

## Land Muddles

POLICIES for dealing with high land prices, land "scarcity", housing problems and land speculation in many countries around the world, are akin to chasing a man who is running amuck with a flaming torch in a forest, not with the intention of catching him but of merely damping down the fires he started. Shying away from the sound economic and social policy of full land-value taxation, the experts devise various laws which, because they ignore the basic principles, are doomed to failure before the ink is dry on the statute book. And, countries do not learn from one another's failures — they simply copy them.

Currently, Australia is treading the paths of betterment taxes, levies, intervention, controls, exemptions, compulsory purchase and all the paraphernalia that has cluttered our statute book over the years only to be repeated and resurrected in modified forms without a single lesson being learned.

And now, Japan too is having a try. *Japan Banking Briefs* reports that as a measure for combating the severe land price spiral long prevailing in Japan, the Diet has passed the National Land Utilisation Law, permitting the authorities to freeze land prices and to regulate the buying, selling and utilisation of land. Although detailed provisions have not been finalised, the new law, passed on May 27, is expected to be more strict and comprehensive than previous land-price countermeasures. Fundamental planning for the utilisation of land will be decided at national government level.

Transactions will be regulated when prefectural governors conclude that speculation or excessively rapid increases of land prices exist in a given area. In such a case, all relevant transactions in the designated area will be handled on approval basis. For a period of five years from the day the law is invoked, the transfer of land rights will be permitted only if the price is 20 to 30 per cent below the prevailing price, or if the land is to be used for private dwellings or for public facilities. Even outside designated localities, transfer of rights to parcels larger than stipulated areas will be subject to government approval. When the price of land or its utilisation is considered unsatisfactory, the principals will be advised to change the terms of the contract: and if the parties do not obey, the sales terms will be made public.

Finally, if the land in designated localities is left unused for three years after acquisition, it will be recognized as "idle land" and the owner will be required to submit plans for its use. If the owner fails to submit an acceptable plan, his property may be appropriated for public purposes. "Idle land" measures

apply only to land obtained after 1969, however.

But the report, while praising the Government for "instituting direct measures to cope with this serious problem," says that if the new laws are enforced unwisely it could have the counterproductive effect of reducing the supply of land available for housing, or of stimulating black market transactions and so they must be applied with prudence and restraint. With all the prudence, wisdom and restraint in the world this misguided and clumsy legislation is doomed to failure.