

Land&Liberty

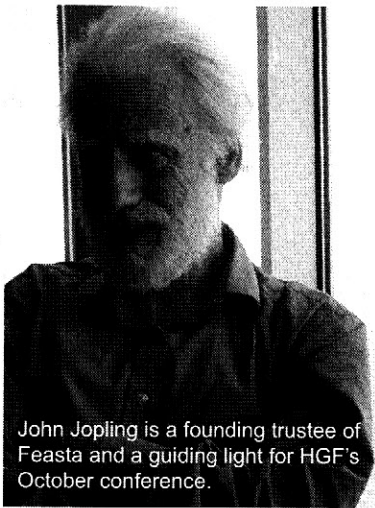
communiqué putting people at the heart of economics

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conference land: the claim of the community



John Jopling is a founding trustee of Feasta and a guiding light for HGF's October conference.

HGF in partnership with Feasta, the Foundation for the Economics of Sustainability, is holding a major two-day conference in Dublin this October. The conference is entitled *Land: the Claim of the Community*. The event will relaunch the land value taxation campaign in Ireland. Internationally respected economists, academics and parliamentarians will speak on the Irish land question and the need for land value capture in Ireland.

Soaring privatised land values have prompted many within Ireland, as well as the European Union and the OECD, to call for radical reform of property taxes and local government finance. See pages 4&7 for more on the Irish land question, and page 8 for conference details.

event double launch of webmag and bookshop

9th September sees the official double launch of the Foundation's new web magazine *LandandLiberty.net* and its new Edinburgh bookshop. The event will take place at HGF's new Haymarket premises. HGF will be welcomed to the Scottish scene by high profile representatives from the media, politics, business, academia and civil society. Foundation members and supporters will receive a formal invitation in the coming weeks.



project balance of funding review

HGF is preparing a paper on local government finance and property taxes, as part of a government review of the system of funding local authorities in England.

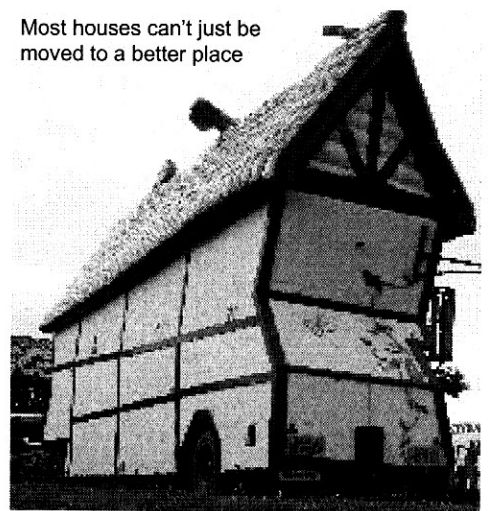
Councils receive 25% of their income from council tax. The rest comes from central government. This 'balance of funding' compares with 65% in France and 80% in Sweden. It raises questions of accountability which the review is looking into. The fact that the average council has to increase council tax by 40% to boost its income by 10% is also seen to be a problem, both in logistical and political terms. Last year HGF met with officials conducting the review, which will also take the opportunity to look at the relative merits of alternative forms of funding local government.

project HGF Location Motivation Index

As previously reported in *communiqué*, HGF is launching a new land index. There are currently various indices that describe increases in property values, with a new one coming soon from the Office of the Deputy Prime Minister. But all of these fail to separate the capital value of buildings from the value of their location.

HGF's new Location Motivation Index is different: unlike its rivals it will explain increases in the value of location.

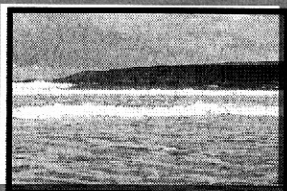
Most houses can't just be moved to a better place



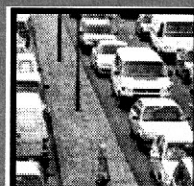
The quarterly index is based on property price rises, the increase of wages in the construction industry, and the increase in the price of construction materials. (Property prices follow the value of land closely, because wage inflation and producer price inflation are both relatively stable.)

