



Will They Never Learn?

THE high and ever-rising cost of land reflected most spectacularly in the price of houses, has once more sparked off interest in "land reform" and journalists have been quick to borrow from each other's notebooks in offering remedies or in attacking them.

Land nationalisation (of at least urban land) is high on the list of Labour's policies for its next term of office, by which time presumably everyone will have forgotten their two previous abortive attempts at socialistic land reform. A policy of land nationalisation was predictable from Labour, although one might not expect support for it in the Conservative columns of *The Spectator*. Reg Freeson, writing in the issue of June 10, after commenting on community-created land values, says: "No matter how long it is put off, a radical government must eventually aim for public ownership of urban land and much rented property now subject to speculative buying and selling. Whatever may be the final solution in this respect - and Harold Wilson's recent call for land nationalisation will take some working out in practice - we need to act quickly and radically at certain key points to contain the spiral in prices."

He then offers his own socialistic solutions for the short-run control of land prices. These are:

- (1) "A ceiling on all prices of land sold for urban redevelopment . . ." (with appropriate formulae for sale and resale).
- (2) A ceiling on house and flat prices sold after modernisation and conversion carried out with the aid of government grants, loans, etc. (There follow more formulae).
- (3) Purchase by local authorities of houses ripe for conversion and improvement - with the aid of government grants.
- (4) Mini-land commissions run by local authorities to buy up land at "existing use" values plus

"a new national agency to service both government and local government in this field."

(5) The "nationalisation" of all land held by national and local government departments, nationalised industries and other statutory bodies taking away the rights to buy, sell or hold land from these bodies and using the land directly in the general public interest. "The government should treat all land owned by different public authorities as being held on licence from the nation."

But schemes of this nature that ignore fundamental principles will not work, short-run or long-run, as the wreckage of past legislation along these lines testifies.

Peter Wilsher, writing in the *Sunday Times Business News*, May 21, takes a different view of the Labour Party's brand of land reform.

"The Labour Party, it is reliably reported, is preparing to re-stage one of the longest-running dramas in the history of political thought. Baffled by population pressures, soaring house prices, mortgage famines, homeless families, Piccadilly Circus, rapacious landlords, endless housing lists and other loosely related phenomena, it proposes once more that age-

old panacea, the nationalisation of land."

The importance of land, its use ramifications, its distinction from capital in all its forms and its sensitivity to bureaucratic interference are dwelt upon by Mr. Wilsher, and for this reason he rightly scorns the ability of any government to manage it. His argument for a free market in land use has point, in that supply and demand will always react to fulfil the best needs of land use. But while individual possession, individual control and individual decisions in relation to land are preferable to state bureaucracy in this field, this still leaves us at square one - as Mr. Wilsher admits.

The problem of high land prices and speculation is a real problem, he says, and for many people a terrible problem. "But essentially it is part of an enormously complicated problem which will not be solved by quick slogan-type promises of the 'nationalisation' kind. And who, in any case, can genuinely believe that this is the only answer . . . ?" He concludes, "There must be a less totalitarian way." Indeed there is, and Mr. Wilsher cannot be excused for ignoring the taxation of land values, its theory and its practice.