

Town Planning means Economic Planning

SAYS STEPHEN MARTIN

THERE EXISTS a popular conception that town and country planning has little bearing on economic planning; that the operation of the one can be isolated from the other, and that the use of land can be controlled without affecting the general production of wealth.

Many people, whilst condemning authoritarian control and direction of production and trade, accept restrictions and control of the individual who wishes to erect buildings and embark on land development. They support the action of the planning authorities in determining the location of industrial and residential areas. Many are concerned about the effect freedom of action would have on rural amenities and scenic beauty. Some even agree to the control of architectural design and the materials used in construction; the popular contention being that people cannot be allowed to do what they like, otherwise the cities, towns and villages would become ugly slums, and that people are so "ham fisted" that they cannot be trusted to carry out their own ideas.

What is not appreciated is that the action of authority must always be arbitrary in arriving at any decision. But of more importance is the effect such decisions have on living conditions, the economic life of society, as indicated in many of the objections made against the rulings of the planning authorities. Retailers and businessmen concerned with possible increase or decrease in trade scrutinise town plans and object or approve accordingly. Even where support for planning comes from small and isolated communities it is because they are concerned about the economic future for themselves and their families. For example, villages of approximately three hundred people have asked for an industrial site to be developed in their village.

That the planning authorities themselves give prior and extensive consideration to the economic effect of their plans is scarcely beyond dispute. The preamble to the objects of the Town and Country Planning Association reads, "where and how we live and where we work is the main thought of the planner . . . he has to consider the economic needs of *all* sections of the community." Anyone who has attended the courts of inquiry into appeals against planning decisions has ample evidence of this. Planning authority witnesses support their case by evidence as to the status, trade and professions of the residents, and their incomes, which quite apart from anything else is an affront to the dignity of manhood and personal liberty.

Thus control, direction and planning by authoritarian decrees of the application of labour and capital to land is

an integral part of overall economic planning and cannot be divorced from it.

Under the existing planning laws a man may be prevented from changing the use of his land although he may be convinced—and have positive proof—that by so doing he can increase his production and the rental value of his land. Not only does this denial of permission to change the use of the land depress the general level of the economic rent but it is often arbitrarily unjust in its incidence, since other site owners will be permitted the gains arising from being granted a change of use, the betterment levy notwithstanding.

Land monopoly, said Winston Churchill, is the mother of all monopolies, and by dictating the uses to which land may be put, planners are aiding and abetting this build up of monopoly. There is considerable evidence since the 1947 Town and Country Planning Act came into force that powerful industrial interests, including the national monopolies, have always been more successful in their applications for land use than the small industrial concerns and new industries. This comes about by the very nature of the present economic structure of society in which large undertakings can present a greater impact on service and responsibility than that presented by the one man concern.

This question of the growth of monopoly and the elimination of competition is one of supreme importance; on this score alone authoritarian state allocation of land use stands condemned in its entirety.

Walter Lippmann in his book *The Good Society*, like so many others who glorify liberty in glowing terms, falters when he comes to the land question. Dealing with the use of land he wrote, "all rights of private property in this patrimony must be subject to the condition that this natural inheritance will not be wasted or destroyed," and his conclusion was that conservation and zoning of urban and agricultural land is a permanent obligation. In other words, land being rightfully private property, we have got to appeal to the legislature to ensure that it is put to its proper uses. Not only did Lippmann falter when he came to the question of land use, but he turned his back on liberty and called on authority to use its power to plan and control land use. This is very sad because there is no greater exposure of the fallacies of overall economic planning than that found in his book.

Had Lippmann stopped to question the assumption that land is rightfully private property, he would not have made this fatal contradiction in his thesis. He would have discovered that free enterprise in its fulness was dependent upon the free use of land by all men provided they paid to the rest of the community its economic rent.

Finally, it should be realised that the true economic rent of land can be determined only by the use to which land is put by the people acting on their own initiative and in their individual (non-state) capacities.