

speculators rule — OK?

not pushing up the price of land. His reply disclosed an inconsistent attitude towards speculation.

He said that there was "general resentment when land is bought purely as an investment by absentee foreigners who perhaps don't wish to put anything into it, want to hold it for a while for a significant capital gain or [who] come in with little sensitivity to the feelings of tenants involved."

This, he said, was what the Committee was against.

What, then, I asked the former Labour MP, was the difference between foreign and domestic speculators?

P. E. Poole reports

He replied: "This is a question of public sensitivity more than anything, I guess."

There is no evidence in the 378-page report that the Committee, in its two-year investigation, had actually asked the public if it found speculators of the domestic variety more acceptable than the foreign breed.

A ROW over the report became public even before its publication.

Mr. Alistair Sutherland, director of studies in economics at Trinity College, Cambridge, quit his role as adviser to the Committee after he discovered that his 119-page analysis of the agricultural industry was being underplayed in the final report.

His findings, he announced, had proved "completely unacceptable to the farming lobby on the Committee."²

Mr. Sutherland had produced evidence which refuted the claim by farmland owners that they had been seriously hit by capital taxes. In recent years, he noted, farmers had received increasingly generous relief from capital transfer tax.

It is not surprising that the lobby, representing the most heavily subsidised industry in the EEC, should resist Mr. Sutherland's submission.

But he was not to be gagged. On July 26 he published an article in *The Guardian* attacking, among other things, the arguments advanced by farmers for further tax relief. He pointed out:

"High land values are the result, not the cause, of high food prices. Further tax concessions would raise land prices, not lower food prices."

And contrary to the myth which is carefully cultivated by the farming lobby, agricultural income had grown at a faster rate than retail prices, average earnings and company profits!

"What the reliefs would do is to increase substantially the after tax net benefit of one group of particularly wealthy asset owners — very inequitably, and without any agricultural gain," wrote Mr. Sutherland.

The average full-time farmer is in the top 1% of wealth owners in Britain.

NORTHFIELD recognised "the possible capitalisation of tax changes into land prices" (para. 204). Nonetheless, the

report recommended tax changes favourable to the landowner.

This created a contradiction, then, for the Committee, which wished to ensure a thriving market in farming tenancies. For the level of land prices is a barrier to new entrants into the industry.

Northfield concluded that, while rejecting nationalisation of farmland, a majority supported a modest extension of State-owned land which could be offered as tenancies to new entrants.

It remains to be seen what — if anything — the new Tory Government will do with the Committee's 127 conclusions and recommendations.

Meanwhile, the National Farmers' Union is keeping up the pressure for further increases in their income,³ financed through the Exchequer and ultimately by the taxpayer.

REFERENCES

1. *Report of the Committee of Inquiry into the Acquisition and Occupancy of Agricultural Land*, London: HMSO, Cmnd. 7599.
2. Richard Norton-Taylor, 'Farming evidence excluded', *The Guardian*, 28.4.79.
3. Christopher Parkes, 'NFU warns of need for incomes boost', *Financial Times*, 20.7.79.

Palefaces & Black Hills

SIoux Indians are being asked if they will accept \$105m. in settlement for the land which was grabbed from them by the palefaces in the 1870s.

The government originally offered \$17.5m. for the Black Hills, but the US Court of Claims ruled in June that interest on the capital sum should also be paid.

The money does not impress the Indians. "The tourist industry alone will pick up the full tab in two years because in that area it gets \$44m. a year," declared Melvin Garreau, chairman of the Cheyenne River Sioux.

Besides, as Roger Turdell, chairman of the Santee Sioux explained: "That is sacred land and you can't put a value on it. The land has meaning but the little bit of money we would receive would soon be gone."

But the survivors of the eight tribes have been warned that, even if they turn down the cash deal, it's unlikely that they will get back the land itself. For it was congressional action which deprived the tribes of the Black Hills, after granting it to them in perpetuity under the Fort Laramie Treaty (1868): nine years later gold was discovered and they were forced to give up 7m. acres.

A Bureau of Indian Affairs official explained: "The moral question is one thing, but the law is quite clear. Congress could do it, but I don't think it's a very realistic prospect."

So if the Sioux turn down the deal, the money will be put into a bank for them until they change their minds. Meanwhile, the palefaces continue to exploit the sacred lands to their ever greater financial advantage