

**T**he value of land - any piece of land, any site - derives from one or a combination of two phenomena: natural value, and community value.

Natural value most commonly arises from fertility and climate: examples are North American wheat prairies, French and Italian vineyards, Asiatic tea plantations and tropical hardwood forests. Natural value can also arise from deposits of diamonds, coal, oil, iron or other minerals. Land adjacent to rivers, lochs and seas rich in fish, gains natural value from that resource.

Community value arises from the human instinct to settle in groups wherever possible. People attract people. Where people are, be it village or city, they need to congregate, and they quickly and instinctively select focal points, geographical centres, where they collect, work and socialise. It is no coincidence that the most valuable sites are in the centre - with the shops, offices, cinemas, restaurants - because economic activity occurs where people come together. Even in the outlying suburbs, such facilities, modest as they are, congregate at the suburban focal point.

**M**ost of our community environment is provided and sustained at public expense; it is our roads, street lighting, cleansing, sewerage, policing, and so on, that create community economic value, and that in turn supports private economic activity. Little of the environment which makes a site so desirable is provided or paid for by the owner of the site. So the important question arises: - Who should rightfully be the beneficiary of this site value?

**T**he point must be made here that what a man or woman produces by their own efforts is quite rightfully theirs to keep or sell. But this merely emphasises the main point: no-one produces land, climate or any other natural resource; and no individual land-holder provides community benefit.

It is worth noting that private land ownership is very much a European concept. During the dark ages, warrior chiefs laid claim to tracts of land, which they controlled by strong-arm methods. Their claims, although utterly spurious, were later sanctified by the Church, and later still recognised by the Law Courts. This is the basis of the psychological hold which a minority now have on the

land of Scotland. When the early colonists went out to the New world and 'bought' land from the indigenous people, those natives to the land totally failed to comprehend what it was about. It is a supreme irony of history that the emigrants inflicted on the 'new territories' the most evil aspect of the European culture from which they had fled: that is, the most evil aspect except one - the ownership of slaves. But if the enslavement of people is wicked, surely it is wicked too to enslave the land, on which equally all people live and depend for their sustenance, one way or another.

If the land was properly used for the benefit of all the people: if land, which is presently held idle by speculators, was brought into good use: if land, which now lies idle because of dog-in-the-manger landowners, protected by archaic feudal laws, was set free: what would be the impact, on unemployment, for instance ?

Classical economists realised that poor economic performance and high unemployment were largely caused by high taxes. The Neo-classicists of today respond by jug-

gling existing taxes, and inventing reactionary new ones. But it is the national community that is the rightful beneficiary of site value ! If, instead of foolishly treating land as capital, which it patently is not, government was to take all community ground rent, it would logically follow that malign taxes could drop, and economic activity would rise.

This question was taken up, in 1782, by Professor William Ogilvie of Aberdeen University, in his Essay on the Right of Property in Land. A century later, with messianic fervour, Henry George, the American philosopher, described the clear solution - of a Land Value Tax.

**L**VT leaves the landowner with the title to the land, but gives the government power to tax the real (bare) site value.

Complex tax legislation attracts lawyers and tax advisors - as decay attracts flies. To be effective and sustainable, a system of Land Value Taxation must be kept what it naturally is - simple: that part of the value of the land not due to the efforts of the landholder must be taxed 100%: the remainder, truly created by individual effort, must be the landholder's to keep, untaxed.