

JUSTIN'S COMMENTARY

Justin Urquhart Stewart is one of the most recognisable and trusted market commentators on television, radio and in the press. Originally trained as a lawyer he has observed the retail market industry for 30 years whilst in corporate banking and stockbroking, and has developed a unique understanding of the market's roles and benefits for the private investor.



DODGY TAX NUMBERS IN THE CONFERENCE SEASON

The season of mellow fruitfulness gives us many bountiful benefits. However amongst those which aren't benefits are the party conferences where our politicians are lining up their populist plans and proposals for next year's election. I suspect we will be having a lot of kite flying to see which ideas get the best or worst coverage in the media before the party manifestos are finally agreed.

To date I note that we have a Mansion Tax proposal from Labour for the NHS, which seems to have had all the forethought of the similar idea regarding the taxation of the power company profits. The thought may well be made with good intent, but the actions will have significant unintended consequences.

Actually we don't really have a land tax (the nearest being our cumbersome Council tax) which is quite rare for a developed economy. What we do have is a dumb Stamp Duty tax which is wholly ineffective as it doesn't raise a huge amount, and in fact suppresses further tax raising expenditure (as people will spend more money on "stuff" when they move house than will be raised by Stamp Duty). It is just a regressive tax, which we started originally to pay for the war against French by King Billy (William III). Mind you Mr Farage might need it if he wins.

It would be more effective to have a progressive land tax which would be fairer - but I suspect no politician would consider that as yet. A mansion tax sounds better as a slogan to soak the filthy rich, rather than a properly thought out revenue contributor from property and land owners.

I would far rather that we address the issue of longer term assured leaseholds which would act quite quickly to pull people away from the apparent "maxim" that we must all be seemingly forced to buy property. After all, it goes up the whole time! Does it?

I would far rather see the next generation not pass hundreds of thousands of pounds to banks and building societies in interest payments, but rather put such money towards their own futures and pensions. After all they can still invest in property but they don't have to be shackled to it for life in a penurious mortgage with too many noughts.

For other tax ideas there are some more constructive taxes which certainly raise money and nudge our behaviour into more healthy styles of life. The concept of the fat and sugar tax needs greater consideration. We have all been used to sin taxes on "booze and fags" and these have been seen as socially acceptable both in terms of sociable norms and, come to that, addressing our unhealthy lives. Thus possibly taxing the "bad" fats and sugars could have a double benefit - money for government, less long term pressure on the NHS ... eventually.

Finally the Big Republic may take over the source of the Banana Republic.

The company that for many seemed to personify the evil capitalist “gringo”, the United Fruit Company, may finally be owned by the Latin Americans at last – after 144 years of foreign ownership. The term Banana Republic came from the reference to those smaller central American nations so dominated by this behemoth producer of bananas. The UFC went on to become Chiquita (it sounded more Latin!) and is now the source of interest from two areas. One is the Irish banana company Fyffes, who have been mooted a merger with Chiquita, and the other is a possible Brazilian bid to try and bring the banana company back to a big republic if not actually a banana republic.

Slovenia.

Now I am not in the pay of the Slovenian tourist board, but after a couple of days in this former Yugoslavian republic, I was entranced by both the country and its fantastic hospitality. With a population of just 2 million it is almost as though it was a forgotten country somewhere in the middle of Europe and had shades of that 1970's film (called the Last Valley) with Omar Shariff and Michael Caine where they both display the most atrocious German accents, set in a quiet idyll seemingly forgotten by its noisy neighbours. This little country, despite having been ravaged by its own banking crisis and yoked to the Euro, is now showing some great signs of vitality and entrepreneurialism. It has been getting on the front foot to promote itself and its charming capital and castle of Lubljana has so far avoided the less than attractive temptations of mass tourism.

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And finally...if ever you have been annoyed by those ludicrous antics of sportsmen showing off when they score a goal, then at last there is some retribution for one who decided to get too enthusiastic. News then from the Brazilian team Coritiba, where one of their players, Joel Tagueu scored a goal and then went into his spasm of celebration, only to find it going spectacularly wrong.

Joel got carried away after he ran from the halfway line and rounded the goalkeeper to score his second goal of the game, and Coritiba's third, in a 3-1 win over Sao Paulo.

He continued running and leapt over the hoarding, unaware that there was a hole behind it containing steps that led down from the pitch into the dressing room.

The player landed in the hole, his blow softened by a tarpaulin, and emerged looking decidedly groggy before returning to the game. To add insult to injury, he was shown a yellow card for the celebration.

Next time he should just take a bow, and applaud his team mates like a proper chap. No chance.

Have a good week.

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