

## Some Press Comments on Labour's Land Plan

### OPPORTUNITIES FOR CORRUPTION

There is a tendency for local councillors and council officers to pick their developers - for a consideration. If, in addition, they can pick the price, this increases the opportunity for making money corruptly on the side - at the public expense.

- Editorial, *Observer*, Sept. 15.

### NO CHEAPER HOUSING

It is doubtful whether public ownership of land will bring down the price of houses for sale or make immediate and profound differences to development in central London.

At first many land owners will fight public ownership and so slow up the rate at which councils can buy housing sites.

- David Wilcox, *Evening Standard*, Aug. 31.

### NO MARKET DISCIPLINE

Labour's central arguments are that the powers of local authorities to implement their plans 'are restricted by the price that the market puts on some land and by the fact that the planners' resource is in the hands of private owners rather than at the disposal of the community.' Neither of these arguments justifies the Government's proposals.

It is true that the price which the market puts on land does constrain local authorities - often rightly. For example, the high market value of city centre sites reflects their extreme scarcity, so they should be put to the best possible use. The high price indicates to all potential users of the site that its value in alternative uses is very high and that it should be employed in a particular way only if that use is fully justified in competition with all the alternatives.

- Alan Day, *Observer* Sept. 15.

### MAN VERSES THE STATE

Those of us who believe that this control should not be concentrated overwhelmingly in governmental authority are in no sense denying that "the community" can or should be without control. It is a question of what best represents the community. Is it the present system whereby land is bought, sold, leased, rented or built on through thousands of transactions among individual buyers and sellers? Or is it a system whereby an infinitely larger number of such transactions will be, as the White Paper promises, decided by local authorities - i.e. by politicians and public officials?

Local authorities are already very much involved in land development. Are all those shopping precincts,

white-elephant community centres and high-rise blocks examples of their peculiar fitness?

- Editorial, *Daily Telegraph* Sept. 13.

### THE ALTERNATIVE

The policy is fundamentally wrong. The gains could still be taxed, without killing incentive to develop. I have never understood why Labour has failed to interest itself at any time in the one form of tax on land which can be levied at confiscatory rates without adverse effects - an annual tax on the rental value, as opposed to one levied only at the point where something useful is to be done with the land. It is obvious why the Conservatives have always shunned this, while being prepared to tax "speculators" in a narrowly-defined sense; but that is another story.

— Malcom Crawford, *Sunday Times*, Sept. 22.

## Votes for Auction ?

**B**RIBES to the electorate with their own money are now recognised tools of political parties. In the old days politicians used money from their own pockets to bribe voters but this was considered immoral and made illegal.

The Tories' tinselled package for the coming election contains tempting goodies. Council house tenants will be able to buy their house at "a third off" the market prices, mortgages will be subsidised, rates on domestic houses abolished and grants provided for first-time house buyers.

The policies add up to yet further redistribution of wealth - after it has been already shuffled around numerous times by existing legislation - with no logical, economic or moral justification whatsoever. Beneficiaries of three of these schemes will be owners of land and property.

Lower mortgage rates will make it possible for more people to demand houses in the market and prices will rise accordingly. This will also be the effect of subsidies to first-time buyers.

The abolition of rates on domestic properties will be a bonanza for property owners, it will make land and houses dearer to buy and send up rents or premiums where legally allowed - and sometimes where not legally allowed.

In all rates charges, there is an element that falls on the land portion of property. Abolish the present rates and the slack will be taken up in varying degrees in the price asked to occupy land as tenant or as owner.

Simple economics indeed, but too simple for politicians, whose calculated or uncalculated blindness to economic principles has brought the country to the brink of disaster.