

PLANNING AND REPLANNING

Land Valuation the Foundation

THE DESTRUCTION in some cases of areas of appreciable size in our cities has directed attention to the need of replanning them on better lines. The government have asked Lord Reith, the new Minister of Works and Buildings, to consider and report upon the problem. Much has been written on town and country planning. A brief and stimulating discussion of it is contained in Mr Geoffrey Boumphrey's *Town and Country To-morrow* (Thomas Nelson & Sons, Ltd., 2s. 6d.) which has just been published.

In an introduction to this book Mr Herbert J. Manzoni, Engineer and Surveyor to the City of Birmingham, says that there must be "drastic reform of legislation to be carried against the opposition of vested interests." Mr Boumphrey himself says that the three obstacles are ignorance, inertia, and the influence of vested interests. He disclaims the intention or the ability to discuss "sociological finance," but the point keeps cropping up all through his book. The vested interest is the landowner. The private appropriation of land values is the obstacle.

Mr Boumphrey lays down the sound principle that "in the present state of the country's exchequer it is quite evident that the gain must be financial in addition to any other advantages obtained." He says that "no one could claim that our vast rehousing schemes since the last war have paid for themselves in cash." Adding that his own investigations have led to the same conclusion he quotes Miss Elizabeth Denby (*Europe Rehoused*): "The policy of granting a direct subsidy for land and buildings has been surprisingly extravagant. It can be justified only if these expensive new British homes surpass those of every other nation, incorporate every requisite for happy and healthy lives, and combine to form new areas which will wipe out the ugly heritage of the old industrial slums. On analysis, however, this is not so."

"The essential fact to grasp in considering urban land values is that whereas their increase is almost invariably due to the initiative of the community, perhaps through the actions of the local authorities or perhaps from some broader commercial, industrial or social change, yet the profits resulting from this go straight into the pockets of the private landowner. Even so long ago as 1892, when London was still of manageable size as seen with our eyes to-day, it was calculated that the landlords had seen the value of their property appreciate by one-third in twenty years—a handsome gift of net unearned increment from the community to a few individuals! Much is said about the danger of interfering with private enterprise; but in this particular field it is rare indeed to find an instance where the individual has shown enterprise commensurate with the benefits he has derived. We have now reached a stage at which the profits derived from the land in the centres of all large towns have become a quite intolerable burden on the community. In central London land values of from £10,000 to £20,000 per acre are bringing the cost of small non-parlour flats up to close on £950; Manchester is spending over £800 for flats on land costing £7,000."

What is the consequence of all this? "Left to its own resources every large town in the country would go bankrupt and fall into chaos to-morrow. What has actually happened is that the taxpayer all over the country has been called in to pay off the colossal losses in the towns. As a result of their wasteful and unhealthy concentration, central land values have soared up to a point at which no municipality unaided can afford to rehouse its people on them. The Government steps in and pays a subsidy of up to £495 per dwelling... As a result of their appalling traffic conditions, the big towns are compelled to undertake all sorts of costly clearances, road widenings, the building of bridges, the installation of traffic lights, and so on. They could not pay for these themselves—so the Government steps in and, through the Ministry of Transport, pays a large proportion of the cost." By "its own resources" Mr Boumphrey no doubt means the sources of revenue which a town at present may legally use. If there were included in those resources, as there properly should be, the land values which the citizens have created, it would be a very different

story. The whole problem would be solved. Mr Boumphrey, unfortunately, does not go so far as this, but confines himself to the idea that "increases in land values resulting from the expenditure of public money should be placed to the credit of public funds rather than in the pockets of private persons." This is not sufficient. All land values, and not merely the increase over some particular datum line, are community values or public values. They are not due solely to what has been done in the past, but to what the community is now doing and will do in the future.

It is also suggested that planning may be facilitated by legislation of the type of the German *Lex Adickes*, under which areas of land in different ownership are pooled and redistributed to the owners so as to get a better lay-out, free from the obstacles of arbitrary boundaries of various ownerships. The advantage of this is that the public has to find no money for compensating landowners, but it is a proposal which, in practice, appears to be limited mainly to undeveloped land, and it does not even secure increases in land values for the public.

