

*FRED HARRISON meets the Bishop who listened to the Zulus and now wants to stir trouble for Margaret Thatcher.*

# LAND TAX CRUSADE

**THE RT. REV. John D. Davies** is the Bishop of Shrewsbury, one of Britain's loveliest medieval towns set on the hilly banks of the River Severn in Shropshire.

Steeped in conservative tradition, Shrewsbury is not a place for radicals, but the Bishop, for one, is angry. The extent of poverty in South Shropshire, one of the poorest areas in the country, makes him want to cause trouble.

And now, he says, with the collapse of Marxism as an ideology to counter the philosophy of capitalism, he wants a new debate about alternatives.

"I am willing to act, among my colleagues, as a stirrer upper on this one," said the Bishop as he poured another cup of tea from the pot.

"This one" was the idea of a tax on site values – as a substitute for the Poll Tax.

The Bishop has long felt that land tenure was a grossly neglected subject. The lesson was driven home to him in South Africa, when he lived among the Zulus. They spoke about the land, and he listened.

But when he looked, he could find little in the Christian literature that addressed the land question. "There is nothing, not even in an exceedingly good dictionary of Christian ethics, about land values," he said. "That would amaze the direct disciples of Moses". Then he came across a little book by Frederick Verinder called *My Neighbour's Landmark*, which offered a religious approach to the need for land reform. That book, complete with biblical references, has been the Bishop's constant source of inspiration ever since.

He has sought to lecture his colleagues in the Anglican church on the need for more attention to the economics and ethics of land tenure, and the much-hated Poll Tax now offers the prospect of someone listening.

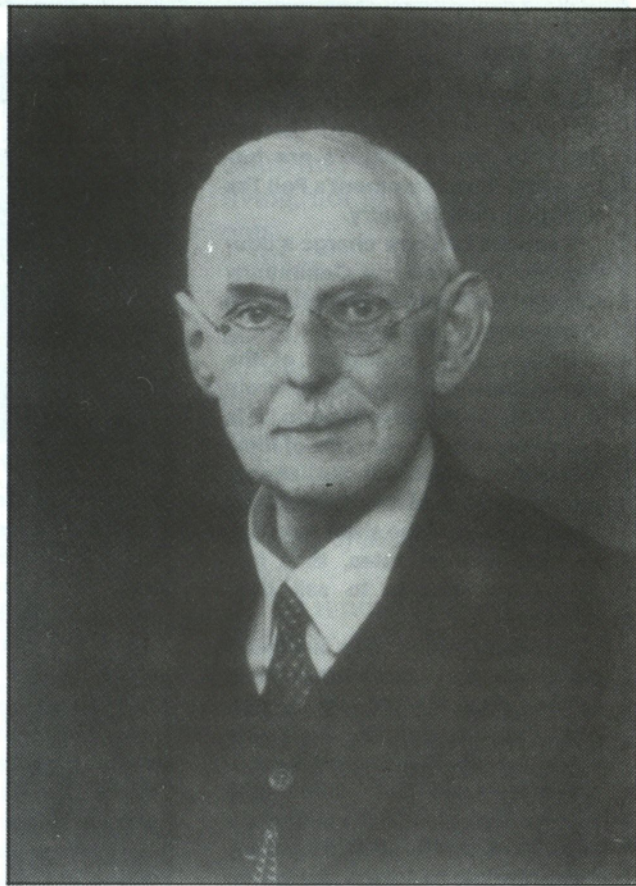
He sees the convergence of several themes around the land value tax-type issue. "We ought to be grateful to the Tories for putting up an unjust Poll Tax which is in urgent need of scrapping," he said with a flicker of a smile.

In the past, he said, to raise land value taxation in debate "seemed almost dilettante." Now, that has changed. "I don't claim to know much about these things, but what I would want to say to my colleagues is that over the years I have been very struck by the arguments in favour of site value rating.

"I don't think there's been adequate investigation of this policy, and I do know that this approach has worked and been of significance in other parts of the world. I believe it is very congenial to the heartland of our moral inheritance, so it deserves a real airing."

The Bishop is looking for practical solutions to urgent problems, such as the absence of affordable housing in the countryside. In his quest for answers, he is willing to disturb the complacency that may be smothering some enclaves of the Anglican hierarchy.

One difficult moral question for the Bishop and other



• Frederick Verinder: His "Landmark" book inspired the Bishop

like-minded activists in the higher reaches of the church is the way in which they are required to charge full market prices when they dispose of church property, such as redundant village schools.

The Bishop is one of a study group that has concluded that it is the price of land, rather than the cost of bricks and mortar, that is the source of so many problems. He is pressing this view as a representative on the Archbishops' Commission on Rural Areas.

The central dilemma for the Bishop, as he puts it, is this: in the marketplace, the rich dictate the level of land prices.

This is not strictly correct. In a competitive market, the most efficient user tends to set the price of land, since his activities permit him to generate a higher surplus income (= rent). But of course, under current tenure and tax policies, the land market is encumbered with monopolistic features which do not always lead to the most efficient use of land.

Even so, how do we overcome the fact that some people are going to be excluded from land – for whatever reason?

That is where a high tax on land values is the solution. By bidding the highest price for the right to possess land, prospective owners declare themselves willing to pay the highest taxes – which claws back the rental value of the land for the benefit of the community!

*If this new revenue is offset by a reduction in the taxes on the lowest wages, the real living standards of the poorest are raised at a stroke.*

The Bishop sees this, and is willing to represent the policy as a morally justifiable one. But now he has a challenge for the advocates of land value taxation. How, he asks, is site-value rating to be turned into a viable political issue for the next general election?