

HOW LVT CAN BE IMPLEMENTED

By Dr. Steven Cord, Columbia, MDd

Without a doubt, Henry George is the greatest social philosopher the world has ever seen, bar none. He discovered the most basic economic idea – the 100% taxation of land values to replace all taxes on private property; he argued for it convincingly. He wrote beautifully and persuasively.

But – he never implemented any land value taxation because he didn't know how to do it. He left political implementation for us to figure out. The key to the political implementation of LVT is – graduality.

Philosophy alone is inadequate in the arena of politics. Philosophical argumentation has not and will not convince a majority of present-day voters - they simply are not philosophically minded. In fact, the *sudden* taxation of land values at 100% wouldn't even be equitable since landowners bought or inherited their land when landownership was legal – we shouldn't *suddenly* expropriate their legal property.

The tax rate on land values absolutely must not be *suddenly* changed; just do it gradually. I suggest this gradual change to 100% LVT:

Taxing localities should reduce the current tax on anything produced (such as buildings) by 15% in the first year; maintain complete revenue neutrality by repeating this 15% reduction in subsequent years until only land assessments are taxed; eventually we may be able to go faster to 100% LVT.

In politics, don't ever mention our ultimate goal of a Single Tax on land assessments; neither the voters nor their politicians are ready to vote for that. *The only LVT-oriented adoptions in the United States (27) were engineered gradually.*

This gradual 15% reduction will initially result in an increase in Building Permits Issued, so be sure to measure & popularize that increase. Most voters will pay *lower* taxes (even most landowners!); just be sure to empirically *prove* it (ask how). Eventually, we can go faster toward the 100% Single Tax (but in politics, don't mention that goal initially).

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NCSL (fom page 1)

I did not get to attend a program I have been working on for years. Visit <http://www.ksdk.com/> and search "Ann Wagner" and look for the 56th USCT story.

(Al Katzenberger is pres. of PREC. and is pres. of the Missouri chapter of Common Ground-USA. He can be emailed at alfredkatzenberger@sbcglobal.net. Future NCSL conferences will be held 2015 in Seattle, WA, 2016 in Baltimore, MD, and 2017 in Boston, MA) <<

2013 CONFERENCE OF THE IU (from page 2)

Stewart, who portrays his Georgist philosophy through fictionalized accounts, had not only all his books present but was honored by the conference for his long involvement in the movement. We are fortunate to have a close working relationship with the Shepherd-Walwyn publishing house and its director Anthony Werner. Anthony had the books in its ethical economics series on the exhibit table for the full conference.

The conference acknowledged the outstanding contributions promoting LVT and working with TheIU over many years by awarding trophies to Ole Lefmann (UK/Denmark), Fernando Scornik Gerstein (Spain) and Hector Raul Sandler (Argentina).

A few other items are worthy of note. Shortly before the conference, the news of the second revolution in Egypt was broadcast. The interim Prime Minister appointed by the intervening military was a venerable elder-statesman and well-known liberal economist. Hazem Beblawi, who had earlier served as vice-prime minister and minister of finance, was now head of the provisional coalition. His past writing shows a very clear understanding of rentier states, and edited a book in 1987 titled *The Rentier State*. A letter was drafted and signed by all the attending members of the IU urging Mr. Beblawi to press the new leadership to tax resource rents as a way to revitalize the Egyptian economy. This letter is now available on the IU website.

The IU business meeting addressed still other matters, in due course. The election of officers began by thanking Fernando Scornik-Gerstein for his service as president for the past seven years, and the election of Dave Wetzel as the new president. Vice presidents for some twenty other nations were chosen as well. It was also formally agreed that the IU should aim to have a conference every second year.

The most contentious measure involved whether to change the name of the organization by deleting reference to "Free Trade." From its inception, the name has been 'The International Union for Land Value Taxation and Free Trade,' even though it is widely understood that the words "Free Trade," have today become linked to an economic philosophy of neoliberalism essentially opposite to that in 1926. Free trade advocacy for Georgists has always been premised on the assumption of the universal institution of taxation of land rents, which would then provide greater efficiency, equity, and a harmonized level playing field among nations. For this reason, and the fact that current usage of free trade in our title acts as a barrier when discussing LVT within the UN and other places, a majority of those present and voting argued for the elimination of the words "and Free Trade." But altering the IU constitution requires a 2/3 majority, and the vote fell just one short of that number. As a result the informal agreement arrived at was to explore other wording for a special General Business Meeting early next year.

Lastly, no conference report can be complete without mention of the role that Alanna Hartzok (continued on pg. 16)