

BRITAIN is being torn apart by the collective violence that is glibly characterised as "race" riots. They are manifestations of poverty and economic recession, which just happen to be at their worst in those pockets – the inner cities (like London's Brixton) and the regions (such as Liverpool's Toxteth) – in which the ethnic minorities, the migrants from the Third World, are forced to congregate.

Western governments are at a loss about what to do. The usual response is to pour money into those areas in the hope of stemming the social discontent and environmental decay.

Regional policies have failed, though

not without enriching *somebody*: because the taxpayers have dished out millions of pounds in incentives and subsidies of one sort or another.

At last, the influential London *Financial Times* has begun to identify for its readers in the City one of the fundamental problems with these policies: they push up the price of land, thereby making it even more difficult for entrepreneurs to invest capital and create jobs. On October 9, 1985, the newspaper's editorial declared:

"While the cash incentives on offer are attractive, it may also be necessary to devise some way of ensuring that they are not diffused in rising land prices wherever

they are on offer. Since most of the existing enterprise zones and freeports are on largely publicly-owned land, this could be tackled without undue offence to market principles; the aim should be to capture enhanced values for investment in the problem areas, as has been done through land taxation in Philadelphia, for example."

The FT probably meant Pittsburgh, Pennsylvania, which has blazed the trail with a two-tier property tax (called "rates" in Britain), which taxes the value of land more heavily than the value of buildings.

On October 24, the FT followed up with another editorial. It declared:

"The market in development land is

## REGIONAL RECESSION: NORTH-EAST

IF YOU installed a sensitive piece of machinery, only to find that it worked imperfectly, would you tinker with it, scrap it – or would you check the levelness of the floor?

One man who would probably consign the whole bag of tricks to the nearest scrapyard would be the Right Reverend David Jenkins, Bishop of Durham. He certainly wants to sweep away the system of private enterprise and free markets on which our present economy is based. He condemns it as unjust, uncaring, inhuman and based on selfishness and greed. There is plenty of evidence to support that view, but is he condemning the machine without first checking its underlying foundation?

It was in 1984 that David Jenkins, newly enthroned at Durham, made his voice heard in the political arena. Despite his position as a high churchman, he had, in a few months, scandalised many of his fellow churchmen by his highly individual view of the Resurrection, and he followed this by antagonising many Conservative politicians by his pronouncements on the miners' strike and unemployment.

HE EXPLAINED his political creed at some length in the Radio 4 Hibbert Lecture. An edited version was in *The Guardian*.<sup>1</sup>

The lecture was, in the main, a scathing attack on the free-enterprise economies of the last century which have recently returned to fashion. But he also had a few words to say about the current political scene.

In his assessment, we are currently trapped in a confrontation – a power struggle – between "capitalist individualists" on the one hand and "collectivised wage-earners" on the other. Each group blamed the other for the failure of the post-1945 Welfare State.

The Right blaming the drift towards socialism with its built-in inefficiencies and lack of dynamism.

The Left insisted that the trouble, if any, arose from too little socialism, "the spurious freedom" of the bourgeoisie being at the expense of

the real freedom of the workers."

Now, according to Bishop Jenkins, the war of ideology has escalated to such a pitch that the "soft" Left and the "wet" Right have virtually chickened out. The futile confrontation has polarised. It is the hard men and women of the extremities of politics who now face each other across the doctrinaire divide.

To David Jenkins, the only answer to the power struggle is for Britain to develop its own "liberation theology".

The first requirement of this would be to "develop an understanding of the God of freedom and the freedom of God." (Just what this would achieve is not explained.)

### By Bert Brookes

The second would be to revitalise the Welfare State which, with a suitable leavening of Marxism, would be the main instrument for setting people free from ill-health and poverty and making some movement along the path to "more justice, more caring and less thoughtless and ignored exploitation."

