

Study aims to show how Tube could be funded

A team from the Progressive Forum (PF) research network is to study the effect on land values of the latest £2.5 billion (\$4 billion) project to improve London's underground rail network: the Jubilee Line Extension (JLE). With grants from a local property developer and the American Lincoln Institute of Land Policy, three British researchers will aim to prove that such projects could be funded from the uplift in property values that results.

The public transport authority for London "Transport for London" (TfL) has already committed £2 million (\$3.2 million) to a study of the overall impact of the JLE. This includes an investigation of property values. TfL's report by Westminster University and property agents Chestertons is due later this year. PF hopes to build on this work.

The grant from Lincoln Institute will help model property value data within a

geographic information system (GIS), to show the changing "landvaluescape" that the JLE has caused around a selection of its twelve new stations in south east London. Study Team Leader Tony Vickers is a postgraduate researcher at Kingston University's School of Surveying, developing a "visualising landvaluescape" GIS tool for a range of property industry uses. GIS expert Mark Thurstain-Goodwin has extensive experience of working with UK commercial property data for, among others, the UK Government.

The bulk of the work will involve property data collection and quality analysis by economist Stephen Mitchell. He will be able to draw on the files and contacts of Don Riley, developer whose book *Taken for a Ride: Trains, Taxpayers and the Treasury*, has also ready received attention from the Politicians and the Press in Britain.

The Mission

Everyone has a right to live. And a right to the planet's resources. Yet the "progress" of human society through agricultural, industrial and now information revolutions seems not to have brought economic justice.

The Progressive Forum exists to continue the study of the "land rent" phenomenon that Henry George wrote of in *Progress and Poverty* 120 years ago. Its members refuse to accept extreme inequality as inevitable.

Progressive thinkers believe the cause of many modern ills is the failure to account for the critical factor of "land" (the economic term for all natural resources) in public policy. The finite nature of land, the fact that it is discovered not made, that "owners" can only be stewards or plunderers of its riches – can individually never add value to it – makes it different to capital. Most modern economists refuse to acknowledge this and cannot therefore address the consequences.

Income from land – economic rent – will flow to owners unearned, as surely as rivers flow to the sea. Failure to ensure that this "rent" is recycled as public revenue makes it inevitable that many economic, environmental and social problems continue.

Projects under consideration

- Twenty-first century "Commons" and their revenue potential. This would be a literature search on the subject of modern sources of "economic rent". A book is envisaged, covering a range of possible revenue sources: from the human genome to aircraft landing rights and satellite orbits. It will bring the theory of Henry George up-to-date. A benefactor has offered a substantial sum to enable a suitable author to devote up to twelve months to research and writing. The opportunity is shortly to be advertised.
- The link between "Georgism" and the search for interest-free money. A number of Progressive Forum members are investigating the conceptual and practical links between the roles of credit and rent in modern societies. A writing commission as mentioned in Twenty-first century "Commons" and their revenue potential may include the concept of "seigneurage" as advocated by Progressive forum advisory board member James Robertson.
- Attitudes to Tax and Land. Public and professional perceptions of the ethics and efficacy of different forms of resource rights and public revenue have changed since the days of "tithes" and feudalism. Any attempts at land and tax reform have to take account of such attitudes. An international study of comparative attitudes to Land and Tax is envisaged, to see what cultural, social, political and economic correlations and deductions can be drawn.
- The inter-relationship between the British planning system and proposals for LVT. Some (such as in the Fabian Society's *Paying for Progress*) have suggested that LVT is incompatible with current UK planning laws. This study would endeavour to establish what – if any – barriers to fair valuation for taxation of land relate to the planning system and how to overcome them.

Investment with Uncertain Tax Policy: Does Random Tax Policy Discourage Investment?

Hassett, K., and Metcalf, G.
THE ECONOMIC JOURNAL, (1999)
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The usual view is that uncertainty over tax policy decreases investment through the randomness in output prices. However investment models predict that the reverse is true. Unlike many price changes, taxes change in jumps and then remain static for a time. Further changes are likely to be in the opposite direction to the first change.

The authors conclude that when tax models reflect historical processes, increasing uncertainty can speed up the time to investment and increase the amount of capital purchased. In addition, tax uncertainty tends to bring a loss of revenue for government. So a fixed investment policy is an implicit subsidy to investment.

Please address expressions of interest in any of these projects to: Tony Vickers, c/o Progressive Forum, 427 London Fruit Exchange, Brushfield Street, E1 6EL tel: (+44) 0207 377 8885, fax: 0207 377 8686 progressiveforum@charity.vfree.com