

authoritative *Farmland Market*:

"If the NFU/CLA proposals were implemented, arbitrators would probably pay more attention to open-market rents than they do now, and this would have an upward pressure on rents."

If these predictions are correct, tenant farmers would be locked into a tight conflict. There would be an increase in the number of farms to let, but tenants would pay even more on top of what everyone agrees are "excessive" rents. As the Tenant Farmers' Association notes:

"In many instances, rent levels are greatly in excess of what sound tenant farming can afford, as a proportion of both output and profitability... The upshot is inadequate investment, soaring bank borrowings, and farm staffing cut to the bone."³

The establishment of sound, open market rents is crucial if agriculture is to maximise output and also ensure an optimum mix of all the factors of production, *the scarcest of which is land*.

But there is no reason to believe that the existing proposals to change the law will bring us any closer to that goal.

REFERENCES

1. Joint NFU/CLA Submission on Major Amendments to Landlord/Tenant Legislation in Agriculture, Sec. 2, 21.5.81.
2. John Edwards, 'Agricultural rents: the need for a new approach', *The Farmland Market*, Feb. 1982, p.11.
3. Press Notice 1/81, Reading: Tenant Farmers' Assn., para.2.



FREE TRADE: REAGAN'S BITTER POLICY FOR SUGAR GROWERS

BY P. E. POOLE

PRESIDENT Ronald Reagan caused anger in the Caribbean when he flew the banner of free trade last month.

The President's warning against the threat of protectionism was issued when he met leaders of the industrialised nations in Versailles.

But American trade policy is now seen as inconsistent and discriminatory. For Reagan has just imposed quotas on sugar imports.

This will seriously affect the struggling sugar producers whom Reagan - under his so-called Caribbean Basin Initiative - said that he wanted to help.

Reagan's restrictions on freely imported sugar were imposed to protect domestic producers, and to relieve the government of having to pay out \$400m under the price-support programme.

Derelict land: £70m for British owners

by Paula James



Michael Heseltine

BRITAIN is to plough £70m into derelict land development next year.

The Junior Environment Minister, Giles Shaw, told the House of Commons that increased grants to local authorities and private developers would not only eliminate eyesores; they would also create new jobs.

He said nothing of the profits which landowners can expect to gain - at the taxpayer's expense - through the resulting increase in the value of their land.

Instead, he took note as one Tory MP after another insisted, during the debate on the Derelict Land Bill, that the Government had not gone far enough.

Anthony Steen, MP for Liverpool Wavertree, was typical. "If the Bill is to be made more effective, it should have a clause added to it that will compel local authorities and public undertakings to auction their surplus land to the highest bidder."

At no point did Mr. Steen or any of his colleagues suggest how the community might benefit from the inevitably higher post-development land values.

The Government is offering 100 per cent grants to local authorities who develop land not already in designated Assisted Areas or Derelict Land Clearance Areas in England and Wales, and an increase from 50 per cent to 80 per cent to the private sector or nationalised industries... all of which means the cost to the taxpayer will rise from £45m this year to £70m next year.

The Tories were delighted. Christopher Murphy, MP for Welwyn and Hatfield, said "this great natural asset of land" had been abused for too long. A high priority should be placed on derelict town and city land. "The Bill can do much to regenerate the land hoards in our already built up zones and turn them almost into treasure trove," he declared.

Mr. Steen pressed the Government to offer private developers 100 per cent

And now — it's 'marriage values'!

By Bert Brookes

DURING the Parliamentary debate on the New Towns Bill, Sir George Young, junior minister for Housing and Construction, used a term which puzzled some MPs.

Sales of government assets in New Towns, he said, would be made only when the corporation concerned was satisfied that it was getting the best price possible; and that included getting a proportion of the "marriage value."

What is marriage value? Without the link with the assets of new towns it might have been thought that it was something to do with the increased personal allowance against income tax that a man gets when he takes unto himself a wife; or perhaps the amount of money that the said wife is allowed to earn without being taxed on it.

On the other hand, the term might have been a more abstract one - perhaps the increase in a

man's personal comfort when he has someone to cook his meals and darn his socks or, maybe, the increased security that a woman gets from marrying a pool winner or an Arab oil sheikh.

Alas, the truth is more down-to-earth. Right down to earth. Because, according to Sir George, marriage value is an element of site value; at least, it arises as such when publicly-owned new town assets are being sold off to private buyers.

The marriage value, the Minister explained, is the extra value that would accrue to the tenant if he is entitled to buy the property. In other words, it is the difference between the value of the site with a sitting tenant and its value with vacant possession. When a site with a sitting tenant is sold, he said, it is a matter for negotiation to whom the

marriage value accrues - to the tenant or the landlord. And in the case of new towns, the government's policy was that a proportion of the marriage value should be obtained by the development corporation.

It seems that a fair amount of marriage value must have been changing hands in recent years as an incidental to new town property deals. Sales of government assets will have reached £300m by the end of the 1981/82 financial year - which must be of some help in the government's plans to cut down on its borrowing. In addition, they have picked up around £150m by the "sale and leaseback" of new town property.

In this late 20th century, marriage as a social custom seems to be in some decline. It is comforting to know that, in the field of real estate anyway, the term has a reasonably secure future.

