

Liberals call for tax reform

BRTAIN'S Liberal Party has renewed its demands for land value taxation.

At their annual conference in Blackpool, party delegates passed a resolution which

- **CALLED** for the abolition of all current forms of capital taxation on farmland;

- **URGED** the introduction of annual tax on the unimproved value of all land; and

- **WARNED** that without this reform, agricultural land prices would continue to rise out of the reach of people wanting to become farmers.

Stanley Blow, chairman of the agricultural panel, said that the aim should be to increase family farms whose size and numbers were consistent with economic and ecological efficiency.

Current farmland prices, he declared, did not reflect what could be earned from the land – it was being bought as a hedge against inflation.

Tony Rogers (Totnes) said that speculators and City groups were buying up farmland with the sole purpose of making capital profits.

Cardigan MP Geraint Howell urged the party to support the resolution and so encourage farmers, and in particular to help new entrants into agriculture.

BY PAUL KNIGHT

THERE IS NO doubt that farmland prices are buoyant despite the general economic recession.

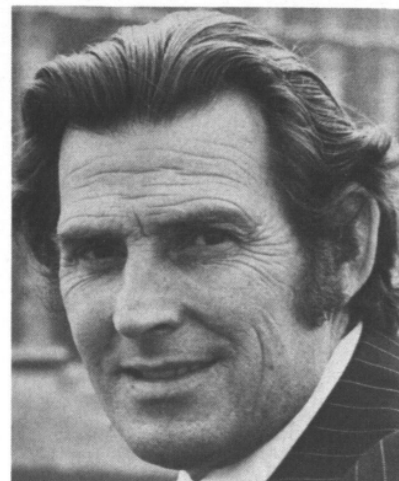
Figures published by the Ministry of Agriculture reveal that, after faltering in the first quarter of last year, prices picked up again and were running at over £4,200 per hectare by mid-1980.

Speculators, however, are not entirely to blame. The EEC's policy of artificially increasing prices at the expense of the consumer is also having an impact on land prices.

Because of the way that the Community orders its financial affairs, a member can introduce arrangements that effectively act as a tax on imported food.

If a country's currency is worth more than its agricultural exchange rate, it can ask for "positive Monetary Compensatory Amounts" which are intended to raise the cost of imported food.

Because of the high value of sterling, Britain has invoked its right to claim "positive MCAs", which are equivalent to a tax on imported food (See story on page 15).



● Trevor Jones

This boost to agricultural incomes is capitalised into higher selling prices for land.

THE LIBERALS are acutely aware of the way in which landowners are benefitting while wages are being hammered by the recession.

The enterprize zones are an example. The Government has decided to grant certain concessions – including relief from the property tax – to entrepreneurs opening up in certain specified areas.

One of these is to be at Speke, in Liverpool. According to Trevor Jones, leader of the Liberal councillors who control the City Council:

"There will be some benefits but I think the major beneficiary at the end of the day will be the landowners."

Because a large slice of the current cash benefits are simply capitalised into higher selling prices for the land within the zone!

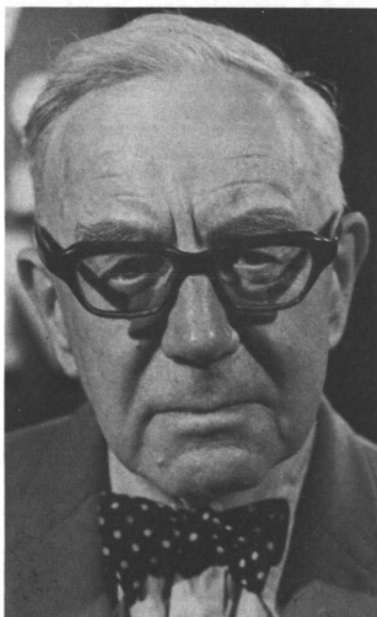
And the community can only benefit from these higher land values if the Liberal policy – a tax on the annual value of land – is introduced.

£3m challenge to anti-land tax Tories

HISTORIAN A. J. P. Taylor, in a Granada Television programme about Southport, in Lancashire, recalled:

I in fact encountered a politician for the first time at the January 1910 general election. This was an election fought partly, though only partly, on the Liberal idea for the taxation of land values. The Tories claimed that the valuation put on the land by the Liberals was much too high and that the taxation they'd have to pay was therefore much too heavy. The Liberal candidate was Baron de Forest, the heir of Baron de Hirsch who had built the Orient Line, and himself one of the richest men in Europe. When this Tory complaint was made, Baron de Forest issued a statement that he had deposited his cheque for three million pounds in the local bank and was prepared the following morning to buy all the land of Southport at the valuation the Liberals had put upon it. Not a single Tory accepted the offer. Their complaint that the valuation was too high was not heard again.

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● A. J. P. Taylor

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