

# Land Planners and Land Taxers

BY P. R. HUDSON

**M**OST land value taxers would argue that the physical state of our towns and cities today, with their decay, slums and congestion, is attributable to the imperfection of a monopolistic land market that has operated for many centuries. To this extent they are well ahead of the town planners in diagnosis. Indeed, most town planners seem to believe that today's problems are the result of a free, fully competitive market rather than of a market built on the unsound foundation of the private appropriation of ground rent. Looking at consequences rather than causes, the town planners turn in the direction of control. In the hope that by exercising paternalistic authoritarian power in the guise of a benevolent dictatorship they may bring joy and better living conditions for future generations, they frequently tend to skate over the full economic implications of the policies they pursue.

Control, of course, implies enforcement, which relies on power. To a greater or less degree the town planners' power has been obtained with political support motivated by sometimes diametrically opposed ideologies, yet always under a flag of social improvement. Parties of the Left have used town planning powers to increase the degree of public ownership. Parties of the Right have used the same powers to re-enforce monopoly privilege. On occasions, action on the one side has led to reaction on the other. The town planners themselves have both ridden with the hunt and hidden with the foxes, accepting tit-bits like grateful hounds. Their motives are unquestionably worthy yet their methods are open to both criticism and abuse. The results of their endeavours in the United Kingdom have given impetus to political concern resulting in betterment levies that are totally unsound economically and a Land Commission that is ethically undesirable and administratively cumbersome.

These criticisms may appear to be harsh on my colleagues in town planning departments. It must be remembered and emphasised, however, that the true initiative is not theirs. It is a tribute to the town planners that in spite of political vicissitudes and the effects of the system of land tenure with which they have to cope, considerable improvements in the urban environment have been obtained. Who would disagree, however, that many of our towns stand as remarkable examples of British failure? Who would disagree that urgent improvement is needed? Who would claim that the conditions in our towns are the best that can be obtained? Both land value taxers and town planners are aware of the scope of the problem. Both parties believe they know how the solution is to be found and the direction in which they wish to travel.

Land taxers believe that real freedom in the land market and the lifting of restrictions on trade, commerce, choice

and enterprise, would do the trick; enlightened town planners realise the potential in market forces but distrust them and seek to impose controls. If, then, some reconciliation is to be effected (and I believe it must be in the long run), some concessions on either side would appear to be inevitable.

It seems to me that in an age of highly developed transport and communications systems, some decisions must, of necessity, be taken by government. The siting of a new airport, for example, has implications that affect many sections of the community, as travellers, exporters, producers and residents. Similarly, if it is acknowledged that the provision of roads and their maintenance is a local and central government responsibility, and if it is recognised that different types of land use will give rise to calculable traffic generation, it is not unreasonable to attempt to either limit the generating capacity to the available road space or to increase the road capacity to meet the new requirements. Whatever solution is chosen, however, someone must make the decision. It would be difficult to argue that such decisions can be made informally by general agreement. At this point the need for control, technical advice and delegated responsibility arises.

This recognition by the town planners of the need for control does not finish with transportation facilities and related problems. It extends to the preservation of the more valuable parts of the national heritage, the areas of scenic beauty and the buildings of architectural and historic interest. Control is further used to ensure that new development does not detract unnecessarily from the amenities enjoyed by others. The public looks to the planning authority for a degree of protection. Nevertheless the power behind the exercise of control can clearly be misused.

In the field of land use as contrasted with the use of wealth, limited personal objectives may obscure the ultimate wider consequences of decision making and can lead to a need to spend large sums on uneconomic public investment. To give an example, an increase in the intensity of use of a given site may give rise to an increase in traffic which affects the efficiency of adjacent undertakings. As a result pressure may arise that may lead to a costly road improvement that reduces the surface land available. Displaced traders will either wish to re-locate in the area or move to an alternative centre. If they follow the first course, an even more intensive use of remaining land will result in building up pressures for yet more traffic improvements. This can be called a process of self destruction. If on the other hand, displaced traders move to expanding younger centres, then the older centres lose vitality, economic force and land value. I do not suggest that there is a quick or ready answer to problems of this kind but I do suggest that there is need to look "where we are going" from the point of view of overall efficiency.

Land-use economics is still in its infancy, but as a body of knowledge it is trying to discover the rough forms of human settlement that will give the maximum return to both private and public investment.