

TWO-RATE LVT THE MEANS, SINGLE TAX THE END

by Dr. Steven Cord, Columbia, MD

[This is the response to the article in the Jan-Feb. 2004 issue of Groundswell, "Has Georgism Been Hijacked by Special Interests?" by Dr. Michael Hudson.]

A long paean to Marxist socialism appeared in the article. Let us ignore that and get to the article's criticisms of two-rate LVT:

(1) It is absolutely wrong to say that two-rate LVT is not in accord with the Single Tax. Both systems transfer taxation from things produced to land values. Two-rate LVT is the means for doing so in the foreseeable future, and the Single Tax is the eventual goal.

(2) We two-raters never tell Pennsylvania mayors not to re-appraise property, as was charged. Anyway, two-rate is a rate reform and has nothing to do with re-assessment.

(3) It was charged that two-rate advocates were among those who have "hijacked" Georgism, but no evidence was presented for that charge (there is none; we are as poor as church-mice).

(4) The article wants every assessment office to have large assessment maps. The assessment office we have dealt with all do. Unfortunately, that has not prevented the under-assessment of land.

(5) All taxation of labor and capital is absolute robbery. Two-rate so far has prevented the robbery of labor and capital to the extent of about \$2 billion! The two-rate LVT critics have prevented no robbery at all and wouldn't know how to do it in the foreseeable future. Their critical publications have led to the destruction of vast tracts of forestland.

(6) The article said we should have a federal LVT. OK, great; two-rate LVT doesn't prevent that. We have a vote-getting federal LVT plan that will reduce taxes for most voters while maintaining revenue neutrality. I hope this critic does also (in which case, he should let us know what it is).

He should just be sure not to tax labor or capital. I, of course, intend to continue with my two-rate LVT efforts at the local level, but wouldn't it be wonderful if LVT could also be debated in the current federal political campaign (or future political campaigns)?

To further this effort, I have devised a federal land value tax suitable for the foreseeable future (it wasn't easy to do so) and I would be happy to share it with other Georgists (10528 Cross Fox Lane, Columbia MD 21044, or stevecord@hotmail.com).

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(editor's note: Dr. Cord is the author of several published articles on federal land value taxation. Two such articles are "A Federal Land Value Tax for 2004" (Incentive Taxation, Feb. 2004) and "How Much Revenue Would a Full Land Value Tax Yield?" (American Journal of Economics & Sociology, July 1985) <<