

LAND, its value, control and implications, has once again become a subject of Parliamentary debate and party politics. Since "land is the platform of all economic activity," and physical planning and management of the economy are closely inter-related, it is appropriate to take another look at land.

An aerial regional planning view of Britain, somewhat lower than the stratospheric outlook of central Government, shows a patchwork of unevenly cultivated hills and fields, open moors and ragged forests; a scene scarcely interrupted by several meandering rivers. Ports are scattered around the coast, each a complex of development. Threaded together by roads, railways and canals, occasional grey splurges indicate industrial conurbations. Here and there in this wide expanse are densely gathered regiments of houses, shops and factories, laid out geometrically. The centres of some towns are bright and newer buildings. At favourable cross-roads, economic activity burgeons.

Uneven Growth

A helicopter town-planning sort of view also reveals a hotch-potch of physically uneven and apparently haphazard development, with definite groupings of buildings showing how the town has grown during succeeding phases of its economic life. But the aerial neatness of layout vanishes. Near urban centres, narrow ditch-like streets, choked with traffic, wall in jostling crowds, and tall offices and institutional buildings jab skywards from their narrow frontages. Development seems to extend in a series of concentric shockwaves outwards, alternately prosperous and modern or poor and outworn. Behind commercial centres, empty bombed sites used as car-parks, junk-yards, and incongruous cul-de-sacs spread over the land area.

At ground level, where all group activity, commerce, meetings and building enterprise start, the common perspective is again different. People jostle along narrow pavements, weave between queues of traffic, shuffle through chain-stores, supermarkets and help-yourself restaurants, and struggle to board public transport. Walls, rails, fences, regulations and inhibitions hem people in. Common land is scarce amid a plethora of self-contained freehold plots, few of which are available for sale or letting. Clocks and police regulate movement. Industrial pollution, mechanical noise, and demolition dust contaminate air and water, and endanger health.

These are problems for planners. Useful as they are, they do not directly affect builders in building, except in regard to densities.

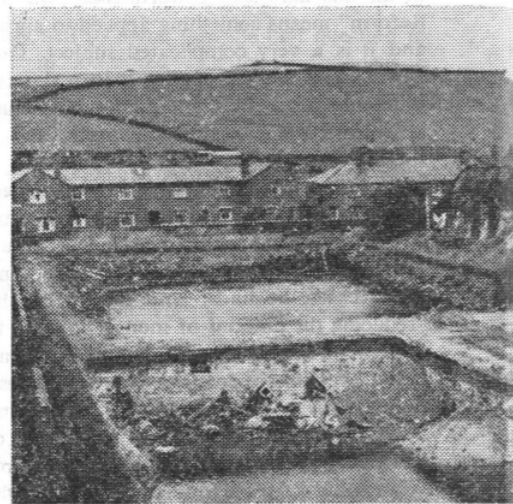
Too Remote

No Whitehall map gives details of land ownership, its price in relation to its location, or the laws and prejudice regulating or prohibiting access and use. Westminster is too remote from the homeless and jobless evicted from houses and land to feel anything but the financial concern of local authorities who have to deal with the matter. A review of their needs has been started by the Govern-

Another Look

By JOHN SPENCE

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A derelict site . . . wasted land. Fortunately been obliterated. The local council took C.E.G.B. to fill the ponds and then demolish industrial sites could provide building land

ment, and will include reference to the cost of land upon the cost of services. But the community's need for building and development; the need to encourage industry; the local shortages of building land available at a price we can afford; the rents, prices, fees and wages to be paid; all these stimulate debate on land values, particularly in cities and their twilight areas.

The main political parties, the trade unions, our institutions, our charities, our newspapers, clubs, vested interests and movements for reform all co-exist as a consequence of the Land Enclosure Acts, and all succeeding legislation which has modified this division of the nation into the landed and the evicted, their interests and dependants, but follows land enclosure. Bearing this in mind, the patent cures of political parties can be seen afresh.

Pressures

The situation is as Mr. F. V. Corfield, joint parliamentary secretary to the Ministry of Housing and Local Government, stated on July 8 in a Commons debate on housing and urban land prices: " . . . it is quite clear that an increasing population, demanding higher standards not

ook at Land

NCER

icles which appeared in July and
ws. Reprinted with the kind per-
and the author.



ately this eyesore at Shaw, Lancashire, has
0,000 tons of pulverised fuel ash from the
ished the mill. How many more deserted
or Britain?

only in housing, but in schools, hospitals, factories, offices,
open spaces and roads . . . must exert a very considerable
pressure upon land. So, too, does the vast increase in car
ownership."

Furthermore, all seem agreed that it is necessary to
commit the nation to a policy of economic expansion of
four per cent per annum, in order to meet these rising
social needs and to remain competitive in export markets.
Expansion requires all kinds of servicing, building and
construction, all of which add to pressures on land.

Besieged

Yet, as Sir Basil Spence said several years ago: "Land
speculators are holding up the community to ransom like
the inhabitants of a beleaguered city."

Since then, in April 1962, a small tax has been levied
on short-term speculative gains made in property trans-
actions, in order "to restrain land prices." The Govern-
ment has also instigated regional surveys of land needs
in the north-east, north-west and south-east for the next
twenty years, and a report and White Paper may be
issued this autumn. A committee under Mr. Justice Wil-

berforce has been set up by the Lord Chancellor to con-
sider covenants affecting land. But our basic opinion, and
the legal ramifications supporting it, that individuals have
an absolute right to the freehold possession of land,
remains unaltered.

What policies are there today for our land and nation?

The Conservatives regard the operation of a free market
in the supply and demand for land (as if it were a com-
modity) as leading inevitably to higher prices in areas of
concentrated use. They aim "to secure more intensive use
of land" and to make more available" whenever accelerated
development "puts any town in danger of running out
of land."

