



letter tax try-before-you-buy

Sir,

Readers of 'A Fairer Way' (L&L 1216) should be told that at no time in its long deliberations did the Scottish Local Government Finance Review Committee contact me to discuss the contents of my final report for Lincoln Institute. In that report, which was for Britain and not just Scotland, I did not recommend that land value taxation pilots ought in all circumstances to be commissioned before a full national roll-out of the policy. I simply reported my research findings, which mainly involved surveys of property tax stakeholders.

It was the overwhelming view of those whom I surveyed by various means over several years, both in the UK and abroad, that any radical reform in such an important policy area ought to be thoroughly tested in the particular national environment before being fully implemented. Pilots generally occur in complex democratic societies, in both the public and private sectors, in all sorts of policy fields. They invariably aid good design and help allay fears about change.

My personal view is that a government minded to introduce lvt within its sphere of rule ought to have enough confidence in the merits of the policy to make a firm 'in principle' commitment to it at the outset. If a similar jurisdiction has recently experienced a similar reform then pilots could be dispensed with. I believe that in Britain, as land registers near completion and other necessary datasets also become more widely available, it ought to be possible to implement nationwide lvt — albeit not at a high rate of tax initially — within a single UK Parliament, ie. five years. Experts at the Royal Institute of Chartered Surveyors confirmed this to be possible ten years ago, with the caveat 'given the resources'.

I note that Fred Harrison would settle for a 10-year transition (according to his latest book), so perhaps I'm being too radical!

However the sad facts are that (a) our democratic politicians are risk-averse (and dictatorship is not a realistic option); and (b) they have no recent trailblazers to follow. It is perfectly reasonable, in the real world, to plan for pilots. As I have said, only semi-jokingly, to Scottish tax reformers: Scotland would be a great pilot for Britain. [And I don't accept that the Poll Tax was a bad precedent: with a true pilot, no Government should inflict ill-considered proposals on an unwilling nation over which it has no mandate, as was the case with the Poll Tax in Scotland.]

Hopefully, when my party has published and approved detailed proposals for UK-wide lvt later this year, and then negotiated with coalition partners in the next UK Government in about 2009, we may yet see Scotland willingly agree to implement a UK lvt pilot roll-out to mark the centenary of Lloyd George's People's Budget. Meanwhile I believe the real reason why the Scottish Review ducked out of lvt was here: "we question whether the public would accept the upheaval involved in radical reform of this nature." [In fact, this was the first point made by our report. Ed]

In other words, they funk'd the issue and used my report as an excuse not a reason. The Committee can't have it both ways. A pilot would help allay those fears of the public. I defy anyone to devise a radical progressive reform of tax in a democracy that could be successfully introduced quicker than lvt.

Clr Tony Vickers
Newbury (Liberal Democrat)

Land&Liberty has chronicled world events for over 100 years. It has offered a unique perspective with its reports, analysis and comment on the core issues of political economy. And that uniqueness remains.

Land&Liberty aims to explore how our common wealth should be used — and to demonstrate that this is the key to building the bridge of sustainability between private life, the public sector and our resources — between the individual, the community and the environment.

Land&Liberty — putting people at the heart of economics.

Editor Peter Gibb
Executive Editor Lars Rindsig
Publisher HGF
Contributors Ib Christensen
John Digney, Rob Gibson, Tim Glazier
Fred Harrison, Geoffrey Lee

To read L&L and to support the work of the Henry George Foundation contact the address below

Copyright in this and other Land&Liberty publications belongs to the Henry George Foundation which welcomes approaches for the reproduction of articles. However reproduction is prohibited without prior written permission of the copyright holders. No responsibility will be accepted for any errors or omissions or comments made by contributors or interviewees. Views expressed are not necessarily those of the publishers. Goods and services advertised are not necessarily endorsed by the publishers.

Land&Libertycommuniqué is produced by the Henry George Foundation and printed by Calverts on Corona 100% post-consumer recycled paper.
ISSN 0023-7574

The Henry George Foundation of Great Britain Limited is a company limited by guarantee, registered in England, no. 00956714, and a charity registered in England under the Charities Act 1960, no. 259194.

Henry George Foundation

212 Piccadilly
London, W1J 9HG
ph +44 (0) 20 7377 8885

office@HenryGeorgeFoundation.org
www.HenryGeorgeFoundation.org

The Henry George Foundation is an independent economic and social justice think tank and public education group with offices in London and members throughout the UK. The Foundation deals in cutting-edge ideas, exploring and promoting principles for a just and prosperous society and a healthy environment.

NEXT ISSUE

due September 2007

Location, location, location in the virtual world

Ole Lefman on paying for privilege (part 2)

Policy — carbon trade-in

Duncan Elliot argues good governance needs land data

The Chavez Project