

# Mass Transit

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Arner reported on his findings in a more polished article which appeared in the *Quarterly Journal of Economics* (August 1922). A co-worker, Helena Dickinson, supplied further value data in a 1929 publication (Thos. Adams, NY Regional Plan).

**C**ONTRARY to the assertion of Knight and Trygg, in *none* of these lectures or articles is it said or implied that the tax on land in New York or the special assessments on land in New York had resulted in a stagnation of development.

The facts in these presentations, as well as the entire logic of the case, lead to a directly contrary conclusion.

New York's land would have cost *more* in the absence of a special assessment; Arner tells us how much more.

Secondly, where there is more tax revenue from land in the City (including millions of dollars from owners of vacant land cited by Arner), less must be raised from construction. The outcome of special assessments on land value must be *lower land prices*

to the would-be developer as well as *lower carrying costs on actual construction*. Neither outcome could contribute to a "stagnation of development".

It is damaging to the public welfare to allow their naive and artful conclusion to go unchallenged; the sad fact is, however, that Knight and Trygg is one of the better, more recent, and comprehensive U.S. references on the land use impacts of rapid transit. It will continue to be relied on by politicians and their advisors.

The same is true of other compilers. On the matter of special rapid transit levies to capture land value, they are all skittish.

The San Francisco Bay Area Rapid Transit (BART) reports in particular must be read with a great deal of caution. A report summarizing the economic and financial impact of BART expresses "doubts" about a value capture policy (DOT P 30.80.04). A further report (DOT P 30.80.08) repeats these "doubts". Presumably these summaries are based on the Final Report (DOT-BIP-FR-14-5-78), in which Blayney and Dornbusch state that studies

provide empirical evidence that gains attributable to BART are small and

consequently would not make a major contribution toward meeting capital costs.

They then add a caveat.

A caveat is in order. Neither the Land Use Project nor the BART Impact Program set out to conduct a cost-benefit analysis, and these market impact studies should not be viewed with that objective in mind. (p.84)

Gladstone too is disappointing on this score. He refers to a study by Solomon which suggests that New York special assessments "may even have inhibited development". (That has a familiar ring!)

Gladstone then says the existing property tax "is already an effective way to capture value". He himself has become sceptical of the idea and says that the Urban Mass Transit Agency is moving to a posture of "apparent indifference on the matter". Having been badly advised, it is little wonder.

If my transit bibliography leads these same advisors to look a little deeper, to search more widely than is commonly done, I will feel the effort was worthwhile.

\*Mary Rawson, *Transit: The Nature and Role of Localized Benefits. A Selected Annotated Bibliography*. Centre for Transportation Studies, University of British Columbia, Vancouver, Canada V6T 1W5. 1983.

## Labour campaign for land tax

**T**HE ROWNTREE Trust has granted money to a group of socialists who are campaigning for tax reform.

The new group, known as Labour Land Campaign, was formed at a meeting in the House of Commons in February.

The initiative was taken by Mr. David Wetzel, the chairman of the GLC's transport committee, and Mrs. Kay Knight.

Says Mrs. Knight, who is the Campaign's secretary:\* "The call for land nationalisation would not be realistic in the present climate, even if it was a good policy.

"But the Labour Movement cannot continue to ignore such a basic economic and social influence as the system of land use."

The Campaign wants to focus its attention on land values.

"The value attached to land is a vast fund of private unearned income which socialists should be concerned to socialise simply because it is created by the growth of activities of society," explains Mrs. Knight.

"Government could recover this fund by collecting the annual



● David Wetzel

rental value of land, commonly called ground rent."

The last time Labour made a serious bid to introduce land taxation was in 1931, when the socialist Chancellor of the Exchequer made provision for collecting 8% of annual rental values. Conservative opposition proved strong enough to undermine the policy before it could be implemented.

Since then, interest in land value taxation has declined within the

Labour Party, but the new Land Campaign plans to force the issue on to the agenda of Labour MPs.

This will be done through meetings at constituency level, and articles written by Mr. Wetzel for socialist and trade union publications.

Mr. Wetzel's message is blunt: "Private land wealth is a huge injustice for the majority who are landless or who have to mortgage most of their working lives to acquire a small housing freehold".

The Land Campaign wants to mobilise socialists behind an effective programme of reform. Explains Mrs. Knight:

"Our members are reacting to the Labour Party's failure to nationalise land.

"They say that, because the party is only committed to a piecemeal approach to public ownership, and because the public pays huge sums for key sites, the party must have a comprehensive policy on land values, urban and country planning and land registry."

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