An Ill-Conceived Land Plan

By PAUL KNIGHT

THE STATUTE BOOK is cluttered with patchwork legislation born of the failure to deal radically with social problems as they arose.

Rather than face up to the economic and moral implications of the private ownership of land, evasive and complex palliatives have been served up as a substitute for social justice. Some have eventually found their way to the Statute Book.

A typical example was the 1947 *Town and Country Planning Act* with its notorious financial provisions. The development charge of this act was repealed, but its ghost still walks.

High land prices and land speculation have become a major issue in recent months — hardly a day passes without some reference to it by the Press or Parliament. And we have had a crop of remedies which have included rationing, controls, price-fixing, release of "green belt" land and a capital gains tax. Now, as the latest contribution we have a re-hash of the compensation clauses and development charges of the 1947 Act.

Sir Colin Thornton-Kemsley, M.P. for North Angus and Mearns, told a meeting of the Town Planning Institute last month that it would be *unfair to single out one particular form of investment (land) for special taxation.* Explaining that planning refusals intensified the demand for other land and increased its price, he said that this justified a scheme under which those who benefited from the shift in values of their land should return "some part of the benefit" to owners from whom development value had been removed by a planning decision.

Those who had lost their development rights by refusal of planning permission would, however, be paid direct from the Treasury when they sold their land. They would receive the difference in the value of the land with a planning permission for purposes named in a certificate of alternative development and the price received from the purchaser.

The way in which land values would pass from the pocket of one landowner to another would be by way of an *ad valorem* levy of a fixed percentage of the purchase price of land and buildings (*sic*) when sold. The levy would be paid by the vendor.

By this method, says Sir Colin, the taxpayer would not lose! (The failure to distinguish between land and buildings is typical of such schemes.) But there is no recognition here that the community has a claim to land values. The sacred rights of "property" (an economic and moral misnomer when applied to land) must be preserved. The fight over land values is apparently a private fight.

It could perhaps be said of the capital gains tax — muddled, ill-advised and inadequate as it is — that it is intended to skim off a little of the cream from the land speculators to the Treasury. Sir Colin's plan cannot claim even that doubtful virtue.

Under this new scheme a host of complications would arise; we have travelled that road before. No doubt in anticipation of certain objections, Sir Colin suggests that the sale levy should vary between one part of the country and another and should follow the precedent of the agricultural support prices, so that the permitted increase in the percentage charged in each year would be limited.

Lloyd George's complicated land duties, which were a travesty of the taxation of land values, would be a model of simplicity beside Sir Colin's scheme, which we must hope will never achieve the same notoriety.

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