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## FALSE APPROACH TO TOWN PLANNING

THE LONG promised legislation on Town and Country Planning is likely to be introduced soon. The responsible Minister, Mr. Lewis Silkin, has spoken recently at a number of meetings on its general scope, indicating that it will have far-reaching application to the controlled use of land. Addressing a Press conference on January 17 he said that the biggest single deterrent to planning was compensation for owners of land. While he was not at liberty to disclose the details of the Bill, it would deal with the whole problem of compensation and betterment once and for all, and one of the things to be done was for the State to take over the burden of compensation. Asked whether the Bill would implement the Uthwatt Report, he was again evasive. "It will be a Bill," he said, "to deal with the problems for which the Uthwatt Committee was set up."

The transfer to the State of the whole cost of compensating landowners for restrictions imposed by planning is treated by the *Economist*, January 26, as "welcome news" although it has to admit that "the compensation bill, whoever pays it, will be a heavy one." The *Star* newspaper, February 7, proclaims with a show of authority that development rights in land are to be nationalised, the cost being borne by the Treasury, and all land in Britain is to be subject to a general restriction against development without permission. And this purchase of the so-called development rights is what the *Star* is pleased to call "the doom of land speculation." It rejoices in contemplation of the idea that the people are to buy from the landowners the value which no landowner did anything to create but which ought to be taxed into the public treasury.

This is not the doom of land speculators but their escape and recompense with rich reward for having stood in the way of the community. The bill of compensation will be a very heavy one as the *Economist* said, but there is no question as to who would have to pay it. Parliament would have to act the bandit to raid every cupboard and search every pocket to gather the revenue and hand the spoils to those favoured monopolists.

Those who speak of the value of development rights mean by it the difference between what would be paid for any land if it were restricted to its present use and what would be paid if it were free to be fully developed, a conception by the way entailing peculiar problems of valuation. The notion of these rights as landlord property which should be purchased by the public to clear the way for planning, whereby after the purchase no building development could take place save as the planning authority sanctions, was first mooted by the Barlow Commission on the location of indus-

try. Their suggestion was to apply these prescriptions to all land in Britain which had a building-development value and their "intelligent guess" of what it would cost the public to compensate these landowners for their "lost rights" was £400,000,000, based on 1937 figures. The Uthwatt Committee reporting in 1942 followed suit with similar plans except that they would have excluded from their operation land within recognisable built-up areas. They ventured no estimate of the cost involved, remarking that it was outside their province to consider the amount and that from the point of view of planning "the sum paid for the development rights should be regarded as of historical interest only." It was a singularly malapert statement but it conforms with the sentiments of all who think "moneys provided by Parliament" can without more ado build their Utopias.

The basic conception which underlies such proposals appears to be that a restriction shall be placed upon every plot of land preventing it from being used for any purpose other than that for which it is actually being used at the date when this provision comes into force. For the imposition of the restriction the owner is to be compensated. On the other hand no one will be able to use a piece of land by building or rebuilding or otherwise without obtaining permission to have the restriction lifted. For the permission he would have to pay a sum of money to the public authority administering the scheme.

This proposal, which in its essence is made in the Coalition Government's White Paper on Compensation and Betterment, appears to be a survival of an idea which was common in the early days of town planning. That idea was that town planning merely shifted land values from one spot to another, and that it would be quite easy to collect the increase in land value in the place where that occurred and use it to compensate the owner whose land was diminished in value. This idea was embodied in our Town Planning Acts from the beginning, but that part of the statutes has been a dead letter; no "betterment" has ever been collected.

The idea is a fallacy. The most recent writers on town planning have abandoned it. In any case, as the Uthwatt Committee so cogently pointed out, it is impossible to segregate the various elements which affect the value of land and to say in what proportion the total value is due to each.

The proposals now under consideration seem to forget all this, and to forget that one of the great difficulties in planning is the high price of land and that the price of land is unduly inflated by speculation and holding of land out of use.

Nothing in any such proposal will remedy these evils. The

*Star* in blatant headlines talks of the "Doom of Land Speculation." But is it the doom of speculation to pay the owners of land a speculative value? Is it not the reward of speculation? The owner will still be left in possession. He can reap every increase in land values which will accrue from the land in its present use, and this may be enormous—witness the difference between the site value of houses still standing in cities such as London and the site value with the identical building 60, 80 or 100 years ago.

If such a proposal is passed into law, it may well mean the payment of many hundreds of millions of pounds of compensation by the State with very little revenue in return. It will mean at this moment, when the demands of the transition from war economy are straining the nation's man-power to the utmost, an enormous amount of time wasted upon millions of claims and valuations, which cannot be settled on

any scientific principle and the ultimate determination of which will be of no value to the community.

