



The Land Commission

THE most persistent and concentrated non-party opposition to the Land Commission Bill has come from land and property owners, represented chiefly by the *Real Estate Journal* and the *Estates Gazette*. These journals are frankly hostile to any form of land taxation, including, of course, land-value taxation. Indeed, to them there is no real distinction between the latter and the various forms of "betterment tax" schemes proposed and applied in recent years.

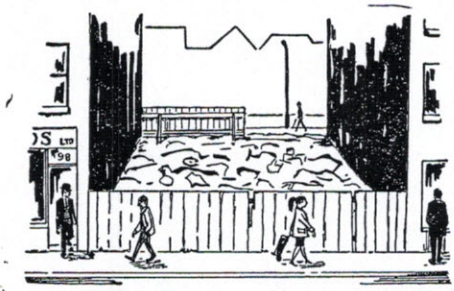
Where attacks on the Land Commission from these quarters are confined to exposing the stupidity, unworkability, complexity and irrelevance of the Bill, and to showing the inevitable adverse economic effects it will have on all sections of the community, we wholeheartedly support them.

The final blast of criticism by the *Estates Gazette* before the Bill passed the Report stage was given in the October 29 issue. Two points taken up by the editorial were of particular interest. One related to the availability of land and its price.

"There are vast areas of 'forgotten lands' throughout this country which are available for development but which are frozen in the dead hands of public bodies. Local authorities, ministries and nationalised undertakings possess thousands of acres. After some fifty years the railways are beginning to realise that today there may be greater profitability in surplus lands than in running railways! The utilisation of the vast area of the St. Marylebone goods yard for housing is an illustration that springs to mind at once.

"If the Land Commission is truly to be an organisation bent on securing that land is made available for development, there is little better it could do than take over from

all government agencies all the land surplus to their requirements, with the idea of putting this land into commercial, industrial and residential use as soon as possible. Even before putting land to its beneficial use,



the desirability of ascribing a proper value to all such land will be inestimable in giving an accurate picture of the amount of capital value at present sterilised.

"Planning is by nature a restrictive operation. It exists to prevent persons from developing land as they wish. In so doing it is necessary to sterilise much land from development, and the inescapable corollary is that the market competes more fiercely for any land that is available. Consequently the price rises. The only safe and sure way out of this situation is to release more land elsewhere. Much of the land which might be more actively used in private hands is at the moment sterilised not by planning but by inertia and legal difficulties."

The Land Commission, of course, is to be armed with powers of acquiring land so that it can "make it available" for those who need it, despite the foregoing and despite the fact that local authorities and builders have expressed their desire to make their own arrangements; apparently they have little faith that they will be able to obtain land any more cheaply, even though the Land Commission will be empowered to acquire land at less than its full permissible development value.

But the second point made by the *Estates Gazette* in opposition to the Land Commission leaves the field of practicalities and enters into controversy on the meaning of social justice. The reasoning is clouded by the necessity to defend the premise that when it comes to a question of the sacred rights of ownership, land differs in no way from the products of labour and capital.

"... we are faced with constant attempts to deal with land on a different basis from any other species of property. If the price of potatoes rises, causing an increase in the wealth of potato merchants, we do not levy a betterment charge on potatoes—not even if the price rise is due to the manipulation of protective tariffs... It cannot be stated too often that increases in land value and land prices are nothing more and nothing less than increases in wealth, and that attempts to treat this particular source of capital appreciation as being attributable to the activities of the community in any greater or less degree than any other form of wealth are merely self-deluding."

If increases in land values and land prices are "nothing

more and nothing less than increases in wealth," then, since the owner of land produces no wealth merely by the assumption of ownership, it is an elementary logical deduction that the wealth accruing to him by reason of his ownership must be produced by *somebody else*. This is the very essence of land ownership; it consists of the power to extract from producers or users a price for permission to use land. Where land has a market value or rent and the "owner" produces from it himself he obtains something in excess of the productive power of his labour and capital alone. It may be described as a "bonus," "gift," "windfall"—call it what you will—but it is "nothing more and nothing less" than a value which has no moral sanction of ownership, since the rights of ownership can exist only in production and not in the gifts of nature.

Returning to economic argument, the editorial says of the Land Commission levies: "So far as reducing the price of land is concerned, it has yet to be shown that direct taxation of this kind has ever produced this effect."

Quite true. But the taxation of *all* land values, irrespective of use or development, and according to market value, would produce this effect since it would be in the interests of every land owner to utilise to the fullest permissible extent any land that he held. If he were not a developer, he would be obliged in his own economic interest to make the land available to others.

Property owners and property developers generally may not be easily persuaded that in the long run land-value taxation would be in their own interests as well as in those of the community, but events may help to persuade them that the alternative is wholesale nationalisation—which is in no one's interest except the power-hungry dictators.

Land owners, property owners, developers and builders had a sharp warning of the shape of things to come in the financial provisions of the 1947 Town and Country Planning Act. They were saved on that occasion by the Conservative Party when it was returned to power and repealed the development charges and changed the laws relating to compensation for compulsory acquisition. They may not get a second chance unless armed with the right solution to the land question.

PROMISE AND PERFORMANCE

ON March 10th last in the "Election Forum" programme the Prime Minister said, "I do not think that you can ever legislate for wage increases and no Party is setting out to do that. Once you have a law prescribing wages, I think you are on a very slippery slope. It would be repugnant I think to all parties in this country. As to the idea of the freezing of wage claims, salary claims, dividends, rents... I think that this would be monstrously unfair."

The Government have since frozen wage claims, salary claims, dividends, rents.