The Location Motivation Index will provide a ranking of the latest property value increases at local authority level, from lowest to highest, and include analysis of specific areas of interest. It will show where and why land values are increasing most, providing empirical support for debates about land use, development and public revenue. The index will be launched in the next issue of *communiqué*.

www.LandandLiberty.net



Community land trusts harness wave power



Is road pricing a land tax on wheels?

breaking ground

Thailand goes back to the land

Before the twentieth century, Thailand maintained a traditional land holding system, in which all land belonged to the king, and farmers paid annual land rent, either in crops or labour. Hoarding and underusing land were forbidden – if a plot was left unused for three years it reverted to the king, who would then redistribute it. With the rise of western influence this system was replaced by freehold titles, which over time has led to urban sprawl and rural poverty.

But recently Thailand has seen a surge in reformist activity. This year has seen the publication of *Progress & Poverty* in Thai, translated by IU member Suthon Hinjiran. Hinjiran's own book, *The Unjust Poverty*, has also been released, applying Henry George's ideas to the Thai context.

Meanwhile, the government has been holding a series of land management workshops to explore alternative systems. In February Bill Batt of the Schalkenbach Foundation visited Thailand to lecture on George's thought, where his audiences included the Ministry of Finance.

Now the Thai cabinet has approved 'in principle' a new land reform and progressive land tax, aimed at ending speculation in land. According to Mr Hinjiran, in reality the proposed reform may not be as good as it sounds, as there are numerous political obstacles, but at least land values are finally being discussed again in Thailand.

International Union gains enhanced recognition at United Nations

The International Union for Land Value Taxation has been formally recommended for Special Consultative Status with the Economic and Social Council of the United Nations. This will bring a "more advanced" level of participation with the UN.

The enhanced status means that the IU will be able to increase its representation at the UN from 2 people to 22. They will have access to a broader range of UN work and more chances to influence official proceedings.

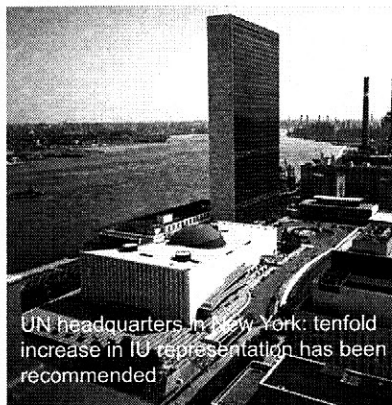
World Bank waking up to land tax

The World Bank is not famous for its open minded and progressive approach to economics. Too often it has imposed inappropriate policies of privatisation and liberalisation on developing countries, sometimes with disastrous consequences for their economies, their environments and their citizens.

In particular, World Bank land policies have been severely criticised for dispossessing poor farmers and indigenous peoples, promoting unsustainable agriculture and resource extraction programmes that benefit a few corrupt officials, not the local communities.

But now there is hope that the Bank may finally be getting the land message: a recent policy research report written by one of its senior economists identifies land taxes as the best means of funding sub-national governments, on the grounds that land rent collection does not distort the economy the way that other taxes do.

What's more, Klaus Deininger, the author of the report, believes that 'Purchase of development rights pays the landowner for the unearned increment of land values..., whereas land value taxation taxes land more heavily than improvements, thereby encouraging the development of land.' (ch4 of *Land Policies for Growth and Poverty Reduction*, K. Deininger, 2003) Read the report at http://econ.worldbank.org/prr/land_policy/



letter from the editor

My car got run over last week by a one-and-a-half ton Isuzu Trooper. It did the car no good at all. My Toyota Carina, which had ten good years driving still in it, had to be scrapped: the insurance man said that's how it was.

It could have been repaired. The cost of the materials would not have been so much. But in our mixed up economy the car had to be written off. The labour cost made repair uneconomic. We pay ourselves too much to make repair an option. In an apparently greening age we throw away and buy new.

There are two reasons for this daft situation. First, the cost of disposal fails to correspond to its real cost - the cost to me, to the environment, to the economy.

Second, the return value of the capital in use - all those machines and built-up knowledge about cars - gets written off over time, so the cost of making one new replacement car falls. We supply ourselves with new cars with insufficient regard for the real cost.

We are able to have those cars with barely a finger being lifted. The degree to which we rely on capital and not labour to make things is increasing by the day. A crisis is looming because of this - witness the European food mountains. Factories turn out too many cars which are decreasing in sale value, because the alternative applications of the capital and labour involved would create products which were even less needed or demanded and give lower returns for the effort.

When I looked for a new car I was horrified by what I found. I discovered that the cheapest option is to simultaneously ease the gluts on the new car and money-lending markets. So I bought a brand new van on credit.

