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A Letter to the Editor

Excess Condemnation

To the Editor of The American City:

I associate myself with your correspondent, Mr. John S. Hodgson, who wrote in your May issue, criticising the statement made by Professor Munro on the London County Council Kingsway and Aldwych Improvement. It is not the case that the improvement has paid for itself, nor is it true that the Council "sold the abutting lands." A great portion of the land still lies vacant, and presents a strange sight—a five or six acre wilderness of grass, wild flowers and rubbish in the center of a busy metropolis.

I am indebted to Mr. Frank Smith, Member of the London County Council, for official papers relating to the purchase of this land, and your readers can regard the following facts as quite authoritative.

The Council sought powers in 1889 to purchase some 15 acres between Holborn and the Strand for two purposes:

1. The construction of a new thoroughfare between these two main roads.
2. To sweep away a particularly evil slum area, called the Clare Market.

The Improvements Committee of the London County Council reported in March, 1910, that the total cost of the improvement to March, 1909, was £4,917,000, and the value of the surplus land was estimated at £4,361,950. Although it was recognized that the development for building purposes of such extensive properties would require a number of years, sufficient attention was not paid to the probable loss in interest on the value of vacant land. It now transpires that the charge for interest on the value of unsold land had accumulated on March 3, 1910, to £1,033,208, while the estimated loss to the London County Council and the local councils, owing to the non-collection of rates (for in England as soon as buildings are constructed and occupied they are rated and taxed) amounted to £465,000.

It is, therefore, quite wrong to represent the Strand-to-Holborn improvement as having been a paying concern. It may have been beneficial from the health point of view by the clearing out of a vile slum—I say "may have," for the slum dwellers gained nothing; nothing was done to remedy their poverty, and they only went off to congregate in some other slum—but the improvement was not a financial success.

Various reasons have been given to explain why the surplus land has remained vacant. The policy of the Council was directly opposed to selling the land. At first the Council would only grant 80-year leases, and this, coupled with rather stringent building conditions as to size and quality of buildings, kept a good many off. These conditions have been modified recently. Leases are now offered at 99 years, and in some cases the Council has agreed to sell the freehold—for example, the site for the New Australian Commonwealth Offices. But this was only agreed upon after a strenuous fight between the Progressive or Liberal Party, who insist upon leasing, and the Moderate or Tory Party, who favor selling.

I should like to add a few words on the general policy of municipal ownership of land in excess of immediate requirements. I hate land speculation in all its forms, for I know it does harm, whoever indulges in it. Neither public nor private authorities are justified in holding land from use, for idle land always has its counterpart in idle labor and idle capital. Municipal land speculation is an attempt to enable the community to enjoy an increase in land values, which it is supposed would otherwise go to private land owners. But even if an increment is gained by playing the "land hog," that benefit is, I am sure, invariably more than offset by the harm done to trade and industry within the community owing to the necessary "holding up" of land during the speculation. The speculation is, in fact, more often a loss than a gain, for municipalities have usually to pay extravagant prices for land—prices which private individuals cannot possibly afford to pay. This has been the experience of towns other than London in Great Britain, such as Glasgow and Aberdeen, whose policy of land purchase for future requirements has been an absolute failure, and has not tended in any way to solve or even mitigate the housing problem.

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[The foregoing statement in opposition to municipal land speculation is particularly interesting in view of Mr. Fels' prominence as an advocate of the raising of all revenues municipal, state and national—by the single tax on land values. It should perhaps be added that excess condemnation, if properly handled, possesses one great advantage, which, in the minds of many, would counteract the possible loss to the municipality in the resale of the land. This advantage lies in the city's ability, thus obtained, to assure lots of adequate depth, sold under proper restrictions as to height and location of buildings, facing new thoroughfares or parks. If the city has not the right to acquire or control the use of land abutting on such improvements, private speculators will usually hold out of proper use lots of small size or irregular shape, in the hope of exorbitant profits, and to the present or permanent detriment of the community.—The Editors.]