The Cost of "Saving" Farm Land

By J. N. JACKSON

The writer, a Lecturer in the Department of Town Planning, University of Manchester, discusses the curious anomaly that flat-building is officially defended as a means of saving agricultural land, though the cost may be as much as £19,500 *an acre saved, while reclamation of land at a cost of* £400-£500 *an acre is regarded as "uneconomic."*

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A FREQUENTLY avowed aim of land-use planning is to conserve agricultural land. This policy has many ramifications, and the planning profession, though in general accepting the broad national need, is less happy about the detailed practical implementation. Thus a small amount of agricultural land may be saved by paring down the size of houses or of garden plots or of public open space; alternatively the construction of high flats may be advocated rather than terrace houses or the ubiquitous semi-detached. In each instance the financial and economic costs of the possible alternatives should be calculated and borne in mind. To this theme, three recent planning publications make a pertinent contribution.

Reference may first be made to Mr. Lichfield's[1] excellent book, *Economics of Planned Development*, in which the author analyses a hypothetical scheme for the rehousing of 56,000 people by a county borough of 300,000 population. A comparison is made of the alternative costs of developing 250 acres of inner land at densities of 200, 140, 80, and 60 habitable rooms an acre on the assumption that the balance of the 56,000 people are housed on agricultural land in the outskirts of the town. The overall conclusion is that the cost of saving 235 acres of agricultural land through the provision of housing schemes at the highest density demands an extra capital expenditure of £46 million, or £19,500 to save an acre. It is only fair to add that Mr. Lichfield mentions that his conclusions are not necessarily typical for all towns and that they relate only to the cost of providing dwellings. Differences in the cost of schools, public open space, public utilities, and costs of travel must all be considered as part of the balance sheet in order to make a complete appraisal of the problem and to understand which is the most economic—or at least uneconomic—density.

Nevertheless the figure remains suggestive and substantiates those arguments of Sir Frederic Osborn which are so well known to readers of *Town and Country Planning*. High-density flats may be necessary on aesthetic grounds, or in order to rehouse a stated number of people within a given area, or to reduce the length of the journey to work, or through the sheer physical deficiency of suitable land. But if they are required for these purposes, then they should be justified by these architectural, economic, social, or geographical criteria and not by the glib plea that agricultural land is being saved. The cost of "saving" agricultural land by such means is totally uneconomic at current building costs and with current building methods; the expenditure of natural resources would be of greater national benefit if allocated to the reclamation of derelict land for agricultural or building purposes, or if used for the reinstatement of marginal or waste agricultural land to a beneficial agricultural usage.

The most recent annual report of the Minister of Housing and Local Government[2] reveals that by 31 December 1955 payments of almost £86,000 had been approved for the levelling of 965 acres of derelict ironstone workings in Northamptonshire to a condition suitable for the resumption of agricultural operations, i.e. an average cost of approximately £89 per acre. On a previous page the same report had observed with sanguine satisfaction that, out of the 126,000 acres of land in England and Wales at present lying derelict under spoil heaps or unfilled mineral excavations or other forms of industrial dereliction, some 36,000 acres could be brought back into use. It then adds the surprising and provocative statement that "any reclamation programme must be a long term one and could be carried out only as and when there was a definite demand or useful purpose to which the reclaimed land could be put." Since the distribution of derelict land is concentrated mainly in or near to such closely built-up areas as the Black Country, South Wales, and South Lancashire, where suitable land for development commands a premium, the statement that reclamation must depend on demand or a useful purpose cannot have much relevance; it has presumably been added as a make-weight to enforce financial arguments of doubtful validity.

With regard to the financial costs of reclamation the Ministry's *Technical Memorandum on Derelict Land*[3] states that no firm generalisations about costs can be made, but that "in a large number of reclamation schemes carried out in recent years, total costs inclusive of costs of acquisition, have not exceeded £400 per acre." The *Annual Report* for 1955 observes that thirteen proposals were submitted to the Minister of Housing and Local Government for grants and that these related to the purchase and reclamation of 216 acres at a capital cost of £105,000, i.e. approximately £485 per acre. Of these proposals four had been approved and the remainder were "under examination by the Ministry or were being reconsidered by the local authority concerned in the light of the Government's economy appeal." Again the bogey of

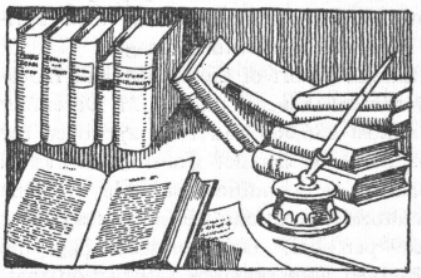
[1] N. Lichfield, *Economics of Planned Development*. Estates Gazette, 1956.