In 1909 a model T Ford worker took 4000 hours to earn the car's purchase price of \$950. Today's equivalent is 400 hours. And the relative balance of capital and labour input which car building requires is shifting further and further away from labour. People as workers become a diminishing part in our economies, while the power of capital grows.

As society builds on its past achievements, the new generation enjoys 'for nothing' the advantage of its social and economic inheritance. But a consequence of this 'progress' is that the value of what is done *today* become less and less important to us. The global returns of labour are lessening. That is to say that it may soon not be possible to make a living from work.

My tatty old car was a dependable piece of my life. Hard economics and an Isuzu Trooper brought it down.

Peter Gibb
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Oxfordshire to survey land values

A trial land valuation and study of LVT has been initiated in Oxfordshire. The County Council, which has a joint Tory / Lib Dem administration, saw Labour, Lib Dem and Green councillors voting together last June to "set up a Working Party to investigate the possibility of following Liverpool's example, by lobbying the government to allow it to raise a Land Tax." The Working Party intends to carry out a valuation of an area of Oxfordshire, showing the effect of LVT on residential, commercial and agricultural land use, in a part of the UK that is very different from Liverpool or Scotland. One of Oxfordshire's District Councils, the Vale of White Horse, has now voted to support the County by undertaking "an analysis of a representative area of the Vale."

On the 15th July a seminar was held for officers and members of both Councils. Leading supporters of LVT spoke, including Dave Wetzel, Tony Vickers and Robin Harper MSP. The cross-party, cross-council coalition is set to raise funds for a valuation of about 3 km sq, including 3000 homes and farming land, straddling the Oxford Ring Road at Botley. The Chair of the Working Group is Margaret Godden, the Lib Dem Deputy Leader of the County Council. An HGF member, Cllr Godden hopes the valuation will be done before the end of the year.

Too good to be true?

The month of May saw a conference held in London with the title 'Self-financing transport infrastructure through land value gains: Too good to be true?'

The assembled audience of transport, property, regeneration and local government professionals heard that the answer to this question was an emphatic 'no, it's not too good to be true.' The conference went on to discuss in detail the practicalities of using land value capture to pay for transport and regeneration.

Organised by the Waterfront Conference company, the event was chaired by HGF member Dave Wetzel. HGF chief executive Peter Gibb spoke on LVT, and London's Transport Commissioner Bob Kiley delivered the keynote address. Kiley stressed the importance of ensuring that land owners who were advantaged most by new rail projects contributed to the cost of their delivery.

Mixed messages

Signs are growing that the UK government is seriously considering a land value tax to fund regeneration, housing and transport. After months of hints from within Whitehall (see *communiqué* Spring 2003) John Prescott has openly declared his interest in land value capture.

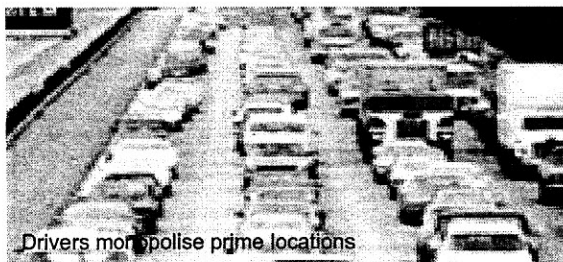
Speaking to Nick Mathiason of The Observer in June this year, Prescott said: "If you want extra money you've got to find new forms of financing. I've always found it unacceptable that we can have massive value increases in areas by the local authority investing in something and we don't see the real benefit from it. 'We're looking at other forms of funding to get the development. One of the ways is looking at getting more from the benefit of increased land value that comes from [the development]." Prescott also hinted that Chancellor Gordon Brown was behind the new tax (see press cuttings on accompanying pages).

Yet at the same time, the Treasury has just killed off hopes of including a levy for land owners in the Business Improvement District scheme. BIDs are intended to regenerate urban neighbourhoods by charging companies within the area increased property taxes. The idea is imported from the US, where many declining cities have been revived by BIDs. The scheme requires approval by a majority of contributing businesses. In the US, the extra charge is levied on property owners and businesses that rent premises within the area. But over here the government has refused to include landlords in any way.

