

THIS is a free country, yet nearly all our land is enclosed. Last winter over 800,000 people were deprived of their livelihood. Today in London there are over 4,000 homeless. Some three-and-a-quarter million slums infest our towns and cities. Both builders and planners, often at loggerheads, are equally frustrated by the high price and limited availability of development land. Land costs comprise anything from 20 to 35 per cent of average housing costs. The land factor accounts for 20 per cent of the 33½ per cent increase in the average cost of houses since 1958. Land values, rents, wages and prices, have increased at least fourfold since 1939.

The rising cost of acquiring land for building and public services essential to economic growth is reflected in the cost of building and the rents demanded. This drain on purchasing power affects consumption, and is limiting the nation's capacity to achieve expansion at NEDC's proposed rate of four per cent a year.

Is it not intolerable that the basic requirements of an advanced industrial nation should be in restricted supply? That subsidies and assistance from rates and taxes should fall into the private purse of idlers?

The Owners

Vast expanses of our country are still owned by the Crown, the Church, and the Services. Green belts, National Trust parks and areas of outstanding natural beauty are also preserved from natural development. Yet even more land, often the most valuable, is held by private individuals and their modern successors, the property development companies. Some local authorities may have building land to spare, but the LCC ran out of cleared land for housing early in 1962, when 22½ per cent of housing expenditure was for land acquisition. This amount is rising rapidly in successive capital estimates.

Since 1950, the City of London has spent nearly twenty-two million pounds on land acquisition for comprehensive redevelopment within the city's square mile. About 40 per cent of any road project's cost is that of land acquisition. Delays are often double construction time. The cost of comprehensive planning for town centre redevelopment schemes, of which some two hundred await approval out of nearly five hundred planned or contemplated, runs into many millions for land acquisition alone, even on the low basis of £4,000 compensation per house.

Prices Soar

A site worth £10,000 in 1939 has been sold for over £250,000 at Luton. Sites in the Lea Valley have risen tenfold in value since the nursery gardens there were designated for London overspill.

What price must the community pay for land, while outworn areas strangle our cities and abandoned villages ring the new towns? Rising population, increasing prosperity, expanding industries and population drift are inflating land values at economic growth-points. Soaring prices for central sites are reinforcing the commuter-centrifuge. It

No Utopi

By JOHN



Is this skyscraper view how City potential of their multi-million pound surrounding obsolescence, but ninety re-d

is not economic to erect multi-storey car-parks on land worth under £75,000 an acre.

Two acres of open building land outside Tunbridge Wells have been sold by the War Office for £22,500. Edinburgh Corporation has paid £100,200 for 20.3 acres at Drumbrae. A fifty acre site with planning permission has been sold in Derbyshire for £8,000 an acre. Land in central Slough works out at over one million pounds an acre. What price is Piccadilly?

Clearly, the rising cost of land is an index of the rising activity of the community. Its development value is enhanced by its limited availability. Both builders and local authorities are running short of land needed for the community. Land with planning permission fetches top prices, yet local authorities have to pay compensation to speculators.

Land in the southern counties costing £1,500 an acre in 1953 now costs over £8,000 an acre. Land in Middlesex has trebled in value since the Town and Country Planning Act 1959. A 150 acre site at Farnborough has risen from

an Vision

SPENCER



and Central Investments Limited see the
 site in Soho? Following land reform, the
 places from Piccadilly would also be fully
 developed.

£10,000 to £500,000 in six years, after a local authority drainage scheme increased its marketability.

Social Needs

Land provides builders with raw materials. Its price affects the cost of everything needed by firms and men for construction. Land is the builder's stock in trade, yet profits of £10,000 an acre are today a common place when he has to buy it. People of moderate income can no longer afford the houses which he erects. Others regard their freeholds as "profitable investments," as advertisements in *The Financial Times* well demonstrate.

Everyone is aware today of our social needs; the harmful nature of monopolies and restrictive practices; the decline of our basic industries in unemployment blackspots; the destitution of our public authorities providing communal services.

The rising spiral of prices, wages, rents, is all too familiar. The falling value of money over periodic payments crises, and the growing national debt, are as commonly

known as the paralysing effect of restrictive covenants and the amounts appropriated through holding land from use in anticipation of an unearned capital gain. Yet it is the fruits of labour, the purchasing power of the many and not the unearned rewards of idleness which are taxed today.

Wage Restraint

Nonetheless, the Government has tried to restrain wages through the National Incomes Commission in pursuance of a policy based on preconceived ideas of what the nation, or the building industry, might bear!

When asked in the Commons whether he would stop this "robbery by private interests of values created by the community," Sir Keith Joseph, Minister of Housing and Local Government, refused to consider it. He said the Member concerned lived "in a prosperous area." Lord Hailsham last year declared that he holds "no particular brief for speculators." He said that "there is enough money to be made by the proper use of public funds in the development of our existing cities . . . in fact, taxable capacity and rateable value to be won." Mr. Callaghan has also declared that "taxation should be an energiser, not a penaliser."

