

Food, Our Land' may be disappointed not to find in it any advocacy of land value taxation. Do not be deceived, however. Sir Richard is actually a land value taxer by another name. Having conclusively shown that all this aid only inflates land values, he recommends that it be drastically curbed.

Such a withdrawal of aid would effectively be a land value tax — and it is much more likely to be implemented, simply because it would never be referred to as a land value tax. In fact, the true rental value of agricultural land (disregarding all the aid) is very low.

A land value tax — one based on value, not area — would bear only very lightly on agricultural land, and much more heavily on under-used city and suburban sites. (This is at least part of the answer to Sir Richard's dilemma.)

In the end, however, this book is a little disappointing. The analysis of the problems is brilliant and incisive. It is far from empty rhetoric. However, the proposed solutions, which sensibly include a major restructuring of the Governmental departments, do not seem to go far enough and are unlikely to fire the reader into action. (Somehow, I just cannot see Sir Richard heading marches of the angry British public on Ten Downing Street demanding free trade and land value taxation). But, if politics is the art of the possible, Sir Richard is certainly a politician. His solutions are sensible and practical and they deserve to be taken seriously by all of us.

Sir Richard's is a lone voice. He needs our support; farmers and agribusinessmen do not. It is as simple as that.

Very unnatural to forget the non-polluters!

A NEW BOOK has just been published called *Costing The Earth* — for the second time in two years!

First time round, the book was edited by Ronald Banks and published by Shephard-Walwyn in collaboration with the London-based Centre for Incentive Taxation.

This volume was the work of a team of economists who estimated the annual rental value of Britain's land and natural resources — and recommended a tax on rent as the most effective strategy for conserving the environment.

The book was read by Francis Cairncross, the Environment Editor of the world-renowned news magazine, *The Economist*.

She decided to write a book, called — you guessed it, *Costing The Earth*. This has been published by Business Books at £16.99, a hefty price but worthwhile for the mass of statistical data and her analysis of ecological problems and how they might be resolved by governments and the market.

Ms Cairncross adopts the key principle of the inspirational *Costing The Earth*. She argues it would make more sense to switch taxes away from the incomes generated by labour and capital.

Governments, she



• Francis Cairncross



• Ronald Banks using the value of natural resources — such as the rivers and skies, into which they dump their waste.

But she fails to generalise her argument to encompass all users of natural resources, including those who are non-polluters. This is not an error displayed in *Costing The Earth* Mark I.

Adam Smith spelt out the terminology for this policy long ago, and it boils down to paying rent for the use of a natural resource.

In the limited case identified by Ms Cairncross, we are talking about the great "commons" that have yet to be effectively privatised.

But fear not. Shephard-Walwyn is about to publish a book called *Commons Without Tragedy*, edited by Prof. R.V. Andelson.

Hopefully, Ms. Cairncross will read that — and follow up *Costing The Earth* with her own *Commons Without Tragedy!*

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advocates, ought to raise more revenue by taxing polluters:

"To raise more revenue from such taxes, and less from taxing income and capital, would be a far-sighted thing for a government to do. Most taxes are levied on things that are good for an economy. Governments get revenue at the expense of some economic welfare.

"Because income is taxed, people work a bit less hard than they otherwise might do; because capital is taxed, they have an incentive to save and to invest less than they otherwise might."

Ms Cairncross creates the risk of semantic muddle, when she focusses the alternative fiscal strategy in terms of taxing polluters.

What she is (correctly) implying is this. Polluters ought to pay for the privilege of