

LAND & LIBERTY

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TWO SHILLINGS



Conservatives' Brave New World

HOWEVER disillusioned the British people may be with the economic policies of the present Government, they are hardly likely to be inspired by the recent speech of Mr. Edward Heath setting out the Conservative alternative.

After pointing out the failings of the Government's policies—which must be obvious to everyone—Mr. Heath listed the structural weaknesses in the economy that the government has to deal with. They are:

First, whatever the level of spending at home, too high a proportion of it is on imported goods.

Secondly, whatever the level of total world trade, too small a share is gained by our exports.

Thirdly, whatever the demand for labour, wage costs rise too rapidly.

Fourthly, whatever the demand for goods, prices rise too quickly.

Fifthly, whatever the growth in output, too little comes from increased productivity.

This is as futile an assessment of the economic situation as one could get. It is not really surprising, therefore, that Mr. Heath's remedies, with one exception, are on the same level.

"Tax reductions. Tax simplification. Trade union law reform. Management education. Re-training in industry. Economy in Whitehall. Efficiency in the state-controlled industries. A serious drive for regional development." These vague generalities are then enlarged upon at some length, but to little purpose.

"Our main objective," said Mr. Heath, "is to enable the private enterprise system to work freely and competitively . . . Conservative policies will restore to the individual his lost

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right to improve his own living standards by his own efforts."

Mr. Heath complains about the desperate position when it is worthwhile for private individuals to spend their time in dreaming up schemes to get round our tax laws; when workmen will fight harder to preserve a fifteen minute tea break than to push old-fashioned management to promote productivity. One would imagine that these things had never happened under a Conservative government.

Mr. Heath continued with what might have been an old speech of Mr. Wilson's: "Where industries are declining it is the task of government, not indeed to keep them alive, but to bring about the necessary changes more speedily and smoothly than would otherwise be possible . . . There are, too, industries where the government ought to step in and help with these projects . . . Training for those already at the top in management so that they can appreciate what is now possible . . . A government with vision could create the environment in which a tremendous technological leap forward would occur."

Mr. Heath's one constructive proposal is to reform the one blame them?

trade unions by limiting their privileged position in law to unions properly registered, and to require the rules of registered unions "to encourage rather than to obstruct progress," and to make contractual obligations, such as productivity bargains, enforceable at law. This is something the Conservatives could easily have done in their last administration.

The rest of the speech is taken up with vague proposals like "putting all the nationalised industries on an efficient and commercial basis," "shifting the burden of taxes away from those which penalise incomes and profits" (amendment of corporation and capital gains taxes and abolition of selective employment tax), a change "to a system of agricultural levies instead of subsidies," "a proper programme of regional development" by re-introducing "growth points," and "to retain confidence in sterling." These supposedly "far reaching" measures are hardly worth the bother of reading.

The record of the Labour Government, said Mr. Heath, "has led to a general state of disillusionment throughout the country. As a result people are saying that neither party has the answer to our problems."

On past records and future promises of both, can any-

NEWS AND COMMENT



LAND VALUES IN NIGERIA

THE POPULATION of eastern Nigeria increased by about eight million between 1911 and 1963, and most rapidly since 1952. In 1963, the expulsion of many people from western Nigeria following the creation of the mid-western state, led to a "colossal population load on the head of ill-prepared Benin City." Land prices and rents almost doubled overnight and brought to a climax a trend that had been in evidence since 1900.

Letters in the eastern Nigerian local press are full of protests about "heartless" landlords exploiting mass disasters for personal gain. Plots of land on the outskirts of Onitsha town acquired for less than £1,000 in 1965 fetched over £2,000 in 1967.

In a country in which the opportunities for investment are generally limited to land transactions and transport undertakings, it is not surprising to find that, particularly since independence in 1960, development in the basic infrastructure of the country has led to tremendous increases in land values.

According to Mr. J. A. Umeh, writing in the *Chartered Surveyor*, June, the land price problem has led to the current political unrest. With much bribery and corruption, particularly over land deals made by now discredited politicians, the military coup of 1966 takes on a new significance.

Rent control legislation has had little effect to date; for instance, 95 per cent of the people in Enugu are paying more than the controlled rent levels permitted under statute. This is not surprising in a land where social administration is relatively unsophisticated and where land that exchanged for a goat, raffia wine or four slaves, now commands a price of over £2,000. Such a plot could have fetched only £5 in 1940.

Fortunately there is much in Nigerian custom to suggest that in some parts land is considered as "the wealth of the community." The Ibos say that "he who is suffering from land hunger is invariably restricted in his economic manoeuvres." Mr. Umeh has pointed out that the present problems, for all their difficulties, present the Government with an excellent opportunity to reorganise its land taxation machinery for local and regional revenues. It can only be hoped that an efficient annual value tax system is adopted.

BREAD AND POLITICS

IT LOOKS AS THOUGH our bread faces another rise—and it will not be just the yeast carrying out its natural function. This is a likely consequence of the recent agreement between governments following negotiations on the Kennedy round of tariff cuts.