What could be more penal than the price of land today, and what more sterile than industrial and housing potential unrealised through lack of building land? The land is there, but it is in private ownership. There is no law to ensure that the use of private property is consistent with the public interest; that when two rights conflict, the greater should be protected.

Land reform has been introduced in Egypt, Turkey, Syria, Iran, India, Kenya and Denmark. It is also needed here. But what is the solution? How may it be achieved without damage to the economy?

Reverse Trend

Over the past 700 years, some thirty major Acts and over one hundred private Bills have been passed by Parliament, nearly all of which have strengthened the rationally indefensible "right to absolute property in land." Is it not time that this trend was reversed — in the public interest? Does not every man born free have roots in the soil? A natural birthright of access to land, upon which life and livelihood depend, on equal terms with any other? Is he not entitled to the full reward of his labour?

In his recent speech to the Commons, Mr. Corfield suggested that "a situation in which economic forces reinforce planning control in ensuring that land is used to the maximum advantage is not entirely without its merits." If all that the Opposition were anxious about was that the increase in value should accrue to the State, "they have merely to use the rating system, divorce the increase in

The views expressed in these articles are not necessarily those of Building Industry News from which they are taken.—Ed.

value due to buildings from that due to land, and insist on a rate of twenty shillings in the pound."

Is that the solution which *The Times* was unable to find? Would a periodic review of ground rents occur when one tenant yielded to another the liability of the rent, and the local authority ensured that the site went in open auction to the highest bidder? Would not a fair price be that which a willing tenant would pay for renting a particular site?

I believe that the first step is simply to *declare* that all the land, under the authority of the Crown, is available to the community. The privilege of using particular sites would fall to those willing to pay for them, with security granted upon payment.

The administration of this scheme would be easy. Local authorities already collect rates assessed by valuation officers. Estate agents and surveyors know the worth of local sites; town clerks are versed in law. A minimum price could be set on every site according to its location. First option would fall to those providing local services.

The benefits obtained by the community at large would be an equitable basis of taxation, relief of tax on labour and profits, and the continuing right to be owner-occupier of non-productive sites, and land, not on the market, *subject to full payment*.

The physical structure of the economy would be undisturbed. The institutional structure would be left much as it is, although the constitutions of some organisations might have to be revised. The same amounts of capital and credit would be available, but gradually the structure

would change toward co-operative management.

Better Use

Land suitable for development would immediately become available; the planning controls, standards of materials and design, are already legalised. Greater and more intensive use of central sites would free green belt land and land in less favoured areas. Town planning would be made easier, as particular sites are more suitable for some occupations than for others. Public services would be provided largely from local funds. Speculation would vanish, as it would no longer be profitable to withhold sites from their full development.

The increased availability of land would offset the release in pent-up demand for it, yet our amenities would be well protected. Crises would grow infrequent as the natural economic order would begin to assert itself throughout the community. The division between the landed and the landless interests today, causing conflict in every sphere of national life, would be ended.

Builders and all connected with the industry would derive great benefit from such reorganisation. The volume of demolition and re-building would be tremendous. Profits and labour would be virtually untaxed; yet equal, if not greater, amounts of capital would be available. There would be fewer labour troubles in projects where men are in partnership.

This is no Utopian vision, but a practical and immediate antidote to the crises, needs and yearnings of our country today. Since I take no originality for these views, I believe that statesmen should take note — and builders too!

Futile Figures

By PETER TRACEY

THE age of the "armchair" thinker, and particularly of the armchair economist, has gone. Today it is the age of the technologist and the statistician. A conviction has grown up that no problem can be solved without the prior amassing of figures; in fact, today, there is a veritable obsession with statistics.

Mr. Robert Theobald, a British economist in America, complains that we don't know how many people are being displaced by automation. "Are we losing 4,000 jobs a week to automation, as a labour bureau statistician reported?" he asks. "Is the figure 40,000 or more, as was suggested to a Senate sub-committee? The truth is that we just don't know, but we had better find out."

But what does it matter what the exact figure is? What difference does it make if the figure is 4,000, 40,000 or 40 million? In any case, the problem solvers won't be satisfied with anything as simple as that. Before they can make a start they will have to know not only how many are men and how many are women, but the relative proportions in each age group; the percentage married or divorced; how many came from unhappy homes; the exact geographical distribution over the country as a whole; all the foregoing

information calculated for each state individually; whether or not they come from large families; whether or not they have large families; whether their wives (or husbands) go out to work; whether they have ever been in receipt of psychiatric treatment; at what age they first started work; their annual incomes; their medical histories; where they were born; in which social strata they live; how many years they have been in their present jobs; what job they had before the present one; the maiden name of their grandmother, and who they think will be Republican nominee for the 1964 presidential election. Having thus got a few working figures, the problem solvers will then come up with two possible answers:—

1. Provide more work.
2. Provide more unemployment pay.

A little armchair thinking might cause them to examine the nature of employment and to investigate the barriers which stand in the way of re-employment following automation, instead of looking to government planned schemes. They might consider the other two factors of production—Land and Capital; they might ponder on ways to encourage the fullest use of these factors. In pursuing this they might even hit upon the idea of untaxing capital and taxing land values . . .

But there I go—armchair thinking again!