media watch

IFS Backs LVT

February 2nd 2012, Phillip Inman - Economics correspondant

Full story: www.guardian.co.uk/business/economics-blog/2012/feb/02/ifs-backs-land-value-tax

theguardian

Amid a flurry of microeconomic reform proposals, the Institute for Fiscal Studies has thrown its weight behind OECD proposals for a shift away from income taxes to consumption and wealth taxes. In particular, the IFS said: "Replacing business rates with a land value tax would remove a damaging bias against property-intensive production." The IFS's recognition of the property problem is welcome. Across the western world there is a mania for investing in unproductive property as a way to boost living standards. There is a case to be made that property speculation, seen as a bona fide job in some circles that deserves respect, is a way not to do any real work, but let's leave that to one side. The last property bubble, which precipitated the financial crash, has entirely failed to diminish the appetite for making gains on property speculation as a substitute for making gains from working. For 30 years wages have stood still. But no matter, we can speculate on property to increase our income.

OECD to Northern Europe: Raise Your Property Taxes!

February 16th 2012, Stephen Smith

Full story: www.ibtimes.com/articles/300101/20120216/oecd-property-taxes-germany-denmark-norway-britain.htm

INTERNATIONAL BUSINESS TIMES

The OECD has been a strong proponent recently of land value taxes, which date back to Adam Smith but were most vigorously promoted by 19th century economist Henry George. He promoted a land value tax—which is assessed on the unimproved value of underlying land, not penalizing intensive development like many property taxes today—as a replacement for all tariffs and levies, however the OECD has settled on a more moderate position, instead advocating a shift in emphasis away from other taxes and towards the land value tax.

Why One Rich Man Shouldn't Own An International Bridge

January 12th 2012, Joann Muller

Full story: www.forbes.com/sites/joannmuller/2012/01/12/why-one-rich-man-shouldnt-own-an-international-bridge/

Forbes

Today, billionaire Manuel "Matty" Moroun, 84, was sent to jail for contempt of court. Moroun is owner of Detroit's Ambassador Bridge, the most important border crossing between the U.S. and Canada. He wants to stop Michigan and Canada from building a second bridge nearby, and says he'll build his own new and improved bridge instead. But right now, he's in trouble for failing to complete a joint project with the state of Michigan to improve access to the existing bridge.

If terrorists knocked out the Ambassador, the Michigan and Ontario economies could run losses of $3 billion a month. But no government can do much to fix this – not the Feds or the Mounties, not the state of Michigan or the province of Ontario. The Ambassador Bridge isn't owned by the U.S. or Canada – it is owned by one recalcitrant man: Manuel (Matty) Moroun. He controls the best monopoly you never heard of. The Ambassador rakes in an estimated $60 million a year and turns a hefty profit. In the 25 years he's owned it, unfettered by much regulatory oversight, he has more than doubled toll rates for trucks and has nearly quadrupled rates for cars.