

A Snare And Delusion Public Ownership Of Development Land

UNREPENTANT about the havoc it wrecked with its stupid development charge and, in the main, standing aloof from the campaigns to secure the taxation and rating of land values, the Labour Party is believed to be toying with a plan which, if ever adopted, would pre-empt disaster. This is to nationalise the greater part of the non-agricultural land of Britain.

Acquisition costs would be fantastic. No one can say how much as there is no land valuation but it would run into thousands of millions of pounds. Rip-roaring inflation would have to be unleashed simply because tax revenues — already at the £6,000 million a year mark — are bespoken for present government activities. Or perhaps some kind of "clever" trickery involving the floating of bonds is in mind? Periodically suggestions on those lines are put forward by people naive enough to believe that it is possible to get something for nothing. They should be sent back to school — or locked up. Such a plan would simply hand to present freeholders money representing "interest on bonds" which they now receive as "rent for land".

Such "public ownership" is a semantic trick. The State as landlord would seek the highest possible rents, both to requite the former title holders and to pay for other costly socialistic schemes. That way lies no benefit for land users. Even if the State defaulted on its obligations to bond holders — as to some extent, it has over repaying post-war credits — land users would still be worse off than they are at present, though the extra burden on the taxpayer would be rather less severe.

The net result of such "nationalisation" would be to bring into use land now held idle for speculation and to reinforce present extensive powers to control and direct the use of land, location of industry, and the like.

Already shackled, bandaged, blind-folded, wrapped in cotton wool against foreign competition and tottering along on crutches, the whole economic structure might well crash. For land nationalisation would destroy confidence more quickly and more thoroughly than anything else man in his folly or evil can devise. That would be treachery more dangerous and far-reaching in its consequences than anything done or attempted by Blake or Lonsdale & Co., the recently convicted spies. What avail then that such disaster was not intended, that the plan was devised by wrongheaded men of good will?

All that we know at present of the scheme is the front page story by its own reporter published by *The Guardian*, May 11, as follows:

"Proposals for the nationalisation of development land, the gradual dissolution of the public schools, and exten-

sions of public ownership and control will make Tuesday's special meeting of the Labour Party's Executive one of the most important in the party's recent history. The draft policy document which the Home Policy Subcommittee has been working on for the last few months contains items which go far beyond the proposals which have so far leaked out.

"The most drastic proposal is for the bringing of all development land under public ownership. When the subcommittee began its work the idea was to provide for the municipalisation of urban land in accordance with a resolution of the conference at Scarborough. The plan has now been changed and extended.

It is proposed that a National Land Board, directly accountable to Parliament, should be appointed to acquire the freehold of all development land progressively — that is all land changing hands and becoming subject to local authority planning permission other than agricultural and owner-occupied land. The aim of this policy is to abolish all private profit from the exchange of development land. Developers, under the new system, would be leasing the land from the nation and the proceeds would accrue to the nation, through the agency of the board.

"It is not yet known whether Mr. Gaitskell is ready to go the full distance in support of this scheme. Due to the Wedgwood Benn debate, he was unable to attend the final meeting of the Home Policy Committee on Monday. He is said to have agreed at a previous meeting to the general principles of the new policy although he favoured a wording which would not lead owner-occupiers to fear they would be unable to dispose of their properties . . ."

Editorially *The Guardian*, which itself once was radical in the real sense, chose "radical" of all words to describe the new proposal. It was by no means certain, it added, that it would be accepted and incorporated in official policy. "In the past its leaders have always persuaded the party that the political risks of trying to bring [land nationalisation] about were too great. By excluding in advance agricultural and owner-occupied land, the new plan would reduce the political danger; even so it could prove a serious electoral liability to the party unless it was carefully handled."

The Henry George movement will do everything in its power to prevent the plan from ever being put into operation.

The Liberal Party Leader, Mr. Jo. Grimond, M.P., appears to favour a dilute variant of this Labour proposal. Writing in *The Guardian*, May 24, on town planning he threw in a few words about "the good sense of the Liberal demand for *some* taxation of land values" (our italics) and revealed his total lack of understanding of L.V.T. by suggesting that a trust should be set up "to buy and hold decaying areas until either the local authority or private enterprise was ready to develop them."

Comment next month.