This failure means that occupiers are now expected to pay the extra charge in order to fund regeneration. This will simply increase their rents, and therefore also raise their rates still further. This means that the chances of BIDs being voted for by businesses are slim – so the government's most radical regeneration initiative seems doomed to fall at the first hurdle. In the midst of all this, the landlords are actually pleading to be allowed to help pay for BIDs. Almost every property industry organisation – including the British Property Federation – has lobbied the government not to exclude land owners. They know all too well that regeneration will boost the value of their property, and that it's worth their while to pay a little up front in order to reap a huge windfall gain later. But it now seems the entire BIDs process will fail.

Land tax on wheels?

Following the success of London's congestion charge, the government is set to introduce nationwide road pricing.



The Transport Secretary Alistair Darling has published a paper exploring the possibility of charging motorists for every mile they drive. (Controversially, the plan would fund a new £7bn road building programme.) In fact, such a scheme for all of Britain's 430,000 lorries is being introduced in 4 years, using satellite tracking to monitor vehicles and levy charges.

The idea behind road pricing is that drivers should pay more to drive on congested roads at busy times, and less in remote rural areas or at night. But is such a move wholly desirable?

It is also intended that fuel tax would be cut correspondingly – signalling a shift in the tax burden from flat rates to charges for benefits received. Is road pricing effectively a form of mobile LVT – levying a charge on those who monopolise valuable locations with their cars?

Crossrail is on

On July 14th the government finally gave its support to London's Crossrail project. Transport Secretary Alistair Darling said that if the project was to go ahead there would need to be "a very substantial contribution to its costs from those who would benefit most from it" - and announced a comprehensive review to examine the funding options.

Given Transport for London's interest in capturing land values, and the absence of any other funding mechanism that could raise the £15bn needed, the Crossrail project could represent the best chance in a generation for the introduction of some form of land value taxation.

Even Digby Jones, head of the CBI, recently called for a levy on land value increases to pay for the line. In the Telegraph on 6th July, Jones claimed that business was willing to help fund Crossrail, saying "we don't need an increase in business rates right across London, but it's only fair that business shares the gains which Crossrail could create."

Ireland's land problems past, present and future

The Henry George Foundation is holding its conference this year in Dublin. Ireland is seen by many as the spiritual home of land reform. Here **David Smiley** sets out some of the history to the present situation in the 'celtic tiger' of Europe, while in **fresh thinking** Emer O'Siochru explains why land is back on the agenda.

Consider some of the results of rising population. It was Thomas Malthus who showed why wages fell, and it was David Ricardo who showed why the rent paid to landlords rose. Adam Smith had already pointed out that "The landlord reaps where he does not sow". Putting all this together, Alfred Marshall argued that taxing rent would lead to progress, and Henry George showed that such a tax could lead to progress without poverty, and quite independently of demographic change.

So what was it that these giants of economics were saying, how does it explain Ireland's past, and how might it inform Ireland's future? First, what is rent in this context? It is a payment by those who use land, anywhere and for any purpose, made to those who own it. It is not small: the rent of the land of Ireland could be equivalent to a quarter of the value of its national income. Why should it be taxed? There are strong economic reasons. Paul Samuelson, perhaps the most widely read twentieth century economist, said: "Pure land rent is in the nature of a surplus that can be taxed heavily without distorting production incentives or impairing efficiency." No other tax works in that way. There are also strong social reasons for such a tax, reasons connected with poverty, inequality and

housing affordability. Let us now put all this into the context of Ireland's history, but in such a way as to suggest a path to future progress without poverty for the 'Celtic tiger' of the EU.

In agrarian societies such as that of historical Ireland, the wealthy owned the land and lived on its rents. The wealthy were typically the rent-receiving kings, barons and lords and, in some periods of history, also the church, in the form of rent-receiving monasteries and the comfortable "glebes" and "livings" described, for example, in the novels of Anthony Trollope. Rents were paid as a proportion of wages, a portion of produce such as a tithe, or as an obligation to fight for the landlord. As an example of the first, of the shilling and sixpence per day paid for casual work in Connemara, one shilling was withheld in rent. As an example of the second, Colin Clark found that rents in populous agrarian societies tended towards fifty percent of produce, paid to a landlord for actually doing very little. As an example of the third, land holdings, and therefore rent, could be increased by seizure, by landlord turned warlord, leading to one description of European history as "a series of dynastic squabbles over real estate."

