

BOOK REVIEW

THE PRICE OF LAND

*A Harvest of Discontent:
The Land Question in South Africa*
Michael de Klerk (editor)
IDASA: Cape Town

SOUTH Africa's future turns on how the warring factions finally resolve the land question, writes Peter Poole. Fortunately, the country has one of the best land-taxing systems in the world. This opens up an option - sharing the nation's rental income through government expenditure - that was not available to any of the other African countries in their post-colonial phase of development.

The wealth of fiscal information enables economists to calculate how much income could be raised from the efficient use of natural resources, and then disbursed on the basis of equal shares.

One estimate is contained in the final chapter by the editor of this useful collection of essays. De Klerk, a senior lecturer in the School of Economics at the University of Cape Town, suggests that one alternative to land nationalisation was the socialisation of rental income.

He reports that this would be achieved with a tax of 4% or 5% per annum on the value of land. "As a percentage of net profit, this would be substantial - about 25% on average, enough to shift many farmers into the sub-marginal bracket."

It is not clear why de Klerk ignores the rental income of urban land.

But he correctly notes that "A major advantage of land taxes is that they ought not to have a negative effect on output" - thereby avoiding the fate that has befallen many other African countries, whose land reforms impaired production without alleviating the demand for plots of land.

PAUL KNIGHT

NEW BOOKS

Now the Synthesis Capitalism, Socialism & the New Social Contract

Richard Noyes (editor)



The collapse of communism provides an opportunity to reappraise our economic thinking. The authors suggest that capitalism and communism are the thesis and antithesis of a philosophical dialectic of which the ideas of American social reformer Henry George are the synthesis.

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Commons Without Tragedy

R.V. Andelson
(editor)



An international group of scholars examines the impact of population on the economy and environment, arguing for a reappraisal of property rights to ensure that

- * the entrepreneur is adequately rewarded for opening up the last commons (oceans and space);
- * everyone shares in the greater prosperity; and
- * the environment is protected for future generations.

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