

# LAND & LIBERTY

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TWO SHILLINGS

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## EDITORIAL

### New Broom Without Bristles

MR. F. T. WILLEY, Minister of Land and Natural Resources, in a speech on the proposed Land Commission last month, sought to reassure doubters of its desirability and practicability and to disarm the critics who have no doubts that the Land Commission is a bad egg.

Anyone who did more than just listen to Mr. Willey and studied carefully what he said would not have been reassured or disarmed.

The Minister began his speech by saying that the Land Commission should be in a position to help private builders to get the land they needed and that there was nothing to deter owners from bringing land onto the market *in the transitional period*. What of the long run? Maybe this was just a slip, but in any event what is needed is not something that will not deter, but something that will positively encourage.

If land is not being "brought forward" fast enough under the present system which taxes capital gains in land sales, how on earth can the abolition of this tax and its replacement with a development levy, which is higher, possibly induce the land owner to part with his land? The Minister can hardly believe this himself; indeed his further remarks seem to confirm it.

"The Commission will have sufficient powers of compulsory acquisition to secure, for example, the development or re-development of the land as a whole." But if there is nothing to deter land owners from bringing land onto the market, why compulsory powers?

The Land Commission, said the Minister, is not intended to stand in the way of private builders. Why then, are we to have the re-introduction of building licences? Mr. Willey said he was determined that the land necessary for the Government's housing programme would be available. To this end (apparently having little faith that his Land Commission will be of much help), his Department, together with the building societies and builders, are to join in a working party to "examine the resources available to sustain a housing

programme rising to half a million, and particularly the availability of land and money." (Our italics)).

The Minister, in his speech, said that he set out to resolve doubts. He would have done better to have resolved his own doubts first, for at the end of his speech he admitted that there are bound to be transitional problems when the levy is introduced. "Some owners of land will be reluctant to bring it onto the market, others may ask a higher price. There may be some effect on the flow of development."

He thought, however, without giving any reasons whatsoever, that these problems "would diminish as the levy became one of the accepted facts of life. . . ."

Then came the moment of truth, as the script writers say: ". . . if they do not, the Commission will be armed with powers to deal with them."

If there is one thing certain in the economic world, it is that if you want a person to do something of his own free will you must make it in his own economic interest to do that thing.

The taxation of all land on an *ad valorem* basis, whether built upon or not, is based upon this simple principle — and it accords also with the principle of social justice.

## LAND COMMISSION UNDER FIRE

**R**EACTION to the British Government's Land Commission proposals by those people who stand to be most directly affected continues to be distinctly critical.

The Association of Land and Property Owners has issued a nine point objection, as follows:

1. The proposal that the Land Commission should collect a land tax is unnecessary because tax collection is the job of the Inland Revenue.

2. This proposal is also complicated, since the proposed tax would overlap capital gains and corporation taxes.

3. The proposal that the Land Commission should have wide compulsory powers to acquire land is unnecessary because local authorities already have such powers.

4. This proposal is also complicated, since it could easily lead to conflicts of interest between the Land Commission and local planners.

5. The proposal is dangerous, too, since it threatens a piece-meal takeover of all building land, irrespective of public interest.

6. The proposal that the Land Commission should be empowered to act merely on its own opinion without being required to prove that a particular acquisition is in the public interest is dangerous.

7. The proposal that the Land Commission should have powers to manage and improve land in its possession threatens the building and contracting industries with the eventual likelihood of a single monopoly customer.

8. The proposal that the Land Commission should have powers to sell land below market price is complicated because it would mean cheaper but controlled houses for the favoured few.

9. This proposal is also dangerous because it would undermine our property-owner democracy by creating artificial values of a basic commodity.

Mr. D. H. G. Goodfellow, managing director of a Glasgow building firm, has forecast that houses now costing between £4,000 and £5,000 would cost £1,000 more in the next three years.

Mr. Neil Wates, managing director of another company, has said that for those whose job it was to produce more houses for sale, the proposals in the recent White Paper were irrelevant and dangerous. "They might have been expressly designed to perpetuate the housing shortage," he said.

"The sole outcome of these two measures — the Land Commission and the levy — is going to be to slow down the availability of land, result in the proliferation of bureaucracy, interminable arguments and a further distraction of our intention with procedures from the essence of our business."

His business, said Mr. Wates, was to build more houses, but with the Government's excessive preoccupation with profits rather than with production, we are all going to end up very shortly with no profits, and what was more to the point, no houses.

Even interested parties can have logic on their side.

