

community asserting itself in this field was neither new nor disreputable.

It will be interesting to see what, if any, reaction there is from the Labour Party to this cautious kite-flying. Since the last Election Mr. Gaitskell has shown himself anxious to retreat from nationalisation as far as is decently and politically possible. His reference to public ownership of land may be discounted as a sop to his frothy left.

Mr. Gaitskell could profitably ponder what his predecessor, Earl (then Mr. C. R.) Attlee, wrote in 1938: "It is easy to condemn the people who make extravagant profits by holding the nation to ransom, but the real condemnation should be on the people of this country who allow the exploitation to go on . . . Every day the people of this country pay hundreds of thousands of pounds in rates and taxes because of the lack of foresight by successive Governments."

That was in a forward to *Why Rents And Rates Are High*, by the late A. W. Madsden. It is even more true in these days of runaway land prices and strangulating rates. The Labour Party squandered its opportunity from 1945 to 1951 to tackle this vital problem. It ought now to resolve that if ever it returns to office this problem will receive attention before all else.

Postscript. The *Railway Review*, June 24, reporting Mr. Gaitskell's Oxford speech, quoted him verbatim as having said: "*Maybe the Uthwatt Committee proposals embodied in the 1947 Act were too complex and even unfair, but their repeal has left a glaring gap which ought to be closed.*"

Those words "*too complex and even maybe unfair*" refer to the Development Charge which we fought tooth and nail. They deserve to be remembered. They should be read in conjunction with *The Times* editorial reflections (page 93) on the Simes Committee Majority.

HIGHER PRICES PLEASE!

MR. DOUGLAS JAY, the Labour Party's spokesman on economic affairs, said recently that slightly rising prices and production would be preferable to stable prices and stagnant production. Whether to be burned is preferable to being scalded he did not say. An "either or" ruling on the latter point would have been scarcely more ridiculous.

In fact a rise in price means a fall in sales. In turn this cuts back production. This is true even of "necessities" and products of monopolies although the response may be more tardy and less marked.

Generally rising prices are one of the surest signs of economic sickness in the modern world. Mr. Jay ought to address himself to this problem. As the labour content of articles constantly falls within the improvement of machines and technicians, goods should get progressively cheaper. Inflation, monstrous taxation, restrictions on imports and those practised by "masters and men," governmental interference, and, of course, the land monopoly are among the causes of rising prices.

In Canada—as everywhere

IDLE LAND MEANS IDLE MEN

But...

CANADIAN SENATE WILL PROBE CAUSES OF UNEMPLOYMENT

THE causes of the heavy and widespread unemployment in Canada are to be investigated by a special committee of the Canadian Senate. Among its 32 members is the distinguished vice-president of the International Union for Land Value Taxation and Free Trade, Senator Arthur W. Roebuck, Q.C. The Committee will study and report on trends in "manpower requirements and utilisation with the object of maintaining and extending a high level of employment"—surely a euphemism? — and will pay particular attention to the effect of technological changes. Its formation was announced on May 10 by the Leader of the Government, Senator W. M. Aseltine.

Welcoming the announcement, Senator Roebuck said that all his adult life he had studied the great problem of unemployment. As a young man he had read a great deal of classical political economy, and some radical political economy as well, and ever since he had supported efforts to have the subject considered on its merits and a solution found for its disastrous effects. The Senate resolution, as he saw it, raised the whole question of the ownership of the earth and the right of mankind to live on it, and without having to pay tribute to others for the privilege of doing so. Goldsmith had spoken about conditions in which "wealth accumulates and men decay". That was the position today. There was the accumulation of wealth on the one hand, and the continuance of poverty, on the other. He hoped that members of the Committee would not spend time on secondary factors with their eyes closed to the fundamentals of the situation because privilege might be offended.

Natural resources—land, both rural and urban, mines and forests, and so forth—were the greatest factor in employment. Their development meant employment and their misuse and neglect meant unemployment. There lay the problem. It was not the value of natural resources that counted in this equation but the price at which they were held. For instance, the building industry provided employment for very large numbers of men and women and houses were much in demand but they could not be built if land was not available at a suitable price. There was the notorious example of a farm on the outskirts of the city of Toronto which was sold for \$2 million by a

very prominent citizen of Ontario. "Why? Because that farm was required by the citizens of Toronto for the building of houses. The question now arises whether anyone could pay \$2 million just to get somebody else out of the way and still make a profit on the enterprise."

