BUILDING FLATS IS NO CURE

BEFORE THE war Manchester had cleared about 6½ acres of slums in the Hulme district and had made plans to erect 240 flats in blocks of four storeys in height. The City Council, in September, decided to proceed with the revised plan for 170 flats of three storeys to avoid the need for installing lifts.

The cost of the land in Hulme acquired by the Council before the war was £6,000 per net acre, to which must be added the cost of closing streets, legal and other charges, making an additional cost of about £1,000 per acre. The cost of erecting the flats, plus streets, sewers, etc., is just under £250,000.

The Finance Committee, in their report on the Housing Committee's scheme, estimate the cost per flat, at 26 flats to the acre, to be £1,396 for the building, and £266 per flat for land. The normal annual subsidies for such a scheme would be, from the Government £15 per flat, and from the Corporation £7 10s. per flat. The annual cost for debt charges is worked out at £85 per flat. The rent, on existing scales, is calculated to bring in an average of £18 per flat, so that there is estimated to be, after deducting the subsidy and making certain adjustments, a deficiency of £56 per flat per annum for the 40-year subsidy period. Only sheer necessity for housing accommodation of some kind has induced the Corporation to adopt this scheme.

The Housing Committee have been considering the whole question of flats as a solution of the housing problem, and presented a further report, dealing largely with the vexed question of the provision of lifts in the existing blocks of flats of more than three storeys. They state that attendant-operated lifts would have meant a weekly increase of 3s. 6d. per week per flat for the Collyhurst and West Gorton blocks. There are doubts about automatic lifts, and it is preferred to reduce the height of existing flats from five floors to four floors, the fourth floor being reserved for single persons, although this again means doubling the cost of plumbing units and sanitary fittings, for a one-bedroomed flat as compared with two or three-bedroomed flats. "All things considered," says the Report, "your Committee have reached the conclusion that their policy in the future should be to erect block residential flas only where it can be clearly demonstrated that there is no alternative way of meeting the demand for housing accommodation."

The Finance Committee's report on this further Housing Report is illuminating. It points out that the density of three-storied flats is about 27 flats to the acre, but even for higher buildings, up to 10-storey structures, the density would be about the same. "The number of flats per acre is the same for all heights from three to ten storeys." This, of course, is because of lighting regulations. Just as modern streets must allow of a space of at least 70 feet between dwelling houses so as not to shut out the natural light, so blocks of flats must be sited, and the lay-out must be such as to allow daylight—and sunlight when there is any in Manchester—to reach the lower rooms. Thus, the saving of land space by the building of flats has its limits. The Finance Committee say: "As flats in blocks will, generally speaking, be erected on land of relatively high value, the cost of land per flat is a material consideration."

The Report provides a schedule of comparative costs of flats at 38 to the acre, and at 27 to the acre, on land varying from £1,000 to £8,000 per acre. For example, on land at £6,000 per acre, the cost per flat, at 27 to the acre, would be £222 for the land alone, and if built at 38 to the acre would still cost £158 per flat for the land. The Committee state again: "The high cost of land has hitherto been an accepted reason for building flats in blocks in order to get a greater number of flats to the acre." Their own figures show that on present standards of amenity and planning, flats cannct solve the problem of providing reasonable and cheap housing for the people on a sound financial basis. And this failure is due to the high cost of land. Doubts are expressed whether the Government will accept so low a uniform density as 27 to the acre as a basis for their subsidy. Previous subsidies have been based on a density of 50 flats to the acre with a scale for land values, and these questions will be decided in forthcoming negotiations.

At the same meeting of the Manchester Council which decided to go ahead with the Hulme flats, it was also decided to approve the scheme for erecting 1,472 houses at Wythenshawe. Four hundred and seventy-five houses are to be started at once, and the estimated cost per house is £1,163, exclusive of culverting and planting costs. The debate in the Council on these schemes centred round the question whether they should be built by direct Corporation labour, or be given to private firms to build. It was decided to let the work to private firms, but the Council might more profitably have spent its time in discussing whether land could not be made more cheaply accessible by a change in the rating system which, levying the City rates on the value of land, whether used or not, would at the same time relieve all these improvements schemes of the rate burden which, under the present unjust law, will have to be placed on them after the above high charges have been met for the land alone.

D. J. J. O.

"SECRETS OF INDUSTRY"

OUR HEADING is the title of a recent book by Mr. Lewis C. Ord, a mass-production expert, who has also dealt with the subject in a speech to the Industrial Copartnership Association. Both book and speech were reviewed by the Financial Editor of the *Manchester Guardian* on June 15. Mr. Ord's question is, "Why are real wages in Great Britain so much lower than they are in North America?" The real national income of Britain increased twenty-fold in the century before 1914; then declined, and only recovered in the thirties. By contrast the output had vastly increased in U.S.A. during that time.

Mr. Ord's replies to his own question are intensely interesting to all concerned with the new Government's policy towards industry and commerce. He says that the extension of Government control led to a big increase in overhead costs of industry, and also to a concentration of business control, followed by the growth of restrictive practices which checked British industrial output on every side. This restrictionism meant not only high prices and low output of particular products, but also a general lack of purchasing power in the hands of the people. Lack of purchasing power also arose from the highly unequal distribution of income in this country which caused a gap between productive capacity and internal demand for products. In the last century this gap was met by exporting capital, and when that ceased we had unemployment.

Mr. Ord believes that the higher real income in U.S.A. is not so much the result of vast territories and the high proportion of capital per worker, but follows from the doctrine of high wages and high output per worker expounded and practised by Mr. Henry Ford and others. He also considers that factories in this country are too small and not sufficiently specialised. Higher output would only follow when British production is deliberately designed to meet the demand of the masses for cheap and plentiful supplies of more standardised articles. Practical experience, as the *Manchester Guardian* comments, lends weight to Mr. Ord's report on the effect of restrictive practices. We can well agree that restriction, whether governmental or carried out as a trade policy by industry, must lead to higher prices, both to the consumer and to the producer in higher costs. Reduced output follows in its turn, and unemployment with all its consequences. Every warning voice, such as Mr. Ord's, is welcome, and should be given heed to, so that our faces may be turned once more towards true freedom instead of restrictions and controls.