

# LAND and LIBERTY

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## LATIN AMERICA

● A MAJOR investigation into the causes of poverty and political conflict in Latin America appears in the next issue of *Land & Liberty*.

The report by Professor Jim Busey provides the most up-to-date data on land distribution in this troubled continent - and examines the policy options available to the politicians.

# Safety first!

**B**BRITAIN'S royal family is in a difficult situation. Individual members of it want to speak out against the problems of society.

Constitutionally, however, they must not be overtly political.

So they are relegated to the role of ceremonial figureheads, their speeches mere anodyne analyses of great problems.

But there is the danger that politically-inoffensive platitudes from people who are widely admired can be positively injurious. They can, in other words, distract people from the harsh realities.

Take the case of Prince Charles.

In a recent BBC interview, he said that inner city decay was a legacy of the industrial revolution.

This was a safe diagnosis, in that it did not point the finger of blame at anyone in particular - and it certainly did not offend the collective sensibilities of the political parties.

Who can be blamed for the logic of history? No-one! And so, suitably anaesthetised from the discomfort of personal responsibility, we continue to agonise over problems that don't seem to go away.

But wait.

● Why is urban dereliction a legacy of the industrial revolution?

● Why is it just as big a problem in Karachi as in Chicago?

● Why are valuable vacant acres going begging in Birmingham (Alabama, as in Britain's West Midlands) as well as in Bangkok?

● Why are buildings rotting in Nairobi as well as in New York?

Third World countries have yet to industrialise, yet their cities suffer from similar problems.

The answer, of course, is that a lop-sided tax system generates blight by:

● Encouraging the speculative under-use of land, against the prospect of huge capital

gains in the future; while

● Discouraging the renewal of aging buildings by taxing investors who dare to up-grade the built environment.

In Britain, there is no cost of holding land vacant: unused sites are exempt from rates, the property tax.

In North America, property tax rates are so low that they have no deterrent value against the wheeler-dealers who are chiefly responsible for wrecking our cities.

With the aid of a rational tax system, we would today be enjoying the full benefits of the industrial revolution: compact cities, low transport costs, high-quality family homes, and so on.

A high tax on land values, and a low (better still *no*) tax on buildings, would lead to an urban renaissance.

So much is incontestable economic fact. But now we come to the awkward political question: who is responsible for the fraudulent fiscal arrangements that deprive citizens of their heritage?

Prince Charles, alas, the heir to the British throne and inheritor of large estates, would find it difficult to confront such a question.

He may intuitively feel that there is a connection between present property rights and urban blight.

In that he is right. The transfer of land to others (no matter how many others) would, under the present tax system, merely perpetuate the existing problems.

His father, the more outspoken Prince Philip, gets closer to the truth. For some years now - and again in his recent book, *Men, Machines and Sacred Cows* - he has identified the tax system as a major obstacle to a decent life.

So much he dare say: after all, few politicians would risk actually commending taxes as anything more than a necessary evil.

But if you expect the Royals to get specific about the tax system, forget it. They're gagged by the constitution.