For our purposes here we start in 1155 when Pope Adrian IV "granted and donated Ireland to the illustrious king of England, Henry II, to be held by him and his successors." A later Henry, the VIII, anxious to maintain his family's landed inheritance through a male heir, helped create a new branch of Christendom in order to achieve this. In 1541 he then declared himself king of Ireland allowing him, as head of the Church of England, to seize some wealthy Irish monasteries. To deal with some bad reactions to this, particularly in Ulster, his daughter Elizabeth I installed "plantations" of English and Scottish settlers, evicting the locals into wretched conditions of semi-slavery. In the 1641 uprising some 2000 of these settlers were killed. This led to Cromwell's retaliatory massacres, the seizure of the best 25 percent of Ireland's land for his soldiers, and the displacement of surplus population to the relatively infertile West. The huge wealth shifts in the form of transfers of wealth are not documented, but no doubt Ricardo could have calculated them using his law of rent.

Fifty years after Cromwell's rampage came the battle of the Boyne. Though a turning point in Irish history, its origins had nothing to do with Ireland and everything to do with

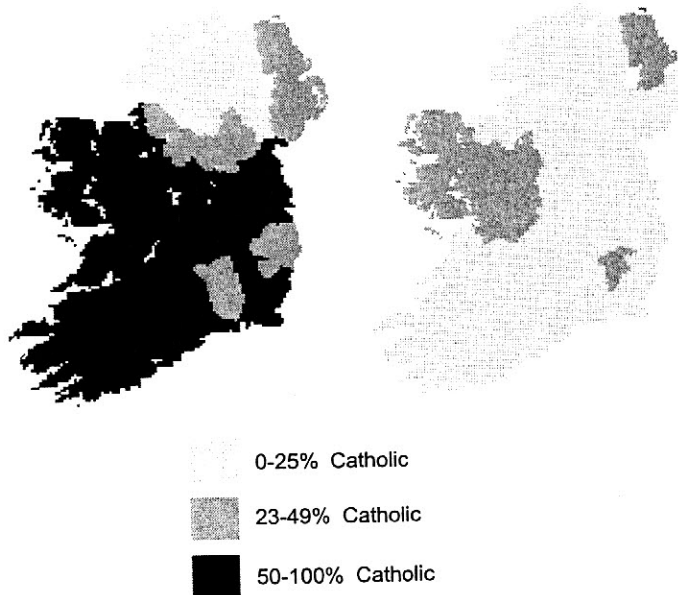
the Restoration in England and the Pope's concern over the outcome of Franco-Spanish rivalry. Arising out of this, a Dutch Protestant, supported by the Pope, defeated a Scots Catholic in the battle for what was, essentially, the ownership of the rent of Ireland. The victory of the English Protestant forces resulted in measures to protect existing rents, and to procure further rents, in a period known as the "Ascendancy" of the descendants of Elizabeth's settlers and Cromwell's soldiers. The protection of rent came about from the "Penal Laws" whereby Catholics were forbidden to buy land, practise their religion, or enter the professions. The increase in rent came from further seizures. By 1750 Catholics owned only 15 percent of the land. By 1778 only five percent. As population grew to 8 million rent also grew, not only absolutely but as a proportion of wages, following Ricardo's law of rent, pushing the population further into poverty. Then, when the potato crops failed, living standards were pushed below subsistence. In the great famine of 1845-1851, one million died and one million emigrated. And a further million emigrated in the next five years, carrying a bitterness which survives today in America as well as in Ireland. During the famine, excellent wheat harvests were being exported since there was no local purchasing power. Soup kitchens - and all other temporary palliatives tried then, and in other countries since - probably saved a few lives but, typically of much government and charitable intervention, actually helped to maintain rents by providing

the wherewithal to pay them, a lesson still not learned after fifty years of "developmental" intervention in the third world. Some attempts at rent control were made subsequently, but it was not until the 1890s that Henry George, continuing where David Ricardo and J.S. Mill left off, visited Ireland and explained how a tax on the rent of land could have removed poverty and set Ireland on a path of economic growth.

march provocatively and another gang of thugs to shoot at them. The Nationalist myth of the rapacious English landlord does contain a large grain of truth. Some absentee landlords lived, and some still do, in England. But, even when the battle of the Boyne was fought, the landlords descended from Elizabeth's settlers and Cromwell's soldiers were by then no more English than the rapacious Celt, Viking or Norman landlords who preceded them. The enemy of the

peasant was the landlord, regardless of nationality.