Capital was another of the great factors in employment. Resources could not be worked without accumulations of capital. Such accumulation was not encouraged by a system of taxation which took from the individual a third to a half of all he earned and from Corporations 50 per cent of their profits. Federal, provincial and municipal taxation penalised enterprise on every hand. "When anyone does anything that employs labour or improves the community we jump on him with both feet and we allow that great fund, the value of land, which is publicly created, to remain in the hands of private individuals, to whom we give a free hand to charge their fellow men as much as the traffic will bear without any limitation. This is the basis of the problem of unemployment."

A Land Boom In An Australian City Which Rates Land Values

A REPORT in the *Sydney Observer*, April 16, may be read in two ways. It tells of a land boom in the capital of Sydney, a city which has rated land values only (except for water and sewerage) since 1916. In short, those who happen to hold documents misleadingly known as "deeds", mere pieces of paper or parchment, legally inscribed and embellished with perhaps a watered silk ribbon and a blob or two of wax, are getting ever richer through no efforts of their own. Here, surely is cause for dismay by those who recognise land value for what it is, a fund of revenue created by and belonging exclusively to the whole community. Yet if Sydney were to raise its revenues by taxing buildings, land in that city might be even more expensive and certainly it would be less well used. The way is open, if our co-workers can enlist sufficient political support, to recoup more of the land value for public purposes. Properly exploited, the Sydney land boom can be turned to propaganda account—to reassure those who fear that deed holders (i.e. "land owners") would be bled white if land value rating were introduced.

Following are extracts from the *Sydney Observer* report:—

"The record £51 a foot that the British E. Alex Colman group offered for the Sydney City Council's property at the top of Martin Place a couple of weeks ago seems to suggest that the Sydney land boom is far from over . . .

"Sydney's land prices have been rising since the war, but the past seven or eight years has been the most re-

markable period. And the most dramatic of the price rises have taken place in the northern part of the city, particularly that once-depressed section of old warehouses, State public service offices, and old insurance buildings between Hunter Street and Circular Quay. The coming of the Quay railway, the huge new buildings (Unilever, I.C.I., and, soon, A.M.P. and British Tobacco) that are spreading along the harbour at the north end of town, have stimulated a remarkable redevelopment of the northern city area. . . .

"Back in Pitt Street towards Hunter Street there has been redevelopment aplenty. Insurance offices are no longer dull, brown, squat stone buildings dated 1890; they have become steel, concrete, and glass monsters. And there are plans for more changes. . . . It is inevitable that with such interest in rebuilding and development, city land values should rise. However, the pace of that rise in recent years has certainly been hectic. The Colman's group's record of £51 a foot is just the most recent of a set of continually increasing prices. The figures show the extent of this. When the Union Club sold part of its land to Qantas seven years ago, the price it got—£16 10s. a square foot, vacant possession — was regarded as very good indeed. But only two years later, tenanted buildings, such as the old Royal Chambers, on the corner of Hunter and Castlereagh Streets, were getting £2 more per square foot. And since then, up to 1959, prices had gone as high as £33 a square foot, or double the 'good' price Qantas paid.

"This year, however, prices have gone up even further. There have been sales at up to three times the 1953 values, for example, when L. J. Hooker bought Swains at £48 a square foot. Will they keep up? One thing about high land prices and development is that they are self-generating. The growth of a big office sector near the Quay brings added demands to the area — for retail shops, for example. . . . Certainly some sort of saturation point for office space will eventually be reached, at least the backlog of demand will be overcome, and only new pressures will need to be catered for. But this should not mean any falling in the city land prices, at least in the city's northern section. And, of course, if all this attention north of Hunter Street looks like turning the Southern half into a low-priced Cinderella sector, no doubt something will 'turn up' to redevelop, rebuild, and revalue."

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BUILDERS' SUPPORT CANVASSED

A letter and three enclosures (including a photostat copy of the *Master Builder's* May editorial—see page 89) is being sent to builders in an attempt to canvass their moral and financial support for the Rating Reform Campaign. Initially 1200 firms in London and the Home Counties are being addressed at a cost of approximately £40 (about \$120). If the venture is successful, further firms will be approached.