

In short, protection and privilege for sectional interests and economic gimmicks for the voters.

The Conservative Land Plan

The big surprise was reserved for the third day of the debate. Sir Keith Joseph, Minister of Housing and Local Government, announced that the Government had a "land plan."

High land prices troubled Sir Keith; they indicated a shortage of land, and that was the first thing to be tackled. He was not worried about land prices in the "booming towns" — people could always live outside them. What concerned him was that as land outside the towns was brought into use "betterment" would arise. "... public expenditure on services and roads will create an immediate increase in value (of land). It does seem right that the increase should be collected by the public."

Sir Keith was not proposing the taxation of land values. What he had in mind was something more like Labour's plan. Existing land values were not to be touched. Increases in land values on land already developed were not to be touched. But the Government would collect "betterment."

A public authority would buy up land for development well in advance. The land would be sold, with planning permission, to private developers and the profit or "better-

ment" from this transaction would go into the public purse. It was land in the future New Towns that Sir Keith had in mind.

Housing subsidies would continue "as necessary," and where land prices were high for housing there would be an "expensive sites subsidy."

The Government envisaged public acquisition of comprehensive areas to make land available.

The Conservatives' land plan caused some confusion among their own ranks and Sir Keith tried to make it clear that it was quite different from the Labour Party's Land Commission. The Opposition were not so sure, nor were some of his own supporters. George Brown, Labour deputy-leader, called it land nationalisation, and Geoffrey Rippon, Minister of Public Building and Works, tried to explain it all away.

However vague the Tories' new plan is, it shows some awareness of the importance of the land problem, if only as a factor in the next election.

As *The Times* parliamentary correspondent put it: "The Minister had stolen the Labour Party's trousers." The trousers, however, are old-fashioned and unbecoming and full of holes. Only Charlie Chaplin could wear them with any sense of fitness.

NOTES AND NEWS

Knocking "Neddy"—Rating Reform—Computers and
Logic—Cost of Living and the Tories—
Ignorant Examinees



THE PUNTER ECONOMISTS

RECENT PREOCCUPATION with growth models by economists and politicians was not healthy in degree or helpful in results, Mr. Ralph Harris, general director of the Institute of Economic Affairs, told the Institute of Practitioners in Advertising last month. The danger of these "growth men" and their statistical models, he said, was that instead of being content with trying to anticipate the future, they would be tempted to overreach themselves by trying to control or impose the future.

Too many of the National Economic Development Council's backers and outriders were the kind of economists who had an itch to interfere, who scorned the judgment of businessmen and who had little but contempt for consumer choice. "They mostly rely on building up a picture of the future by projecting present and past trends in various categories of consumption, investment and distribution. It is the method of the punter who relies on the book of past form not only to pick his winners but to place every horse in the right order."

Much of the recent output of statistics, said Mr. Harris, had been used to prove the need for policies — notably,

central planning — that were based on political prejudices rather than economic criteria. The error of taking growth targets too seriously was that "they are the work of the stampeding statisticians who have been proved disastrously wrong before." The real need was to enforce keener competition. "Neddy might have helped remove some of the obstacles to increased production and efficiency, but it is like a carthorse in the Grand National stakes. It is ridden by men from the Establishment of the FBI and the TUC and therefore shies at the most difficult jumps."

THE ONLY LIKELY STARTER

IN his presidential address at the annual conference of the Rating and Valuation Association, Mr. Lawrence Thould, A.R.I.C.S., F.R.V.A., drew attention to recent criticisms of the present method of raising local revenue. Examining briefly the alternatives that have been suggested — a local income tax, a poll tax, a sales tax, lotteries and the rating of site values — he thought that, of all the various suggestions, the rating of site values was the only likely starter. Referring to Lord Douglas of Barloch's advocacy of the site-value rating system,

the findings of the Simes Committee, and the report of the County Councils Association, he emphasised the importance of a test valuation. It was to be hoped that the pilot survey now being undertaken at Whitstable would provide evidence to judge whether the rating of site values would be a suitable alternative to the present system, and what likely redistribution amongst different groups of ratepayers would occur if rates fell only on site values. Mr. Thould emphasised that any alternative to the present system must ensure a stable source of income which is comparatively easy and economic to collect and which will alleviate the hardship problem that arises in the present system.

