

Land Tax

By Fr. Archer Torrey

Korean version published in the series, "Letters from a Mountain Valley" *Shinangye* magazine, March 1997.

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Dear Father Dae:

How is your health, recently? I heard that you had several operations while you were in the USA. How are you, now?

I have heard you speak of land value taxation and have read some of what you have written on the subject, explaining that this is a contemporary way to fulfill the Bible teaching, and that it brings prosperity. Recently our government has enacted a new tax on people who own homes larger than 200 p'yong. This tax has hit my grandfather especially hard and he is having a hard time. I do not see what good is being accomplished. It looks like just another scheme to wring more money out of people to finance the government' many projects.

Is such a tax just? Is this what the Bible is talking about?

Sincerely yours,
Min Kyong-ik

Dear Brother Min:

Thank you for your letter and your concern for my health. I am glad to report that, while in the USA, I had 4 different surgical operations and have been improving steadily ever since. I am in better shape than I have been in many years.

Now, to answer your question about the land value tax: You ask if the new tax now being levied in our country is what the Bible is talking about. The answer is "No!" Let me try to explain.

Sometimes I feel as if I am harping on the Land Value Tax too much. But the Bible says about God's laws, " (Deuteronomy 6:6ff) *And these words, which I command thee this day, shall be in thine heart: And thou shalt teach them diligently unto thy children, and shalt talk of them when thou sittest in thine house, and when thou walkest by the way, and when thou liest down, and when thou risest up. And thou shalt bind them for a sign upon thine hand, and they shall be as frontlets between thine eyes. And thou shalt write them upon the posts of thy house, and on thy gates.*

It is clear that God wants us to keep talking about his laws and to keep writing about his laws and to write them out in places where people will see them and where the next generation will learn about them. Here at Jesus Abbey we recently had a "Biblical Land School" and we wrote out the words from Leviticus 25:23 on big banners for all to see, both indoors and out. A problem with the Biblical land principles is that once they have been applied effectively enough to bring about a measure of prosperity, people stop talking about them and the next generation

does not know about them and when you ask them about them they will say they don't know what you are talking about. Then someone comes along and gets them undone and the country that was once very prosperous falls into economic misery. This happened in the USA to California, which, when it was being influenced by the Biblical land laws, through the teaching of the American economist, Henry George, was the most prosperous state in the U.S.A. One generation later no one remembered what the source of their prosperity was and a law was passed against land value taxation and now California is the 50th state, economically, right at the bottom and miserable as can be.* Now, when we talk about the Biblical principles people ask us, "If it's such a great idea, why hasn't it been tried?"

The tragic answer, of course, is that it has been tried but the educational establishment and the media have done their best to keep people from being aware that it has been tried. It has been tried, successfully, in Denmark, Australia, the USA, Hong Kong, Singapore, Taiwan, and New Zealand, to mention just a few. It has always "worked:" that is, it has always benefited the rank and file people of a country. It has "not worked" in the sense that it hampered the land speculators. Therefore they have bent every effort to change it and to blind the people to its very existence. The Bible says, *The land is mine: it shall not be sold permanently... in all the land of your possession you shall grant redemption of the land* (Lev. 25:23-24).

The system the Bible never stops condemning is the Baalist system which is the landlord system. Now, what do I mean by the "landlord system?" Am I condemning your grandfather? Under the Baalist system the owners of land accumulate vast estates and charge people exorbitant prices by which the landowners get richer and richer without doing any work, and all others have to pay a stiff price, directly or indirectly, just for a place to work. The poor end up getting still poorer.

The Biblical system, described in Leviticus 25, has several parts. It includes not charging interest on loans. When credit unions collect a service charge on loans and any profit goes back to the members, that fulfills the Biblical principle. I know a bank that operates on that principle, and it has been a great help to many poor people. The Biblical system, which the Bible calls "justice," includes the basic principle that everyone in the country is supposed to have his own land, his own share of what really belongs to God. God says, "The land is mine and it shall not be sold permanently but in all the land of your possession you shall grant redemption of the land." Then it explains that the land is a "heritage" and shows how the laws must provide means whereby a lost heritage is redeemed. Jesus referred to this when he said, "Blessed are the oppressed, for they shall receive land as their heritage. You don't pay for a heritage— It comes to you as your right." The "land value tax" is a way to apply this principle in contemporary terms.

You may wonder about my putting "oppressed" for what is usually translated "meek." There are three Greek words (*ptochos*, *penes*, and *praus*) which are used in the Greek Old Testament interchangeably for the same Hebrew word. It seems as if the Greek translators had the same

* In a study produced in 2002 by the National Center for Policy Analysis (NCPA) and Canada's Fraser Institute, California ranked well below the median of the 50 states in terms of "economic freedom" (which takes into account tax burden, per capita income and other factors) though not at the bottom. <http://www.matr.net/article-5122.html> [Ed.]

problem as the English translators: trying to soften the Bible's demand for justice for the poor. Let us give them the benefit of the doubt--maybe they were trying to make it more clear! The Hebrew word is *anawim*. Dr. Bullinger, in the Companion Bible, tells us that the contexts show that "all 3 Greek words are used for the same class, that is, the 'fellahin,' the poor of an oppressed country, living quiet lives under tyrannical and oppressive rulers; and suffering deprivation from tax gatherers and lawless neighbors."

