

LAND

and LIBERTY

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Denmark – Heaven or Hell?

Fred Harrison 19

Doctors' Urban "Cures"

Peter Poole 22

Docklands Dilemma

INSITE 24

The Cares of Prince Charles

INSITE 26

Nuclear Opportunism

Ed Dodson 28

Henry George Re-Visited

Vic Blundell 30

Poll Tax Turmoil

Henry Law 32

CONFERENCE

- The 18th conference staged by the International Union for Land Value Taxation and Free Trade will be held in Philadelphia on July 29 - August 6, 1989.

- Accommodation has been reserved at the University of Pennsylvania. Details of the programme, and booking arrangements, will be announced when they become available.

POLL TAX IS UNFAIR ON EVERY COUNT

THE BRITISH government is now actively persuading Parliament to abolish the property tax, which has provided the finance for local governments for centuries.

In its place will go a Poll Tax – a levy on the head of each person over the age of 18.

This legislation, says Premier Margaret Thatcher, is the "flagship" of her current administration.

And the principal justification for this fiscal change?

Accountability!

The change, she thinks, will encourage voters to withdraw their support for the handful of left-wing councils that spend more than most on welfare services. More, that is, than Mrs Thatcher thinks they ought to spend on locally-administered amenities.

THIS RATIONALE is contained in a letter from Michael Howard, the Minister of State for Local Government.

Mr Howard attacks a tax on site values as an unacceptable alternative.

"Our principal aim in introducing the community charge is to restore accountability to local government," he writes. "At present, out of 35m. adults in England, only 18m. are liable to pay rates. This undermines local accountability, because half of the electorate are free to vote for extra spending by their council, safe in the knowledge that someone else will meet the cost."

DOES THIS mean that the people exempt from the Poll Tax should be deprived of the vote?

DOES THIS mean that people who make disproportionately heavy claims on local services – such as old folk and children – should be liable to higher taxes than others?

DOES THIS mean the end of graduated income tax (for don't low-tax payers vote for policies that have

to be financed by high-tax payers)?

POLITICIANS will use any argument to defend the indefensible, once they are on a hook – even if that argument is spurious.

At the same time they will debunk sound policies which they do not happen to support. Take the proposal to finance local government by relating the tax to land values. Mr Howard says that this "must be considered unsatisfactory."

Why?

He suggests two reasons. One is "the many technical difficulties" – difficulties, it seems, which Denmark has no problem in overcoming! (See facing page).

But he rests his case on statistics. The major drawback with site value taxation, it seems, "is that it would do nothing to restore accountability."

For since there are fewer land owners (who would pay a land value tax) than there are householders (who currently pay the property tax), "a land value tax would exacerbate the problems and weaken still further the link between voting in local elections and consuming and paying for local services."

Henry Law exposes some of the fallacies of this argument (see back page). No matter who votes for them, the benefits of local services are capitalised into land values: so site value taxation is the fair and efficient way to fund these amenities.

If the government wishes to deal with the problem of unrepresentative councils, there is a rational electoral policy for this: proportional representation.

In fairness, it must be said that the Conservative Government knows all about unrepresentative governments: it received far fewer than 50% of the votes cast at the last election!