

are able to direct their profit to nations that give them the advantage of low taxes". Why not? It is a fundamental Georgism that "man seeks to satisfy his desires with the least exertion" and that "taxation is robbery". Who wants to pay taxes on profits? It is no Georgist solution for government to demand money from companies merely because it fails to collect site rents. He also laments that "today nobody is able to regulate international trade". Is that bad?

As for taxes on pollution, although excellent in concept, they are not rent collection, nor are they taxes. They should be regarded as penalties for breach of public health laws. If public health is being endangered the perpetrators should be penalised like drunk drivers. Finally, as for sustainable production, George reminded us that "the more the jay hawks, the fewer the chickens, but the more the mankind, the more the chickens!"

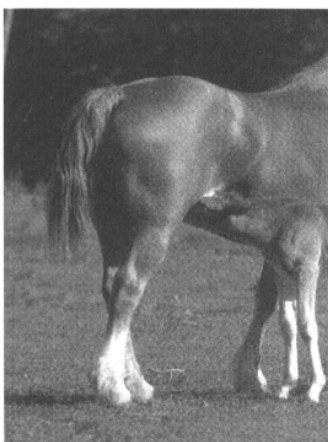
Frederick Auld
Tasmania

Asset rich, income poor

An item in the 29 September Sydney Morning Herald was headlined "Prix d'Amour a thorn in Rose's side". It reads: "Ms Rose Porteous says she may be forced to pull down her West Australian mansion Prix d'Amour to make way for luxury apartments because she cannot afford a new annual tax bill of \$400,000."

The residence, built for Ms Porteous in 1990 by her late mining magnate husband, Lang Hancock, is on 8,117m sq overlooking Perth's Swan River. At today's values, the property would attract about \$400,000 a year luxury land tax. The tax has caused an outcry from people living on exclusive properties, many saying they are asset rich but income poor.

Ms Porteous's real estate husband, Willie, who has been trying to sell Prix d'Amour, said yesterday that architects were looking at ways to rezone the sprawling block. This could



Would you buy this horse?

include bulldozing the home to make way for up to 30 luxury apartments.

The Western Australian politicians do not have a clue about rent in its economic sense, but they certainly understand the word tax. Although we have unemployment with its attendant crime and poverty, we have virtually no slums. With LVT it does not pay to keep a slum.
Lionel Boorman,
New South Wales, Australia

Meet the challenge head on

I note one article and several letters (L&L Spring 2001) urging the adoption of new terms (all different) in place of Land Value Taxation to avoid the word tax.

All are, of course, quite correct that LVT is fundamentally different from conventional taxes, like income tax, VAT, stamp duty, etc. It is beguiling to think that the adoption of a new term like "sovereign's rent", or whatever, would help emphasise this difference whilst avoiding the unpopularity of taxation in general. Beguiling, but dangerous.

I can see the headlines now – "Sovereign's rent: the stealth tax to end all stealth taxes!"

Sorry, but it would be a public relations disaster and a gift to our opponents. Most people would have their minds closed to the idea before we had even opened our mouths to explain what we are talking about.

There are no shortcuts to the argument that a civilised society needs good public services; public services have to be paid for by taxation; taxation should be fair; here's why LVT, and related taxes,

are fairer than other forms of taxation. We can't avoid the term taxation – we have no option but to meet negative feelings head on.

John Simpkins
Farnborough, Hants

Horses for courses

Tommas Graves suspects James Robertson doesn't see the full cat, since he suggests a social salary (L&L 2001 Summer). Actually, Graves sees less than the full lion. The point of a citizens' dividend is not to alleviate poverty, although it surely would. The point is to put into the pockets of the owners their rightful property. Rent belongs to us all, not to landowners, not to an elite, not to the state. Lacking our fair share is what impoverishes us, and creates class and hierarchy and all the evils of inequality. Hiding this universal payout, as Georgists do, while touting a tax, any tax, is like trying to sell a horse by showing off its rump. You got it completely backwards.

Jeffery J Smith,
President, Geonomy Society,
Portland, Oregon, USA

Over-farming is over-egging

Recently I saw an e-mail from a member of The Land Is Ours movement who was sceptical about LVT as he thought it would mean over-farming. I have heard and read many arguments against the proposal to implement LVT, but never before have I heard that it means over-farming.

The supporters of landholders' interests seek to maintain today's rights for landholders to withhold the main part of the rent of land. They have not created the rent of land. It has been and will be



Henry George under the plough

created by other citizens' demand for sites. It will increase even further every time the community invests taxpayers' money in better infrastructure.

Therefore to me The Land Is Ours means all citizens should benefit from the total value of all land in the country on an equal footing. Such an arrangement will only become reality through public collection of the annual rent of all land, rural as well as urban land. Public collection of the annual rent of land and other privileges protected by the government will give each citizen equal economic rights. That gives the citizens the best basis for acknowledging other citizens as equals. That gives all human beings more tolerance, better relations, greater harmony, warmer friendship, peace and prosperity, which is what the Georgist movement is aiming at. If such a thing as unwanted over-farming becomes a possibility, the means for combating it will be restrictions – in the same way as for controlling pollution.

It is quite normal that governments plan and regulate how sites may be used: residential, meat, milk, corn growing; market gardening; leisure parks; forestry; infrastructure; industrial and nuclear plants. Restrictions commonly mean that some citizens will be allowed to do what others are not, or allowed to avoid doing what others are obliged to. Such privileges, protected by government, will be of value to the holders of the privileges, but such values, created by the government, have to be forwarded to the public chest; if this does not happen through the collection of land rent then it has to be collected in other ways, and all such public collection has to be used for the betterment of all citizens on an equal footing.

In Denmark LVT meant that smallholders' properties were farmed more intensively than bigger properties, but it never resulted in over-farming.

Ole Lefmann
London

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