

## THE "CEILING PRICE" AND GOVERNMENT POLICY

IN THE House of Lords on 21st September Lord Latham and Viscount Astor urged the Government to take immediate steps to give local authorities the powers which they needed in order to deal with planning and physical reconstruction. Lord Snell, replying for the Government, referred to the Interim Report of the Uthwatt Committee which had recommended "that the Government should forthwith declare, as a general principle, that payment of compensation in respect of the public acquisition or public control of land will not exceed sums based on the standard of 'pre-war values,' i.e., values at 31st March, 1939; this basis to be adopted for such period as will enable the long term policy of planning to be determined and any alterations in the present principles governing compensation to be brought into force." He said that the Government had accepted the principle of the 1939 ceiling, subject to the proviso that its detailed application would require consideration. The application of that principle was by no means as simple as at first sight might appear. For example, to apply the ceiling only to the purchase of land by local authorities or by the Government, while other purchasers were left free to find their current market level, might well be to impose a special disadvantage upon those landowners whose land was selected for public purposes. Similarly, many owners of revenue-earning property had had their property destroyed by enemy action and had been compelled to acquire premises elsewhere, often at a high scarcity value. If these latter premises should be selected for purchase by the planning authority it might well be that to pay only the 1939 value might impose a direct loss on the owner. He mentioned these difficulties, which by no means covered the whole ground, simply as an illustration of the problems which arose from the application of even so comparatively simple a recommendation as that of the 1939 ceiling.

It might also be observed that the difficulties of attempting to limit the price of land for public purposes to the 1939 value are more extensive than Lord Snell indicated. It is not only unfair as between the owner of land who is obliged to sell to a public authority and the owner who is left free to sell to whom he pleases; it is also unfair to the private purchaser as compared with the public authority, and the purpose for which the private purchaser intends to use land must not be assumed to be unimportant or unessential to the economic life of the community.

Moreover, there is no valuation in existence showing what were the values in 1939. It is not thinkable that any government should attempt to make a general valuation of land retrospective to that date. The attempt to arrive at the value in every case where there is an attempt to apply the principle will involve dispute and recourse

to arbitration with all its delays and disadvantages to the public authority. As time goes by it will become more and more difficult to make an objective picture of what the position was in 1939. The application of the principle presents the most serious practical difficulties quite apart from the inequality it will produce as between one vendor of land and another and one purchaser and another.

The object of the proposal was to prevent land speculation, but it would be a mistake to assume that all land has increased in value since 1939. No doubt there are cases in which land has been sold at higher prices. The most extensive and glaring cases relate to agricultural land, and are due to the high prices being given for agricultural products which constitute a large and concealed subsidy to agriculture. But agricultural land is not that which in most cases local authorities will require for carrying out planning. In the case of urban land the position is quite different, and if the costs of building are at a very high level after the war it is possible that for a time the demand for land might actually be checked.

It is not to be forgotten also that in many cases land had attained to high speculative values before the outbreak of war, and the proposals of the Uthwatt Committee do nothing to remedy that. What is wanted is a policy which will deal with speculative values generally, and such a policy has not been provided by the Uthwatt Committee, which in fact declared itself precluded by its terms of reference from considering the only policy which could deal with the problem as a whole and effectively, namely the rating or taxation of land values.

It is high time that the Government and the local authorities realized that they will never be able to put an end to speculative prices until they can prevent land from being held out of use or from being badly used, which is equivalent to a partial holding of land out of use. The only practicable method of preventing land withholding and speculation is by imposing rates or taxes on the value of land apart from improvements. This will at the same time secure a reasonable valuation which can be made a standard for arriving at the value of land required for public purposes. Short of that there is no logical, just or effective solution.

## CIANO'S SPECULATIONS

THE "London Day by Day" column of the *Daily Telegraph*, 31st August, commenting on the reported escape of Count Ciano to Germany, says that whatever his diplomatic abilities he showed himself an adept in providing against future rainy days. His acquisitive instincts were inherited. At the end of the last war his father Admiral Costanzo Ciano—the title of Count was of Fascist creation—was in very modest circumstances. Thanks, however, to the high posts provided for him by his friend the Duce, he managed to leave

at his death a fortune of 1,000 million lire—some £10,000,000. The present Count Ciano contrived almost to double that sum. This he did by bringing pressure upon the Banco di Santo Spirito of Rome to "sell" to him the vast area of building land between Ostia and the Rome district of the lower Aventine at the nominal price of five centimes per square metre. The ground was quickly resold to the Committee of the Rome Exhibition planned for 1942 at 50 lire a square metre.

## SHOOTING RIGHTS

AN ARTICLE by C. J. Cornish in the *Cornhill* of August, 1898, interesting to recall, reveals "the recent history of rents for partridge shooting in North Norfolk":

"The stocks of partridges do not cost the tenant farmer one single penny either to rear or to protect. . . . There is no doubt that the prices paid for this North Norfolk shooting are too high, even in the face of the demand for it. One farm of 1,000 acres, with no wood on it at all, purely partridge shooting, let for £110. The farm itself is only rented at £540 per annum, so for his sporting right the occupier netted a little over one-fifth of the rent he was paying. Three years ago he did not let it all, and fifteen years ago he might perhaps have made £30 or £40 for his shooting, a rent which would have entitled the shooting tenant to keep up enough rabbits to do £10 worth of damage at least. This 'unearned increment' represents to such a tenant a reduction on his rent of twenty per cent., a very welcome and real addition to the value of landed property. For there is little doubt that when the present leases are rearranged, this increment will be taken into consideration as a landlord's asset. . . .

"If the shooting rights of ordinary English land are a potential silver mine with an increasing yield, a decent trout stream or salmon river is a very Pactolus; it simply flows with gold. . . . The carefully worded advertisements of fishing to let suggest that, however shy the trout, there is no fear of scaring the angler. The following strikes us among others taken at random: Wales—on the banks of the Usk. A small house with two sitting-rooms and five bedrooms, also servants' room, and a cottage adjacent to the river. The fishing to let consists of about one mile on both banks of the Usk, with salmon and trout. The tenancy would be from the 15th of February to the 2nd of November. The maximum recent bag of salmon is stated to be 138 and the lowest 28—trout numerous. For this the rent asked is £490. The landlord employs a man and his wife, and pays their wages; the man to act as river watcher. But the advertiser warns the lessee that the man must not be expected to work in the day if he has to watch at night. Considerate man! One would have thought that the £490 would almost have covered the expense of a regular watcher."