

**T**HE RT. HON. Michael Ray Dibdin Heseltine, Privy Councillor, Member of Parliament for Henley, and Secretary of State for the Environment since 1979, believes that he is solving Britain's "land problem."

The instrument for this solution is a register of publicly-owned vacant land.

Thirty-three councils were asked to register vacant sites of over one acre. The first 27 registers have now revealed 1,640 sites amounting to 15,249 acres.

"These highly-encouraging figures show that the registers are already providing house-builders, industrialists and others with opportunities for finding the development land they need," he told the House of Commons.<sup>1</sup>

"On first analysis, about one-third of the acreage registered is suitable for development. I have set up teams to scrutinise each register with the task of stimulating the disposal of this land and of finding beneficial uses for the remainder. I shall be considering the extension of the scheme to other areas after the summer."

**I**T WOULD be churlish to deny some credit to Heseltine.

If nothing else, he is promoting a more widespread awareness of the importance of the role of land in the industrial economy.

As he declared at a Conservative Local Government policy conference in Banbury:

*"We are trying to create jobs and opportunities, particularly in the urban areas. We are determined to improve the environment of those areas by removing dereliction, dumping grounds, and other examples of decay. We want to enhance the rate base of local government and we want to make the cities more attractive places in which to live and work. In all these aims the full and proper use of land is central."*<sup>2</sup>

The riots in Britain's inner cities – from Brixton in London to Toxteth in Liverpool – were dramatic manifestations of the problem of unemployment in these poverty-stricken areas.

And a major reason why people are unemployed – not just in the UK, but in the US, and Japan, and Australia – is that the land market has not functioned effectively.



● Michael Heseltine

## THE REAL LAND SCANDAL

BRITAIN will spend nearly £300m. this year on programmes specifically aimed at improving the living and working conditions of the most deprived inner cities. These programmes have hitherto failed to provide sufficient jobs and create a humane environment for the tens of thousands of low-wage families who live in places like Brixton and Toxteth (Liverpool), which led the riots and looting throughout the nation in July.

Prime Minister Margaret Thatcher asked her Secretary of State for the Environment, Michael Heseltine, to report on what action can be taken to ensure that similar civil disturbances do not occur again.

The source of the problem, we believe, is the way in which monopolists – in both the public and private sectors – are able to misuse the land which people need for homes and jobs. Mr. Heseltine seems to miss the point.

Owners have kept their sites vacant for a variety of reasons, as a result of which people have been prevented from securing the jobs that they are otherwise able and willing to undertake.

**W**E ALL KNOW – to quote Mr. Heseltine – that a lot of land is just lying idle or derelict.

And Heseltine's registers have endorsed this view with a few figures.

But is the Minister dealing with "the land problem"?

While under attack from the

opposition in the Commons, he aggressively countered by reviewing the dismal record of the last Labour government, and then added:

*"We are now revealing through the land registers where the real scandal of land lies. It lies in the thousands of acres of unused and underused publicly-owned land in the inner cities . . ."*<sup>3</sup>

Mr. Heseltine has claimed that his land registers are not a party political issue; but his perception of "the real scandal" can be explained only in terms of his Conservative ideology.

For the real scandal resides in the land tenure system as an institution.

● Hundreds of thousands of privately-owned acres lie idle or underused throughout Britain;

● A small minority of the citizens are making fat unearned profits out of their dealings in land;

● Wage-earners are deprived of the full benefits of their labours because governments tax away large chunks of their income instead of deriving the exchequer revenue from the unearned economic rent of land; and

● Manufacturers are molested by the fiscal system, which slashes profits and distorts investment.

These are the elements of the real scandal. Mr. Heseltine, however, prefers to focus on public sector landowners. It seems inconceivable to him that private land monopolists would behave in a similar fashion.

Until Mr. Heseltine develops a coherent theory of how the land market malfunctions, he will not be able to solve the land problem.

His registers, for all the good that they will do in the face of the scale of the problem, are a mere distraction.

He may kid himself he is unlocking the land for the use of people who want jobs, homes and higher living standards; but he is not kidding the unemployed people who have taken to the streets of Brixton and Toxteth.

### REFERENCES

1. *Hansard*, 26. 6. 81, p. 118.
2. Conservative Central Office News Release, 27. 6. 81.; italics added.
3. *Hansard*, 30. 6. 81, p. 614; Italics added.

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