

## Dewar's Lottery Law on Land

THE BRITISH government's Scottish Office has proposed a new enquiry into land value taxation. In *Recommendations for Action*, a report published in January, it declared: "A comprehensive economic evaluation of the possible impact of moving in the longer term to a land value taxation basis should be undertaken".

Secretary of State Donald Dewar, who seeks to be the First Minister of the new Scottish Parliament, is determined to forge ahead with a plan which he claims would shake-up land ownership. He says that tens of thousands of acres could be handed back to people who work on the land. Under this "blueprint and a dowry" Mr. Dewar says that bad lairds could face having their estates bought by tenants.

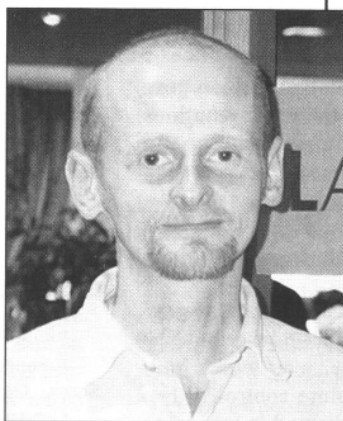
The right to acquire the land would occur if the owner offered the estate for sale. The Scottish administration could intervene to block the transfer of ownership if the land was not sold in the open market. Said Mr. Dewar: "The existence of such a power would mean, for example, that if the beneficial ownership of relevant land were to be transferred without the community having been given the opportunity to purchase it, a Scottish Minister would be able to acquire the land... for transfer to that community".

But landowners are not secret sellers. They advertise their estates, so even now resident tenants could buy if they had the cash.

To enable a community to band together to buy an estate, the government proposes that the Scottish parliament should make available cash from a land fund filled with money from the national lottery. Together with taxpayers' money, the land fund is supposed to provide "seed corn" cash that would be used as collateral for communities to raise additional money from banks.

The Labour Party is gambling that this plan will attract voters away from the Scottish Nationalists, who are canvassing more radical proposals.

Peter Gibb, Convenor of Land Reform Scotland, said after reading the Scottish Office report: "If we want the landholders to be accountable - we need land value taxation. If we want our local communities to control the land beneath their feet (and the water, and the minerals!) - we need land value taxation. If we want sustainable local development, driven by local initiative and enterprise and supported by positive and democratic strategic planning - we need land value taxation. If we want the public interest in land to be recog-



■ Peter Gibb

nised - the sovereignty of the Community of Scotland, over its own land, to be politically manifested - then we need land value taxation.

"The Government's overall intentions seem sound. So far as they go, their recommendations do contain some radical thinking. But we have fundamental reservations about some of the proposals. They have flagged up LVT - but there's a lot of digging to do yet before we uncover the root of our problems."

- Dr Eleanor Scott, Press Officer for the Scottish Green Party, wrote in *The Scotsman* (11 January) that her party was the most "radical because it alone proposes the fiscal measure of Land Value Taxation as a discouragement to the ownership of large tracts of land and an encouragement to appropriate development."

# Campa

## Scotland must reca

THE THIRD annual general meeting of the Highland Land League at Briar Bridge in 1886 saw representatives arrive from Cornwall and Wales to join the Scots in demanding a major change in favour of the landless and dispossessed. Co-operation between Parnellite Irish Land Leaguers and the visit to Skye of Michael Davitt had cemented a belief in land reform and Home Rule and a pan-Celtic mindset on land issues.

But one of the agitators who had pioneered Scottish Irish understanding was absent. John Murdoch's *Highlander* newspaper had staggered from financial crisis to crisis from 1873 to 1880. His work as a gauger, or exciseman, in Ulster, Lancashire and Scotland had opened the way to a Celtic Alliance. He had adopted a more radical approach by chairing and organising the campaign for the Single Tax, a land tax which was promoted by Henry George, the American land reformer, in 1884. Relations with the Land League deteriorated even before the compromise Crofting Act was passed in 1886, in the parliament which brought down Gladstone over the first Irish Home Rule Bill.

However, the resonance of Murdoch's idea directly affects the land reform debate in Scotland today, and as small nations search for ways to protect themselves and strong local markets in a world of uncertain global forces, we should look anew at land taxation as a way to control the unearned income of landowners of whatever origin.

**B**ack to Henry George *The Oxford History of England* soberly noted the progression of ideas in the 1880s as part of the awakening of socialism to confront the dominant age of imperialism. This progression, wrote R.C.K. Ensor, "started as a rule from Henry George's *Progress and Poverty*. George was not a socialist, but an American land reformer; his gospel was the Single Tax. But upon his catch-word unearned increment, much more than on Marx's surplus value, the thinking of the English socialist movement was based."<sup>1</sup>

Indeed, the land value tax (LVT) which George proposed was to produce the most thorough challenge to orthodox views of taxation on income and wealth. It led to legislation setting out rateable values for Britain as part of the great Liberal reforms which came to grief under the coalition government that was increasingly dominated by the Tories after 1916.

Nevertheless, both Liberal and Labour traditions championed LVT or its local government alter ego, site value rating (SVR), into the 1930s before another totalitarian world war introduced the Welfare State. This was only a palliative financed by taxation and social security deductions from wages and salaries, which aimed to remove the worst features of poverty.

Marxists quickly criticised "the fallacies of Henry George's programme as obvious", for "the levying of ransom on capitalists is possible only so long as they are willing and able to pay".<sup>2</sup>

However, these fallacies are far from obvious or proven in today's free market capitalist triumph over authoritarian socialism, which has created the global market. Neither meets the social, economic or environmental needs of the majority. So we should fast rewind the progression of political ideas to review the missed opportunities of the land value tax and other taxes which do not penalise work.

**M**isrepresentation as a rule Henry George was a land reformer. His arrival in Glasgow on February 25 1884 was a slap bang in the middle of the great Highland land agitation. A year when the Highland Land League was formed in London and after George's meeting in Glasgow, which was chaired by John Murdoch, the Georgist Scottish Land Restoration League was also formed.

Murdoch, prior to 1880 one of the few land agitators north of the Border, had published from 1873 till 1880 his cash strapped newspaper