

loss of land space and gift of eyesores should not be encouraged by tax laws that make it profitable. If real estate taxes can be geared to encourage people to pull houses down, it can also be geared to encourage them to put them up. A stiff tax on the land alone whether in use or not is better than a wringing of hands.

Economic and Ethical Distinction

FACED with the question: "Has a slave-owner a duty to look after his slaves, care for their health, feed them adequately, protect them etc.," most people would challenge the question rather than provide an answer. If the slave-owner has a duty at all it is to free the slave. Yet in the days of chattel slavery, many humane and kindly people would stress the duties of slave owners and ignore the fundamental principle really at issue.

So with land. Landowners, it has frequently been said, have duties to the landless. Landowners hold land "in trust" for the landless; they should care for their tenants and accept responsibility for their welfare etc.

In modern times, with the growth of land-use planning, ostensibly or actually in the interests of the community, justification is sought for limiting the rights of landowners and recourse has to be made to the generally ignored but self-evident truth that land is unique and must not be regarded as a commodity or simply as another form of wealth.

Western Water News, California, July-August, carries an article on land use planning and makes the foregoing points. We print an extract below.

"In sheer volume of words written and spoken, no public policy issue of recent years is apt to surpass the questions of land use planning. From environmental and aesthetic quality to the rights of real property ownership, the concerns of those particularly in the debate over land use cover the spectrum of human values and interests.

"Underlying the often conflicting pronouncements and suggestions of what ought to be done are two crucial principles which may require some shifts in the public perspective before progress can be made.

"First: Land is a resource and not a commodity. Second: Land should be managed in response to its inherent characteristics rather than primarily to accommodate short-run human needs.

"Due to its past abundance as well as to psychological and philosophical values, Americans have consistently treated land as a private commodity. Historically, the individual's desire to share in land ownership, albeit within society's restrictions, has been a

principal contribution to the common view — both theoretical and real — that land is a commodity. Within that tradition land markets have been developed and demand/supply factors for land have been identified. During the past half century or so, these economic incentives have generated increasing demand pressure on a fixed supply of land.

"Many observers now recognise the distinction between land use as a commodity and land as a resource. Viewed as a resource, land can be more effectively managed."

All that is required now is the recognition of the distinction between land as a gift of nature to all, and wealth as the product of individuals and a recognition of the respective rights of ownership attached to each.

Bandage on a Sore Spot

UNDER THE HEADING "A Radical Solution to the Land Problem", *The Property Letter*, October 1974 comes up with a "solution" that is nothing of the kind. However, looked at as an alternative to the Government's proposals for nationalising development land, and in that context alone, the idea has some merit.

What is proposed is that local authorities be allowed to sell planning permissions.

"This would immediately do away with the need to bring land into public ownership at enormous cost. It would immediately generate revenue for the local authorities, and no doubt the Exchequer, too. It would be workable with a relatively modest increase in administrative staff."

The method of determining the price of planning permission would be by a free market valuation.

"In any particular case the value of a planning permission can be established by calculating the residual value of the land with and without permissions—the difference is the value of the permission."

A formula that planning permission should cost 80 per cent of the value gained is regarded as fair.

After planning permission for a specific use had been applied for by the landowner, the local authority would offer the land for tender or auction — the landowner himself being free to bid.

The landowner would then be paid for the land at current use value plus 20 per cent of the development gain for his trouble and the prospective developer, the new owner, would pay the market price.

None of this would of course solve the land problem because it deals only with land ripe for development, one sore on the sick body of our land tenure system, but it would be preferable to the stupidities contained in the Government's White Paper.