
The Freeport News

GRAND BAHAMA'S FIRST NEWSPAPER

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Editorial

Giving consideration to a just tax

Dear Editor,

Why is it so hard to understand the justice and benefits of capturing the community created value of land for the community?

Classical economists such as Adam Smith and Henry George, defined land as all free gifts of nature (urban land, harbors, etc.).

These get value because people, both local and foreign, want them for personal or commercial use.

So, no matter who 'owns' the gift of nature (land) there is a location value called economic rent which is exclusive of any production on or from that location.

When economic rent goes into private hands (i.e., beaches are given away to corporations, land values are uncollected) legitimate government revenue is lost and taxes like the proposed VAT are applied to the production process.

Not only is land speculation rewarded but building houses, trading goods and services, etc. are punished by taxes.

Naturally people try to avoid these taxes by smuggling and other forms of corruption.

When economic rent goes to honest government it encourages better use of locations as there is no tax penalty to build or work.

It reduces pollution and pays for infrastructure that helped create the economic rent in the first place.

Why is this so difficult to understand? Why is there so much ignorance of it and opposition to it?

– John Fisher

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