But you must remember that another name for the Land Value Tax is the "Single Tax." It is not intended to be just one tax on top of a whole lot of others. It is intended to be instead of all the others, the only tax. There was a time when the government of Hong Kong derived all its revenue from leases of land. The system worked beautifully and Hong Kong prospered tremendously. That was a direct illustration of the Single Tax. Hong Kong has gone backwards since then and 2/3 of the lease-value of the land now goes into private pockets and the government has started taxing the poor and the middle class.

In many places, when the tax system cannot immediately be restructured to go immediately to the Single Tax it is done by degrees, shifting the tax burden from houses and improvements to the site value. If you tax the land, the house, and the personal income, you are accomplishing nothing. The land tax must not be added to the other taxes but substituted for them. The tax on your grandfather's home is not a land tax. It is a tax on improvements, on what he has done by his own efforts. In America, many cities are shifting from an equal tax on land and improvements to a higher tax on land and a lower tax on improvements, producing exactly the same income for the government. This is a real boon to homeowners, farmers, manufacturers, and retail businesses.

When you tax manufacturing, or personal income, or the homes people build, you are punishing them for working. The harder they work the more tax they pay! One reason Korea is now in economic difficulties is that productive activity is heavily taxed but land-speculation is not. The land speculator, by demanding the highest rent he can squeeze out of each business, is also putting a tax on every kind of productive activity, while he does nothing to earn his money. If the government taxes him according to the value of the space he owns, he will very soon come down on his price.

A significant Land Value Tax in Korea would bring the price of land down. The lower cost of manufacturing and of doing business would make it possible for Korea to compete in the international market. The price of land in Korea is so high that if one could sell the land in South Korea one could buy the whole United States! With such an exorbitant land rent added to the cost of labor the price of Korean goods is too high. To try to cut the cost by underpaying the workers is immoral and can only produce tension and conflict. The working people know that they are being exploited, but they do not know how. The best-educated leaders in the trade union movement do not realize that it is the price of land which is the problem. They have received the wrong kind of education and few of them read the Bible. The truth is that the only two elements in production are land and labor. What is called "capital" is frozen labor, it is money which was earned in the past by productive work of some kind, and then saved. A meaningful Site Value Tax, a tax on the actual value of the land, will both provide the government what it really needs and keep the price of land competitive.

God has said, "The land is mine." God demands justice in the relationships between people and he forbids people to exploit one another, especially to take advantage of the weak and helpless. When land is treated as if the owner had made it, himself, and it is his to do with as he pleases because he made it, the foundations for justice are undermined. Such a policy puts the land speculator or landlord in the place of God. It is God who made the land, it is God who gave it to us, and it is God who tells us how we are to treat it. He also made us and he tells us how to treat each other. How have we come so far from his teachings and his laws?

My friend, Fred Harrison, recently wrote me, "It is not surprising if the Church has been slow to recognize [the Bible's concern for justice and correct land laws]. The Bible was translated into English ... at a time of high inflation and greedy speculation in land, which necessarily gave rise to great wealth standing in stark contrast with great poverty. This poverty was brought about by land enclosures, for which the Church was to some extent to blame. These had given rise to a floating population of landless vagabonds... This may account for certain Greek words being 'ennobled' in the translations of the Beatitudes. *Ptochos* is the same word that Jesus used to describe Lazarus at the rich man's gate, full of sores (Luke 16.20). It undoubtedly means beggar. *Praus*, translated 'meek,' has the same meaning, for it represents the same Hebrew word... '[P]oor in spirit' could be translated 'beggars who are dispirited,' i.e. despondent and dejected. These words in the Beatitudes could well describe the despair of today's poor, who have perforce become so accustomed to living on government handouts that they have come to regard these as their right. Their true right is freedom to work, and of this they are still deprived."

The government that encouraged the grievous theft of the people's land in the 16th and 17th centuries also encouraged the translation of the Bible into English. The scholars who did the translation were paid either by the government or by the landlords and so were careful to choose their words. The word "justice" was so translated in only one out of five passages. In the other passages it was translated as "righteousness," a vague word with no definite meaning. You cannot say it is an incorrect translation, but neither can you say it is the most correct translation. It certainly does not convey to the average English speaker the idea of "justice."

The same thing happened to many other words. When the missionaries to China and Korea translated the Bible they followed this tradition, so that four out of five times that the word "justice" appears it is translated *eui*, which is a Confucianist concept putting family values first, not justice. As a result, the impact of the Bible on our society, in spite of the great number of Bible readers, has not produced any effective concern for economic or social justice. Our society remains only superficially changed from the pre-Christian Confucianist society. In so far as it has changed, it has changed due to the impact of the Western greed for profit and of various thought patterns, which were developed in Western society in order to justify deserting the Bible and its uncompromising demands for honesty, unselfishness, and justice.

The Korean church faces a challenge, today. Are we going to demand that our scholars give us the correct translation of such a basic Biblical concepts as justice? Are we going to demand that the church struggle for justice and that it do so in God's way by treating the land correctly? It will take courage. If we do, Korea can become great among the nations of the world, as it started to do. If we do not, Korea's violation of God's laws will lead to disaster. A recent commentator suggested that Korea may go the way of Russia. That great nation scoffed at God's laws. It is a "basket case," today. The Republic of Korea is off to a good start to become a

basket case among the nations. Brothers and sisters! Let us obey God, seek his justice. Work for the Single Tax and save our nation!