

accept Kodak's contention that the protection makes little difference. There is in any case only one way to find out and that is by adopting the Commission's recommendation to abolish it. If this is done, it is possible that there will be no further need for the Board of Trade to pursue the matter of the firm's prices and discounts. After all, a manufacturer is entitled to a good profit if it is earned by superior technical excellence.

"It would, however, be a mistake to view this report in isolation. Tariffs on cameras are twice those on films. All this is a relic of the period when tariffs were imposed for strategic reasons. This basis for protection is no longer valid; but the protection remains, sheltering either excessive profits, or inefficiency, or both."

(The Board of Trade has given notice that it is considering a proposal arising from the recommendations of the Monopolies Commission's Report on the Supply and Processing of Colour Film, for the removal of the import duty on colour film).

IN THE WRONG GROOVE

THE FOLLOWING EXTRACT was taken from a recorded conversation between two planners R. S. MacConnell, AMPTI (Bristol School of Building) and Mr. Y. Ichihashi, Senior Planner, Tokyo, reported in the *Journal of the Town Planning Institute*.

R.S.M.: "One reads that land is a problem in Japan and that land prices in the conurbations are very high."

Y.I.: "Yes, and that is why I have been very much interested in your Land Commission proposals. There are many elements of speculation in the urban land situation. If I were to buy a house in Tokyo, 80 per cent. of my payment would be for land. We spend annually £60—£80 million on road improvements in Tokyo and almost 70 per cent. of that total investment goes on land acquisition and compensation of private land owners. The land prices in the city centre rise on average by 20 per cent. each year."

This Japanese visitor will not find anything in the Land Commission proposals as an answer to land speculation. A stiff annual land-value tax would do Tokyo a world of good and decisively end land speculation.

RISING PROPERTY VALUES

THE RISING VALUE of real estate in New York City can be clearly seen from the property assessment rolls for 1965-66. The assessed value of land and buildings of general properties has risen from \$18,000,000,000 in 1956 to \$26,500,000,000 in 1965. Most of this increase, however, is due to improvements, since during the ten year period assessed land values have risen by only \$2,000,000,000, or about a quarter of the total increase. In New York vacant land is taxed and its total assessed value is \$473,600,000. The assessed land value for the whole of the city is about one third of the total valuation; more than one third of the land value increase since 1956 has been on Manhattan Island.

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It is plain from the statistics that in spite of the taxes on vacant land, the New York property tax system penalises improvements. During the year 1964-65, 4,804 new buildings were assessed at a total value of \$555 million.

—Statistics from *Annual Report of New York Tax Commission, 1965*.

HOW TO CREATE A SLUM

IT IS HARDLY LIKELY that anyone would want to deliberately create a slum, but the best way to do it (according to a contributor in *The Christian Science Monitor*, March 18) provides an interesting commentary on property taxation.

"You would probably proceed in two steps. First you would increase the tax on buildings that had been painted or remodelled: that would be a tax on improvement, a penalty for keeping them in repair. Second, you would reduce the tax on land values. In other words, as the property ran down the taxes would go down, too. That would be a bonus for letting things get worse. Many American municipalities impose their property taxes this way, and are surprised at the way blight is spreading."

The writer also drew attention to the difficulty in *not* making money out of appreciating land values, with population increasing and the supply of land remaining constant. He cited a corporation that bought 2,100 acres of unimproved land in Florida for \$20,000. In a few years it had become worth \$10 million.

POPULATING THE FRINGES

IN THE U.S.A., new houses, shopping centres, highways, factories and offices, are using up vacant land at a rate of nearly one million acres a year.

Robert G. Ducharme, assistant director of the Northeastern Illinois Planning Commission, said in a recent talk: "This has caused land values on the urban fringe to skyrocket and has created a backwash of serious



problems in the older parts of metropolitan areas. Eighty per cent. of the population growth in the U.S. over the next few decades will be concentrated in metropolitan areas. Barring some major shifts in public policy, the major focus of this growth will be in the fringe areas where land is available.

"Coupled with rising *per capita* land needs, the new

growth will create intense competition for land and a continued rise in land values."

