



# Extracts from the Debate

MR. FRED WILLEY, (Minister of Land and Natural Resources): The pattern of the Bill is to set out the five cases in which development value is taken to be realised for the purposes of the levy. These are the chargeable acts or events which are listed in Clause 27. Each case has a Clause which describes the nature of the chargeable act or event and the criteria to be established to enable the amount of development value to be determined and the method of calculating the amount.

In simple language, there are five cases: first, the sale of a freehold or lease; secondly, the creation of a lease; thirdly, the carrying out of development; fourthly, the receipt of compensation for the revocation or modification of a planning permission or the discontinuance or interference with development by an order under the Planning Acts; lastly, the grant, or easement, or release or modification of a restrictive right. They fall into two broad categories—that in which the event realises the appreciation of the value in the land and that in which the event depreciates the value and payment is made to compensate for depreciation. The first three cases I mentioned fall into the first and the latter two into the second category.

The formulae for calculating the development value in each case differ, but broadly speaking they are to establish the market value and to take from it a base value so that the difference between the two values establishes the element of development value. . . .

The sixth case is intended to deal with other acts and events giving rise to development value which will be designated in regulations made under Clause 34. The sort of matters which it is intended to cover are variations of lease and compensation for depreciation of land under various other Statutes, such as the Public Health Act, 1936. All these cases which we have in mind will be similar to those which I have mentioned, but there are sufficient differences to justify a different provision.

MR. BOYD-CARPENTER, (Conservative): The levy will bite upon the granting of a wayleave by a citizen to the Postmaster-General for putting a telephone line over his land. It will bite, as the Minister has told us, upon the payment of compensation for refusal to develop. It will

bite at the beginning of any work on land, even clearing the site or digging a trench to clear the way for building. Then—the Minister was obviously aware of the criticism of this—under Clause 34, Case F, it will bite on “any act or event” that the right hon. Gentleman has not thought of now but thinks up later; it will bite upon a vast number of small transactions. How will the right hon. Gentleman value each and all of these transactions and do it punctually?

By the time that the Minister has paid the cost of collection and has collected all these tiny sums on these vast numbers of small transactions, I wonder whether his Bill, as I suggested a moment ago, may not share the fate of that associated with a very much greater man than himself, the late Earl Lloyd George.

SIR DEREK WALKER-SMITH, (Conservative): The Bill and the White Paper carry the implication that there is a necessary correlation and interdependence between the establishment of a Land Commission and the institution of a betterment levy. I think that a betterment levy could clearly have been instituted without a land commission.

The White Paper refers to the history of betterment and the efforts to recover it. That has really been marked by two characteristics—first, a wide acceptance of the principle of the recovery of betterment and, secondly, a failure, to date, to make a system of recovery work satisfactorily. I agree with the basic principle that community-created values should accrue to the community. I have always believed in that. I said so in the last Parliament.

SIR CHARLES MOTT-RADCLYFFE, (Conservative): The Land Commission has several very serious defects. It is not vested with any planning powers; but almost every action which it takes is bound to have an effect on land use planning. That is nonsense No. 1. It cuts right across the powers of local authorities. It sets up a tangled web of administrative uncertainties and anomalies, which follow as night follows day. That is nonsense No. 2. Thirdly, the Commission has very wide powers of compulsory purchase—absolutely unprecedented powers in peace time.

I do not think that anybody who has any knowledge or experience of the subject — this is borne out by all the professional bodies — believes that this frightfully complicated blunderbuss, this steamroller — nobody knows in which direction the driver is going — will bring down either the price of land or the price of houses. Either the levy will be passed on to the purchaser, or it will create a very undesirable black market, which is more likely to happen.

MR. TED FLETCHER, (Labour): Between 1860 and the beginning of the present century, the Liberals were the great forward-looking party that wanted land reform. We remember how Lloyd George stumped the country, and how the old Radicals talked about

“The land, the land,  
The land on which we stand.  
Why should we all beggars be  
With the ballot in our hand.  
God made the land for the people.”

The great Liberal Radical slogan was “The land for the people.” Are hon. Members opposite going to crawl into the Division Lobby of the landowners, or is there going to be some echo of those great Liberal traditions entering their souls?

I hope that the Liberals will think back to the great fighters for land reform. It may be said by them that the Bill is not everything that all of us might desire. It is certainly not all that I would desire, but it is a tremendous step forward, and I hope that they will follow us into the Lobby and be true to the principles that they have enunciated in the past.

MR. PETER BESSELL (Liberal): There is a wide measure of agreement on both sides of the House on the need for a betterment levy, a means whereby the community shall share in the appreciated value of any land which is developed. Indeed, this has been advocated by the Liberal Party for more than fifty years, but we have not advocated it in anything approaching the form in which it is presented today by the Government. We have advocated it in the form of rating and taxation of site values, and that still remains not only the most radical, but the most realistic, way in which this problem can be resolved. . . .

Why cannot we have an annual charge? That was the very thing which, over fifty years ago, the Liberal Party, as the Government, introduced into this House and yet, more than fifty years later, a Labour Government today still has to learn that the right way in which to bring in a betterment charge is to provide a tax which will fall annually, and which will provide a continuous source of income to the benefit of the people to whom, I agree, the land belongs.

However good the intention of many parts of the Bill the fact remains — and I am sure that the Minister must on reflection agree — that they are sloppy and sometimes almost unintelligible. There is a very wide measure of agreement by people in all ranks of life, and people who are associated with land, building, agriculture — surveyors and others — that this is one of the most difficult Bills to understand and interpret that has been produced for very many years. . . .

None of the oft-stated and oft-repeated Liberal aims is contained in this Bill. Nor are the Liberal aims which were the beginning of the old Liberal cry of “The land belongs to the people” contained in this Bill. Indeed this Bill is the very opposite of Liberal principle. Liberal intention and Liberal advocacy over the years. The late President Kennedy is reported to have frequently used in his speeches a quotation which I believe is an old Chinese proverb, that a journey of a thousand miles starts with a single step. This Bill starts with two steps, both of them backward, back into the dark age of Socialism and nationalisation. I hope that the House will reject it and that we shall one day have a truly radical Bill brought before this House which will kill racketeering, bring down the price of land, make it available for house building and bring about the intentions which have been expressed by the Government, but which are not expressed in the Bill.

#### LETTER OF THE MONTH

**I**N OUR so-called free society, it is the unalienable right of every firm, no matter how big or small, to conduct its business according to its own lights without outside interference, even if it does mean a “wasteful duplication of production and research costs”.

If a firm wishes to join another, let it do its own courting at no expense to the public, and without a government catalyst or exhortations by braying officials.

It is high time that all of us in business, government and politics should pause to consider what the basic fundamentals of government really are. They certainly do not include the running and “wet nursing” of business and industry by the Government or its ancillary departments.

To the detriment of business and industry, more seeds of creeping nationalisation and statism have been sown during the past sixteen months than ever before.

I am tired of constantly being advised and instructed how to run my business by unqualified and incompetent outsiders. Business and industry will go from strength to strength, and carry the country's economy with it, if only the Government and its cohorts would get off the backs of the people and reduce the present penal taxation.

—D. G. Huntingford  
in the *Financial Times*, January 10.