Our existing law relating to town planning does purport to give powers to recover up to 75 per cent of the increment of land values (or betterment) arising from the replanning, but the law is in fact a dead letter. It is so for two reasons. One is that there is in existence no general valuation of land values by reference to which increases in land values can be measured. The other is that it is practically impossible to segregate one particular factor and say how much of the increase in land value is due to that.

This brings us to a report of the Town Planning Institute on *Compensation and Betterment*, which has recently been published. (By the Institute, 11 Arundel Street, London, W.C.2. Price 1s.) This body comes to the conclusion that "essential planning and particularly replanning cannot be carried out effectively under the existing legislation governing compensation and betterment; nor under any development of a system which involves the separate assessment of compensation and betterment in respect of each individual interest." They recommend that "where private ownerships present an obstacle to securing planned development, re-development or conservation on an economical basis, essential simplification and equity are likely to be best achieved by wholesale purchase of areas by planning authorities." The intention of this evidently is that instead of paying compensation for injurious affection, the land in question should be purchased outright. This does not, however, prevent what happens at present "that although the effect of a well devised scheme is likely to be to increase values in the aggregate, the promoting authority may be considerably out of pocket on balance."

A better line of approach is suggested by two precedents quoted in the report. One is the Wimbledon and Putney Commons Act, 1871, which provided that the interest on the purchase price and the annual expenses involved in the reservation of Wimbledon Common and the purchase of the rights of the Lord of the Manor should be met by a special rate levied on adjoining properties at varying amounts according to their distance from the common. A similar provision was contained in the Maldens and Coombe Urban District Council Act, 1933, relating to the acquisition of two golf courses and other adjacent land. The defect of these two measures is that the rate was levied upon the occupiers and upon the value of the houses as well as of the land, whereas the permanent benefit went to the owners of the land, and they should have paid according to the value of their land apart from the value of the buildings and improvements.

The operation of all schemes for purchase of land or the collection of betterment is in any case made practically impossible by the fact that there is no general valuation of land which can be used as a standard of comparison. The report recommends, and this is its most valuable recommendation, "that all the land of the country should be valued. Such a valuation to be made by one authority, on uniform principles. The same authority should be responsible for all valuations of land and the present system

by which, for example, one authority values for purposes of death duties and another for rateable value, should be discontinued." It also recommends that "this universal valuation should be revised periodically, say every five years, and should govern the terms of purchase by public authorities and serve as a datum line for the assessment of compensation or betterment." This proposal is essential, and should be put into operation before the nation or local authorities are committed to any grandiose schemes of planning which may involve large expense and heavy charges on public revenues.

An extremely important point which is not mentioned in the report is that this general valuation should show the value of land apart from buildings and improvements. Unless this is done it will be impossible to achieve uniformity of valuation, neither will the valuation be of any use for purposes of comparison between one period and another if buildings, which may have been altered in the meantime,

are lumped in with the land value. Moreover, unless the valuation shows the value of land apart from buildings and improvements, no means will be provided for amending our obsolete system of local taxation. It is not only necessary to plan in order to obtain a suitable lay-out of buildings and roads, it is also necessary to ensure that buildings shall be built, otherwise planning has no point. Local taxation is a tax, often amounting to 50 per cent or more of the annual value of buildings, and it is essential that this penalty should be removed. Less taxation on buildings and more on land values must be the watchword of those who wish to see something effective done to secure better housing and better conditions generally.

There is a great opportunity here for our new Minister of Works and Buildings. Let us hope that he will grasp it courageously, and that he will make a general valuation of all land values the starting point and basis of the whole plan.

WEDGWOOD'S MEMOIRS*

It is a great thing to have led an active and adventurous life; it is a great thing to have won distinction and to have borne arms in three wars; it is a great thing to have represented one constituency in Parliament for 34 years; it is still greater to have it said as the Prime Minister says in his foreword to Colonel Wedgwood's Memoirs, that "the distressed of the whole world have learned to look to him, and through him to Parliament, for a patient hearing and the redress of wrongs." His friends and admirers everywhere will rejoice that he has put this story on record. It was worth telling, and it is told with frankness and simplicity so that those who know him as they read can almost hear the author speaking to them.

