

NEWS AND COMMENT



A STEP BACK FROM THE WRONG DIRECTION

THE Graduated State Pension Scheme, contributions for which are levied according to income, and which was introduced a few years ago to supplement the existing scheme, is to be dismantled by the Conservatives when they return to power.

This was stated by Sir Keith Joseph in a by-election speech at Hull. In place of the state graduated scheme a private but compulsory scheme will be set up, said Sir Keith.

"We shall require employees earning over, say, £9 per week and being over, say, twenty-five years old, to belong to a private occupational pension scheme. We shall lay down rules which all such schemes must satisfy—minimum contributions, transferability of rights, subject to reasonable clarification, regular audit, etc. We shall require benefit for widows, perhaps in the form of a lump sum of, say, £1,000 for suitable investment."

Twelve million people out of some twenty million are already in such schemes, and the idea is to make it universal as far as is practicable. It is reckoned that such private insurance will yield far more than an equivalent state scheme.

From the point of view of inflation there can be no doubt of this, for nowadays, under many private schemes, one can get a built-in hedge against inflation.

"We shall, of course, be keeping the present state basic flat-rate pension," said Sir Keith, "so that everyone in old age will have two pensions—the state basic flat rate one and also his or her private occupational pension, which will vary with earnings."

Granted that a private scheme is always to be preferred to a state one, should the private one be compulsory?

Enforced provision for old age among those who would not otherwise bother (given that they can afford it) would protect those who need no compulsion from having to provide subsidies for those less provident. Is this a sufficient reason for compulsion?

LIBERALS AND THE LAND COMMISSION

THE Standing Committee of the Association of Liberal Councillors has issued the following Statement.

The Standing Committee of the Association of Liberal Councillors has the following objections to the Government's Land Commission Bill.

1. The Liberal policy for site-value rating points the

direction in which change must come if our land problem is ever to be solved. A development charge as envisaged by the Labour Government is totally different to an annual tax. The 1952 Simes Committee pointed out that such a once-for-all charge and site-value rating are mutually exclusive.

2. An annual tax cannot be passed on through increased prices, and because it is a continuing charge on the land it tends to lower land prices. A development charge can and will be passed on causing increasing land prices and therefore dearer homes and higher rents.
 3. The development charge is a disincentive to development and will prevent land coming forward, eventually causing less homes to be built.
 4. The Bill, in its provisions for disposal of land compulsorily acquired, introduces a two price system which is demonstrably unfair.
 5. The cost of valuation and collection will be vast and unnecessary. Site-value rating will use existing valuers and would not cause an extra valuation. Site-value rating also provides a straightforward means of returning increases in land values to local authorities that is much better than the complex system of redistributing levy from the Exchequer that the Bill suggests.
 6. The Bill ignores the current trend towards regionalism and indeed contradicts much of what the Government has been saying about the functions of the Regional Development Boards. It opens a new field of centralisation and indirectly also opens the door for a flood of local municipalisation. Power should be given to local authorities, not taken away, and, if it is necessary to hold more development land in public hands, it is far simpler to extend local authorities' powers of compulsory purchase than to create a new bureaucracy.
- January, 1966.

CARROT AND STICK

THE LEVY under the proposed Land Commission, like the development charge under the 1947 Town and Country Planning Act, falls only when there is action on the part of the land owner—action to develop or redevelop, or action to sell. Where there is no such action there is no levy. Thus the initiative is with the land owner, not with the government. It is for this reason that the Land Commission is to have powers of compulsory purchase.

The Land Commission proposals have much in common