

incentive to embark on a building project, is it?

"Just now, vacant sites and buildings are a prominent feature of the urban scene, and they all represent work that has not flowed into architects' offices. With rating based on site values, vacant sites would be somewhat of a liability to their owners, who would be under some pressure to make sure that they were used. All of which would surely have helped to maintain a flow of activity in the building industry and do the inner cities good as well."

The policy of site-value taxation is an area into which the building industry would do well to look.

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SHALL WE LEARN FROM THE SOVIET UNION?

THE common characteristic of most political philosophies designed to end our social ills, is that which places a planned ideal above the laws of economics. Indeed some philosophies proudly assert that this is intentional because economic laws, if left "unchecked", produce the kind of society that generates poverty and its attendant ills. The laws of economics are thus identified as evil and the institutional framework in which they operate of secondary or no account.

But economic laws persist, as do the laws of physics and chemistry, in having their way. Design a bridge as you may; bestow upon it all the artistry and loving care you wish; but unless it is built on scientific principles it will not stand.

But not only does theoretical exposition of this truth fail to move the dogmatists, so also does practical experience—until the sheer force of circumstances compels it.

In the Soviet Union where practically the whole of agriculture is state-owned, experience has shown that the very limited private small-holdings, using only two per cent of the cultivated land, produce over a third of all the meat, milk and vegetables. Now, the circumstances of food shortages and high prices are forcing a change from the previous policy of disparaging private agriculture.

According to a report in *The*

Daily Telegraph, August 23, private enterprise farming is becoming ideologically respectable. The small-holder is no longer being accused of profiteering and of being a wicked capitalist, in fact he is being encouraged.

But this belated acknowledgement of the virtues of the free-market mechanism is by no means universal. Perhaps the brainwashing of successive generations is politically too much to compete with; or maybe too many concessions to economic laws would bring too much freedom, the counterpart of which is too little power for the State. Or could it be that a mixed economy is the ultimate compromise? A strong government depends upon a strong economy.

Maybe as the Soviets move a little closer to free enterprise, the western world will move further away—it seems so. And who knows, the future might even bring a complete reversal of attitudes, with our future generations condemning the Soviet free enterprise!

It could be that the Soviets are one step ahead of us and that to catch them up we have first to make all their stupid mistakes. We are learning fast.

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UPSURGE IN FARM LAND VALUES

AGRICULTURAL land values in Britain might, in the latter part of this year, crash through the £1,000 per acre barrier, reports the August issue of *The Farmland Market*, published by the *Estates Gazette* and *Farmers Weekly*.

During the first half of 1977 farm values are reported to have risen by 22 per cent while bare land values rose by 16 per cent to £901 an acre.

In the investment market, tenanted farms and land registered increases of 42 and 54 per cent, with prices making about 60 per cent of equivalent vacant possession transactions.

The report sees no single explanation for the upsurge, though it points out that the sharp reduction in interest rates must be a contributory factor.

Although farm profits are acknowledged to be too low to justify

the prices being paid for farmland, it is indicated that the purchasing activity arises from within agriculture rather than from outside interests. The reason for this activity, says the survey, must be the prospect of real capital gain from increasing land value or the possibility of borrowing on the strength of it.

The report seeks to explode the myth concerning the foreign invasion of the countryside. The overseas purchaser, it says, forms only a small part of the market, though UK farmland does have particular attractions for the European purchaser. Among such attractions are listed: political stability; little sign of extremism taking root; taxation, though heavy, is not confiscatory.

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BLUNDERERS AND BUREAUCRATS

THE prudent private land buyer will not buy a piece of land for potential development and pay the developable price unless he is assured of planning permission. Only a fool would pay a development land price for agricultural land without first checking the planning permission. Of course, elementary! But only to private citizens who can be relied upon to look after their own money and not squander it. Not so with local councillors or at least with the councillors of Thanet Council, who, less diligent with public money than they are with their own, recently bought a farm of forty-two acres for £85,000.

They wanted to build houses but the Kent County Council and the Ministry of Agriculture bureaucrats said no.

The previous owner of the farm is now back on his land which he is renting from the council for £20 a week. If he only gets five per cent on his money, he needs only £20,000 capital to pay his rent, which leaves him with a nice bonus of £65,000 of ratepayers' money.

Thanet Council, of course, didn't have the money—it had to be borrowed and the loan is costing £10,000 a year. Moral? You may draw your own—and probably more than one.