The third is the creation of a regimented society – although that is not how the Bishop describes it. He calls it adopting a policy of "innovation, experiment and risk". Trade unions would be required to accept controls on wages ("new forms of wage flexibility") and work sharing. Management, in its turn, would have to live with "new forms of participation and of limitation of privileges and salaries."

ALTHOUGH he speaks of the search for justice, it is plain that Bishop Jenkins is not looking critically at the economic set-up to determine which facets of it are unjust

to the worker; to find out *why* the wage-earner is frequently denied the *opportunity* to provide himself and his family with a reasonable standard of living. He sees only the standard that is achieved – the end-product – and wherever it is inadequate he looks to the Welfare State to provide what is needed.

He sees nothing paradoxical in the fact that, in this computer-driven age of colossal wealth-production, many millions of people suffer living standards well below the poverty line.

He sees the poverty and deprivation but he identifies no specific cause, and he can think of no remedy other than Christian charity in the shape of Welfare State hand-outs.

It is his eagerness to sympathise with the victims of economic hardship without perceiving the root-cause of their plight that produces his vehement condemnation of the free market. "To return to the ethics of 19th-century entrepreneurial individualism", he asserts, "is... a firm declaration that individual selfishness and organised greed are the only effective motivations for human behaviour."

Such words invite questions. Since when, for example, has working to earn a living been "individual selfishness?" Since when has the process of producing wealth and exchanging it through trade been "organised greed?"

It is true that in the unjust conditions in which "entrepreneurial individualism" has operated in the so-called civilised countries, it has led to poverty and unemployment and divided societies of privileged and unprivileged citizens.

But this does not condemn entrepreneurial individualism; it condemns the conditions in which it works.

*When the labourer is prevented by*

also a problem. Too often well-meant regional incentives are simply bled off in the price of sites – often publicly owned – and there is some evidence that public-sector valuations are excessive. This needs study both of the proper site-tax regime for such zones, and of detailed administrative practice."

Two *Land and Liberty* writers look at aspects of life and investment in the North-East, one of England's most depressed regions: the social conscience of its outspoken Bishop of Durham, and the economic impact of public investment in a mass transit system.

## mission

*unjust conditions of land tenure from obtaining a fair reward for his labour, and often no opportunity to use his labour at all, the need is to correct that specific defect in the system.*

It does not call for scrapping the whole economic machine and thus condemning able-bodied, intelligent people to lives of dependence on State charity. It calls, instead, for a simple measure of reform under which the people as a whole resume ownership of their country's natural resources.

If David Jenkins really wishes to bring his Christian mind to bear on the problem of the unemployed and the deprived in our society, he would do well to consider the words of another bishop – Thomas Nulty, Bishop of Neath, who wrote, just over one hundred years ago:

"The land, therefore, of every country is the common property of the people of that country, because its real owner, the Creator, who made it, has transferred it as a voluntary gift to them."

"How can any just government suffer any longer a system of land tenure which inflicts irreparable ruin on the general industry and prosperity of a nation, and which is maintained solely for the purpose of giving the landlords an opportunity of plundering the class of industrious, improving tenants which it is especially bound to protect and defend?"

"Now, a system of land tenure which thus despoils the people of a nation of a vast amount of their earnings, which transfers a valuable property which they have created by the patient, painful and self-denying efforts of their labour, to a class who do not labour at all, and make no sacrifices whatever, can, I think, be fairly characterised as a system of national spoilage."

If he were to read Thomas Nulty's essay, David Jenkins would realise that his search for justice still has a long way to go.

1. *The Guardian*, 15 April 1985.
2. From an essay "Back to the Land", addressed to the Clergy and Laity of the Diocese of Meath, April 1881.

# METRO IS ON RIGHT LINES

By Henry Law

*on house prices has been the subject of a report produced by the Transport and Road Research Laboratory.\**

The study has monitored the values of properties close to (within 200 yards) of Metro stations, compared to the values of similar properties unaffected by the Metro. Values were assessed by the District Valuers at quarterly intervals, using the evidence of local property sales.

