

# Nationalists' land-tax threat to Blair's re-election plan

SCOTLAND is now to have its own parliament following the overwhelming referendum endorsement in September, writes Ian Barron.

The Blair government has conceded "tax-varying" powers to the Scots, but these are restricted to raising the income tax by a modest amount.

The Scottish National Party, however, which wants independence from the UK, has gone on the offensive with the prospect of claiming powers to vary the tax structure itself - in favour of taxing land values.

The SNP's rural affairs spokesman, Rob Gibson, disclosed their plans in an interview with *The Scotsman* on Sept. 26. Mr. Gibson pointed out:

☒ Millions of pounds are being lost because the last government abolished the property tax on sporting estates. This means estate owners pay the council tax for their house only.

☒ The land value tax would prevent landowners leaving sites vacant, "paying nothing while they are waiting to sell for a big profit in our cities and in the countryside".

☒ Raising more revenue locally would reduce dependency on central government allocations, which at present are 80% of revenue spent by local authorities.

Mr. Gibson insisted: "Land reform will only work if we have a fair tax system. It is much easier to rate people on the amount of land and the way they use it so that fat cats with gap sites wouldn't get away with paying nothing

while they are waiting to sell for a big profit in our cities and in the countryside. Good husbandry is one thing, but taxation is the obvious way to deal with our problems because there isn't any way of bucking a land tax".

At its annual conference on Sept. 27, SNP delegates were told by land-taxer David Gorman that they could democratise the ownership of land through the fiscal power of a land value tax. He said:

"Everyone owning land will pay to the community an annual rental value. The value of Scotland is the rental value of its land serviced by the community.

"The word 'land' is used in its economic, not its legal sense. It includes natural resources. The land value tax will recover for the community that portion of the land's value resulting from the community's investment in the supporting infrastructure of the region.

"Land value owes little or nothing to the activities of the present or previous owners. However, the more successfully the land is run, the more demand it will make on the community infrastructure, calling for a compensatory adjustment to the land rental value.

"Our present taxation system collects revenue from the efforts of the wealth producers - it's a brake on enterprise. Revenue collection by land value taxation could eliminate income tax on wages.

"Efforts have been made in the past to legislate for a general valuation of British land in preparation for land

value taxation. All have stumbled in the face of Tory and House of Lords opposition. That in itself should be proof positive of the probity of the argument advanced in favour of this proposal."

Mr. Gorman's resolution on behalf of the Inverurie branch was passed to establish a study group on land value taxation.

EARLIER this year a spokesman for the government's Scottish Office acknowledged that land was high on the political agenda, when he stated: "Land reform has the potential to be the most radical issue - other than devolution - for Scotland".

If the Scottish Nationalists do campaign on a platform of tax reform based on rent as revenue, they will create difficulties for Prime Minister Tony Blair, who has made no secret of his desire to lead a two-term administration. But the land-tax policy could create problems, for it promises to raise the Scottish economy's growth rate above the level for the rest of the United Kingdom. Such a prospect could harden Scottish public opinion in favour of independence. Armed with this policy, the SNP could deepen its representation in both the Scottish and Westminster parliaments and provide themselves with a powerful launching pad for their ultimate political objective - full political sovereignty for Scotland. And that would create a political crisis for Premier Blair who is committed to keeping the UK intact.