

The times get stranger. I received an email yesterday from Vince Cable asking me to campaign for fairer taxes and to sign an on-line petition for his pet project, the Mansion Tax, now suggested for properties valued at £2 million or more. Cable claims it is impossible to avoid. I could think of a couple of ways off the top of my head. I am sure a lot of people could think of more if they put their minds to it. The odd things are that this idea was knocked down on practical grounds almost as soon as it was put forward, which must be getting on for two years ago, and that Cable knows about LVT - he is, after all, a patron of ALTER, the LibDem group which exists to promote LVT within the party.

Today there is an article in the Guardian, [mce_href="http://www.guardian.co.uk/commentisfree/2012/oct/15/american-british-workers-fight-fairer-economic-system"](http://www.guardian.co.uk/commentisfree/2012/oct/15/american-british-workers-fight-fairer-economic-system) [href="http://www.guardian.co.uk/commentisfree/2012/oct/15/american-british-workers-fight-fairer-economic-system"](http://www.guardian.co.uk/commentisfree/2012/oct/15/american-british-workers-fight-fairer-economic-system) "How American and British workers can fight for a fairer economic system" referring to a campaign originating in the US, called [mce_href="http://www.prosperityforamerica.org/"](http://www.prosperityforamerica.org/) [href="http://www.prosperityforamerica.org/"](http://www.prosperityforamerica.org/) Prosperity for All and again asking people to sign an on-line petition. The campaign web site explains that "The largest labor, community and advocacy groups in the country agree that prosperity economics is the best way to rebuild and restore America." What is actually being proposed and who is proposing it? The strategy is set out in a document with the title, "Prosperity Economics: Building an Economy for All", described as "a bold new paper by Professor Jacob Hacker and Nathaniel Loewentheil of Yale University that provides a comprehensive blueprint to grow our nation's economy, strengthen our economic security, and rescue our democracy from powerful special interests." What these professors are proposing is growth, but, it assures us, not just ordinary growth but, "Dynamic, innovation-led growth, grounded in job creation, public investment and broad opportunity". It asserts that "We must take immediate action to jumpstart our sagging economy. In the future, we need to invest in people and productivity that will lead to good jobs and rising wages. Growth alone is not sufficient to sustain our nation. We need long-term growth that is broadly enjoyed, sustainable in light of our resource and energy constraints and driven by investments in our workforce and strong collective bargaining rules that raise our standard of living." It is the same old stuff, then. There is nothing of substance and it is grounded on the hoary old illusion of Job Creationism. But even if this growth were to happen, rentiers would still suck up the lions' share of the extra wealth produced, and government would take much of the rest in tax, leaving the mass of workers hardly better off.

As we constantly attempt to remind our readers, a key ingredient to a fair economic system is the general replacement of present taxes on wages, goods and services, by an ad valorem tax on the annual rental value of land. I can understand that there are people with vested interests in opposing this, but those who are actually in favour of a fairer economic system should be putting it at the top of their list of proposals for change. That they are not doing so suggests that they are either incompetent or not serious about wanting the change they claim to hanker after. But then the bad tradesman who never fixes the fault always has a steady flow of work, at least until his customers realise what he is playing at. With professional "economists", university professors and the like, it seems that there is still a way to go before that stage is reached.

Incompetence of a more dangerous kind seems to lie behind suggestions for cancellation (restructuring) of part of the government debt that has been acquired by the central banks as a consequence of quantitative easing. Adair

Turner, the Chairman of the UK Financial Services Agency, and reportedly a candidate to become the next Governor of the Bank of England, made a speech last week that said more unorthodox options, including further integration of different aspects of policy, might need to be considered. The subject is discussed in [this FT article](http://blogs.ft.com/gavyndavies/2012/10/14/will-central-banks-cancel-government-debt/#axzz29SCVsqWe). The pressure for doing so arises because tax systems are insufficiently robust to raise the necessary revenue to pay for government expenses. Governments should of course cut their coats according to their cloth, but as we have argued constantly and consistently, contemporary tax systems are toxic and saddle governments with massive bills for containing the damage they do to their countries' economies.