

Land Value — A Bonus

by WALTER W. GERVER

ONE of the most common retorts made to any mention of the taxation of land values is "that's socialism." Recently when an academically educated person said this to me I asked, "what about the income tax? Is that socialism, or isn't it?" I haven't received any answer.

What is Land Value Taxation and what is socialism?

LVT is simply a means of returning to the community a "bonus" or surplus value which it has created. This bonus results from the combined efforts of all who are engaged in productive activity. Combined effort, involving specialization and trade, results in greater production than could be achieved by individuals working alone. More is produced on the same land, by the same labor. This "more" is a bonus which settles in the value of land. People will be willing to pay more for land on which more can be produced.

Socialism involves government control of production. It implies that legislators, who may know nothing about

sound business principles, can manage production better than those who are experienced. Government officials often feel themselves eminently qualified to meddle with matters which should be left strictly to the individual concerned.

There is not the remotest connection between LVT and socialism, and how any student of economics can equate them is beyond me. Far from bringing production under state control, LVT is a means of setting it free from state control. Instead of creating a welfare state, LVT would be a most effective, if not the *only* effective, means of getting rid of the welfare state. Such programs as urban renewal, slum clearance, and farm relief could all take care of themselves, under the initiative of free private enterprise.

Why? Because with LVT no one would want to hold needed land out of use, and we would be increasingly relieved of the shackles on initiative which are imposed by taxes on production.

Dr. Rolland O'Regan, chairman of the New Zealand Unimproved Value Rating Association, was elected to the Wellington City Council with a large majority, in his first try for a public office.