



LABOUR LAND CAMPAIGN PRESS RELEASE – 27 NOVEMBER 2020

Unintended overseas aid we could cut with honour

The decision by the Chancellor to cut overseas aid to help pay for the aftermath of Covid-19 is wrong for a number of reasons but there is a different, more pernicious drain on the nation's wealth that could advantageously be plugged. Land accounts for over half of the nation's net wealth and much of this is in the hands of non-UK citizens. With the opaqueness of the market in question, it is impossible to put a figure to this loss to the nation but it is certainly far greater than the 0.2% of Gross Domestic Product that the Chancellor is planning to recoup by dishonourably cutting the aid budget. We could reinvigorate the British economy by introducing an annual Land Value Tax (LVT) in order to reap the unearned gains that arise from land ownership.

Land value is generated by the whole population and yet, for centuries, much of the monopolistic wealth that accrues from the ownership of land has been grabbed by a tiny privileged minority, some (although increasingly) foreign but most homegrown (as long as you don't count those who came over with William the Conqueror). If some of this unearned wealth were returned to the public purse by means of a LVT, it could replace our most unfair and economically inefficient taxes. Heather Wetzel, Chair of the Labour Land Campaign which calls for a fundamental shift in what is taxed, says "Landowners do not need to do anything as the value of their asset rises because of community-led and taxpayer-funded development. A LVT might be better described as a 'payment for benefits received' rather than a tax: let those who benefit the most from public-sector investment, contribute the most towards it."

Surely by now we should recognise that Covid-19 is an international threat and it is in our own self-interest to ensure all countries are in a fit state to combat it. Britain remains one of the wealthiest nations on the planet and we could be setting a moral and economic example to other nations by increasing our assistance to poorer countries to help them feed, educate and house their peoples as well as providing medical services to fight Covid-19.

Heather continued, "The Chancellor joins a long line of his predecessors who failed to do anything about a tax system that discriminates against workers, starves public services and penalises business whilst ignoring the richest citizens and non-citizens. Land wealth should be collected through an annual Land Value Tax to pay to improve our public services and replace bad taxes that shrink the economy.ENDS

***The Labour Land Campaign is a voluntary organisation working for land reform.
It advocates a fairer distribution of land wealth through a Land Value Tax.***

For more information see www.labourland.org

URL for posting on Twitter:

<http://www.labourland.org/press-releases-and-archive>

Contact details

Press Officer: Anthony Molloy

Email: anthony1molloy@gmail.com

Telephone: +44 (0)7704 116 238