

A MORE sophisticated version of this "back to the land" hypothesis was articulated as the recession of the 1970s grew apace. Ecologists advocated the need for small-scale communities built around organic food-growing homesteads. Many people "copped out" of industrial-urban society to small hill farms on the margins of cultivation in Wales and Pennsylvania. While in the USA this movement was characterised by the more freaky elements, in Europe it attained well-organised proportions and even succeeded in turning itself into a political movement with a programme intended to deal with unemployment.⁸

People who believe that unemployment can be solved by the mere redistribution of land suffer from a tragic innocence of the facts. *Economically*, the extension of the class of land monopolists merely increases the opportunities for the speculative behaviour which destabilises the industrial economy: the policy is ultimately self-defeating. If there is an *ethical* case for providing people with land, on what basis other than arbitrary bureaucratic criteria can it be allocated to some and not to others? Do those who retain employment in the urban sector abandon their claim to the community's natural resources?

A tax on the full market value of all land removes the incoherencies in the ethical case by ensuring that the value is equitably distributed to everyone through the democratically controlled exchequer. And the power to exercise control over the lives and welfare of others would be destroyed. Anything less than this radical reform is not a serious programme, but would ultimately conserve the power of those monopolists in situations which have hitherto succeeded in thwarting the expectations of Adam Smith and the aspirations of working people in our industrial society.

REFERENCES

1. Account delivered to Land Reform Forum, Fourth World Assembly, London, Summer, 1981.
2. Foreword to G. Herbert, *Can Land Settlement Solve Unemployment?* London: Allen & Unwin, 1935.
3. Speech reported in *The Times*, 3.8.35.
4. W. Hannington, *The Problem of the Distressed Areas, 1937*, Wakefield: E. P. Publishing Ltd., 196, p.191.
5. *The Times*, 1.11.35.
6. *Ibid.*, 3.8.35.
7. *Manchester Guardian*, 2.11.35.
8. E. Goldsmith, 'The Ecological Approach to Unemployment,' *The Ecologist Quarterly*, No. 1, Spring, 1978. It was not until March, 1981 that the Ecology Party adopted land value taxation as a policy to deter speculation.

Not so enterprising

LAND HUNGER is the main reason why firms are moving into Britain's new Enterprise Zones. Despite the hundreds of thousands of acres of vacant land in urban areas, many firms have not been able to expand for want of suitable space.

Three quarters of the land is unused or heavily underused, and the enterprise zone designation appears to have encouraged owners to release it for use.

Tentative conclusions can now be drawn, based on the first year's experience, as a result of research by Roger Tym & Partners, a London-based firm of land economists commissioned by the Dept. of the Environment to monitor the experiment.

Their first report* reveals that one of the two primary attractions of the zones is that they offer firms the opportunity to expand. They are moving into the zones not because of an increase in demand for the goods and services they produce, but because they were previously held back by a shortage of land.

THE OTHER benefit postulated in the report is that incentives – such as the 10-year moratorium on property taxes – reduce the price of land.

But are rents and land prices lower than they otherwise would be? The results of the study of land values being undertaken with the Royal Institution of Chartered Surveyors are not yet available. Tym & Partners, however, are correct to anticipate the trend:

"As firms in the zones are exempt from rates and other burdens, competition for sites in the zones may be expected to intensify, producing higher returns for landowners and developers."

The report on land values, when it is published, can be expected to yield some sensational data.

In London, for example, the Isle of Dogs Enterprise Zone is currently the scene of some vigorous speculative activity. The Docklands Development Corporation has received 15 bids for the first three sites. These sites comprise 13 acres of land for mixed development, and the offers range from £70,000 to £170,000 an acre.

The idea that zone incentives reduce the price of land is likely to be exploded as a myth.

By IAN BARRON

If speculators are cashing-in – and Treasury Ministers have already conceded that they expect landowners to directly benefit (by capitalising tax exemptions into higher land prices) – this could be politically damaging for the Government.

CHANCELLOR of the Exchequer Sir Geoffrey Howe, in opening the Isle of Dogs zone on May 21, reminded his audience that the concept of British enterprise zones was originally his.

And that these zones, of which there are now 11, were designed to "attract people with enterprise and initiative to generate new wealth and new jobs."

The object of the zones was to encourage developers to erect factories and workshops through 100 per cent tax allowances on industrial buildings.

If achieved, this would indeed offer hope to some of the 3m unemployed, most of whom live in the industrial wastelands of the West Midlands and the North.

But Tym & Partners reveal that the zone incentives do not favour labour-intensive manufacturing industries. For both private developers and potential investors, the biggest gains are from offices, shops and hotels.

The overall impression from these initial results, then, appears to confirm the theoretical prediction that the zones will not expand income or employment in any significant way; that the main beneficiaries will be existing landowners; and that the increased economic activity will be concentrated in geographical areas or sectors that are already active – doing little for the declining areas of high unemployment.

The failure of the enterprise zones as an economic experiment ought to point politicians in the direction of more appropriate reforms in the future.

Enterprise Zones: Year One Report of the Official Monitoring Study, London: Roger Tym & Partners, £30.

SPECULATORS cash in on land shortage