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BEFORE THE election socialists and non-socialists had 85 and 90 seats, respectively. The election caused no change in that, but marked change took place within both groups. This may be seen in the table, which gives the number of seats for each party before and after the election.

It is not easy to rule Denmark. The reason is not so much the large number of parties as it is the competition between them within the two groups, and because nobody wishes to cooperate with the left-wing socialists and the right-wing Progress Party.

Before the election, the Social Democratic government based its existence on support from the Social-Liberals, Centrum Democrats and the Christian Folkparty, from the non-socialist side, which between them had 21 seats. Now the government relies on Social-Liberals and Folksocialists (30 seats). This is somewhat surprising because the Folksocialists are against the Common Market.

The common opinion is that the government have moved to the left. Furthermore, the Social-Liberals have been in the centre of Danish politics for a large part of this century because they have made it their style to create compromises whenever possible; though they are non-socialists, they normally keep to the Socialdemocrats as this party always gives them the best chance for power. They have never been more powerful than they are in the present Parliament, even though they have only nine seats.

The Social-Liberals have land taxation on their programme like the Justice Party, and the socialist parties also wish to tax the land. If all their seats were counted together, this would produce a comfortable majority for land taxation. This is not a reality, however. The Social-Liberals have repeatedly opposed all proposals on the issue, and the socialists do not wish to differentiate between land taxation and a tax on buildings and other objects. Therefore, the reality is – and has always been – that only MPs from the Justice Party want progress for land taxation and a corresponding reduction in income tax.

IT is impossible to give all the reasons why the Justice Party lost their five seats, but in my opinion important reasons lay outside the party and its activity, and are to be found mainly in the competition between parties.

The Justice Party has always had a weak position in the counties. Less than a month before the Parliamentary election it lost nearly all of its representation at the municipal elections. Normally the two elections do not influence each other, but in this case they were held so close together that I have no doubt that the result of the local election did have an influence.



● Ib Christensen



● Alfred Hansen



● Ole Flygaard



● Niels Mølgaard

Four of the Single Tax candidates who were handicapped by recession debate

A week before the Parliamentary election, the Gallup poll predicted that the Justice Party would get four or five seats, and that the Conservative and Folksocialists would win the election. Two days before the election there was a sudden change after the "party leader round" on TV.

Gert Petersen (Folksocialist) and Erhard Jacobsen (Centrum Democrite) played the greatest roles. The former offered Christmas gifts to all without explaining where the money would come from. The latter offered no promises: his contemptuous refusal to discuss the relief of unemployment cast him in the role of the honest Dane.

Facing this play, the other political leaders appeared novices, no matter how serious their speeches were. Ib Christensen (Justice Party) was very objective and he clarified what we would do in the present situation. At the same time he was perhaps the most boring to listen to, and this counts. The results clearly appear in the table. We had votes for three seats, but they were below the two per cent required for representation.

MANY PEOPLE voted for the Folksocialists instead of the Justice Party. There are two reasons why this is not surprising.

The Justice Party has tried to mobilise the existing majority for land taxation, but nearly all of its members omitted to clarify the distance between them and the socialists concerning the taxation of buildings and other man-made objects. Furthermore, like the Justice Party, Folksocialists are also against the Common Market. Therefore, it was so much easier to change over and vote for the Folksocialists.

Another factor has to be taken into account. The depression stopped the increase in land values, and in some areas even caused them to decrease. Under these conditions people could not see the importance of initiatives in this field. The party made the mistake of talking about taxation of ever-increasing land values and said very little about how land taxation would be effective in periods of depression.

Only a few of the candidates were able to handle the political debate concerning land taxation in the present depression. All the other reasonable parts of the political programme could not offset this handicap. I seriously hope that the party will learn the lessons, and so manage to get back into Parliament.

£70m bonanza

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grants. Why the discrimination between local authorities and the private sector? "Cheap money must be made available so that developers have a real incentive to develop abandoned city sites," he said.

And Harry Greenway, MP for North Ealing, pressed home the demand for an auction. "The valuer's price is nearly always miles beyond the price that would be reached at an auction... I urge the Government to consider a radical approach to the disposal of land... let it go to auction."

The Opposition supported the Bill, but Dr. David Clark, speaking from Labour's front-bench, warned that there were dangers in giving private developers access to derelict land.

Private firms, argued the Shadow environment spokesman, were only interested in reclaiming land that yielded a high value – from industrial or housing development. They were not interested in the need for recreation land.

Only days after the debate – which ended with an unopposed Second Reading – Environment Secretary Michael Heseltine was busily selling his £70m offer.

Speaking in Liverpool, he described some land development schemes already under way.

"Every time we see this land put to use, we see jobs, rateable value and better environment... for the first time, Liverpool will be able to offer landscape sites to industrialists the equal of anything to be found in the New Towns. We are encouraging people to come back."

	Socialists		Non-socialists	
	before	after	before	after
Social democrates	68	59		
Social-Liberals			10	9
Conservative Folkparty			22	26
Justice Party (Single Tax)			5	0
Folksocialists	11	21		
Centrum Democrats			6	15
Christian Folkparty			5	4
Liberals			22	20
Left Socialists	6	5		
Progress Party			20	16
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	85	85	90	90