

Topic 1 Existing knowledge base

1.1 *Is there any additional, and in particular more up-to-date, evidence of the extent and nature of wealth inequality (please refer to 'Wealth Inequality: Key Facts' paper)?*

The "Key Facts" document is both useful and thought-provoking. It contains evidence that there is indeed wealth inequality and points to differences in social and economic status which lead to, or stem from, barriers which effectively deny to many an equal chance to make the best of their capabilities (unequal though these might be – one is looking not for equality of outcome so much as for equality of opportunity).

Newspapers and magazines are rich sources of evidence of what lies beneath much of the inequality we see around us, but one has to probe beneath the surface to make sense of most of it. Words like riches, property, assets, equities (shares) are usually not helpful. Two persons might have an equal ability to pay, but whence came their respective abilities? A policy based on the pure coincidence of equal ability could well be most unjust to one of the pair. Property (as I have been at pains to point out) sloppily aggregates land and developments as if they were one and behave similarly, when patently they are not and do not. Dividends from equities blur comparisons between different businesses, one of which has mainly freehold land and built property developments whereas a rival operates on leaseholdings. Is a householder or a farmer or a retailer an outright freeholder or is he in hock to a mortgagee? Asset is probably the loosest term of all.

1.2 *What gaps in the evidence base remain and how could they be filled?*

A modern cadastral survey of every land unit in the Kingdom would be most welcome. Meanwhile, attention to terminology and a sound grasp of first principles would not come amiss.

Topic 2 Is wealth inequality a problem?

2.1 *Do people have equal/similar opportunities to accumulate wealth? Where there are unequal opportunities, why is this?*

No, people do not have equal/similar opportunities to accumulate wealth.

The crucial obstacle is the system of landholding, which permits the private appropriation of land rental value, which is rightfully public (as distinct from the returns to labour and capital which are rightfully private).

2.2 *Is wealth inequality linked to social mobility? If yes, in what way?*

Wealth inequality is more likely to be linked to lack of social mobility than *vice versa*, but that does not answer the underlying question. In most cases, seeking wealth by chasing after "hot spots" where accumulating wealth seems to be achievable, usually means trying to settle where land prices are rising steeply and therefore accommodation is expensive and decent accommodation possibly already out of reach. This is a clear deterrent, especially for whole families.

2.3 *Do assets have an effect on life chances independent of income?*

They might well do, yes. If income is required, property can be mortgaged or sold, for example, and the proceeds devoted to something else (not, in this context, simply for consumption). Inherited articles, such as collections of first editions of the works of major novelists, might hold little attraction for the legatee other than to be sold to support the purchase of new office equipment for a business start-up.

2.4 *Why do (some) people need/want to forego consumption in order to accumulate (different types of) assets?*

There are several possible reasons – to build a private retirement pension; to purchase a new, larger car; to have the ability eventually to assist the children by putting down part of the money for a starter home;

to be in a position to afford a new kitchen/bathroom/heating system; anything from buying one's own taxi cab and becoming self-employed to putting aside the cash to add further 100 acres of arable land to one's existing spread in the hope of improving one's chances of being considered (at long last) for Deputy Lieutenant of the County.

2.5 *What are the barriers to accumulating wealth (e.g. housing wealth, savings and private pensions)?*

Lack of ambition, lack of drive, lack of self-confidence, lack of family support and/or understanding, lack of money behind one, no prospects of a decent (or any) inheritance, not having had the benefit of even a half-decent education, pressure to marry and start a family before one has the inclination, being brought up in an area of high unemployment – but, above all, being born one of the many who are landless.

2.6 *Should wealth accumulated through lifetime gifts/inheritance be seen differently from wealth accumulated through saving from income or from increases in the value of existing wealth?*

Further questions arise about the question! How was the "wealth accumulated through lifetime gifts/inheritance" accumulated in the first place? For "saving from income or from increases in the value of existing wealth", one needs to note that property is an aggregation of land and man-made buildings and other developments made to it, and that dividends from shareholdings are an amalgam of income from land (site, location) and capital (buildings, other fixed developments, and the host of other equipment and machinery from transport vehicles to computers, to strip-lighting, deployed within the business). The difference that really does need to be seen and acted upon, is the distinction between the return to man-made capital and the return to God-given land.

In an ideal world, there would be no embargo or tax or stigma surrounding inherited wealth, but, as things stand, there is and will continue to be.

2.7 *Is wealth inequality (largely) the result of lifecycle factors and the choices some people make to work harder and save more of their income than others?*

No, it is not. Working hard and saving ought to be the answer, but unhappily the world we inhabit now does not work like that. The saver is under attack from government taxes and from inflation, which results or, rather, will result from debasement of the currency and the sinking value of sterling. As noted previously, the really important barrier to wealth equality derives from the failure to appreciate the role of land in the working of the economy.

2.8 *Does the opportunity to accumulate large amounts of wealth provide incentives for entrepreneurs, to the benefit of the economy, and society, as a whole?*

I strongly suspect it does, but not being self-effacing helps too (Branson, Dyson, Sugar). I look forward to the time, though, when entrepreneurs will make their riches exclusively from the efforts which they and those around them derive from wages and interest, and not at all from land rent.

2.9 *Is wealth inequality damaging to social cohesion and/or democratic processes?*

Yes, it is damaging to both. It results from a primary injustice and needs to be fixed.

2.10 *Are some forms of wealth inequality more/less damaging/helpful?*

Yes. I have to repeat that the crucial obstacle is the system of landholding, which permits the private appropriation of land rental value, which is rightfully public (as distinct from the returns to labour and capital which are rightfully private).

Topic 3 Policy options

3.1 *How can we spread opportunities to accumulate different kinds of wealth?*

We could, and should, enact LVT in its fullness.

3.2 *How can we help those with moderate amounts of different kinds of wealth to maximise the benefits from wealth-holding?*

I should like to be able to say that we should advise them quickly to dispose of any land holding they might have whose current market value depends heavily on speculation (hope of substantial future increase) because a National Land-Rent Bill is in the offing (if only!).

3.3 *Can the practical challenges presented by certain kinds of wealth taxes (e.g. a lifetime transfer tax or land tax) be overcome?*

I do not support a transfer tax or a land tax. I do, however, strongly support a land value tax (better described as a national land-rent charge, but LVT will do well enough for the present).

Practical objections can be overcome by transitional arrangements pertinent at the time. Presumably we are not being invited to infer that existing taxes are efficient and free from all "practical challenges". Taxation to-day is essentially little more than a structure of fines and penalties for engaging successfully in legal economic endeavour.

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