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Land Values and Town Planning — Mercantilism down to Our Day — Protection and Rent — Sir Richard Acland's "Forward March" — Foreign News

THE ATLANTIC CHARTER

THE DECLARATION adopted by the President of the United States and the Prime Minister at their historic meeting in the Atlantic should in its broad outlines satisfy not only this country, but the world, of the aims for which the democracies are fighting. In his broadcast on 24th August, Mr Churchill amplified the statement by a generous interpretation of its clauses. The essence of it is that the world of the future should be based upon political and economic freedom.

The peoples of every country should be free to choose their form of government according to their own needs and wishes, unfettered by any external pressure or influence.

The allied powers seek no territorial or other aggrandizement for themselves. Territorial changes should only be made in accordance with the wishes of peoples concerned. It would seem that the exaction of reparations or penalties from the vanquished by the victors is repudiated.

The declaration recognizes that the establishment of independence and self-government for national groups which are bound together by ties of race, language, culture, or other interests is not in itself sufficient to safeguard their life and prosperity. It must be accompanied by the establishment of economic conditions that will secure for them equality of opportunity. For this purpose "they will endeavour, with due respect for their existing obligations, to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and raw materials of the world which are needed for their economic prosperity." "They desire to bring about the fullest collaboration between all nations in the economic field, with the object of securing for all improved labour standards, economic advancement and social security." In elucidation of this the Prime Minister said in his broadcast: "Instead of trying to ruin German trade by all kinds of additional trade barriers and hindrances, as was the mood of 1917, we have definitely adopted the view that it is not in the interests of the world and of our two countries that any large nation should be unprosperous or shut out from the means of making a decent living for itself and its people by its industry and enterprise."

If these statements mean anything, they mean freedom of trade. That is the first condition of economic collaboration and of access on equal terms to the trade and raw materials of the world. Freedom of trade must consist not only in the abolition of tariffs, but also in the removal of all other hindrances such as exchange

restrictions, quotas, export taxes and any other device which is intended to favour some particular industry or group.

There is one qualification in the Declaration. The phrase "with due respect for their existing obligations" needs explanation. It would appear to relate to trade agreements made between one country and another. If it means no more than that such agreements should not be broken but should continue until the time arrives when they can legally be terminated, no objection need be raised. In such cases steps should be taken to put an end as speedily as possible to any agreements which are contrary to equal freedom of trade with all the world; that course alone is consistent with the spirit of the Declaration. Every attempt to perpetuate tariffs and restrictions and discriminations should be sternly resisted no matter how plausible the arguments in their favour may be. The selfishness of individuals or of groups of individuals, trying to establish monopolies for themselves, must not be allowed again to imperil the peace of the world.

But freedom of trade is not enough. That alone will not secure access on equal terms to the raw materials of the world. Full access to raw materials can only be secured by full and unimpeded access to the land from which they are derived, and so long as monopolistic land ownership is allowed to continue that prerequisite of a free and equal and peaceful world cannot be satisfied.

The British Empire has already given some examples of how this goal of equal access to land can be achieved in an orderly and rational fashion. In Northern Nigeria, since 1910, it has been the law that all land is held in trust for the people. The only right which an individual can have in it is one of use and occupancy. He must pay a rent for the land which is revised from time to time according as the value varies. So long as he does this he has security of tenure and security for the improvements which he makes, for the rent is based on the value of the land disregarding the improvements. Similar legislation is now in operation also in Tanganyika, and has been in a much more limited form since 1884 in Malaya.

These examples, it may be said, relate to lands with a more primitive economy and where the inherent rights of the people to the land had not been so completely lost as they are in most countries. But here again the legislation for local, and in some cases national, taxation of land values in Australia, New Zealand, South Africa,

and Canada show the way in which the same principle may be asserted in a developed economy where individual legal title to land has been established. By requiring the holder of land to pay a portion, and ultimately the whole, of the economic rent to the state by way of taxation, we assert the right of the community to its share, while leaving to the citizen the results of his own labour and expenditure.

At the same time land value taxation secures access to raw materials by requiring the holder of the land to pay to the state for the privilege of holding them, whether he uses them or not. Thus it ceases to be profitable to hold land out of use and access to raw materials is secured.

This change is needed not only in colonies and protectorates, for it is to these that thought first turns, but in all countries. It is essential that the people of Britain or France or Germany or the United States should have access to the land of their own country upon equal terms. If they do not have this, they will be deprived of facilities for producing and trading at home, and this is far more important and fundamental than access to raw materials abroad.

