

LAND & LIBERTY

The Making Of
An Assassin - P.70

WHILE the politicians search for wondrous macro-economic solutions to the global recession, the obvious remedy goes unrecognised.

People have both the ingenuity and access to cash to start up new businesses. Short-term profits would not be large, but they would be creating wealth, earning their own living.

What prevents them from rolling up their sleeves and getting on with the job? For many, the initial obstacle - access to land on which to set up the work-benches - is insuperable.

Yet from New York to Rome, Munich to Tokyo, a great deal of land stands idle. *There are 30 square miles of wasteland in the British capital alone!*

At last, the connection is being made between idle labour and capital, and vacant land. The London region of the 50,000 strong National Federation of Self Employed and Small Businesses is demanding political action.

They point out that "large tracts of unused inner city land represent wasted capital which should, if possible, be put to good use." (See the table on page 67.)

For fallacious reasons, they limit their demands to publicly-owned land: "This reflects our view that it is less acceptable for a public authority, funded from local or general taxation, to hold land vacant than for a private body to do so."

It is not true that "if potentially profitable land is unused, in the case of privately-owned land the immediate sufferer is the

IDLE LAND MEANS IDLE MEN



The modern block of buildings marked "A," consisting of showrooms and warehouses, forming No. 7, Aldersgate Street, is rated at £2,677 per annum. The vacant site marked "B," forming Nos. 4 & 5, Aldersgate Street, is rated at nothing. Block "A" occupies a site of about 10,000 sq. feet and pays £870 in rates. The vacant site "B" extends to 12,700 sq. feet, and pays nothing. It has been vacant for several years.

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owner of the land." The owner can recover the lost revenue in the future by selling an asset which is constantly appreciating in value (and the price is inflated even higher, the more that neighbouring land is held vacant!).

It is the rest of us who suffer from the wanton waste of land, not those people who monopolise but do not use the resources of nature.

The association proposes that public authorities should be

- FORCED to sell by public auction land which has been held idle for over ten years;
- FORCED to hand over the remaining land - which would be derelict and expensive to restore - to those who wish to enter the "worksteading" scheme. For a non-returnable fee of £200, people would be allowed to enter a ballot for a plot which would be handed over at no extra cost to the winner (resale within three

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Idle Land from front page

years would be banned).

We agree that "small businessmen will prove to be considerably more imaginative than public bodies in thinking up profitable uses for land hitherto considered useless." But the scheme proposed by London's entrepreneurs is ill-conceived.

Is there any need to tie up large sums of cash in the purchase of land? Capital should be invested in machines which provide jobs.

Other means can be found to force owners of vacant land (both public and private) to put their sites to use; and the users should be obliged only to pay rent for the secure possession of the land.

Is there any reason to believe that the vacant land, if transferred into private hands, would be put to better use? Speculators would certainly win a share of the auctioned land. Their targets would be the prime sites, the ones which it would pay them to continue to hold vacant until the economy recovers sufficiently to squeeze speculatively high prices out of the wealth-creators!

Despite these criticisms, it is refreshing that entrepreneurs are finally taking an active interest in land use. They need to think a great deal more about the solutions: but at least they are beginning to see that their fortunes are linked with the way in which we use (or misuse) land.

IRELAND'S income tax could be abolished if the full annual rental value of land was captured for the benefit of the community.

Under the present fiscal system, under 1% of the people born in Ireland own over half of the land, and last year they paid only £250,000 in taxes on their land.

A radical change in the tax structure would boost output and employment, reduce emigration and eliminate budget deficits. These are some of the key points made to the Irish Commission on Taxation which is taking evidence in Dublin.

The land tax calculations were made by Mr. Raymond Crotty, an ex-farmer who now devotes himself full-time to research into the country's economic history.¹ His controversial proposals are summarised in the table.

MR. CROTTY used extremely conservative estimates to arrive at total revenue to be derived from a tax on the annual value of land. He states:

"Given that Irish farmland is worth £1,500 an acre, that conacre rents are £100 an acre, that urban land sells at millions of pounds an acre, there is clearly scope for raising much revenue by taxing it... The question of how much revenue can be raised is, under the circumstances, academic."

He arrived at the figure of £1,500m., which is well over the £1bn. raised in income taxes in 1980, by noting that there are 12m. acres of good agricultural land and 5m. acres of rough grazing land. He further assumed that urban land is worth half the value of rural land (in Denmark, notes Mr. Crotty, urban land is worth approximately double the value of rural land).

In his 25-page report, Mr. Crotty discusses the objections that could be raised against his estimate, and takes account of the flow of land onto the market if it was taxed at its full annual rental value. He concludes that his estimate is not an exaggerated one. More controversial, however, are some of his proposals for the reduction of State expenditure.

FOR A START, Mr. Crotty believes that the Irish Government should disavow any obligation to continue financing the public debt. This would save £750m.

Within the new tax regime that he outlines, governments would not have to resort to deficit financing. And, reasons Mr. Crotty, "if it is no longer necessary to expand public debt, it