Strong Georgist presence at the Global Institute for Taxation conference

by Dr. William Batt, Albany, NY

St. John's University hosted a conference on October 1 and 2 at the World Trade Center's Marriott Financial Center Hotel at which wide ranging alternatives to current tax structures were extensively explored. The papers were printed, bound and distributed to all attendees and will be given to decision makers at the national level for their review. It was a small and select group approaching 100 students of tax policy from the US, Canada, Australia, Europe and Asia.

Four advocates of a tax on "land" presented papers and contributed to the discussion. The four presenters were Mason Gaffney, Ted Gwartney, Alanna Hartzok and myself. There were others supportive of our views there too: Pat Aller, Adam Monroe, and Mark Sullivan. The most widely known presenter was Harvard Professor of Economics, Dale Jorgenson. Using impressive technology of closed circuit TV, Congressman Steve Largent (R-OK) presented a luncheon address from Washington—one which he read, and which was no doubt written by a staffer.

Concern was mostly with taxes at the national level, and conferees tended to dwell on various versions of consumption taxes, transaction taxes, and income taxes. Some presenters pointed

continued on page 2

Strong Georgist presence at the Global Institute for Taxation conference

continued from page 1

out that all the proposals were essentially similar versions of the same approach, and it was simply a matter of efficiency and administrability which distinguished one from another. More likely than not, most of the presenters and attendees also identified as Republicans, and issues about the size and scope of government and the source of revenue were conflated without distinction. But, interestingly, concerns about ensuring efficient collection were of greater importance than were issues of distortion, fairness, or economic vitality. Being at the World Trade Center, it was natural in the corporate financial community that special concern was given to tax exporting and shifting. (The significance that land taxes cannot be shifted offshore was largely lost.) The private sector's over representation led to concerns more about burdens on individuals and corporations than on ensuring sufficient revenue to provide the services of government.

Gwartney's first presentation was "An Alternative Source for Public Finance," which used data from several nations both past and present. He offered examples from Korea, Japan, and Russia to show what could happen with taxes put mainly on land. Hartzok's "Financing Local to Global Public Goods: An Integrative Perspective," showed how various levels of government could be financed efficiently by relying upon land and associated wealth. The bound volume contained a paper by Batt entitled "The Merits of Site Value Taxation," which could hopefully be taken away and read with value. Batt presented another with data he'd collected on proportion of assessed land value in over 2,700 tax districts in the US, leading "To[ward] a Default Assessed Land Value for American Municipalities." Gaffney proposed that land values can even be over 50 percent in certain instances. Gaffney also had two papers: "Gains from Untaxing Work, Trade and Capital by Uptaxing Land," and "The OECD vs. Harmful Tax Competition." There were breakout sessions in addition to the plenary symposiums when Gaffney, Hartzok, Gwartney and Batt had second chances to advocate Georgist approaches. So when all was said and done, we Georgists accounted for eight of the forty papers presented. Not bad.

Except for one other presentation on environmental taxes, however, we Georgists stood apart. And because so many of the presenters were more interested in pressing their own particular views, less attention was paid to comparison, or even to debate. To be sure the criticism of the present system went on ad nauseum — until at one point a panel was advised not to dwell on the problems of current structures about which we were all in agreement.

Although presenters were invited to "think big," they were in fact often caught in the minutia of conventional paradigms. Except for the Georgists among us, discussion centered on the conventional labor vs. capital, production vs. consumption, savings vs. investment, and so on. Some of the papers lapsed heavily into jargon. Some were so heavily statistical that they lost people. The wrap-up session, on the "Politics of Tax Reform," and the prospects for change, addressed only the national level prospects and offered forth a consensus that nothing will happen.

In a way, then, all this opens up a door for our point of view, for it is at the state and local levels that we operate, and with changes adopted there, prospects for future alteration at the national level may well improve. And so even though we were dismissed out of hand by some of the participants and audience, interest perked up among others. Most importantly, our perspective was heard, we were invited, and mention of our work at such a major forum will enhance our standing, especially as we refer to our presence here in other venues. In a word, it was a victory.