

breaking ground

LVT and 'the business of politics'

Holyrood, the bi-weekly magazine bringing Scottish politics to the business sector, did an extensive feature on land value taxation in its November 3rd issue.

Centrepiece is an article by Antonia Swinson, author of new book *Root of All Evil*.

The magazine quoted several MSPs, on their thoughts on land value taxion.

Cross-party Scottish political interest in land value taxation continues to grow. The Executive has announced yet another review of local government taxation. In reply to a parliamentary question from Mark Ballard MSP, First minister Jack McConnell confirmed that the review's terms of reference would include lvt. McConnell's deputy, LibDem Jim Wallace MSP, interviewed in *Holyrood* said - "I look forward with interest to the case I assume will be made for lvt."

Wetzel woos the Socialists

HGF member Dave Wetzel, vice-chair of *Transport for London*, recently spent a week in Edinburgh taking his message to the politicians and their advisers.

Wetzel and Foundation chief executive Peter Gibb met with key policy people from Scottish public life, including Scottish Executive economists and transport specialists.

Foremost on their itinerary was shadow spokesperson on transport Kenny McCaskill MSP, Green Party parliamentarians, Capital transport leader Andrew Burns, and the promoters of the proposed new Borders railway project.

The duo also met up with the executive group of the Scottish Socialist Party. In an extended presentation Wetzel explained why volume three of Marx's *Capital* should be their essential bedtime reading. Leader Tommy Sheridan led an interested question and answer session, in which Gibb sought to ground the ideas in the *realpolitik* of the Scottish socialist agenda.

Although the party presently promotes its 'Scottish Service Tax' as a replacement for the Council Tax, it proposes lvt as a replacement for Uniform Business Rate.

Korean media interest in LVT

LVT is now being highlighted in South Korea. House prices have been soaring for the last two years and for the first time ever in Korean history land value taxation is being considered seriously as a policy alternative.

President Roh Moo-hyun is determined to bring real estate prices under control. He has said that real estate speculations will not be tolerated and added that if the government's real estate policy was not to not work properly, he would consider introducing a stronger measure.

Mass media speculate that the 'stronger measure' is probably land value taxation; the President's top policy aide co-authored the book, *Henry George Revisited 100 Years Later*.

HGF welcomed to Scottish capital

September the 5th saw the official opening of the Foundation's new bookshop in central Edinburgh. The event was celebrated with an informal reception. Welcoming the Foundation to the city were MSPs Mark Ballard and Robin Harper, Donald Reid the director of the Scottish Civic Forum, and the Rev Graham Blount parliamentary officer of Action of Churches Together in Scotland. They were heard by representatives of several



other organisations present. Both HGF Chairman John Bathe and Council member Albert Catterall also spoke. Catterall, Head of

Economics at the British Retail Consortium gave the business case for reform. The event was attended by several other HGF and Council members.

The shop is currently expanding its stock and is positioning itself as Scotland's bookshop for reform (of course with rent-for-revenue at the heart). The shop is a window for the public to the idea of land value taxation, and serves customers on a frequent basis. The premises are also the base for the four HGF officers working full time in Edinburgh.



One of Scotland's most magnificent wild landscapes is to be de-designated as a national nature reserve, because its owners don't want to meet the government's environmental management standards.

Inverpollly Reserve, an intricate landscape of tiny islands, patchwork lochs and towering crags, just north of Ullapool on the west coast, was set up in 1962.

The sensitive management of around 10,000 acres of unique and valuable habitat is now likely to be ditched. Local populations of rare golden eagles and black throated divers may be at risk.

Landowners the wealthy Vestey family have successfully argued that their private commercial interest take precedence over either the environment or the public interest. The Vesteyes are infamous landowners in Scotland. After making more than a billion in the global meat trade, their name became synonymous with tax evasion. Schemes in the 80's using foreign-based trusts were reported as saving them millions. "We're all tax-dodgers, aren't we?" Edmund Vestey was quoted as saying at the time. Edmund's cousin Lord 'Spam' Vestey shares with him 30th place in the UK top 100 rich list - with an estimated fortune of £700m.

The Nature Reserve includes the world famous Stac Pollaidh mountain. With the stunning landscape now threatened, part owner of the estate David Davies said it was "a shame", but that "we've got to make a living." Scottish Natural Heritage, the government agency charged with protecting the country's natural heritage, says it lacks the legislative backup to force the landowners to act in the public interest. Author of *Who Owns Scotland* Andy Wightman concludes "if nature reserves are to mean anything, SNH needs stronger powers to designate them. It should not have to rely on the whim of landowners."

The Vesteyes want to run a deer herd over the estate of such a size that experts say it will degrade the fragile environment. Hungry deer eat sapling trees in winter. Pressure from browsing red deer has been identified as the main culprit in the failure to re-establish Scotland's endangered Caledonian Pine Forest.

The landowner's desire for what is seen as unsustainable deer numbers is being passed of in the name of necessary estate management. 'Business' reasons are being cited as the reason SNH's land management demands must be rejected. Red deer stalking attracts lucrative income from Italians and other wealthy tourists. But there is another reason for the landowners' management aspirations which is seldom spoken of publicly.

The capital values of Scottish highland estates are often calculated - not on an acreage basis - but on a headage basis. The paper value of an estate is boosted by around £10,000 for every stag shot a year. The same arrangement goes for salmon landed on the river bank, and trout taken from the loch.

By increasing, or avoiding reducing, the size of its wild deer herd, the Vesteyes are raising the market value of their property. The public interest in the land, and the security and health of an environment of world importance, are both the losers for this.

The justification given for dumping the National Nature Reserve status is the unavoidability of commercial pressure. But the reasons for the imminent loss of Inverpollly are not so much to do with business as with speculation.

The private interest of some of the wealthiest individuals around is being allowed to ride roughshod over the claim of the community and the ecological wellbeing of the land.

Is that a good thing?

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