

# Ladder to Land R

## THE REAL "PRICE TAG" ON REFORM?

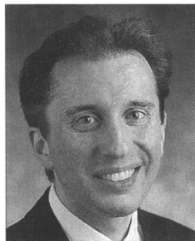
NO-ONE can doubt the sincerity of Angus MacKay to champion land reform in Scotland.

He is reported as stating: "The land for the people is an idea whose time has come."

But the Deputy Minister of Justice with special responsibility for the land reform agenda, who represents Edinburgh South in Parliament, has a limited vision of what this aspiration means.

He spelt out his vision in response to the publication of a new book by land reform campaigner Andy Wightman who calls for the introduction of a land value tax.\*

Mr. MacKay responded with a letter in the Glasgow Herald (Sept. 8), in which he said their vision was to increase diversity in the way land is owned. "Redistributing opportunities - yes. Dismantling landed hegemony - no, not with the sort of price tags that come with



■ Angus MacKay

some of Mr. Wightman's ideas. There are better things to spend public money on - like schools and hospitals - than the vast amounts of compensation to the landowners of Scotland that some of his proposals would require".

Mr. MacKay insisted that "real change has to be workable and it has to be affordable. Focusing on practical and cost effective solutions is the only way of making land reform a reality".

But the Deputy Minister for Justice was not allowed to get away with his audit on the cost of

reforms. His outburst on price tags provoked letters to the Herald which made it clear that the people of Scotland wanted a full calculation of the costs and benefits of all relevant policies.

For example, the costs of fiscal reform linked to land need to be weighted against the costs of the present tax regime that falls on working people and their savings. Current taxation imposes an enormous negative cost on Scotland (see opposite).

The correction to this regime of exploitative public finance was identified by Edinburgh academic Alistair McIntosh, who replied to the price-tag conditionality on land reform on September 13:

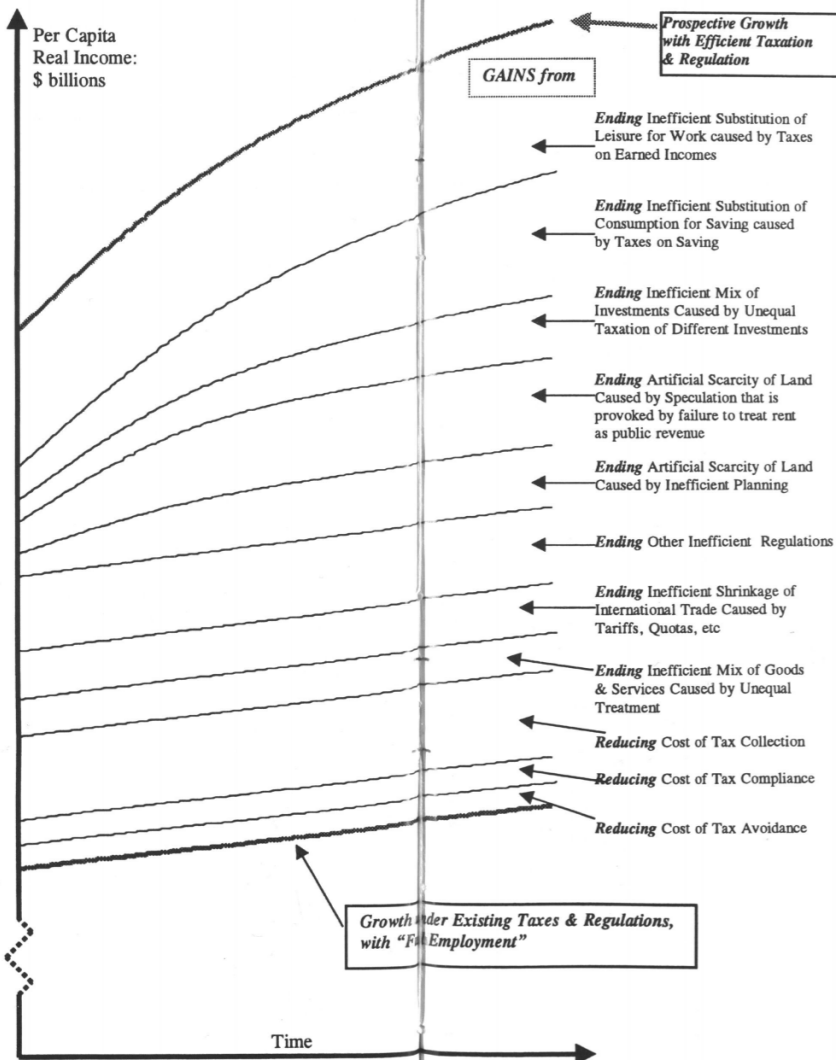
"There are two fiscal mechanisms for addressing this that would be compatible with both the market economy and our international legal obligations.

"The first, obviously, is to apply a form of land value taxation. The framework for one form of such taxation - sporting rates - is already tested and proven and so could readily be reintroduced by the Scottish Executive.

"The second would be to instruct the Inland Revenue and Customs and Excise authorities to conduct a rigorous audit of the fiscal organisation of landed estates to block any evasion and close tax avoidance loopholes".

□ Andy Wightman, Scotland: Land and Power, Edinburgh: Luath Press, 1999.

### Eleven steps to the efficient financial & tax system



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