

ence I find that shrewd investors are buying property now in Paradise Valley to ride the boom to profits by way of increased land values. In view of the widespread interest in this community caused by the huge military installation (completion of a marine base) realty holdings have doubled and trebled in value."

(5) Forkland, Missouri—Land prices for an acre of land along U.S. Highway 60 averaged \$100 an acre. Since Government announced a big radar detection plant there, average price of that land is \$1,000 an acre—ten times as much.

(6) *Life* magazine, December 14, 1952, regarding inhabitants of Paducah, Kentucky, on realization that government is erecting $\frac{1}{2}$ billion dollar atomic energy plant 20 miles away: "They take it calmly on hearing that land once worth \$20 an acre now sells for \$2,000 and think it reasonable to see signs selling 'business frontage' where cows still graze."

THE LEASEHOLD SYSTEM DEBATED IN PARLIAMENT

In the House of Commons on January 27, Second Reading was given to the Landlord and Tenant Bill for England and Wales*. Following are extracts from some of the speeches:

MR. DESMOND DONNELLY (Lab., Pembroke): The town of Pembroke Dock is the classic example of the leasehold system in this country. There we have a town which was built around a naval dockyard at the beginning of the 19th century. All the land belonged to one landowner, a man called Brigadier-General Sir Frederick Charlton Meyrick. There we see a landowner using the monopoly he had of the land in the area—poor scrub land—in order to compel the dockyard workers to undertake long building leases which would eventually fall in and, together with the houses which the dockyard workers had built, would revert to the estate company. In that town there are something like 1,730 leasehold houses. In Pembroke Dock itself, 75 per cent of the houses are still leasehold. If we take £3 a year as an average ground rent—and I have deliberately put the figure high—the 1,730 houses would yield a gross income of £5,190. Under the general system which the estate company was pursuing before the introduction of the Bill, and under the general system of re-leasing where the leases have fallen in, the company has been asking an average ground rent, for the renewal of the lease, of £20 a year. Whereas the previous gross income was £5,190 at £3 a year, at a rent of £20 a year, when the leases fall in, the new gross income would be £34,600, which is a very substantial difference. Under the proposals which the Government have brought forward, where landlords will be able to obtain the full rack rent—and I deliberately take a low figure for the rack rent—the average rent per house would be £40 a year—15s. a week. At £40 a year the 1,730 houses would yield a gross income of £69,000. The income would rise from £5,190 to £69,000. Here is one landlord asking for an increase of £64,000 a year. He does not do a stroke of work to earn this. He never built one of those houses or paid for a single brick or a stone or for the mortar which went into them. He toils not, neither does he spin; and yet he is asking and getting an increase of about £1,600 a week in his gross income. This is the full measure of this preposterous proposal which the Government have brought forward.

MR. DAVID GRENFELL (Lab., Gower): I know South Wales, and I think that it is perhaps the best example we have of the problems which we have to solve. Every time we took a step in the direction of providing housing accommodation, there was the landlord obstructing the way, never ceasing to take advantage of the leasehold system. Probably it has grown to a more settled, more tyrannous monopoly over the life of people in Wales than in any other part of the country. I live in a house which I call my own with as much right as anybody calls any-

Back to the decentralization item. I now notice an item showing land prices in the Long Island area of New York have risen to phenomenal high levels due to the exodus from Manhattan. I also see an item of a speech by Neil Petree, now president of the L.A. Chamber of Commerce, and president of Barker Bros. department store before the California Real Estate Association convention, October 19, 1951: "Real estate values in the downtown shopping area have maintained themselves and will continue to do so. Ten years ago department store sales in downtown Los Angeles amounted to \$90 million and last year these same stores sold \$169 million in the downtown area." Mr. Petree said that retail businesses in the downtown area employ more people now than ten years ago and sell more units of merchandise, and added: "The assessed valuation in the downtown area has increased 50 per cent in the last five years."

Sincerely,

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thing his personal property. I pay £3 2s. 6d. for land which I have seen shown on ancient maps, less than 100 years old, as waste or common land, worth nothing at all. Now, 20 houses are paying about £3 2s. 6d. each on every acre of land, or somewhere about £75 an acre, for land that is worth nothing. By means of this ground rent, a small body of people are commercializing their private fortunes as they never did before. They have joined together to exploit the public more efficiently than at any other time. To everybody who is pledged by his own signature, of his own volition, to pay ground rent, I say that the youngsters who grow up to take the place of the old ones must get emancipation sometime. Why should I surrender my children and their children to the obligation to carry on this payment *ad infinitum*?

MR. ARTHUR SKEFFINGTON (Lab., Hayes and Harlington): There have always seemed to me to be three major grievances arising from the leasehold relationship between freeholder and tenant which I would not have thought a modern democratic community would permit. First of all, there was the virtual handing over to the freeholder not only of the land—one could understand that—but of a house built by somebody else and sometimes by the leaseholder's ancestors. That seems quite unjustifiable, and not all the rhetoric or sophistry that we have heard from the other side can make that right in any circumstances. The whole relationship between the freeholder and his tenant under leasehold law seems to be feudal. I think it springs directly from the old feudal relationship. We are one of the last civilized countries in the world to have it, and I hope that it will soon disappear.

MR. BARNET JANNER (Lab., Leicester N.W.): In Barry the houses more or less surround the dock, and the leases are falling in the same way as at Pembroke Dock. The result will be that practically the whole town will be left with rent-controlled tenancies, at what rent?—at a rental that is a rack rent, and many of the people concerned have thought all along that the houses they occupied were their own homes. I put it to the Minister, because he is a reasonable man: Is it right that if people have spent the whole of their fortunes on building on a piece of land, which was worthless and on which ground rent for 90-odd years has been paid, their successors should, at the end, be told, "You and your predecessors have toiled for the person who had that piece of land which was worthless, and to-day you have to pay him what is practically a rack rent for the rest of your life"? That is not good enough, or the proper thing to do.

The Long Leases (Scotland) Bill has also been introduced, enabling, in certain cases, occupant leaseholders of houses to become house-owners paying fixed perpetual rents, or "feus" as they are called in Scotland.

* For our comments, see page 18.