## PRESSURES ON LAND

**A**CCORDING to Dr. P. G. Wibberley\* (Professor of Rural Economy, London University) if we do little to steer new urban development to the West and North in could become more difficult in the future to maintain food output. With the conversion of agricultural land to urban uses at the expected rate of 400,000 acres between 1960-1970 and with pressure to develop strongest on highly productive agricultural land, agricultural output per acre must be increased. Fortunately there are indications that agricultural productivity is increasing at such a rate that by 1970 production will meet demand at that time and be able to forego about one and a half million acres due to intensive use. There is a danger, however, that as more marginal lands are exploited to maximum capacity and



better lands are relinquished for urban use, competition between urban and rural uses will drive agricultural ingenuity to its limits.

The increasing population (if realised) and urban land demands could mean that by the year 2,000 about one in every six acres in England and Wales will be developed

\*Pressures on Britain's Land Resources—The Tenth Heath Memorial Lecture—University of Nottingham, Price 2s. 6d.

(approximately 15 per cent of available land). While this may appear to leave plenty of room to spare it can be argued that steps need to be taken to ensure protection of the more valuable scenic land from concrete and steel. Bearing in mind that open cast mining accounts for about 12,000 acres of "holes" a year, thought needs also to be given to reclamation. Pleading for a careful appraisal of future land use problems in a highly mobile car-orientated society, Dr. Wibberley stressed that to safeguard the leisure time of our successors we should leave the land in such a condition that it can be efficiently used and enjoyed.

Unfortunately the Professor did not add any remarks concerning basic land cost economics. The future he describes looks bright for the recipients of land rent. With marginal values steadily increasing, new urban values shooting up and some land in high pressure areas being preserved for amenity reasons, the need for an effective land rent policy will be even greater. This is a crucial problem which requires the urgent attention of land economists.

## TOO EASILY DISMISSED

**T**HE REPORTER writing on the rating system in *The Guardian*, November 29, was very bold to dismiss site-value rating in a few paragraphs. More so because he gave no support to his arguments. He said there was little evidence of how site-value rating would operate in detail, yet it was the whole point of the Whitstable survey to provide this evidence, for not only can the effect of site value rating be seen upon different classes of property, but upon every separate property in Whitstable. His statement that Whitstable is "hardly a typical town" was irrelevant. The fact is that the properties valued were typical of properties all over the country, including as they did, houses, flats, bungalows, offices, shops, factories and agricultural land. The relation of total site value to present rateable value may not work out the same in every town, but this does not alter the principle. Indeed, other surveys might reveal an even more favourable result than did Whitstable. The article also said that the Whitstable survey raised as many questions as it answered, but did not state what those questions were.

There will be no need for a fundamental change in planning procedure as he suggests, though planning authorities would have to make up their minds more quickly on the basic use to which land may be put (no bad thing). Mr. Hector Wilks, who conducted the Whitstable survey, based it upon the Town Map and met with no difficulties in his valuation in this respect.

Much was made by the writer of the alleged difficulties faced by site-owners who found their homes re-zoned for use as a shopping centre. But how many instances of this would there be? By far the greater number of houses are already zoned as residential and it would be a very small proportion of houses that would come into this category. As for people being "forced out of their homes,"

as he put it, this is sheer emotionalism. Rent control apart, and given planning permission, any lucky house owner who finds that his site has increased in value so as to make it valuable for use as a trading site will be more than compensated for having to move by the price he would get.

It is an established principle of site-value rating that no site would be valued at anything more than its permissible use value, thus land would be redeveloped only when it was profitable to do so and the full rate charge would be a direct incentive to take advantage of the opportunities offered.



## TALKING THROUGH HIS CLOTH CAP

"**C**LOTH CAP, PRESTON," wrote a letter to the *Lancashire Evening Post* calling for nationalisation of bread in which he wrote that under government control bread "could be profitable, sure and consistent in its presentation."

One wonders why "Cloth Cap, Preston," if he does not like the bread he has now, does not change his baker or ask his wife to get another kind of loaf. After all, there are scores of varieties from which to choose, which is unlikely to be the case if bread is nationalised and we have to go to the local office of the State Bakery Board to collect our grey national loaf, together with a leaflet explaining that white flour is not as good for us.

## THE POWERS OF THE PLANNERS

**O**NE OF the ugliest kinds of abuse of power is one that makes use of regulations designed to improve housing standards in order to dispossess householders. The Sweetlove case in Waltham Forest, Greater London, has brought this matter to a head.

The Council wished to obtain an owner-occupied house for which its predecessor, Leyton Council (before the London Government merger), had offered £2,200, but had been refused. The Waltham Forest Council simply condemned the house and offered £750 site value for it.

The grounds for condemnation were minimal; if the Council was consistent it would have to condemn a large part of the borough's homes, including some of its own council houses, also.

Rising dampness, insufficient windows, a bad lavatory, were the grounds. In fact, the lavatory is new, the rising dampness is characteristic of most houses more than thirty-five years old, many of which will have to stand for another twenty or thirty years yet. The same is true of the number of windows — Ten Downing Street is no better off, neither are many houses in Chelsea and Hampstead which fetch £15,000 to £25,000 without difficulty.