

**"Why will this ticket to paradise be different? It won't, it will be the same tired script in a new play-bill cover: federal dollars hypnotising state and local officials: a further expansion of central government; further erosion of individual freedoms and of course vastly expanded opportunities for corruption."**

## Land Planning

### Panaceas in the U.S.

JOHN M. KELLY



ALFONSO X, ruler of Castile from 1252 until 1284, reputedly said: "Had I been present at the Creation I would have given some useful hints for the better ordering of the universe."

These sentiments are mirrored today by powerful men in Washington. Like Alfonso, they were not consulted by the Creator and would rectify that oversight by legislative *fiat* calculated to reorder at least a portion of the universe (the U.S.A.) to their image and liking.

This new Genesis (no seven-day affair) has been in the making for over six years and undoubtedly will surface in the ninety-fourth Congress as the most enlightened, far-sighted and reasonable legislation of the last fifty-eight years. Not since September 8th, 1916 (that day of blessed memory) will the fortunes of mortal man be as auspicious as on that approaching day when a National Land Use Bill becomes the law of the land; the dawn of a new era! What happened on September 16th, 1916? That was the fifty-eighth Anniversary of the day when Abraham Lincoln, speaking at Clinton, Illinois, laid down that timeless political maxim: "You can fool all of the people some of the time; some of the people all of the time; but not all of the people all of the time." President Woodrow Wilson celebrated that occasion by signing into law the Revenue Act of 1916; thereby delivering upon a grateful nation the blessings of the oil depletion allowance.

The National Land Use Planning Act will, of course, be enacted despite its initial failure at the hands of the House Interior Committee. To believe otherwise would be heresy; for by then the country will be crying for these new chains. In a campaign that would bring

joy to Pavlov's heart, the people, convinced they are tottering on the brink of ecological, social and fiscal disaster, will, in terrorized anguish, plead for deliverance. And as sure as the "right-thinking" media coalition have forecast doomsday so too will the "right-thinking" congressional coalition provide the vehicle to the republic back from the abyss—the National Land Use Planning Act. *Eureka!*

The prelude to the millennium has been with us for some time. Miles of video tape and tons of newsprint inundate the nation, describing in exquisite detail the horrors of urban sprawl: uncontrolled development ravaging our land and poisoning our streams, the air, and creatures of all species. Vicious, greedy industrialists are held out as reprehensible "enemies of the people," men who for profit despoil America's spacious skies, its purple mountains and fruited plains. As the evidence mounts one has to conclude that this burgeoning, cancerous, uncontrolled growth gobbling up farm lands and open spaces will soon leave us standing room only. The vision of the sandwich-board man is upon

us: "Repent—the world will come to an end next Tuesday at noon!"

Salvation, and the *only* salvation according to its proponents, (reinforced by "Revelations" emanating from the Council on Environmental Quality, the Department of Housing and Urban Development and the Environmental Protection Agency), will come with the National Land Use Planning Act.

Why will this ticket to paradise be different? It won't, it will be the same tired script in a new play-bill cover: great expectations; the carrot and the stick; federal dollars hypnotising state and local officials; a boon for the professional planner; a further expansion of centrist government; bloated, faceless bureaucracies swelling to new magnitudes: further erosion of individual freedoms and of course vastly expanded opportunities for corruption.

Regardless of nomenclature, land use planning or land policy movements (local, regional, state or national) have one common characteristic — they constitute zoning regulations. The history of zoning in minor jurisdictions fails to provide us with evidence that it accomplishes greater or more noble ends merely by being imposed from higher levels of government. Indeed the contrary is true, and has been proven so on many occasions. In American civic folk-lore no form of municipal corruption ranks ahead of the "zoning board fix," except perhaps adjusting traffic tickets; but the latter do not begin to have the economic corruption potential of zoning board manipulations.

Government control over land use through zoning has been unworkable, inequitable, and a serious impediment to the operation of the real estate market and the satisfaction of consumers. Indeed,

much of the now deplored urban sprawl was stimulated in no small measure by zoning regulations. The zoning concept was well characterized by noted author, lecturer, and real estate attorney Bernard H. Siegan who, in a talk in Washington, D.C. said:

"Zoning is determined through the political processes of government. It gives control over the use of land to a strange combination of politicians, planners, owners, courts, citizens, do-gooders, do-badders, etc. As a result, a host of factors and forces are controlling land uses that have virtually no relationship to maximizing production, satisfying consumer demand, maintaining property rights and values or planning soundly.