PROOF POSITIVE

ONE of the more fashionable cults of modern economic practice is the growing belief in "Computerism." While there is much to be said for using computers to release brain power for more creative work by mechanising laborious clerical tasks and eliminating the possibility of human error, the adaptation of data processing equipment to perform predictive functions is strange, to say the least. It is hoped that eventually it will be possible to build a machine which will be able to cope with so many variables and probabilities that it will be able to forecast the consequences not only of small variations in any one market, but of national economic policy.

Meanwhile, where computers are used it is worth noting that their findings are similar to the results one would expect to obtain by using formal logic and a slight knowledge of economic tendencies. Recently the Baltimore Regional Planning Council in America discovered during the course of constructing a computer "model" — designed to show the effects on urban development of investment in sanitary services in chosen areas — that "regression analyses showed that income level, land value, availability of land for residential purposes, accessibility to places of work and availability of sewer services had a significant influence on the past growth of the city." The report also mentioned that "within Baltimore City itself the significant factors on past growth were income, land value and land availability."

One might well ask what other major factors could possibly account for the patterns of urban development? Perhaps one day a computer will be able to tell us in advance the likely rise in land values over a period of ten years in any given geographical area. Who knows, perhaps Messrs. Cotton and Clore already have one!

ASK A £1000 A YEAR TORY!

IN THE BOOKLET *The Rating of Site Values*, the Conservative Party takes a look at Henry George's main propositions and in particular the argument that increases in productivity do not raise wages but increase rent. This is a fallacy, says the booklet, and is easily seen to be so

when one considers how the standard of living has risen in recent years, together with the growth in production.

A writer in *New Society* last month shows, however, just how wrong the Conservatives are. He points out that it was possible in 1937 for a man earning between £2. 10s. 0d. and £3. 0s. 0d. a week to buy a house with £25 down and weekly payments of 14s. 3d. including rates. Taking the average weekly wage in the boot and shoe industry in 1937 as £3. 1s. 9d., he multiplies it by four to take into account the depreciation of the currency. An equivalent wage today would be £12. 7s. The current wage, however, he gives as £8. 5s. 6d. He then points out that the house which cost £500 in 1938 would now fetch over £2,300, i.e., more than four times as much. The deposit has increased from £25 to £250 or from 5 per cent of the purchase price to nearly 11 per cent. To put it another way, the purchase price of the house in 1938 was about 166 times the total weekly salary, whereas now the purchase price is about 276 times the weekly salary.

It is, of course, true that the boot and shoe trade is not a typical example of general wage trends 1938-63; some people have been rather more fortunate than others in the wage scramble. To take an actual example, a man who admits to being in the affluent wage group of the late thirties, when he earned £5 a week, was able to buy, when he married, a house through a Building Society, a substantial amount of furniture on hire purchase, and even had enough money to go and have a modest flutter on the greyhounds twice a week — all this without his wife going out to work. It is hard to imagine today's £1000 a year man doing this.

UNQUALIFIED TEACHERS?

THE EXAMINERS, commenting on the answers given in the recent intermediate and final examinations of the Town Planning Institute, stated:

"Question 9(c) in the final examination asked for a comment on the rating of site values. Although there has been a number of Government enquiries, including one in 1952, and the matter has been raised again, only one candidate discussed site values and all the rest discussed the rating system on the present basis and appeared not to have heard of — or understood — the proposal."

This quotation seems to reflect the general lack of knowledge of what is going to become a vital topic in the near future. It also appears to suggest that it is a subject which is not given the prominence it deserves in academic circles, something which has been suspected for a long time. It is particularly disturbing that these prospective town planners appear to be ignorant of what is of prime importance to them, i.e., the connection between land values and urban development. Perhaps the comments of the examiners will lead to more informed teaching and maybe to some critical examination of basic principles.