It may not be without significance that Mr Churchill said that Napoleon's armies "carried with them the

surges of the French revolution—"Liberty, Equality, Fraternity," that was the cry. There was a sweeping away of outworn medieval systems and aristocratic privilege: the land for the people, a new code of laws." We have not yet got the land for the people, but we know better how to get it.

The whole argument is reinforced by the consideration that when tariffs are abolished other sources of revenue must be found. The needs of the state as the agent of the community can best be met from that revenue which arises from the common activities of the community, and not from taxes which hinder trade or fall upon consumption.

Liberalism interpreted the Atlantic Charter is indeed a new Great Charter of Liberty. Mr Churchill has made it clear that he sought and obtained the assent of the member states of the British Commonwealth of Nations. It has been approved by the Russian Government, and, we may hope, will be approved by the next meeting of the Inter-Allied Conference. Let us pray that in every sense it represents "the marshalling of the good forces of the world against the evil forces" to lead the toiling masses "forward out of the miseries into which they have been plunged, back to the broad highroad of freedom and justice."

LAND VALUES AND TOWN PLANNING

IN THE Summer number of *Town and Country Planning* appears the first instalment of a long article by Mr F. J. Osborn entitled "Compensation and all that." The whole tenor of it is that town planning is a problem of land values. It may be useful to quote the following passages.

"Hitherto I have left out one most important effect of planning. I have talked a lot about restrictive zoning and reservation of farm-land from building, which clearly tend to reduce the values of the land to which they are applied. But there are indirect effects. Stopping or restricting building in one place does not mean that there is less building. It only shifts building from one place to another. If we preserve a country belt for 10 miles round London, and also limit the density in the built-up areas, we thereby stimulate building somewhere else; possibly in smaller towns, possibly in new towns (if we see that such new towns are started in practicable places for people to live and carry on industry in). Thus there is not a total reduction of land values. But there is a considerable redistribution of land values.

"We have seen that it is not always easy to judge whether and by how much the restrictive zoning of given areas of land (whether undeveloped or built-on) reduces its value, because we can never really tell how far it merely confirms, and how far it alters, the expectation on which the previous market value was based. What is more, just because different people have different forecasts of how a piece of land is likely to be used in the future, even 'market value' itself is uncertain and fluctuating. And as any valuer or planner will tell you, the assessment of 'injurious affection' resolves itself into the hearing of widely different estimates by experts on both sides who start from entirely different ways of looking at the case.

ELUSIVENESS OF 'BETTERMENT'

"Difficult as is the assessment of the direct adverse effect of planning, it is child's-play compared with the problem of finding out to what area and to what owners the benefit goes. It may be the next plot, it may be an unknown plot in the next suburb, it may be spread

over dozens of areas in other towns or other parts of the country altogether.

"This is the main reason why it is impracticable to make 'Betterment' pay for compensation. It is not really possible, in most cases, to make a scientific assessment of fair compensation—but because of the intense personal interest in public actions which damage private interests, some rough estimate simply has to be made to quiet personal grievances and to satisfy the public conscience. In the case of *increases* of value caused by planning, the public conscience is not aroused at all and the public sense of grievance very little. The degree to which individual consciences might be rendered uneasy by unearned benefits would no doubt vary widely—but the question rarely arises, because in the sort of case we are dealing with (which is the typical case) the individual is not more able than is the state to judge whether his property has been increased in value by planning in some other area, or even in his own area. And if he suspects he is benefiting, neither he nor the state has the least idea of the amount of that benefit.

"The one case where Betterment could be easily assessed is the case, which has hardly had time to arise yet, where there is already a planning scheme which zones the land for one use, and an amending scheme is introduced in which the same land is newly zoned for a more profitable use. In such a case, without much doubt, Betterment would be claimed and would be fairly assessable as soon as the change of use came into effect. But it is likely to be a rare sort of case, and does not help us over the main problem of providing adequate funds for the much more frequent cases when 'injurious affection' will be apparent."

While labour-saving improvements do increase the power of labour, no improvement or invention can release labour from its dependence upon land. Labour-saving improvements only increase the power of producing wealth from land. And land being monopolized as the private property of certain persons, who can thus prevent others from using it, all these gains, which accrue primarily to labour, can be demanded from labour by the owners of land, in higher rents and higher prices.

HENRY GEORGE in *Social Problems*.