#### Research summaries edited by Katharine Deighton

#### Two-rate property tax effects on land development.

Anderson, J.E.
JOURNAL OF REAL ESTATE
FINANCE AND ECONOMICS (1999)
Vol. 18 (2) pp 181-190

The author combines findings from two sources. The first is a model of housing development timing and structural density, and the second is a modern model of graded property taxes in urban settings. These are brought together to examine the effects on a community's movements when the tax system is changed from a property tax to a two-rate tax system in which land is taxed more that structures. As it has been long known that conventional property taxes constrain the size of housing stock, the ways in which use of a site value tax can increase the density and speed of development are investigated, with consequent implications for policy.

## Land rents and ecological crisis: The case of the Oder River Valley.

Backhaus, J.G.

AMERICAN JOURNAL OF ECONOMICS AND SOCIOLOGY (1999) Vol. 58 (2) pp 193-196

The River Oder forms part of the border between Germany and Poland. In 1997, there was widespread and damaging flooding in Poland, the Czech Republic and Romania, whilst Germany prevented its own dykes from bursting. In October of the same year, the Nobel Prize for economics was awarded to M. Scholes and R. Merton for work on options pricing in financial markets. This work combined with the philosophy of Henry George leads the author to suggest a prevention for events like the Oder Valley disaster.

## Henry George and Europe – Early efforts to organise Germany land reformers failed, but the pioneers won a national demonstration.

Silagi, M.

AMERICAN JOURNAL OF ECONOMICS AND SOCIOLOGY (1993) Vol. 52 (1) pp 119-127

The article details the early attempts to introduce land reform in Germany. It starts in 1885 with industrialist Michael Flurscheim, trying to organise a society, with just 20 other people. From these, two journalists founded the Land League. This lasted only two years but was succeeded by "The All Weal Union" founded by A.T. Stamm. However, this too had little success, and it was Flurscheim's renewed efforts which brought about the "German Union for Land Ownership Reform", this time with 600 members. Although described as a 'small sect' by the imperial government, it did persuade both government and navy to try land reform in Kiaochow, China for 16 years and so end land speculation there.

#### Pauperism and poverty: Henry George, William Graham Sumner, and the ideological origins of modern American social science.

Sklansky, J.

JOURNAL OF THE HISTORY OF THE BEHAVIOURAL SCIENCES (1999) Vol. 35 (2) pp.111-138

The article looks at Henry George's critique of private land ownership and labour rights in *Progress and Poverty* and William Graham Sumner's defence of the rights of capital. By investigating the way in which these key figures in American social science responded to increased economic inequalities by moving away from classical political economy, in the direction of social psychology, the author relates the changes of industrial capitalism with the growth of modern social science.

# HOW poverty may be eliminated has been known for 120 years. For more than 50 of them I have been convinced of the primacy of Henry George's "First Great Reform". Until the life-enhancing "People's Revenue" begins to flow into the public treasury for the equal good of all, every kind of social, economic and political maladjustment will continue.

In Britain only an Act of Parliament can activate the benign process. Encouraging moves in the first half of the 20th century were frustrated. Reformers know that their cause is just and are persuaded that ultimately it must prevail.

But now a further obstacle blocks the path. Not only must ignorance, indifference and powerful vested interests be overcome, the sovereignty and independence of Parliament itself must first be restored. It has been emasculated by membership of the European Union. Increasingly laws are made in Brussels and rubber stamped in Westminster. The way that Chancellor Brown was able only

### IN MY VIEW

#### 'Europe blocks the road to justice'



Peter Stubbings, a former editor of Land & Liberty, calls for a withdrawal from the EU

to reduce but not repeal VAT on fuel illustrates who has the whip hand in taxation matters. In opposition the Labour Party had represented the tax as the greatest iniquity; in office no one on the Labour benches pointed out that the iniquitous VAT is a BAT (Brussels Added Tax).

Moves to "harmonise" taxes across the EU's fiefdom are the writing on the wall. Step by step a federal "country called Europe" is being built with all the appurtenances of a sovereign state. As it grows, the powers of its member nations are reduced. Tens of millions of continentals oppose these developments but

are powerless to halt or reverse the onward rush of this corrupt and corrupting, undemocratic, bureaucratic protectionist tyranny.

It is still possible, however, for the UK to cancel its membership. Diverse benefits would ensue. Perhaps the greatest gain would be the restoration of the sovereign independence of Parliament. That would leave the field open to pursue the goal of placing land value taxation legislation on the Statute Books. It is either that or Georgists might as well pack their tents.

Only the UK Independence Party (UKIP) stands for British withdrawal from the Although new and still small, it is growing rapidly and, in last June's elections for the pathetic European Parliament, so-called, it attracted 700,000 votes. UKIP is a moderate, non-racist, nonsectarian party: patriotic but not nationalistic. Many members previously belonged to or supported one or other of the main parties; others have eschewed political affiliation. State welfarists and liberal free economists are comrades in this second Battle of (for) Britain. The party has a broadly libertarian ethos and is committed to what it calls "global free trade". (Personally I am always a little suspicious of the adjectival qualification of "free trade" but believe "global" may be innocu-

An influx of Georgists could influence the policy and future direction of the party much as our forebears influenced the then Liberal Party in the early 1900s. Membership details can be had from party HQ at PO Box 1714, Salisbury, SP1 2UQ.