Catholic land ownership before and after Cromwell's land seizure



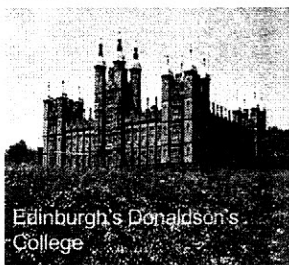
There is nothing which happened in the 19th and 20th centuries, the agitations of Parnell and of O'Connor, the agitations for Home Rule and for Partition, and all the subsequent problems of Northern Ireland, which cannot be explained by the land expropriations of the 16th, 17th and 18th centuries. That all this could have been prevented by a tax on the rent of land remains obscured by two powerful myths which survive today and continue to maintain a political impasse over Northern Ireland, encouraging one gang of thugs to

The Loyalist myth of the superiority of Protestantism over Catholicism is not susceptible of any kind of proof, and may simply be a justification for a class system of discrimination, a remnant of the land problem, which still persists in Northern Ireland. Another claim, that landlords who evicted their tenants were selfless agents of modernisation, endorses a policy which carried a huge and terrible price tag, and exposes a most unfortunate ignorance of the works of Smith, Ricardo, Mill and George, and of a land taxation system which could have removed poverty while also supplying the revenue for modernisation.

Moving on, what can we learn from all this? I think it is this: that the government collection of the rental value of land, a policy that would have dramatically altered Ireland's history, remains the answer to many of Ireland's modern economic and social problems, masked, as they are today, by the effects of EU intervention and support.

Speculators next door

The speculators have moved in a block away from HGF's new Edinburgh shop. Donaldson's College - the magnificent A-listed school for the deaf - is being sold to developers. Cala has revealed plans to turn the city landmark into luxury flats.

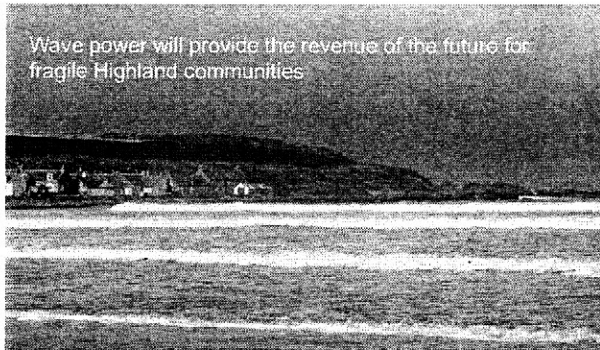


But the 1851 building designed by William Playfair is singularly unsuitable for conversion. "It would have been much better kept as some form of institution" said Oliver Barratt of the Architectural Heritage Society of Edinburgh. However, according to a local property expert "a housing deal would have been the most lucrative". So the architectural integrity of the masterpiece is going to be sacrificed. The land is worth too much to do anything else.

Renewable energy rents for Hebridean communities

Following the recent community buyout of the North Harris estate, plans are now underway for Scotland's biggest ever land buyout. The 90,000-acre sale would see the transfer of 850 crofts into community ownership. The current owners of South Uist Estates - a syndicate of nine families chaired by London stockbroker David Ruck Keene - are reported to be in "harmonious and positive" discussions with representatives of the local community.

The planned new community trust will take possession of rents from fish farms, quarries, sporting and fishing. But the big new source of community revenue in the coming years will be the development of renewable energy schemes. Substantial rents for sites for wind turbines and wave and tidal schemes will flow from locational values, especially after the recent announcement that the government is to spend £6bn on wind farms. As Scotland has the greatest wind resource potential in Europe, the Western Isles' Atlantic seaboard is likely to host many of the new turbines.



Wave power will provide the revenue of the future for fragile Highland communities

The Herald newspaper has pointed out that the North Harris sale "would mean that much of the Western Isles would be under community ownership." The Scottish community land movement seems to be securing from private hands the only substantial economic rents to arise in the highlands since the nineteenth century heydays of kelp and herring.

Highland house prices head for half a million

Some properties in Inverness have seen a 50% rise in value in the last two years, as the area becomes increasingly sought-after. Local families may be overjoyed at the prices their houses are now making, but others are worried. "The Inverness market has now risen to a level that is not sustainable too far into the future" says Richard Smith of Allied Souter and Jaffrey, the north's largest firm of valuation surveyors.

Smith is concerned for the next generation of home owners. High prices mean "the bottom end of the market is stagnant. More people are staying with their parents. This is a backward step. Highland Council is seeking a higher volume of affordable housing, but that's difficult for a developer when the farmer or landowner wants the full land value." The Council is not unaware of the problem.



