



Community created land wealth is feeding global corruption

The Pandora Papers have not only exposed the immoral activities of those like Tony Blair using land wealth to avoid paying taxes, they highlight how land wealth is extracted out of the economy by the super-wealthy and the corrupt.

So says the Labour Land Campaign, a broad left organisation that calls for a fundamental shift in taxes off earned incomes and onto the unearned wealth taken by the owners of land.

Chair, Heather Wetzel, argues: Speculation in rising land values is nothing new and has been a root cause of our distorted economy and tax system that actually encourages tax avoidance and evasion and which enables the exploitation of land wealth all over the UK. Land value only arises from society's combined demand to use sites for homes, businesses and food production. Yet society does not share in that wealth which we all create. Owners of high value properties are sucking land wealth out of the economy at the expense of middle and low-income families."

Heather continues: "Land wealth makes up 50% of UK wealth, but not one penny of that £5 trillion has been generated by landowners! Because we encourage land speculation in the UK, we see blocks of flats being bought as an investment whilst many in high value locations remain unoccupied, denying families a decent home."

The Labour Land Campaign says that land wealth should be collected to replace those taxes that distort our economy and which are avoided and evaded, leaving those on lower incomes to pick up the tab.

A good start would be to replace Council Tax and Business Rates with an annual Land Value Tax which would have the immediate effect of bringing brownfield sites into their permitted use and would stop land hoarding which pushes up the price of land. Unused and underused buildings would be fully occupied and provide really affordable homes and business premises instead of being a blight on society, whilst going up in value – not because of the building value but because of the land (i.e. the location) value of those sites rising as the economy grows.

The Labour Land Campaign reminds us that land cannot be hidden in an offshore tax haven. Heather Wetzel says: "We need a fair tax system that encourages the efficient and sparing use of land – rural and urban - and one that encourages worthwhile investments in the production and delivery of goods, services and food, not one that helps the unscrupulous to exploit us by avoiding the payment of taxes whilst they appropriate the land wealth that we all create. The Pandora Papers provide evidence on just how corrupt our tax system is, let us change it to a fair one quickly." 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.***

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Contact details

Press Officer: Anthony Molloy

Email: anthony1molloy@gmail.com

Telephone: +44 (0)7704 116 238