No! What is wanted is a measure which will indeed eliminate land speculation, bring the price of land down to a reasonable level, provide the community with steady and immediate revenue, and encourage the development of land instead of sterilizing it indefinitely. All this could be achieved upon economically sound, and tried and tested, principles by means either of a uniform national tax on land values or by a general system of local rating on land values. If this were done the problem of compensation in the relatively few cases in which it was really necessary would be brought down to its true proportions.

If the Government proceed on the lines suggested so widely in the Press, the result will merely be frustration and failure,

## AGRARIAN REVOLUTION IN EASTERN GERMANY

(From our Special Correspondent in Germany)

IN THE Russian occupied part of Germany (Saxony, Brandenburg, Mecklenburg and Thuringia) all estates of more than 100 hectares\* were seized during the months of September and October, 1945. They were taken without compensation, whether or not the proprietors were Nazis or war criminals. The estates were subdivided into small holdings of a maximum of 10 hectares in exceptional cases and were given in ownership to small peasants, farm workers, small tenants, re-settlers and displaced persons. This took place not by any popular resolve or democratic act but at the command of the Russian occupation forces and under direction of the German officials appointed by them.

The execution of these revolutionary measures was marred by a complete lack of orderly control. Thus it happened in many places that the former estate owners were robbed by the land-hungry crowd; they were stripped of their personal belongings, of their food stores and their money; they were manhandled and sometimes beaten to death.

The newly created small farms are almost all without tools or stock. They offer such a poor chance of a livelihood that a number of the new settler-owners have had to be directed to the food offices and be supplied with ration books. Right into the winter most of the fields remained untilled just as they were left after the last harvest. As for the re-settlers and the displaced persons, their one concern is to have a roof over their heads without thought of doing any practical agricultural work.

By the end of November, 1945, the subdivision of the big estates had been completed. According to an official report, altogether 7,000 properties of more than 100 hectares with a total area of 1,648,888 hectares were apportioned, including 350,000 hectares of woods and forests. In total, 281,000 holdings were created and passed into the ownership of 59,000 land-poor people, 158,000 landless peasants and farm workers and 64,000 re-settlers. The size of the single holding is about 7 to 8 hectares and in some cases 10 hectares. Land-poor peasants who already had a hearth and home received only additions of 2 or 3 hectares. In exceptional cases the former large proprietors, if they proved to have been opponents of National Socialism or were recognised as exceptionally competent agriculturists, were able to retain from 25 to 100 hectares of their estates including buildings and part of their farm equipment.

These measures, falsely called "Land Reform" by the authorities, are in fact nothing other than a dictated and insufficiently conducted revolution in the conditions of land ownership. But in judging the events, there are circumstances not to be overlooked. It was imperative that shelter and

\* One hectare equals 2.47 acres.

occupation be found for the hundreds of thousands of the fugitives who had lost all, especially for those who fled from the East and from the former German lands annexed by the Poles. Moreover, the break-up of the large estates and the settlement of them by a peasantry is an age-old and well warranted demand which many proposals made by the German Land Reform Union (Bund deutscher Bodenreformer) have aimed to fulfil. But the Land Reform Union would attain reform by legislative process, not a revolution by brute force; a reform affecting rights to land which would establish justice where injustice formerly obtained; which would not set up new injustices in place of the old; a reform in land taxation by taxing land values which would effectually prevent the concentration of land-ownership in few hands.

Nothing of this sort has been effected in Germany. Just as the Nazis repealed the land value tax where it had been in operation, namely in the small state of Anhalt, so they obstinately refused to apply it anywhere and now Land Value Taxation is never mentioned by any party. The great estates have been parcelled in a manner that lacks any basis of justice. There is not the slightest guarantee against conditions arising of small owners, where they fail in their enterprise, giving up and selling out sooner or later so that bit by bit the greater and the great landowners will purchase these holdings. That happening, it may well be that ten or twenty years hence the territorial landlordism, which has always supplied the military cast and has actively supported the Nazi regime, will be restored to power in Germany.

The German Land Reform Union has not thus far had any chance to raise its warning and expository voice. Several months ago it applied to the Allied High Command for permission to express its views but that has not been granted. It cannot therefore undertake any activity. Even individual land reformers cannot utter a word in the Russian zone since all newspapers and the radio are under the control of the Russian censorship. No line may be printed and no word dare be spoken on the radio which implies criticism of measures enforced by the Russian authorities. What the German Land Reform Union especially deplors is the corruption of the term LAND REFORM, popularised by the great leader the late Adolf Damaschke, so that it is misused to describe the present agrarian revolution which so many Germans disapprove, whereby also the true land reform itself falls into popular disrepute.

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