

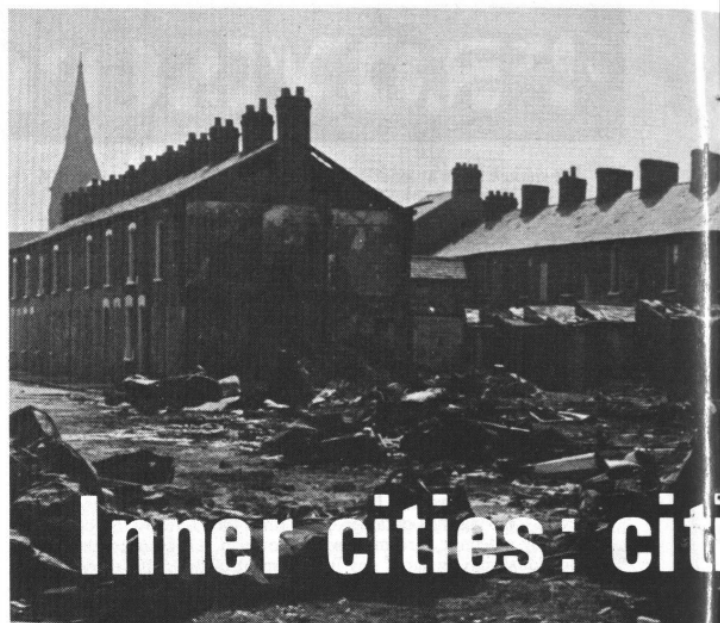
happens to our equal rights to that heritage? Will they not be violated? Spencer showed how to avoid violating those rights. If Nozick does not like the Spencer-George solution, what does he suggest as an alternative *that will still protect those rights*? How else can we make a reality of the Jefferson principle "Equal rights for all – special privileges for none"?

Consider what has happened as a direct result of our failure to protect our equal rights to our common heritage. A class of privileged landholders came into existence that are able to live off the ground rents charged others for the use of "their" land. The sums paid for the use of valuable sites can be enormous. Can anyone seriously claim that such payments are in exchange for a *service*? Does Nozick call this "distributive justice"? If not, what does he propose to do about it?

I hope I have not been too harsh in my criticism of a very small part of Nozick's book. It is a great book in spite of what I have said. I admire the thoughts of this deep-thinking individualist – particularly his repeated emphasis on the importance of not violating the Lockean proviso and his defiant attitude toward any state that violates men's rights. *That shows his keen sense of justice.* That his theory of property needs tightening is a minor thing by comparison. And I feel certain that when he re-examines Spencer – as Nock suggested – he will find the coherent, workable value-added scheme he badly needs to strengthen the philosophical foundation of his minimal state.

REFERENCES

1. John Locke *Of Civil Government – Second Treatise*, Chicago: Henry Regnery Company, 1955, p. xl
2. Robert Nozick *Anarchy, State, and Utopia*, New York: Basic Books Inc., pp. 174-182
3. Herbert Spencer *Social Statics*, New York: D. Appleton and Co., 1870, first published 1850.
4. William Penn suggested the same thing in 1693. He said: "If all men were so far tenants in common to the public that the superfluities of gain and expense were applied to the exigencies thereof, it would put an end to taxes, ...". See Penn, *Fruits of Solitude*, Part II, p. 222.
5. Henry George, *Our Land and Land Policy*, 1871, later expanded to become *Progress and Poverty* (1879)
6. For the benefit of libertarians who look upon *all* forms of taxation as legalized robbery committed by the state, it should be pointed out that a distinction needs to be made between a tax on the rental value of raw land and a tax on wealth produced by man. The former is really a *quid pro quo* – not a tax. It is a payment to all of us, through the government, for the right of exclusive use of part of our common heritage. Such a payment is necessary to prevent what would otherwise be the robbery of all citizens by a few, i.e., the private pocketing of the rental value of our common heritage.
7. To avoid any misunderstanding I should point out that George did not appropriate Spencer's theory of property. He arrived at it independently. There were also many others who arrived at the same principle long before Spencer. See George R. Geiger, *The Philosophy of Henry George*, New York: Macmillan, 1933.
8. Spencer, *op. cit.*, p. 144.
9. Spencer, *The Man Versus the State*, Caldwell, Idaho: Caxton, 1946, p. VII.
10. Nock looked upon Spencer's theory of property and George's adaptation thereof as "irrefutable". Of George's second "missionary journey" through England and Scotland he wrote: "On this whirlwind tour of incessant propaganda, he had two main objectives in view. The first was to make unmistakably clear his attitude towards all the works and ways of collectivism. He did this in so aggressive and workmanlike a style that one wonders anew at Spencer's ludicrous error in classing him with the collectivist. He preached straight individualism by day and by night, in and out of season. On the Marxians, led by the brilliant and able Hyndman, he declared open war, no quarter, and no prisoners taken. Socialists and near-socialists of whatever breed or brand went into debate with him only to die a horrible death under torture of the rack and thumbscrew. Never was he worsted, never forced to a tactical retreat. Never had the world seen such a powerful, popular exponent of uncompromising individualism, nor has it seen another like him since his day." Albert Jay Nock, *Henry George*, William Morrow and Co., 1939.
11. Nozick, *op. cit.* p. 178.



