

## Land — the Central Issue

**P**ROTESTS and complaints against the present Government's Land Commission are becoming commonplace and no doubt they will increase, with those most closely affected shouting the loudest, as the General Election approaches.

Well in the forefront of the battle is the Association of Land and Property Owners who have published a very readable pamphlet\* stating their views.

Writing in the Foreword, A.L.P.O. Chairman, R. G. Dashwood, clearly puts the case for the need for serious rethinking on land policy:

"Now and in the future Britain needs a sound land policy. Current land policy has failed. It sets up a Land Commission operating at Central Government level with unprecedented powers and imposes an abstruse betterment levy based on fallacious theories and in a manner which threatens human rights, is unjust, wasteful of national resources and so complex as to be incomprehensible to the ordinary citizen and at times to his professional advisers."

What follows in the seventeen page booklet is a series of well developed and reasoned arguments for abolishing the Commission and abandoning the Betterment Levy.

Setting down the criteria that a sound land policy should endeavour to satisfy, the anonymous authors propose that any reform of the present unsatisfactory situation should:

1. Encourage and assist development.
2. Reform planning attitudes and procedures to facilitate co-operation between planners, landowners and developers to meet public demands for housing, urban renewal and comprehensive redevelopment.

3. Ensure that the taxation of land, if necessary, is simple and straightforward.

Few reasonable people would quarrel with these laudable objectives. A fourth, however, the exact meaning of which seems rather obscure, is also suggested. Land policy, it is postulated, should "safeguard the contribution of private property in land to the constitution of social liberty." What that may mean is anybody's guess. It can be assumed, however, that at its root lies the sentiment that the private appropriation of land rent and the perpetuation of the concept of the freehold fee simple should remain inviolate. How this could be done and yet advance "social liberty" defies rational analysis if the concept of "social liberty" involves equal liberty.

But on what in ethics does the case for land reform rest? Surely on one sound proposition alone; that every inheritor of a place on earth has an equal claim to the opportunities provided by Nature. As land, the source of all wealth, is the basic natural resource together with the air and water that make life on this planet possible it must surely follow that any privileged ownership which confers rights on one at the expense of another must be contrary to the concept of equal opportunity.

This is not to say, of course, that the exploitation of natural resources by individuals or groups is ethically untenable; in fact this is a prerequisite to the development and advancement of man. What it does mean, however, is those proceeds of development which are directly attributable to natural endowment and are over and above the returns to capital and labour, ought to be shared impartially and totally among people throughout the world.

Such a simple proposition, however, is bound to appear utopian to the modern philosopher and impracticable to the statesman.

If, however, the analysis is taken further and updated to a world-wide recognition of national sovereignty and representative government (of whatever kind) it is easier to see a rational argument for the public collection of bounties which accrue at present only to a fortunate minority. The sufferers are those unfortunates who are obliged to bear taxes levied on their individual efforts of skill and initiative and their savings and legitimate capital gains. At this point is to be found the true foundation of land reform and tax reform.

But if the idealistic approach to land reform—the replacement of present taxes by taxes upon land values—is deemed to be totally impractical (a point which many would argue) what other acceptable courses or interim measures are feasible? There are, of course, many but they must have one thing in common—they must aim to collect as much of the rent of land for public purposes as is practicable and politically acceptable within today's complicated framework of

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legislative and economic control—in short as much as the traffic will bear.

Where, for instance, the Land Commission's Betterment Levy tends to reduce the amount of land which is brought on to the market, pure land value taxation has the opposite effect. Where the consequences of the levy and the Commission's activities increase the price of land, land-value taxation reduces it. Where the levy discourages development, it being a tax upon an occasion, land-value taxation encourages it because its incidence is constant.

As public expenditure on improvements like motorways, public transport and water supply tends to lead to an increase in economic rents, land-value taxation recoups them progressively. Where misguided public or private action blights the environment through pollution or mismanagement of the nation's estate, values fall and land-value taxation yields less. It therefore becomes a matter of national interest to conserve both land values and an unpolluted environment.

These arguments alone justify the introduction of the reform we have outlined. But there are many others. Land-value taxation brings in its wake a number of unlooked for bonuses and beneficial effects.

The A.L.P.O. is searching for a tax which is "easy to collect and assess, does the job of a capital gains tax or something like it without the fuss and expense of valuations," and which "encourages and facilitates the development of land and avoids unjust discrimination of landowners and developers." They need look no further than a tax on land values.

Professional U.K. valuers will, no doubt, raise all manner of objections and continue to regard land-value taxation as being a measure which would stretch their skill and acumen beyond what can reasonably be expected of them. More contact with their foreign colleagues, however, might reassure them and allay their fears. Once understood, the techniques of large scale valuation even within a complicated land law and land-use framework, can easily be mastered. The

advent of electronic data processing equipment simplifies the task and increases the accuracy of the results as many American assessment authorities could testify. A prerequisite to a sound land valuation, however, is the completion of an adequate cadastral survey to establish, map and schedule interests, identify owners and log restraints. A.L.P.O. now advocates the compilation of a national *cadastre* and this is an advance to be welcomed and supported to the hilt. Action on this is long overdue and urgently required.

—P.R.H.

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*\*Down to Earth, The Association of Land and Property Owners.*