[2] *Report of the Ministry of Housing and Local Government* for 1955. H.M.S.O., Cmd. 9876, 1956.

[3] *Derelict Land and its Reclamation Technical Memorandum No.* 7. Ministry of Housing and Local Government, 1956.

cost is used to perpetuate the waste of a national asset and to hinder the improvement of land which, on the grounds of amenity alone, can be justified for reclamation.

The broad national position would thus seem to be that the Exchequer are reluctant to contribute towards the reclamation of derelict land at a possible cost of £400-£500 per acre, even though it is officially admitted that 36,000 acres of potential land which at present lies abandoned could be returned to a productive use. On the other hand they are willing under the Housing Subsidies Act of 1956 to pay a higher rate of subsidy to flats of four or more storeys, irrespective of whether or not they are located on expensive land which costs more than £4,000 an acre and, despite the fact that the capital cost of saving agricultural land by such means may be to the order of £19,500 an acre. One wonders how far such anomalous financial decisions are made on the considered appraisal of the greatest national good and how far they result from an unco-ordinated series of *ad hoc* decisions to resolve related problems. It is against this unsatisfactory background of national fiscal policy that the local planning authorities must undertake their development.



BOOK REVIEW — BY MARY RAWSON

An Experiment in Alabama

FAIRHOPE, 1894-1954, *The Story of a Single Tax Colony*, by Paul E. and Blanche R. Alyea. University of Alabama Press, 1956. pp 351. $4.50.

REALISING the limited appeal of their theme, the authors modestly and wisely advise the general reader to scan much of the text. But this is a necessary and worthy study. The Alyeas do not claim to be "Single-taxers" but they understand Henry George's taxation proposal and his philosophy as it rarely is understood—"a blueprint for a free society."

> "As everyone knows, most of the competing social, political and economic philosophies of the twentieth century exclude almost entirely any serious consideration of the one closely identified with Henry George. Indeed, the world seems destined for the indefinite future to adopt policies leading to extreme collectivism —a destination diametrically opposed to the degree of individualism so devoutly sought by the single-taxer."

Fairhope is the history of a small band of social idealists who settled in a barren spot in southern Alabama and tried, as a community, to apply those economic and political principles in which they had faith. It is a chronicle of a mixture of socialists, Bellamyites, and Georgeists, the disagreements on principle that inevitably followed, and the attendant conflicts of personality. Most interesting to a sympathetic outsider are the methods of land valuation which came to be used (The Somers System), and the gradual shedding of non-Georgeist features in the functions and policies of the community. These are the developments that earn for Fairhope its fame as a "single-tax colony."

The majority of George's followers looked with disfavour on isolated experiments of the Fairhope type and worked instead to obtain local option in tax matters. Majority opinion today is the same. Fairhope remains a curiosity which Georgeists regard with sympathy but not great interest.

The core of the value in the Fairhope experiment lies in the answer to this question: In what way is Fairhope different from other Alabama towns and how much of the difference can be attributed to the presence of its unusual (or "atypical" as economists say) taxation and revenue system? Such differences are not easy to measure and apportion:

> "From the point of view of the community, do colony policies facilitate, or retard, the maximum improvement of a land site justified at any given time? Do they facilitate shifting the use of land from an inferior to a superior use over a period of time? Does the colony plan unduly discourage expensive or specialized improvements? Does it tend to handicap a growing business in acquiring additional land? . . . It is possible to contrast actual land usages of colony property (in Fairhope) with the land usages in other organised communities in Baldwin Country, and with the usages of privately-owned land adjacent to colony leaseholds within the municipality of Fairhope . . . The results of the Fairhope colony experience appear to these observers as quite superior to those observable in comparable areas."

Fairhope has grown more steadily and rapidly than any of her sister communities along the Mobile Bay, many of which are much older, with better agricultural land, and more favourably located for water transport. It is difficult, say the authors, to find any natural advantage that Fairhope has. What has made the difference?

> "None of the other communities enjoyed any protection whatever from land speculation, which, from the point of view of a single-taxer, is a retarding and growth destructive influence. The Fairhope plan for community collection of the increase in land values . . . protected Fairhope from land speculation. As a