A further observation: the Federal Government already figures prominently in the land and building areas. About one third of the land in the nation; over three-quarters of a billion acres (some thirteen-plus acres for every household in America) is owned by the Federal Government! In housing and redevelopment the national government has a dominant position, principally in financial underwriting of urban renewal activities, subsidized housing etc.; and, the Federal Reserve Board's influence on lending activities in the nation produces a marked effect on private sector building. The record is far from comforting.

\*Former presidential advisor, Martin Anderson, has pointed out that throughout the nation the various urban renewal programmes destroyed three times as many dwelling units as they supplied. In many cities it will take scores of years, if ever, before the communities recoup the real estate tax dollars lost in the urban renewal process.

\*In the private market, housing



starts for 1975 are not expected to go beyond 1.4 million due principally to high interest and infla-

tion arising out of runaway federal deficits. This compares with over 2 million per year from 1971 through 1973.

\*In 1974 over 300 Federal housing and renewal officials were under indictment for illegal and improper activities relating to their official offices. The charges centred chiefly around extortion and bribery, illicit and unnecessary project costs which work against the consumer's interest. Expanded, comprehensive land use programmes under the national government will only extend and enlarge the opportunities for abuses of this nature.

Merely because direction of the National Land Use Planning is proposed to come under the Department of the Interior, rather than the Department of Housing and Urban Development, is not likely to change the nature of man.

At the state level government control or influence over land use is quite widespread and growing. Present measures include:

1. Tax incentives; notably differential tax rates on farm lands. Not an especially equitable arrangement but one which land speculators are delighted with. At least twenty-seven states have adopted such use-value assessment laws.<sup>(1)</sup>
2. State guidelines for local zoning jurisdictions, such as shoreline and flood-plain zoning criteria.
3. State controls over endangered areas or particular problem sources: Forestry preserves, wetland developments, siting of power plants etc.
4. State control of land development above a minimum acreage.
5. Total statewide land-use planning and zoning, as in Hawaii.

But the cry goes on: "We must have a national land use plan, or (implied) we perish."

\*In the 1972 Environmental Message to the Congress the President said: "We must create the administrative and regulatory mechanisms necessary to insure wise land use and to stop haphazard, wasteful, or environmentally damaging development."

(1) The outlook for farm ownership was enhanced even more on August 24th, 1974, when the Senate adopted a proposal by Sen. Birch Bayh (D) of Indiana to exempt \$200,000 of the value of a family farm from the Federal Estate Tax. The present exemption, applying to all estates, is \$60,000.

\*The A.F.L. - C.I.O. at their Tenth Constitutional Convention included in their formal policy resolu-



tions this statement: "America is in dire need of a national land use policy to enhance the quality of the land environment, guard against monopoly and speculation and provide the framework for programmes which will be responsive to the economic and social needs of the nation."

\*In a \$65,000 book sponsored by the Rockefeller Brothers Fund, the Task Force on Land Use and Urban Growth of the Citizens Advisory Council on Environmental Quality urged enactment of pending national land use regulation which it feels carries the proper balance between conservation and development interests and appropriately encourages state and local regulation.

In June 1973, the Senate, by a sixty-four to twenty-one margin, passed a land use bill (S.268). The House Interior and Insular Affairs Committee approved a similar version of the bill, H.R. 10294 on February 13th, 1974. Thirteen days later on February 26th, the House Rules Committee voted nine to four to postpone House Consideration of the bill indefinitely. This was not a defeat, it was not even a battle but merely a skirmish; the battle lies ahead, and preparations are well underway. Every weapon in the arsenal of influence is being used or readied: from Terblock cartoons to Rachael Carson's "Silent Spring;" from prestigious reports from prestigious foundations to living colour T.V. shots of fish going downstream—belly-up; then dissolving to quick, kaleidoscopic shots of smog-bound freeways interspersed with endless vistas of ticky-tacky development houses. And looming majestically above it all will be the slightly subliminal, but ever omniscient Federal father of us all who will soon set things right.

It is not in the nature of things

to be otherwise, for as Arthur Goddard points out in the preface to the English language edition of Frederic Bastiat's *Economic Sophisms*:

"Ever since the advent of representative government placed the ultimate power to direct the administration of public affairs in the hands of the people, the primary instrument by which the few have managed to plunder the many has been the sophistry that persuades the victims that they are being robbed for their own benefit. The public has been despoiled of a great part of its wealth and has been induced to give up more of

its freedom of choice because it is unable to detect the error in the delusive sophisms by which protectionist demagogues, national socialists, and proponents of government planning exploit gullibility and its ignorance of economics."