Mr. Ducharme also said that land values were likely to decline in older parts of U.S. cities as those areas become affected by the changing needs of the future for housing and commercial and industrial buildings. Attempts to speed up adjustment through urban renewal programs would check and even reverse the trend, but the present scale of those activities was not adequate to reverse the overall trend. The federal government itself, as a condition of financial aid to cities, was urging comprehensive planning at local and metropolitan areas, he pointed out.

"This undoubtedly means that the real estate market will be hedged in by more public policies aimed at accomplishing long-term development goals for large urban areas," declared Mr. Ducharme.

Unfortunately he did not point out that the controls themselves will lead inevitably to higher land prices. One thing is certain: unless the U.S. Government tackles the problem of urban renewal from the ground by harnessing the force of land values by collecting site rent, millions of dollars in subsidies will be spent for many years to come.

THE "SECOND HOME" LAND BOOM

THE GROWTH in the U.S.A. of a highly mobile middle class looking away from the suburban ring to greener pastures where they can relax and enjoy the outdoor life has led to a new field of property speculation. Developer Emil Hanslin, recognised as a pioneer in this field, has turned 3,000 acres of swampy Cape Cod land into fourteen planned play villages. With facilities for sailing, horse-riding, golf and walking, New Seabury caters for the taste of the "packaged" leisure seeker. The developer's problem was how to bring an unprepossessing area to a point where week-end home lots could be sold at prices between \$4,000 and \$40,000.

Making the most of the firm ground for houses, Hanslin turned the swamps into pools, ponds and walkways. He



employed landscape consultants and top architects. So far he has sold 200 houses at prices between \$15,000 and \$87,000, and hopes to sell a further 130 this year. On land alone he hopes to clear \$1.7 million. All this goes to show that if the potential lurks beneath the surface, the values will be reaped sooner or later.

And it would be a mistake to suppose that Mr. Hanslin created the land value. If this were so, he could have done the same thing in the Sahara Desert.

DIVERSION OF BENEFITS

IN AN ARTICLE in the *Building Societies Gazette*, Mr. J. C. French looks at the possibility of extending tax relief on mortgage interest to those whose income is below the current relief levels. "Relief of this sort," he writes, "effectively constitutes a subsidy to house purchasers. At present, however, benefits are not going to those who need them most." After discussing an administrative system that might extend the mortgage subsidy, he warns: "There is, however, a very real danger in mortgage subsidy schemes that the ensuing increased demand will push up house prices and leave prospective home buyers no better off than they were before."

It can be argued that higher house prices will tend to bring more builders into the housing market, and thus competition will work to keep house prices down. This, in the long run is true—but only of the bricks and mortar components of the house. Land is fixed in supply, so the ultimate beneficiaries are the land owners.

LOWER STANDARDS FROM HIGHER EDUCATION

MUCH IS WRITTEN about the "high standards" of education that have been obtained under the state school system. For a number of years, however, some people have had their doubts about these standards. A recent survey* into the reading habits of 838 students aged between 15 and 20 studying in a large technical college at the "further education" level has produced some interesting results. According to the report, "students seem to consider reading to be very much a fringe activity, not undertaken for pleasure, since it is clearly hard work."

Nearly 600 of the students had "never bought a book for themselves" and 477 "never went to a library." Of those who read newspapers regularly, 12 took *The Times*, 17 *The Guardian* and 85 *The Daily Telegraph*. These compared with 366 readers of the *Daily Mirror* and 203 of the *Daily Express*. The weekly magazines most frequently chosen were *TV Times* (343), *Reveille* (184) and *Weekend* (155). The writer concluded that "the evidence indicated that young people are rather ill equipped to gain either information or pleasure from print. By the time they reach further education, they no longer expect to have to find out for themselves and have little contact with books."

The education of these people is costing the taxpayer a fortune who, by all appearances, is getting very little value for money if literary standards are a yardstick. As the writer of the report stated: "A tendency to spoon feed the slower students during secondary education is leading us into a technological age in which precisely those technicians on whom we most depend will be least equipped to assist advance."

* "The Student Reader," by John Gardner in *New Society*.