-NORMAN ENGLAND
BY ROSAMOND FAITH**

Reviewed by Edward Barnett

Cambridge University Press, 2019
ISBN: 978-1108487320

I remember receiving a history book as a present when I was around 8 or 9 years old. It was an illustrated history of England from 1066 and I loved it. It did however, leave me with the impression for a good few years that history began in 1066 and the preceding years were not worth considering – it would be in the book if they were after all. Or so I thought.

In her great work *The Moral Economy of the Countryside*, Rosamond Faith puts this misapprehension to rest. She shows us a rich and important history of England in the pre-conquest years, through the careful examination of ordinary life for ordinary people.

'Moral Economy' is a term that has a good pedigree but has become a less common term in recent years. E. P. Thompson popularised the term, which highlighted the hastening gap between moral and economic issues. The corn riots in 1700s Thompson argued, were caused by a tension between a fast-changing peasantry who required a fair price set against surplus sales of landowners with substantial produce. In the 1970s the anthropologist James C. Scott made waves with his work on "The Moral Economy of Peasantry: Rebellion and Subsistence in South East Asia."

Faith references both in the introduction and clarifies by Moral Economy, she is concerned with a seeming paradox:

"The households of the powerful were fed by the labour of the households of the less powerful, the peasantry. Yet appropriation of a precious asset, peasant labour... is surprisingly difficult to explain. It did not result from and was not sustained by a shortage of the basis of any peasant labour: land."

In essence, she examines the 'Moral Economy' of a system that rests on the seeming exploitation of land working peasants by social elites. It is in the comparison between the pre-Conquest society and the later, more overtly feudal system, that much of the book is dedicated.

Faith demonstrates with great clearness that pre-Conquest society depended upon an "invisible network of obligations" which was often based on custom and little in the way of coercion. She goes on to confirm that "Peasants in Anglo-Saxon England, as far as the law was concerned, were free people". Which stands in stark contrast to the later, feudal system, which stripped individual families of direct rights to the land and became to all intents and purposes, tenants.

The book is not written with a pure focus on the land, but rather the common experience of the average person of the time. It just so happens that that question can only be answered through reference to the land – the common treasury all depended upon. It is the gradual erosion of those rights Faith points out that created the impression for later peasants, that a Golden Age had been lost.

For those with an interest in the land this book is essential reading, as it shows an economy based on shared benefit of the land requires consent and buy-in. Faith skilfully charts the problems that occur when land ownership is restricted or stripped from those who once had it. We might do well to consider our own moral economy today. 📖

BOOKS WORTH READING

The 2020 publication *Understanding Affordability: The Economics of Housing Markets* by Geoffrey Meen and Christine Whitehead provides a broader analysis of the UK housing market that covers both the demand-side and supply-side of the problem - including the modern historical context. A particular focus is on the crucial role of planning in the housing market. The book also provides policy suggestions and recommendations, including property tax solutions (which the authors find politically unrealistic). The book provides well-written insight into the mainstream econ-thinking surrounding housing in the United Kingdom - and does manage to highlight behavioural factors; particularly the importance of housing (in the broadest of terms) as a "positional good". 📖



HGF BRIEFING NOTES

FRIDAY MEETINGS AT MANDEVILLE PLACE

As we briskly move towards summer time in the UK our Friday study groups at Mandeville Place continue with the themes from the Spring Term.

The Summer Term Programme begins the 7th of May and spans consecutive Fridays until the 23rd of July. Half Term being the 4th of June.

The Afternoon Study Group is led by Tommas Graves. The timeslot remains the same, from 2:30 P.M. to 4:00 P.M.

The work in focus is *Progress and Poverty* - continued from spring - and may be joined via Zoom:

Meeting ID: 838 8066 6680

Passcode: 544247

Correspondingly, the Evening Study Group is led by David Triggs, with the evening timeslot being from 6:45 P.M. to 8:15 P.M.

Here the work in focus is *The Science of Political Economy* - also continued from spring - and may be joined via Zoom as well:

Meeting ID: 879 4440 8537

Passcode: 603155

The meetings have been moved online to ensure the health and safety of everyone involved. Donations continue to be welcome. Admission is, of course, free.

THE ANNOTATED WORKS OF HENRY GEORGE

The Annotated Works of Henry George IV (Vol. 4) has just recently been published by Fairleigh Dickinson University Press. The volume is edited by Francis K. Peddle and William S. Pierce and arrived in physical and, primarily, virtual book-stores this March.

The decidedly relevant *Protection or Free Trade*, first published in 1886 is the subject matter in this fourth volume. As pertinent as ever with modern nation states - near and far - turning towards unmistakably protectionist policy solutions.

For those interested this new volume can be ordered via the following ISBN-13 number: 978-1683931973. The Henry George Foundation of Great Britain proudly part-funds each published volume of *The Annotated Works of Henry George* series. 📖