Thus, for those who do not, or will not think, the accumulating sophisms of the land use advocates will, with each passing day persuade: "the victims that they are being robbed for their own benefit." Measures of this sort go a long way towards fulfilling deTocqueville's prophecies: "Hence the concentration of power and the

subjection of individuals will increase among democratic nations, not only in the same proportion as their equality, but in the same proportions as their ignorance." A bit later in *Democracy in America* he further stated: ". . . till each nation is reduced to nothing better than a flock of timid and industrious animals, of which the government is the shepherd." With national land use planning the shepherd will be well equipped to keep all his flocks in their appropriate pastures, feed lots and yes, perhaps one day, even the slaughter chutes.

(To be continued)

## A Man With Money and an Ideal

ROBERT CLANCY

ALMOST forgotten today is Joseph Fels, the millionaire single taxer. The product that he developed, Fels-Naphtha Soap, at one time a household name, has been supplanted by today's detergents. Forgotten too is his active crusading and financial support for the Georgist movement everywhere.

A book has appeared in recent years recounting the Fels saga.\* Unfortunately, even this book did not make much impact and it too is nearly forgotten. But the story deserves to be told, and some day this as well as other neglected lore of the Georgist movement will come into its own.

In his book on Fels, Prof. Dudden presents what must be the first look in perspective at Joseph Fels and his relation with the single tax movement. Although it leaves one wanting more information, much research did go into it, as evidenced by the extensive notes, and it is hoped this may be further built upon.

Early in his career Joseph Fels, as part of a family enterprise, developed the soap that gave him fame and fortune and also showed a strong interest in social questions. He knew of Henry George's

work in the 1890's but it took some time for him to become fully converted. At first he experimented with putting the unemployed to work on vacant lots both in the U.S. and England, but the transitory effects of this solution disappointed him. When he at last turned to the single tax, no one was more dedicated than he. Lacking in Prof. Dudden's book is a sufficient explanation of the Georgist doctrine and why Fels became fully converted.

From the early 1900's to his death, Fels seemed to be everywhere speaking and spending for the single tax. He was one who, in the vernacular, "put his money where his mouth was"—although there were reformers who wanted his money without his mouth. For Fels was generous to various movements with the hope that he could win them over to single tax.

Among the movements that caught his attention was Zionism (Fels was Jewish) and he came into contact with Herzl, Rothschild and Israel Zangwill. But his support was contingent upon a Jewish homeland becoming a single tax land. Zionist leaders were not fully persuaded but they still worked together. Could not the Zionists see, Fels wondered, that Henry George was the only way to apply Moses today? There was a search everywhere for a suitable homeland—Asia, Africa, South America. Interestingly, it was Fels who pro-

moted Palestine long before the Balfour Declaration, while other Zionists backed off because of too many obstacles.

Fels also mingled with Fabian socialists—in those days all sorts of reformers hobnobbed together. The Fabians too welcomed his support but he made not a dent in their thinking.

About this time the leaders of the Russian revolutionary movement, including Lenin, Stalin and Trotsky, came to London seeking a loan which Fels granted them. He knew of the Henry George influence in Russia and he hoped somehow that his help would promote single tax in Russia. Events proved him wrong—but the loan was eventually paid back after the Revolution, to Fels' widow.

But of course it was the single tax movement which primarily engaged Fels' attention and funds. He shuttled back and forth between the U.S. and Britain, with forays into Europe, lecturing, campaigning, giving money. Besides being a generous contributor he was a strong and effective speaker who had great impact on his audiences.

Shortly after the formation of the United Committee for the Taxation of Land Values, Fels gave it financial support. Soon came the great opportunity to achieve land value taxation via the Liberal Budget of 1909-10, and Fels increased his support and active participation. So sure was he of its success that he returned to the U.S. to promote land value taxation there. He established the Fels Fund and promoted single tax

\**Joseph Fels and the single-tax movement*, by Arthur Power Dudden. Temple University Press, Philadelphia, 1971. Unfortunately this book is highly priced. Originally published at \$10.00, the price is now \$16.00. However, if any reader wishes to place an order through this magazine, every effort will be made to secure it for the lower price.