

Learning from the Past

Lincoln University hosted a Land Taxation Symposium at the end of June that provided a welcome opportunity for a wide-ranging consideration of different perspectives. Organised by Dr Ian Packer, Reader in History, it was intended to look back at Edwardian Liberalism and land reform to consider how a historical perspective might allow us to view the present day prospects for LVT. What lessons could be learned and how can the practicalities of a land tax be assessed?

The three speakers in the morning session looked at the historical aspects. Dr Tony Taylor of Sheffield Hallam University began with a historical sketch of why Georgism had declined from a popular, almost cult, movement to near eclipse by the socialist movement and was now considered as an extreme position harking back to rural nostalgia.

Dr. Paul Mulvey (London School of Economics) reminded us that the Liberals had done themselves no favours by taking collectivist or individualist paths where both lost their way.

Dr Ian Packer provided an analysis of why the 1909 Budget went so horribly wrong. Lloyd George's initial proposal wanted a 1p in the £ tax on capital value and a 20% increment duty. This was changed to ½ p on the capital value of undeveloped land and a 10% revision duty. There were a multitude of exceptions and legal challenges that made the Bill so complex that 5,000 staff were required to issue and record the 10.7m 'Form 4s' required for the initial valuation.

We were left bemoaning that after all the effort and near success LVT had fallen, simply because there was no practical document ready prepared. Perhaps an important message for Georgists today?

The two afternoon sessions considered the situation and prospects for LVT. Dave Wetzel (Labour Land Campaign) provided an overview of the benefits to be derived from LVT, and reminded us, with several high profile examples, that all infrastructure improvements ultimately benefit the

landowner. A little known fact is that Victoria Coach Station is part owned by the Duke of Westminster, who claims an annual rent of £230,000. 'Any more on the fares, please?'

Professor Alan Evans (University of Reading) concluded the day with an in-depth consideration entitled 'The Taxation of Real Estate. Whereas a century ago 90% of houses were rented, the situation today is that a land tax would impact on 70% of the 'property owning democracy' who would resist what they see as a reduction in the value of their home. We now expect, indeed rely on, house prices to double every 30 years. We ignore the fact that densities have increased, gardens are



smaller and new builds are the smallest in Europe.

With a paucity of positive policies for long-term economic recovery there has never been a better time to introduce a levy on land rental value, although there are many resistances to overcome. Let us hope that we do not forget the mistakes made by Lloyd George.

Michael Hawes

CEJ Conference

On June 24th the Coalition for Economic Justice held a day's workshop at Mandeville Place courtesy of the School of Economic Science to explore how the root causes in LAND AND MONEY relate to the thrust of a number of progressive agencies. The attendees represented over 20 organisations concerned

with economic and social issues including Call 4 Reform, National Coalition for Independent Action, Islamic Banking, Work Foundation, Christian Council for Monetary Justice, Christian People's Alliance, and a representative from the Treasury.

The driving force for the event was the belief that, as the UK economy faces the biggest crisis it may have ever known, progressive thinkers need to concentrate on how they can create together a critical mass likely to bring change, creating an alternative to the prescription of the failed economics of the neo-liberal marketeers.

The event was chaired by John Lipetz of the CEJ. The context for it was provided by Josh Ryan-Collins of the New Economic Foundation based on their comprehensive prescription for eco-systemic change, The Great Transition. Key evidence was supplied by Bill Kerry of The Equality Trust from the book *The Spirit Level*, which makes transparent the relationship between social ills and the scale of the rich-poor income gap in the OECD countries.

In the remainder of the morning session David Triggs of Henry George Foundation presented, in a simple and fresh way, the basic case for using the economic rent of land for public revenue in place of conventional forms of taxation. Professor Richard Werner Director of the Centre for Banking Finance and Sustainable Development at Southampton University gave an authoritative and insightful presentation on the present financial system and offered a number of routes to reform.

Subsequent discussion helped to make clear how closely the land issue was interlinked with the financial system and hence the strong case for considering both Land and Money Reform as interconnected fundamental issues to be faced in any significant eco-systemic change.

After lunch there was also earnest debate about strengthening networks between the fledgling campaigns that might contribute to that critical mass necessary to end the deep injustices in our society.

The possibility of a larger coalition emerged, possibly connecting the NEF with both CEJ and the newly emerging Call4Reform.

Peter Challon