Certainly Colonel Wedgwood started life with many advantages. He was brought up in an atmosphere of intelligence and independence of thought. His grandfather had voted for the great Reform Bill, and had bought up land all over the country so that he might vote many times against slavery. Charles Darwin and other men of distinction were of that circle. Our Wedgwood was apprenticed at Armstrong's shipyard at Elswick, and studied naval architecture at the Royal Naval College at Greenwich. He thus had, in addition to a good general education, that scientific training which is invaluable to those who can reason logically, but which cannot teach reason to those without the gift. Meanwhile he had been introduced to politics, and in London came under the influence of the Fabian Society.

The South African War put an end to what might have been a distinguished career as naval architect and industrialist. The Elswick Battery of naval guns "as mobile as horse artillery but with four times the range, and telescopic sights" was the precursor of many changes in the art of war, but it was not the army which afforded a new career. After the war Wedgwood remained in South Africa, as one of Lord Milner's "Kindergarten," administering a large district, endeavouring, on the advice of his brother Ralph, to have the local revenues raised by a rate on land values, but getting only so far as to have them levied on the capital value of land and improvements. (The law of the Transvaal now, however, requires some, and permits all, of the rates to be levied on land values apart from improvements.)

Soon after his return from South Africa Wedgwood became fully acquainted with the ideas of Henry George, and soon the opportunity opened before him of doing something to promote them as Liberal candidate for Newcastle-under-Lyme, which he was elected to represent in 1906, and has represented ever since. The story of that Parliament and of the Budget of 1909 and the two general elections of 1910 receive less space than might have been expected. The war of 1914 marked a turning part in our political history and the high hopes of radical legislation to deal with the land question and taxation were dashed to the ground by the coalition led by Mr Lloyd George.

Although the principles of Henry George were not put into operation in the United Kingdom, it was thanks to Wedgwood that they were established in Northern Nigeria. He persuaded the government to appoint the Northern

Nigeria Lands Committee, the secretary of which was Mr (now Sir) John Anderson. Wedgwood persuaded his colleagues on this Committee to recommend that the paramount right of the State to the land should be maintained, that occupation should be on condition of paying a rent equal to the value of land apart from the improvements, that the rent should be revised at frequent intervals, and that the land revenue should be the basis of the budgetary system. The Governor, Sir Percy Girouard, was empowered to make an ordinance embodying these principles, and so on 1st January, 1911, there came into operation what *The Times* described as "the most far-seeing measure of constructive statesmanship West Africa has ever known." When Tanganyika came under British administration, Wedgwood persuaded Mr Amery, then Colonial Secretary, to take a like step, and so the Tanganyika Land Ordinance of 1923 established somewhat similar conditions of land tenure.

The tale is told here of Churchill's Royal Naval Brigade in Flanders in the autumn of 1914, and of the landing in Gallipoli as Wedgwood took part in it from the "River Clyde"—an epic of slaughter and courage which must read in the letters written at the time, of politics after that war, and finally to the present war and Wedgwood as one of the Home Guard and still a fighter for liberty. This is a book worth having. The price, unfortunately, is high, but it is at any rate a book to be borrowed and read, if it cannot be bought.

F. C. R. D.

FOREVER FREEDOM*

HERE is an anthology of a new kind. It is a collection of the writings of the philosophers, the prophets and the poets of liberty, and of the sayings and speeches of the statesmen whom they inspired. It is confined to those who wrote in the English language including in this the Bible, which, in its English version, is part of the heritage of the English-speaking world, and one of the foundations upon which have been built the liberties we now enjoy and the democratic system of government under which we live. There are passages marking the steps by which our freedom has evolved from the oath of King Æthelred and Magna Charta down to the speeches of Franklin D. Roosevelt and Winston Churchill in the defence of freedom to-day. There are passages by Henry George and others pointing to the freedom yet to be won. Colonel Wedgwood's introduction is admirable. The price is within the reach of all, and the book should be in the possession of all.

Mr Winston Churchill, speaking at Harrow School—which he attended in 1888—on 18th December, said: "When this war is won, as it surely will be, it must be one of our aims to work to establish a state of society where the advantages and privileges which hitherto have been enjoyed only by the few shall be far more widely shared by the men and youth of the nation as a whole."

* *Memories of a Fighting Life*. By Col the Right Hon Josiah C. Wedgwood, D.S.O., M.P. (Hutchinson, 18s.)

* *Forever Freedom*. An Anthology in Prose and Verse from England and America. By Josiah C. Wedgwood and Allan Nevins. Penguin Books Ltd. Price 6d.