

GREENS' LAND TAX GUSTO

THE LIBERAL Party failed to exploit the vote-catching virtues of land value taxation in Britain's General Election on June 11 (see box below). But the new Green Party, although it failed to gain representation in Parliament, placed the tax high in its manifesto priorities.

The Green Party has defined its budgetary proposals to include revenue from land value taxation. In a draft paper prepared by Sara Parkin, what the party calls Community Ground Rent (CGR) was shown as a source for over £33 bn. in revenue. Miss Parkin emphasised that the socialisation of land values was crucial in terms of social justice. She wrote:

"The Green Party feels that an important redistribution effect could be achieved by eventually using Community Ground Rent to fund the Basic Income Scheme."

The conservationists who support the Green Party want to ensure that, eventually, everyone receives a basic income, by devising a scheme which does not have the disadvantage of the present welfare benefits (which can create unemployment, and induce poverty — the latter known as "the poverty trap").

In her draft report, Miss Parkin

PRESENT REVENUE (at 1985 prices)		GREEN GOVERNMENT SCENARIO A SCENARIO B	
	£ billion	£ billion	£ billion
Income tax at 30% (with income tax allowances and mortgage relief)	36.5	Income tax at 50% (without income tax allowances or mortgage relief)	83.0 at 30% 60.0
National Insurance	21.4		
Corporation tax	9.4	Company tax	23.0 23.0
Petroleum revenue tax	7.4		
Oil duty	6.3	Resources taxes	21.0 21.0
Alcohol & tobacco	8.4	Alcohol & tobacco	9.0 9.0
Other duties	2.9	Trade/exchange tariff at 10%	10.0 10.0
Car tax/vehicle duty	3.3		
VAT	21.0	VAT/Purchase tax	26.00 25.00
Rates	13.6	Community Ground Rent	10.0 33.3
	129.2		181.0 181.0

ELECTION '87

defines the ethical basis to their CGR: "The whole idea that land can be owned EXCLUSIVELY by someone is alien to Greens. To us, land may only be held in trust, on behalf of the community, on behalf of future generations and on behalf of our fellow-creatures."

The capture of CGR would achieve three main economic objectives. It would distribute land more fairly between people and small-scale enterprises; stop land speculation and conserve land by encouraging ecologically-sound uses.

The new party has grasped the

essentials of land value taxation. As Miss Parkin notes: "CGR is a tax only in that it makes sure that the 'rent' from any piece of land goes to the community and that the community benefits from any unearned profit that occurs from a change in use of land.

"Individual ownership of houses, farms, workshops or anything that improves the usefulness of the land is not affected by CGR, nor is earning a decent living off the land, only ownership of the land itself. It is the community who, in effect, becomes the 'sole owner'."

And to achieve the best results, the Green Party wants all holdings compulsorily recorded at the Land Registry.

Liberals in 'retreat'

MRS THATCHER'S out-going Conservative Government tried to exploit the Liberal Party's historical commitment to land value taxation. In April, when speculation about the prospects of an election was at its height, Nicholas Edwards, the Minister in charge of Welsh affairs who was retiring as MP for Pembroke, attacked the Liberal plan to raise revenue from the rental value of agricultural land.

Liberals — who with the Social Democrats created a powerful third force in British politics under the name of the Alliance — have apparently retreated from the policy. The party's secretary-general, Andrew Ellis, was quoted by the *Western Mail* as denying that they were committed to "a tax, at a single national rate, on the unimproved value of all land".

Liberals abandoned a locally-levied property tax in

favour of a local income tax; they turned the land value tax into a source of revenue for the central government. But according to Mr Ellis, the Alliance did not include land value taxation among its policies.

He added: "But this has never been active Liberal policy as long as I can remember. I cannot recall the party fighting an election with a manifesto which included this, and I have been fighting elections since 1969."

Mr Ellis is credited with masterminding some of the Liberal Party's most sensational by-election victories.

● Land value taxation is a policy written into the Liberals' constitution. It was most vigorously advocated by Lloyd George and Winston S. Churchill during the 1906 and 1909 General Elections, when the political power of the Liberal Party was at its zenith.