

Isn't it ironic?

The £8.6bn mega-development company British Land is currently reporting "renewed bidding competition" and a "clear improvement in investor sentiment" with 'strengthening yields' for land speculation. Ironically, the company was established with a distinctly different concern. In 1856 it was an offshoot of the National Freehold Land Society set up by Liberal reform politicians Richard Cobden and John Bright. To vote at that time it was necessary to be a male landowner: the Land Society's purpose was the extension of the franchise, which it facilitated by buying up land and reselling it in small plots to the people. With the extension of the franchise in the late 1800s, British Land began to operate as a normal business; today half the company's portfolio is invested in retail property, including shopping centres and supermarkets that have been bought from and are leased back to the retailers.

World Bank gets it right in Pakistan?

Is the World Bank backing progressive reform of Pakistan's tax system? According to the *Business Recorder*, the Bank's 'Pakistan Tax Policy Report' sets out new proposals for the tax systems employed by provincial governments.

The present system is based on 'declared transfer values'—payable only when property is sold—and therefore a drag on the market. But "comprehensive reform of the taxation of the rural sector might pull back from taxing property transfers altogether. The rationale for this proposition is straightforward. Provincial taxes might be seen as a payment for public services received. It seems more reasonable to extract this payment yearly rather than at the time of a transfer." Urban land would continue to be taxed under the present UPT.

The World Bank says the first step of restructuring would be for mutation fee, registration fee and stamp duty to be "combined into a single land tax, levied on the basis of the market value of land"—according to the *Business Recorder*.

The Bank is reported to believe reform could "more than double rural land tax revenues".

Co-operative policy

At its 2009 annual conference the UK's Co-operative Party has adopted land value taxation as part of its policy platform.

The party, although legally a separate political organisation, is closely affiliated with the Labour Party and often regarded as effectively a lobbying wing of it.



Feeding the hungry

The global food 'crisis' is raising the price of food. In the age of temperature controlled air freight, foreign-controlled producers are buying into local land markets in order to secure their production. It's a situation ripe for the speculators—sensibly shy for the moment of the Western property market. According to BluSky Investments: "Some £8 billion of western institutional and government funds have been invested in agricultural land over the past 2 years alone, acquiring vast tracts of poor countries' farmland".



The Pakistan national monument

HGF report

AGM: The Henry George Foundation's Annual General Meeting was held at Mandeville Place on Saturday 26th September. Gathered members enthusiastically received and discussed reports presented by officers and volunteers about the activities and finances of the Foundation during the past year, and on plans for the coming 12 months. Treasurer John Cormack was able to report on a healthy financial situation where operating expenditure had been more than covered by the revenue received during the year from donations from members, supporters and friends. These funds in part offset the loss in income from—and value of—the Foundation's savings and investments, which were not immune from the overall decline in financial markets during the past year. Executive Chairman David Triggs was pleased to report

MonopolyCityStreets

Hasbro has teamed up with Google Maps to create an ultra-realistic game of Monopoly played on real world maps. Bidding means that at the time of writing, *L&L*'s shared Piccadilly address is worth some \$2.5m: nearby Lloyd Street (or rather the land beneath) would be worth \$1.4m—were it not for the bio-hazardous building on it, which crashes the separately calculated rental to a negative \$333k. The game demonstrates the workings of land value. The game is free to play until January at WWW.MONOPOLYCITYSTREETS.COM

Emerald taxation

The Irish government is finalising its €90bn plan to tackle its banking crisis. A key element of the National Asset Management Agency proposal will see a windfall tax of 80% on profits from land value gains following rezoning decisions—"to ensure that speculation is not rewarded in the future", reports the *Irish Examiner*. The Green Party claims credit for the idea.

The Irish Planning Institute "strongly welcomes" the windfall tax. It believes the NAMA Bill "one of the most critical in the state's history", because "landowner and developer profit remain the sole objectives of construction" and had "contributed to the current financial problems of the state"—according to the *Examiner*.

But the *Belfast Telegraph* reports Labour leader Eamon Gilmore saying the windfall plan was "too little too late, because landowners have already got away with the massive profits made during the bubble." *L&L* is concerned plans may be ill-cast: the new tax must take the form of an annual charge on the market value of all land.



Houses of wealth

Vince Cable MP's proposal to tax expensive houses

IN A party conference move that surprised even front benchers and party confidantes, Vince Cable, Deputy Leader of the UK Liberal Democrats and his party's shadow Chancellor, has launched a proposal for a 'mansion tax' on valuable properties. Cable is judged by political observers to want to pull his party closer in the direction of land value taxation.

The floated policy would apply a new charge of 0.5% to the total value of properties above £1m—which it is estimated would raise £1bn a year. The increased yield would be used to raise tax thresholds for the lowest earners with annual incomes below £10,000—enough to make them tax-free.

Mr Cable first tested the proposal with LibDems' Tax Commission, the party's 'Axe the Tax' group, and is pushing for a local income tax to find political support. The Commission's final draft policy, Dr Cable's proposal, is to be discussed at the party conference.

A source within the *L&L* that its Federal Policy Commission is arguing bitterly over local income tax, wanting more 'Green Tax' to lift more out of income tax. Against that background, leading party

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