The attitude arising naturally out of landed interests
is that personal capital invested in land should be encour-
aged and maintained: "What we have, we hold," as Sir
Winston Churchill once said of the Tory Party.

As Mr. Corfield holds, "Building land should always
be regarded as a precious commodity, to be husbanded
with the utmost care."

Strictly speaking, the Communists are a "landless"
party. In their countries they have abolished private own-
ership and realisation of land values in favour of collective
tenancy and state control. It is small wonder that peasant
unrest, crisis of price and supply, and lack of capital
drive make nonsense of production norms and five-year
plan targets.

Public Benefit

Like the TUC, the Fabians, the Chartists, etc., the
Labour Party has noble origins among the evicted. Their
dictum that "the community obtain the benefit of the
future rise in the value of land" has appealing ancestry
in Adam Smith, John Stuart Mill, Henry George, Ebe-
nezer Howard, and many others.

Labour policy on land in *Signposts for the Sixties*
(June 1961) is to nationalise the freehold of building land
as it becomes available for redevelopment. A Land Com-
mission (is there not enough bureaucracy?) would nego-
tiate sales and reletting at "inducement" prices, under
terms ensuring the increasing value for the community.
In this way, development value attributable to the com-
munity at large does not enter private purses, but goes
to public use and benefit. Unearned speculative gains are
checked, but private owner-occupation goes unmolested.
It takes commercial profits from land apart from pro-
perty and production upon it. Lower interest rates would
reduce housing costs.

Although the Liberals in 1961 opposed nationalisation
and favoured a tax on land values in the form of a local
rate, this idea received faint praise in the 1962 Liberal
Assembly's report on local government. In the Liberal
plan, a Civic Development Trust would be set up to buy
areas needing development, which would be completed
under public ownership and leased to private enterprise.

A land tax introduced by Lloyd George in 1910 was
repealed in 1920, having yielded less than the cost of its

administration. The Labour development tax of 1947 was also later repealed as it was inappropriate. Rating of site values, tried with some success in Europe and the Commonwealth, is a measure suggested by the Rating Reform Campaign of the Land Value Taxation League.

False Notion

Conservative policy on land is *laissez-faire*, based on the false notion that the present market operates in free conditions. Restrictions arising from enclosure in fact inflate land values, distort the market, and give rise to ideas of limited resources, fixed capacity, and the need for priorities.

Releasing small amounts of land ensures that the maximum price obtains in a scarcity market, where supply is far less than demand. Releasing land does not restrain prices, which inevitably soar as active development increases, population grows, and space and living standards rise. If conditions were those of economic freedom, pri-

vate enterprise, leasehold "ownership," competition, etc would be beneficial activities. As civil liberties do exist, they are to some extent beneficial even today, *post* land enclosure!

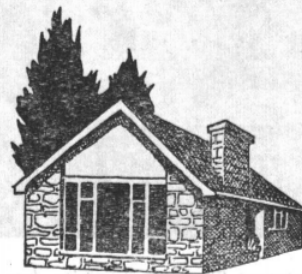
The defects of Labour policy are those of interference, restriction, disruption, distortion, delay and compulsion, which the work of a Land Commission would seem to envisage. While part of the development value of land would go to the community, the price of land could scarcely be less where there are few willing sellers. It lets the baby out with the bathwater.

Subsidies are merely a means of returning to the taxpayer something of his earnings already paid in tax. Instead of paying (from the same person's rate contribution) for compulsory acquisition for public ownership and re-leasing, all that is necessary is to *declare* that all land belongs to the nation, and the privilege of its use should be fully paid for.

Whitstable and After

SOME THOUGHTS ON THE PROBLEM OF APPLYING THE SITE-VALUE RATE

By P. R. Hudson



THE ANSWER TO THE QUESTION "Will the land-value tax yield enough revenue?" depends, of course, on how much revenue is required and on the total annual value of all the land. Leaving aside for the moment the relevant and important question as to what is and what is not legitimate government expenditure, let us assume that the revenue required is in line with the present-day figures. Bearing in mind the discussion which will result from the Whitstable Pilot Survey, let us also assume that initially the land-value tax would be raised for local government purposes only. At the moment, local government revenues are raised from:

- (a) Municipal undertakings—swimming baths, car parks, etc.,
- (b) Rates,
- (c) Government grants, of which there are two main kinds:
 - (i) Specific grants—roads, housing,
 - (ii) The block grant.

Taking it that the specific grants would continue to be made from the national exchequer, and that the total revenue from site-value rating (up to 100 per cent if necessary) would be sufficient for the total local government expenditure throughout the country, it would appear that for the tax to be just, and truly effective, the rate or percentage levied should be uniform throughout the

country. For this to be brought about there would have to be some national direction.

There would seem to be two ways of achieving this. First of all, the Government could levy the tax itself at a uniform percentage (perhaps using local authorities as its administrative agents) and then "share out" the revenue on a population-age-area formula similar to the present block grant system. Alternatively, it could decree that all local authorities must levy a uniform rate percentage, and then, having compared the amount actually raised against the allocation on the basis of the formula mentioned above, the local authorities would either

- (a) be obliged to deposit any surplus above their allocation with a Rate Fund administered by the Government, or
- (b) demand an equalisation grant from the Rate Fund to the extent that their revenue fell below that allocated.

Should this redistribution from the Rate Fund to the receiving authorities still leave a surplus, this could be distributed on a function-area priority basis, or be used to finance the specific grants, thus reducing the tax burden in other ways.

It might be proved that 100 per cent site-value rating would be enough to cover more than all the local government requirements, including specific grants. If this were