North Sea oil has increased the palms of Aberdeen land owners 47 years. Atlantic discoveries will do the same in Inverness

In its response to the government's land reform consultation paper the council noted "the whole issue of a land tax should be thoroughly investigated. Such a tax, if carefully designed, could help to ensure appropriate use and management of land."

Cuillin calculating landlord to pocket £10m

Clan chief and landowner John MacLeod of MacLeod has agreed to transfer the Cuillin - the world-famous mountains on the Isle of Skye - into public ownership. In exchange he wants money to fix the leaking roof of his ancestral home. But as the BBC's highland correspondent pointed out - "£10m for the roof of a castle" seems an awful lot "in exchange for something which the public thought it owned anyway".

Three years ago MacLeod caused outrage when he announced he was putting the mountain range on the open market. An anonymous American buyer was reported to be in line to buy the heritage land. The sale never materialised. As an islander speaking on BBC Radio Scotland said after hearing of

MacLeod's change of heart - "if nothing else, talk of land reform has stopped some international land speculator coming in and trying to turn a fast buck."

When the land was originally put on the market, experts cast into doubt the veracity of MacLeod's title. Leading counsel's opinion was that MacLeod's title was only "capable" of including the mountains.

Land Reform Scotland drew attention to the fact that the original royal charter made reference to conditional periodic payments in money and services in return for the grant of land. The campaign group pointed out to the Crown Commissioners, who'd been charged with investigating the issue, that no such payments had been recorded in living memory.

But the Commissioners brushed aside popular concern and declared MacLeod's title valid.

Today's £10m price reflects the 'collector's' value of the land. The economic assets included in the sale comprise only a couple of run-down houses, two holiday cottages, a small camping site and a modest farm - all worth only a fraction of the asking price. The rest of the property is wild mountainside.

The price is the outcome of the failure of the authorities to hold the landowner to the terms of the title. Those "conditional, periodic payments" have been capitalised. So in buying back what many believe is public property anyway, it looks like the community at large will lose out a second time.

Land reform: unfinished business

Emer O'Siochru of Feasta explains how the Land Question has returned to its traditional place at the heart of Irish politics.

The Land question has always been central to Irish history. Now, following a relatively quiet period, it is at the centre again. Starting in the 1870s a massive land redistribution was carried under the Land Acts, the Congested Districts Board and the Land Commission. This divided the nation's land more or less evenly amongst Ireland's many farmers. As a result, 15% of Irish citizens now own farmland - a very high percentage compared to Britain. But this redistribution of land rights excluded whole classes of citizens, including the entire urban population as well as the landless labourers, who largely disappeared after the famine.

“The history of Ireland must be based on a study of the relationship between the land and the people,”

*Thomas Nulty,
Bishop of Meath*

For a long time these omissions were not a serious issue, as farming and land ownership were not highly profitable. Farmland first acquired real value only when Ireland joined the EEC, and the common agricultural policy began to guarantee payments linked to production. By this time, farmers came to see that they could also augment their income, or 'set up' their children, by the sale of house sites. More importantly, housing development land near the cities became a source of effortless fortunes, and the subject of intense political lobbying.

The lottery in land was allowed to continue delivering modest benefits to the bulk of farmers and huge prizes to a lucky few. This was partly because the situation did not seem to threaten the wider economic and social fabric of the country. Taxes on land were even reduced or eliminated at this time: first rates on domestic dwellings in 1978, and then on land in the 80s. Tax incentives and rates relief schemes followed: first for urban areas and then for rural Ireland. Finally capital gains tax on development land was reduced to 20%.

The downside of privatising land rights soon began to appear. Housing became more and more expensive because of land costs, rent levels in the private rent sector rocketed, and local authorities could not afford to buy building land. Cities and towns sprawled as more and more land was zoned, and single house site sales began to impact on the environment, community servicing costs and farmland prices. The effects of high land costs have become a very real threat - to infrastructure development programmes, business competitiveness, Ireland's attractiveness as a tourist destination, and even to social cohesion and democracy.

First attempts to revisit the land question have been sectoral:

- The various Bacon Reports, and subsequent fiscal measures, attempted to regulate investors and assist first time buyers.
- Part V of the Planning and Development Act required developers to subsidise housing through transfers of land, completed units or money.

