

Liberals call for national land tax



● Lord Evans

BRITAIN'S Liberal Party, bidding for power with the Social Democratic Party in a new political alliance, has changed its policy on land value taxation.

At its annual assembly at Bournemouth in September, the party substituted a local income tax for its traditional policy, a tax on the unimproved value of land.

In place of site value rating, however, the party proposed a land tax administered *nationally* at a single rate.

Party chairman Roger Pincham said that he hoped the party would integrate the national tax into their overall economic strategy.

The resolution, moved by Lord Evans, the Liberal spokesman on housing and local government, was based on the findings of a Working Party. But there was one significant change between the report stage and the drafting of the assembly resolution.

Members of the Working Party who investigated local government finance concluded that the land value tax should be levied on *all* land, including Crown land, non-domestic land and agricultural land.

But when the resolution reached the assembly delegates, the proposal to tax agricultural land had been dropped.

This exemption would cost the national exchequer about £880m in revenue, assuming that a two per cent tax was levied on the estimated capital value of agricultural land (the rate which is recommended by the United Nations).

● Liberal leader David Steel, in his keynote speech, said that the centre-piece of their programme for economic revival was a three-year £9bn reflation strategy coupled with an incomes policy.

SIX-POINT PLAN FOR SWAZILAND

SWAZILAND is considering a ten-year plan to switch to land value taxation.

Deputy Prime Minister Benjamin Nsibandisi invited a South African tax expert, Godfrey Dunkley, to submit detailed proposals.

This follows Swaziland's attempt to halt the purchase of land by foreign speculators.

Mr. Dunkley told *Land & Liberty*: "They were proposing that all land purchases should go before a board which would screen foreign purchasers.

"When this happened, only one property was sold in a year. The whole system froze up."

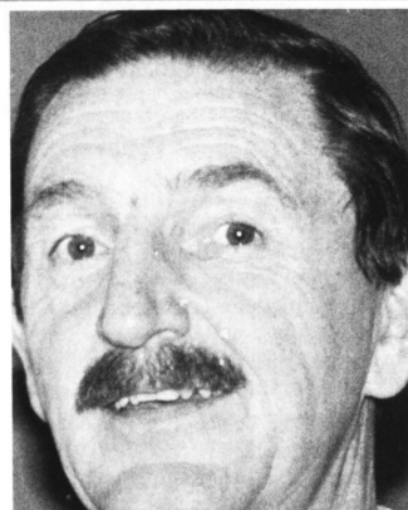
Officials in the Ministry of Finance began looking for workable alternatives and in July, Mr. Dunkley was invited to produce a report on how the Swazi economy would benefit from a switch to land value taxation. He produced a 10-year programme.

Step 1. Immediate tax on freehold land based on value (ten per cent) or acreage (£1 per acre for rural land), with equivalent reductions in income and corporate taxes.

Step 2. Within the first year, establish a land value register.

Step 3. In the third year, full land tax based on the register of values. Taxable land value should be fixed at 50 per cent of registered values for years three and four, with an annual tax of 20 per cent.

The impact, at this stage, according to the report, would be a considerable reduction in land speculation and a drop in prices to realistic values.



● Godfrey Dunkley

"Speculators and land hoarders previously unaffected by income tax will have started contributing to the national economy," states Dunkley's report.

And farmers would be encouraged to seek advice from the Agricultural Technical Services, to get the best yields from their holdings.

Step 4. Over years five to ten, the rate of land value tax should be increased progressively to replace the income tax. By year ten, income tax should not be levied on agriculture or industry, and it may be possible to discontinue income tax completely.

Step 5. Tax abatements on residential land for invalids and the aged.

Step 6. Farmers given security of tenure over Swazi national land, which would halt drift to towns and encourage investment in improvements.

Mr. Dunkley warns Swaziland's government: "Poverty in the Western World and Third World has been brought about by two main factors, unreasonable and misconceived taxation and full land enclosure — *not* by free enterprise.

"Swaziland is very fortunate in not having full land enclosure (private ownership of all land) but was brought very close to it by the concession hunters."

By taxing what he calls the "natural rent" of the nation's resources, Mr. Dunkley holds out the prospect of "an undreamed of acceleration in the economic growth of Swaziland."

CHURCH LAND

The price of death . . .

A ROW has broken out between the Bishop of Lincoln and the Lord of the Manor in a village in Lincolnshire, England.

The parish council wants to buy one-third of an acre that adjoins Leadenham cemetery, to ensure that the 350 villagers will have somewhere to lay in rest when they die.

The district valuer priced the land — now used as an orchard — at £1,500. But the diocese then obtained planning permission to build on the plot, and is now asking the parish for the development price of £10,000.

This provoked the Lord of the Manor, Lt. Col. William Reeve, OBE, JP, ex-Grenadier Guards and a deputy lieutenant of Lincolnshire.

"The church's attempt to profit out of death in this extortionate way is contemptible", he is quoted as stating by *Sunday Times* reporter John Coates ('Colonel fumes; bishop digs in', 5.9.82).