Estimates were cross checked by comparing them with actual selling prices. The survey covered the period between January 1979 and January 1983, from 20 months before, to 20 months after the opening of the first section of the Metro.

The prices of houses near the Metro rose, on average, by £360 more than similar properties further from the system. The increases in value commenced about two months before each section of the Metro opened, and continued for about four months. The differentials then stabilised, and were maintained thereafter.

That improvements in public transport should put up property values is only to be expected, but it is unusual to be able to put a figure to the increase. It would have been interesting if the survey could have made an estimate of the aggregate increase in property values due to the Metro.

In the absence of a properly calculated figure, the best that is possible is a rough and ready calculation which could give an idea of the order of the value involved.

Assuming 15 houses to the acre, there would be about 1,500 houses within a 400 yard radius of each station, and in all, perhaps 60,000 houses might have been affected. This gives an aggregate increase in the order of £20m, which is about 8% of the construction cost of £270m. This is probably an underestimate, however, because many of the stations are in commercial and industrial areas and would have been subject to much higher increases in value.

There is also the point that houses further from the Metro stations would themselves have benefited from the improvements to bus services which were implemented as the Metro opened. The value of these houses would also have increased.

Nevertheless, it is encouraging to see that someone is aware that improvements in public transport generate returns over and above those which can be measured in terms of traffic receipts. These wider benefits are reflected in property values.

This survey, in attempting to quantify the benefit, has demonstrated in a striking way the inadequacy of measuring the worth of public transport solely by criteria of crude profitability.

\*M.W. Picket and K.E. Perrett, *The effect of the Tyne and Wear Metro on residential property values*, Transport and Road Research Laboratory Supplementary Report 825, TRRL Copthorne, Berkshire, 1984.

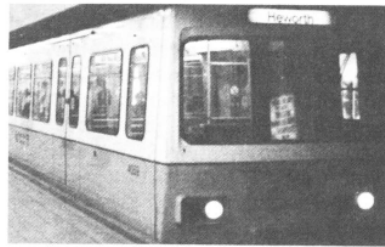
**M**OST British cities got rid of their trams in the 1950s. The last stronghold was Glasgow, where they lasted until 1962. In retrospect, replacing trams with buses was not a wise move. Electric trams do not pollute the streets, and the modern vehicles which ran in Glasgow were smooth, quiet and luxurious.

The trouble, of course, was that trams got in the way of cars, which made them unacceptable to the motoring lobby. The trams had to go.

European attitudes were more enlightened, and in many towns the tramways have been transformed into sophisticated light rapid transit (LRT) systems, with reserved tracks segregated from ordinary road traffic. Subways have been built for trams under the centres of some towns, and in others, the trams have the exclusive use of streets otherwise reserved for pedestrians.

LRT is a compromise between bus and rail. It combines the speed and reliability of rail transport with some of the economies and flexibility of bus operation; by upgrading tramways into LRT systems, it has been possible to provide good quality public transport at relatively low cost.

Another way of creating LRT systems is to convert existing conventional railways. Run-down suburban railways have formed the basis of the Tyne and Wear Metro, the first LRT in Britain, which opened in sections between 1980 and 1984.



● Metro in action

**T**HE KEY element in the Tyne and Wear Metro is the use of lightweight articulated vehicles based on continental tramway practice. This made it possible to replace conventional railway signals with what are essentially traffic lights, the entire system controlled from a single control centre. Ticketing arrangements were also simplified, with a zonal fare structure.

Eight miles of new line were added to the 25 miles of existing route, including tunnels under the centres of Newcastle and Gateshead, a new bridge across the Tyne and a diversion which uses land originally intended for a motorway.

New stations were built close to important central destinations, and bus services were co-ordinated, with convenient interchanges to the Metro.

All this has dramatically improved the public transport service on Tyneside, to the extent that it is an attractive alternative to the private car.

*Naturally, there has been an effect on property values, and the impact of the Metro*