



Round the world

LONDON

Gutted properties

Britain's tax on business properties - which falls on the value of buildings as well as land - is encouraging owners to vandalise their assets.

To avoid the tax in a dead market, buildings are being systematically gutted. That way, owners make a massive saving on their taxes - around £280,000 a year for Wates City, the owner of Winchester House in the City of London. A growing number of companies are resorting to this tactic.

About 20% of buildings are vacant in the City of London. By vandalising the buildings, owners can claim that the structures are "incapable of beneficial use".

HARARE

Land grab

Ian Smith, the last white prime minister of Rhodesia (now Zimbabwe), warns that the Land Acquisition Act spells disaster. "My wonderful country is going to the dogs," says Mr Smith. The government plans to expropriate white-owned land without giving compensation at market prices. "That is absolutely evil," says Mr Smith, who owns tens of thousands of acres.

EDINBURGH

Green mail

Money does NOT grow on trees in Scotland. A sheep farmer has been awarded £250,000 for promising not to plant trees on a Site of Special Scientific Interest (SSSI). This is the "profit" that John McNaughton would have made, had he still been eligible for tree-planting grants under a

scheme that was abolished in 1989 due to the widespread destruction it caused to peat bogs.

Mr McNaughton was a member of the Lands Tribunal Committee which had earlier awarded a neighbouring farmer, John Cameron, £1m "compensation" under the same scheme.

The Labour Party's Scottish agricultural spokesman, Brian Wilson, angrily denounced the arrangements: "Once the land-owning fraternity discover a source of income on this scale they do not desist in the public interest. It works like this. You have on your land an SSSI, which is something held in trust for the nation. Then as a landowner you say you are going to destroy it. You tell the government body that 'Unless you award me substantial compensation I am going to proceed with this act of vandalism'.

"If you threatened to blow up an ancient monument you would rightly be identified as some sort of blackmailer, but that is exactly what you are encouraged to do under the 1981 Wildlife and Countryside Act."

MOSCOW

"No third way"

Confusion continues about the pace of perestroika. Dr. Larissa Piyasheva quit her job as deputy director in the mayor's office in charge of Moscow's privatisation programme because of uncertainty over her land voucher scheme. She believes every citizen should be issued with a voucher, but now believes that the state will retain ownership.

"Instead of true and full reforms of property, nothing more than a change of signboards will take place," she

predicts. "There is no third way between socialism and capitalism."

♦ Investors in the Far East are reluctant to pump capital into new businesses in Vladivostok, Russia's largest eastern city, because of uncertainty over rights of land use.

TOKYO

The higher they are...

Over the last six years, capital gains on stock which totalled Y352 trillion (\$2.71 trillion) were nearly wiped out by capital losses of Y324 trillion, according to the government's Economic White Paper.

For land, however, the capital gains of Y1,037 trillion have not been badly damaged by losses of Y107 trillion, leading to widespread anxiety that Japanese banks and financial institutions are disguising the collapse in land prices.

The *Nikkei Weekly* editorialised on August 15: "Unless the time bomb of inflated land prices is eliminated, piecemeal measures to shore up stock prices will be meaningless."

♦ Trade talks between Japan and the USA resumed in August. Washington is dissatisfied with progress in reforms to Japan's land use laws. The Tokyo government has not countered with objections to US land use laws.

ANKARA

Feudal opposition

Attempts to develop poverty-stricken south-east Turkey have created political tension. The aghas, or feudal landlords, oppose land reform. Economists say that incomes cannot rise unless peasants are given land. Attempts to redistribute land in the 1970s were reversed in 1980, following a military

coup. Today, over 25% of cultivated land is owned by less than 1% of farmers; 61% of farmers (150,000 families) farm holdings of under five hectares.

ATHENS

Monkish habits

Mount Athos, the all-male Greek monastic community, has struck in protest at plans to introduce a property tax designed to ease the government's budget shortfall.

AUCKLAND

"Soak the rich"

Plans for a new land tax have split New Zealand's new third-party Alliance. The New Labour Party proposed a "soak-the-rich" tax on the unimproved value of sites worth over \$100,000. The proposal has been attacked by the Greens, Democrats and Mana Motuhake. The fifth partner in the Alliance, the Liberal Party, has not opposed the plan.

The Mana Motuhake leader, the Hon. Matiu Rata, said any tax increase would be "technically and economically correct but politically untenable".

INDIA

Dammed!

A World Bank-financed dam in central India is causing damage to 240,000 tribal people and their lands, but more than half of them will be denied land compensation because they are deemed to be illegal squatters. Many landowners will benefit, however, as the Sardar Sarovar dam will irrigate 1.8m hectares through 75,000 kilometers of canals. Owners are not being asked to contribute to the cost of the works out of the enhanced value of their land.

News in Brief