

zoning law's provisions for 'bonuses' to builders who provide space and arcades will be completely nullified, for who will make such a gesture and risk producing a superior or "prestige" structure when he will be punished for it? If a way is being sought to condemn the city to perpetual architectural mediocrity, the Tax Commission has found it."

## LIGHT ON WAGE RATES

**A** WAGES POLICY is impossible says Professor Colin Clark of Oxford in an article in *The Director*, even if it were possible to agree with the trade unions on a policy restricting advances in wage rates. Industrialists' costs are not constituted by wage rates, he says, they are constituted by earnings—which are a very different thing.

"A great many of the most important agreements determining actual earnings, and hence industrialists' costs, are not the subject of national wage negotiations at all."

"They are made locally in each plant, or even in sections of a business. They relate to such matters as overtime, casual or organised, new piece-rate scales and the proportion of work done under them, 'upgrading' of men to better-paid status, and a whole host of ways in which actual earnings may be raised relative to nationally agreed wage rates."

"It is time that we got down to studying our real problems," says Professor Clark. "There are many deep-seated factors in our economy, including taxation, which need to be carefully examined."

## THE LAND FACTOR IN HOUSING

**W**HAT is the most economic form of housing? Is the cost of high density concentration in the city greater than low density accommodation in New Towns and expanding towns? Mr. P. A. Stone's examination of these questions in *Housing, Town Development, Land and Costs\** is certainly thorough. He considers the cost of materials, of providing public services where necessary, of the loss of agricultural production, of maintenance and of transport. Initially he chooses to ignore the cost of land because his formula can be readily adjusted for high and low land prices. While it appears to be difficult to assess fixed costs for all circumstances owing to the number of variable factors involved, some generalisations emerge.

Higher densities do not necessarily lead to a saving in land, for as people are "put in the air" they require more space "on the ground" for shops, services and amenities. High buildings tend to be more expensive than low ones in terms of unit dwelling costs. It is cheaper to develop outside towns at low density than inside at high density. In dealing with slum clearance it can be cheaper to re-house at low densities both inside and outside the town rather than "decant" a minimum number of people.

Bearing in mind the author's purpose to provide model formulae to calculate cost differences in construction and the provision of services, land values are only important in comparisons between areas. Nevertheless, it is regrettable that the author did not examine this aspect more thoroughly. The cost figures used in the book are based on 1957 averages, but even allowing for this, it is difficult to agree with Mr. Stone's suggestion that on the whole the price of land may not have risen any more than the price of building materials or labour costs.

In the absence of any national valuation of land it is difficult to make accurate, positive statements about national trends in site prices, and as Mr. Stone points out, it is difficult to obtain information from estate agents and developers. Nevertheless, from shrewd observation of those facts which appear in the press about land prices, it is evident that land values have soared out of all proportion to the general rise in the cost of living, particularly in the south, during recent years.

That land values influence housing development is clearly shown in a comparison the author makes between private housing and that provided by local authorities. It would appear that private developers' housing is generally much closer to the maximum permitted densities than the local authorities' housing schemes, and that this trend is most marked in areas of high land cost. Two reasons are given for this. First, local authorities receive exchequer grants and subsidies which decrease the pressure on rate revenue, so that the unit cost to the authorities is less than the total cost to the community, part being paid by taxpayers as a whole. Secondly, the local authorities have a clear advantage over the private developer in that they can subsidise rents in areas of high land cost, by charging slightly higher rents in areas of low land cost, and by making up deficits from the rate income. The private developer, of course, must concern himself with ensuring that each housing project gives him an economic return. It is difficult, however, to assess whether or not high land costs and resultant "shortages" caused by the speculative withholding of building land result in private developers reaping more than a just return. This is something which Mr. Stone has not investigated, nor indeed mentioned.

The cost of housing construction to the community is an interesting subject, particularly for local government officers and councillors. The problem of how to provide more houses at greater speed and cheaper cost to those who need them is not answered here, but then perhaps the publishers of this work would not have been prepared to support it if the author had extended his field of enquiry!

## SCHIZOPHRENIC ECONOMICS

**O**UR ECONOMIC POLICY has two main aims. The first of these is full employment. And the second aim is growth — or if you prefer it, expansion, or prosperity.

—Frederick Erroll, President of the Board of Trade.

\*The Estates Gazette Ltd., 27s. 6d.