- The National Spatial Strategy attempted to regulate for a more balanced and sustainable development throughout the country.
- The current Bill going through the Dáil to regulate rents and provide security to tenants in the private rented sector.

These initiatives have all produced unintended side effects, requiring further government action and regulation. Some issues - such as access to the countryside for recreation - were seen as political hot potatoes, and have been completely avoided. Other important issues were fudged, like the rural land conservation designations and the contentious issue of planning permission for scattered housing in the countryside. This piecemeal and timid approach has been largely ineffective. As a result, calls for a genuine revisiting of the land question have grown stronger.

- Trade Unions and the Community Sector have insisted on real advances in housing availability and affordability.
- The Department of Finance has woken up to the dire financial consequences under the Kyoto Agreement of Ireland's sprawling spatial patterns and high car use.
- The EU has hinted strongly that it will not co-fund inflated land acquisition costs for infrastructure, nor accept watering down of environmental directives or demands for additional payments for public access to rural land under CAP restructuring.
- The highly influential OECD report on Ireland of May 2003 has come out in favour of property taxes, charges on resource use, and independent finance for local government.

“Peasant proprietorship is simply landlordism in another form,”

Michael Davitt

As a result of all these pressures, a major rethink about how land ownership benefit is shared and how land use is controlled has begun at all levels of government:

- The All Party Committee on the Constitution has announced a major review of the provision on private property in the Constitution.
- Martin Cullen, The Minister for the Department of Environment and Local Government, has announced a study of alternative means of financing local government.
- The question of the compulsory purchase of development land has been raised by Minister Noel Ahern and a new 'use it or lose it' policy of land acquisition has been suggested.

Clearly, the time has now come to address the core issues of land ownership. It would seem sensible to review initiatives abroad and suggest workable tax and other mechanisms to deliver social cohesion and sustainable development in Ireland.

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the live on-line magazine putting people at the heart of economics

Land&Liberty **annual**

the printed compendium of the year's best writing

Land&Liberty **communiqué**

the quarterly newsletter of the Henry George Foundation



diary

5.30-8pm, 9th September, Edinburgh
Bookshop and web magazine launch
LandandLiberty.net will go live for the first time, and HGF's new bookshop will be formally launched with a reception in the shop itself at 58 Haymarket Terrace, Edinburgh.

9th-10th October, Tara Towers Hotel, Booterstown, Dublin

Land: The Claim of the Community.

An international conference to explore initiatives in affordable housing, infrastructure provision and local government finance, hosted by HGF and Feasta, the Foundation for the Economics of Sustainability. Speakers include Joshua Vincent (Centre for the Study of Economics, Philadelphia), Dave Wetzel, (Transport for London), Fred Harrison (Centre for Land Policy Studies) and Rob Gibson (MSP). For details, contact HGF or Feasta, 159 Rathmines Rd Lower, Dublin 6, Ireland.

16th October, London

Regional Transport Strategies: Key Policy and Delivery Issues

Conference discussing the effective integration of land use and transport planning.

Info: www.thewaterfront.co.uk,
tel Elizabeth Smith 020 7787 1210
email conference@thewaterfront.co.uk

The scheduled L&L interview with Clare Short has been postponed following her resignation as International Development Secretary.

letters

A letter from Kabul.

I returned to Afghanistan in June. So much had changed in Kabul in a year. The increase in UN and NGO folk has led to traffic jams and much worse air pollution, as they use leaded petrol.

The recent UN-sponsored report, "*Land Rights in Crisis: Restoring Tenure Security in Afghanistan*" may be of interest to L&L readers. The full report, summary and a press release can all be downloaded free at <http://www.arei.org.pk>. The report covers the issues around developing a sound legal basis for land rights management. Land issues impact on so much else here.

The report's author, Dr. Liz Alden Wily, has worked on tenure and related issues overseas for a long time. She may well be known to some L&L readers.

As regards public revenue, this comes mainly from a UN trust fund, which provides for the salaries of many, if not most, civil servants. (Salary payments to university and other teachers are often 1-2 months late!)

Shortly before I left the country President Karzi forced a showdown with some regional warlords over their obligation to share the very substantial customs revenue with the central government. I gather that the "settlement" is that central government will get about half, which I think is much less than they wanted. Everything is so fragile in the country, and there have been disturbing reports of large-scale Taliban infiltration from Pakistan. One has to be optimistic. I expect to be back in Afghanistan in September.

Best wishes, Michael Sinclair

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