IN 1976 THERE were about 1,200 acres of vacant or unused land in the City of Liverpool.¹ It is suspected that similar situations exist in other urban areas throughout the country although the statistics are not available. The new Secretary of State for the Environment, however, intends to find out exactly how much vacant inner city land is held by local authorities and the nationalised industries. Mr. Heseltine's initiative in this matter will be welcomed by many people including the Royal Town Planning Institute which strongly advocated similar action in a draft report circulated in 1978.²

Having at last ascertained the facts about public land banks, the next step should be to value them. Privately held land should also be included. A requirement to value such land should have the effect of focusing the minds of both developers and local authority planning committees. Where conflicts of interest exist Mr. Heseltine and his officials should take swift action to sort things out. An excellent example of conflict of interests is currently being considered in London at the Coin Street public enquiry.

The Coin Street debate is about the use of a major development site on the Thames South Bank close to the National Theatre. Most of the site is owned by the Greater London Council. Numerous applications for development are being considered by the inspector. The local planning authority, Lambeth, supported by strongly voiced community action groups favour fairly low density predominantly residential, open space and community uses. The developers are seeking permission for offices, hotel and some high density residential uses. It has been estimated³ that the site-value for residential purposes is about £3 million under the present compensation code (say £15,000 a unit) while the value of commercial use of the land could be £11-13 million.

Of course, if the planning philosophy was to exploit the highest potential use of the land there would be only one logical outcome of the enquiry. Whether Mr. Heseltine will take this view remains to be seen. The case presents extremes of option for public policy planning in a field where many people feel that the decision should be left to the market place. Others raise their voices at the mere thought of such considerations being held to be paramount.



Citizens in conflict

The whole of the planning procedure with its commitment to public participation is virtually on trial. Although Coin Street is a special case in view of its proximity to the West End and Waterloo Station, it clearly illustrates citizens in conflict over a land-use decision. There are no doubt many other examples of less significance in other inner city areas. Such cases pose considerable problems for valuers. In the absence of clear land-use plans and firm decisions the valuation process becomes highly speculative within the existing legislative framework. The Royal Town Planning Institute has recognised the problem but so far has concluded that the need for a margin of flexibility in plans means that "a measure of uncertainty" is bound to exist.⁴ This gives little comfort to the valuer. And it does not excuse dilatory decision making.

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IN ADDITION to the vacant land issue and the other lack of clear decisions there are other problems confronting the valuers and land-use planners in the inner city. The economic structure of the inner cities is in transition. Nationally there is a declining trend in manufacturing industry, as well as a land-use trend towards green field sites offering better development and cost advantages with good access to the trunk road system. Even where planning authorities can offer inner city sites to potential developers with the objective of easing unemployment problems, the downturn in demand could result in lack of positive interest. In this connection it is significant that in some cases local authorities have bought, cleared and serviced sites at a cost greater than the disposal terms.

This process, known in the United States as the "writing-down" of land values, has subsidised historic owners at enormous expense to the taxpayer. This practice deserves the fullest public scrutiny and possibly some reconsideration of the compensation code as advocated by

the RTPI.⁵ To promote redevelopment through a public agency at a loss simply to improve the appearance of the environment or gain a few jobs or houses is an expensive economic policy if not complete nonsense. Maybe this truth is now seen by the Department of the Environment, as Mr. Heseltine has just turned down four London housing developments that would have exceeded Government yardsticks by 40 per cent.⁶ Islington's Councillor Pryce was quoted as saying "The average price of an acre of land in this borough is £200,000. The King's Cross site is a small awkward one in an area of high land costs. Unfortunately it's only too typical of the majority of our inner city sites."

There is no doubt that in spite of a considerable loss of population from inner urban areas and an exodus of manufacturing industry, central business districts and the zones surrounding them still command very high site values. Beyond these central locations, however, where the property market is still active, there is a belt of mixed use land which frequently includes vacant or deteriorating industrial buildings, some slums, municipal and rent controlled housing and publicly owned vacant land awaiting financial or planning decisions.

In these areas property values may be in decline but this is not necessarily the view of the remaining private owners hoping for a brighter economic future. The property market is imperfect and it takes time for downward demand changes to be reflected. These parts of cities are in transition and the market has frequently been dominated by local authority compulsory purchase. It is in these areas that the future opportunities for re-structuring are to be found. The compulsory release of publicly held land as envisaged by Mr. Heseltine could promote new development – most likely in the form of housing for sale or housing association projects. Small nursery industrial units might also be attractive. This remains to be seen.

IN THE MEANTIME, however, under the urban programme for this financial year, the Government is providing about £100 million in direct aid to seven "partnership areas" and nineteen "programme authorities." The recipient councils have probably asked for much more – the programme was inherited from the Labour government and could be cut next year. There is no shortage of claimants for taxpayers' money but there are signs that the new government intends to exercise some restraints, unpopular though this may be in some quarters.

On the positive side the public land schedules would be even more welcome if they were to be the first step in making a national cadastral survey of land ownership. A new Domesday Book is long overdue. The advocates of land reform should now take the initiative in pressing the government to extend its land inventory proposal to all vacant land earmarked for development. This is the first essential step towards a comprehensive land valuation. The way would then be open for more positive property tax reform.

REFERENCES

1. *Vacant Land, Inner Area Study: Liverpool*, Department of the Environment, 1976.
2. *Land Values and Planning in the Inner Areas*, Royal Town Planning Institute.
3. *Planning*, April 6, 1979.
4. *op. cit.*, 2 above.
5. *op. cit.*, 2 above.
6. *Municipal and Public Services Journal*, Aug. 31, 1979.