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Foreword

AS WE APPROACH the centenary of Lloyd George's 1909 People's Budget, this book is a timely reminder of one of its key themes: location matters. Despite living in a largely 'virtual' world of internet and teleconferencing, the issue of 'where' matters as much as ever and is still vital to politics, community and society. The land question has not gone away just because we don't rely on British land for Britain's food supply and industrial raw materials. Instead land lies behind the crises in affordable housing and the lack of public transport infrastructure.

Vickers combines spatial and political awareness with many years of careful academic research to give us a very competent and readable oversight of the issues surrounding land values and land value taxation. Like growing numbers of people in progressive politics, I have long believed that the behaviour of imperfect land markets needs to be addressed by modern government. Neither the property market nor the tax system are fit for purpose in the modern age without a carefully constructed land value tax.

The reasons for this have been known to the initiated since Adam Smith. They are too often ignored and indeed kept from the wider public by vested interests. This book is a primer for anyone who wants to help create a more equitable, efficient and sustainable Britain.

There are few people in Britain today who have done more than Tony Vickers to bring the land question back into public debate. In the past decade, numerous studies by and for governments in these islands have come and gone, some of which have acknowledged the beneficial attributes of land value tax (LVT) but all of which gather dust. Some have had too narrow a remit; others have preached to the converted and used language that makes 'real world' politicians and commentators cringe. There is a danger in overstating the case for LVT of which Vickers is aware.

I commend this book to any radical of whatever party who supports a free market system but believes markets are there to serve society and not be their master. As Mark Twain famously said of land: ‘They don’t make it any more.’ That perception – give or take a polder or two – is what makes land both unique and capable of creating such roller coasters of wealth and poverty both within generations and between them. It is up to governments to intervene where markets fail. Without land value taxation, the land market in Britain is bound to fail to deliver the homes and communities we need. If the Government does not soon intervene to recycle Britain’s land values, we may not run out of land but we will run out of time to secure a fair, free and sustainable society.

CHRIS HUHNE MP
House of Commons, July 2007

≈ Abstract ≈

THE ISSUE OF ‘economic rent’ is at the root of poverty, economic justice and sustainability. For modern society to survive and prosper, we need to ensure that the cost of Nature’s contribution is charged to beneficiaries and users. That implies a complete shift in the burden of taxation, off enterprise and onto resource usage. Land is the most significant resource: finite and ever more value-laden.

There is now a growing realization across the political spectrum and in relation to several key topical ‘doorstep’ issues (housing, urban degradation and crime, transport and agriculture) – in Britain and elsewhere – of the need for a Tax Shift. In many fields there have been calls for a land value tax (LVT) but there remains vagueness and confusion as to what such a tax entails and how it would operate. The debate in professional and political classes has been strangely ill-informed, with little understanding of the Law of Rent, of the fundamental nature and scope of LVT as a policy instrument for radical social and economic reform, or of the reasons why other apparently similar taxes are bound to fail.

Drawing on several years of research by the author into the politics and mechanics of property tax reform worldwide, this book sets out why LVT is needed and how it can be implemented in modern Britain over the next two Parliaments (ten years). It includes definitions of Economic Rent and LVT; a short history of land and property taxes; examples of how land rent is captured elsewhere in the world; the drawbacks of other so-called ‘land taxes’; the reasons why now is a good time to start implementing LVT in Britain; and some pitfalls and tips on how to manage the transition from taxing ‘goods’ to taxing ‘bads’ (i.e. waste rather than work).

The book concludes by departing from *terra firma* to give a taste of some other sources of ‘rent as revenue’ that constitute Common

Wealth waiting to be recycled. Finally there is a glossary, bibliography and list of websites.

With the centenary of Lloyd George's Peoples Budget approaching, we need to recall Winston Churchill's words then: '*the Land monopoly is the mother of all monopolies*' and also '*Liberalism attacks monopoly*'. Liberals and Liberal Democrats have been singing '*The Land Belongs to the People*' ever since – but the fight to reclaim it needs actions, not words. Baby-boomers emerging into the twenty-first century are the pre-eminent generation of cradle-snatchers: robbing our children and grand-children of their inheritance. This book is to help them take it back from us, as is their right: to 'recycle' Britain's Common Wealth.