

## Land Value Taxation

### KENNETH JUPP



**W**HAT? Another tax! Aren't we taxed enough already? And on land too! But it will kill the farmers! And who is to do the valuations? There are too many expensive bureaucrats already. L.V.T. can only make things worse. Thus the man in the pub, misunderstanding the whole concept, and the three words - Land, Value, and Taxation.

Try again at the college high table, or the bench table of an Inn of Court. That's the old Henry George thing isn't it? Schedule 'A'. One of the few good things Mrs Thatcher did was to get rid of that. I've always put my savings into bricks and mortar. Our London house and country cottage have increased in value nicely over the years. It'll be something to leave to our children. L.V.T. wouldn't affect me much except for the cottage, where we do have a bit of land. You say it's only the land under the building that is to be taxed? But that's ridiculous! You can't cut up Realty like that. In any case, the tax wouldn't bring in very much. It's the bricks and mortar that count.

The truth is that L.V.T. is not selling nowadays.

Land to most people means rural land. Separating real estate into land and building, is foreign to the English language, and to our law over many centuries (*quicquid solo pantatur solo accedit*). Very few appreciate the huge value of land under buildings.

Value suggests a lump sum or price. No-one would associate it with an annual payment. The general perception that it is extremely difficult to value land without the building, although completely false, is widespread, extending even to a Canadian property assessor (valuer) of my acquaintance!

Taxation - hateful word. Tax inspectors, tax collectors, and those who evade, or avoid tax, together with their highly paid consultants are not popular. Saatchi & Saatchi would advise a new brand name. We should promote the philosophy that taxation needs to be drastically reduced by finding an alternative revenue for the fiscal needs of government, without mentioning 'L.V.T.' until someone can think of a better title.

To make sense of L.V.T. 'land' has to mean the whole material universe outside of man himself (*Progress and Poverty* Bk I chap. 2). It has to cover air space, which is humming with traffic urgently needing flight paths,

radio frequencies, for which competing mobile-phone companies are paying huge sums of money; and outer space, which, when used to reflect radio waves from spacecraft, is now part of 'land'. The man in the pub will never understand that these are 'land'. The dictionary will persuade the professor that it is absurd, for he will not find that meaning of land listed in the Shorter Oxford Dictionary. Confusion is worse confounded by many economists insisting that the quantity of 'land' is fixed and cannot be increased. In fact the amount of 'land' in this special sense has constantly expanded in line with mankind's increasing knowledge of the uses to which the earth's resources can be put. The simple food-gatherer could only use those few areas of the planet where the spontaneous produce of the soil was enough to clothe and feed him all the year round. Today Mankind uses a vastly extended area of the earth's surface for agriculture, a large variety of underground minerals for industry, the air for travel, and cyberspace for communication. Where appropriated as private property, all these (most notably oil) have given rise to a crop of millionaires.

**W**e need to broaden our outlook. The Creator has given the planet earth to mankind as their common property. It is their dwelling place, and all its resources under, on, and above ground, including cyberspace, are the material for their labour. Incapable of common use, and too diverse to allow of specific division, these resources have to be assigned to individuals to use. But those who have control of them should pay rent to the rest of the community for the benefits they are privileged to monopolise.

The resources of the planet are of no value until their uses are discovered and people find a need for them. This happens with the increase of population, and the elaboration of industry, and is accompanied by the growth of the State and of its need for revenue. The two go together. Thus as Henry George pointed out, the value of these resources is provided by divine foresight to meet the financial needs of communities. If a revolution in spiritual outlook is required before that can be accepted, we could, for the present at least, say that the planet's resources are what Nature has provided as public revenue.

## UK City Investigates Two-rate Towns

LIVERPOOL City Council Finance Director Phil Halsall is to recommend that a senior officer of this English sea-port city should tour Pennsylvania's "Split-Rate Cities" to look at how a site-value rate could be adopted. The Study Tour in March 2001 is being organised for British property tax experts jointly by the Henry George Foundations of America and Great Britain.

Josh Vincent of the Henry George Foundation of America and Tony Vickers of the Henry George Foundation of Great Britain visited Liverpool to offer assistance following the City's vote in June to request the British Government to allow it to introduce SVR "as a matter of urgency" to help tackle severe urban dereliction.

Executive Member of the City Council Chris Newby is in charge of a project to turn Liverpool from a sea-port into an 'e-port' for electronic business. "We see the modernisation of our property tax as being a key part of modernising the city for an electronic age", he said.

As L&L went to press, Liverpool's leaders were waiting for a UK Government announcement on fiscal measures to aid urban renewal. Among the measures that had been recommended to Ministers in a report last year was a Vacant Land Tax, which could require a national land valuation starting in inner cities.

## Ostracised by the Press

META HELLER'S quest for nomination as the Democrat candidate for Governor in the State of Washington was thwarted by the refusal of the media to cover her campaign.

Ms. Heller circulated three million registered voters with the Voters' Pamphlet in which she advocated the Georgist land tax cause. But, she reports, few people read the pamphlet.

"My problem was that the Associated Press had decided they were not going to write about me. As a result, the other newspapers in the state failed to report on my speeches. They said that they would wait to see what the AP wrote about me. So much for promoting tax reform ideas along Georgist lines. I finally got the message - if the AP won't write about you, most of the newspapers in the state - about 18 dailies - won't either".



■ Ostracised: Meta Heller