

## THE GOVERNMENT'S RESPONSIBILITY

REVIEW OF THE PLANNING ACT, BY JOHN ORR — PART II

THIS question of property is at the root of all the problems arising from town and country planning. Mr. Dalton recognised that the value of land is created by the work of the community. Members of the Government responsible for the Town and Country Planning Act, Members of Parliament, members of Select Committees, who spend time in London, can see for themselves that the community, as represented by the London County Council and the Metropolitan Borough Councils, is the biggest capitalist and the biggest employer of labour in the County area. They can see the headquarters of this vast business in the County Hall and in the Borough buildings, and they can see branches in depots placed conveniently throughout the area. An inventory of the machinery and tools used directly by the councils and indirectly through contractors, a census of the employees, from the chief clerks and technical experts to the apprentices, would be an impressive list. Receipts showing the cost of the capital appliances used by the staff of the Councils, the cost of materials worked into the structure of the site of London and the amount of wages accepted per week, per month and per quarter by the employees in discharge of the value of the services they have rendered, would make a formidable sum. The object and result of this collaboration of capital and labour on such a vast scale is to equip the site of London with the local services its citizens demand.

Accounts of builders who erect and equip houses specify certain amounts of material supplied at certain prices, and so many hours' labour at so much per hour. Payment of these charges, which embrace all similar payments of a similar kind, from the beginning of the productive operation, constitutes the title to property which would satisfy Locke's definition. "Of those good things," he says, "which Nature hath provided in common everyone hath a right to as much as he could use, and had a property in all he could effect with his labour. All that his industry could extend to, to alter from the state Nature had put it in, was his."

If this is the principle of property, one would think it a straightforward task to apply it to the settlement of any questions arising from town and country planning. Mr. Silkin, however, seems oblivious to this simple guide. In a debate in the House of Commons on May 26, 1948, he enlarged on the difficulty of working the scheme of so-called development charges which he described truly as a novel conception, a highly intricate matter requiring difficult and technical treatment. He would not apologise for having had second or even third thoughts on the subject. He said they had consulted no less than 42 organisations about a set of regulations they were sending out with instructions in substitution of those given in the Act. He replied warmly to the criticism that the Central Land Board must act harshly and without flexibility.

The difficulties do not arise from the nature of the task so much as the attitude of our present legislators and the confusion of their minds. They have estimated the value of the "development rights" under this Act as £300,000,000 and appear to believe that this is land value—which they say is created by the community and not by the landowners. At all times, whether as a party or a government these legislators have presented themselves to the country as the representatives of the community in an especial and exclusive manner. In this

capacity the world would expect them to make a claim on the value of land on behalf of those whom they have persuaded to commit to themselves their interests for keeping. Instead of this they take pains to secure to members of the section whom they say do not create it the exclusive enjoyment of this sum. The incongruity is complete. Our rulers put their practice on to fight their principles and this inevitably produces anarchy.

Mr. Silkin plays the part of the political Socialist with as much zeal as any. It seems strange that he spends so much time in attempting to belittle the valuation of land. "Valuation," he told the House of Commons on May 26, 1948, "is not an exact science. There is room for differences of opinion and it is always possible to put different values on land." It may be that this view is partly responsible for his failure to take the opportunity of helping to make valuation an exact science, and no failure could be more disastrous. Engineering is a science of measurement, and valuation is a science of measurement. There has been a great difference in their treatment by their respective sponsors. Men who have devoted themselves to engineering as a calling, have devoted themselves loyally, steadily and enthusiastically to the work of making it a science. They do not shirk this task for any reason. They know that if they make a mistake unsleeping forces are waiting to take advantage of it and to cause loss or disaster.

Perhaps, if Mr. Silkin were to consider valuation as a form of measurement, he would recognise that where there is measurement there is no room for opinions, for the random guesswork of £300,000,000. He said he hoped the Central Land Board would "normally use the District Valuers as agents for valuations and negotiations." He then turned to the preparations of the plans which devolve on the urban and regional planning authorities. "The first step," he said, "is the survey . . . it will need the co-operative effort of economists, geographers, sociologists, and other professions to secure that all facts about the area are known. . . . Here there is room for considerable scientific research." This attitude is adopted so often that one cannot dismiss the suspicion that there is some set purpose in the repeated slights offered to valuers and their profession. Valuation is the touchstone by which the conditions of men's relationships to each other in their joint use of land should be ascertained and adjusted. The principle governing what is known as the Taxation of Land Values is a dominating principle. It would be enough that the valuer should be given a proper area and commissioned to go about and find on it what belongs to the State. From the beginning this search would be scientific. As it grew it would gain authority and produce results as wonderful as any material science.

It was a habit of the Socialist Party before it was strong enough to form a Government; as it is now when it has attained a singular measure of power, to decry claims made by those who argued that the taxation of land values would accomplish certain things. The Socialists now seem too presumptuous, partly, because the Land Value Reformers were too modest. Both know the history of the Budget of 1909, how the land clauses provided, however imperfectly, for some kind of valuation of land; how this moderate promise of reform moved the House of Lords to act rashly and violate the Constitu-

tion; how the Liberal Government challenged their action, and in a long struggle, supported by nothing except the approval of the country, broke the overweening power of the Lords. The Socialist Government to-day, in its Parliament Bill, is making use of this incidental achievement of land-value reform. Anarchy introduced from an international source subverted this movement for reform. The treachery of the author of the Budget, joined with the policy of its opponents in repealing it. But the reform still retains its power. The State Valuer and the State Collector of Land Value, dealing with the individual lords of land one by one, can break their power as the House of Commons broke the centralised strength of the Lords.

The State Valuers, going about the country to ascertain the value of land, would discover more fully the conditions on which this value depended. Like all scientific workers they would educate themselves. Everything which affected the value of land would be in their care. Everything which interfered with its flourishing condition would have to be examined and, if possible, removed. There might even be omissions or activities of planners, which would prove detrimental, small details overlooked and mishandled, or ambitious schemes which might go against the general interests of the country. These would come in proper measure under the review and control of the valuer. It is time that the State should abandon the practice of treating the part as greater than the whole. No surer sign of a backward and uncivilized State could be found than our sectionalized valuation, valuers trained in the tradition of those who distorted value by accepting it as "value to the owners," as real value plus 10 per cent. to 50 per cent., or as "floating value." This exaltation of a section of the community over the whole community is a mark of conquest and of the slavery which persists as a consequence.

For the Government to declare that the value of land is created by the community, and then hand over any of this value to a small section of its members, looks like the action of irresponsible men. The influence of the owners has produced once more this faintheartedness. If the Government assumed for the occasion the attitude of men with unenslaved minds on the connection between earnings and property, they would be loyal to the community which they represent and as a first step strengthen its position by taking a substantial proportion of the value of land—say, one-third—by means of a tax or rate. Land reform is a very large and very serious task. There are other departments of the country's life more in need of it even than Town and Country planning. The appropriation of land and its rent has been landlord policy, step by step defeating the Domesday survey of 1086. It has been followed by soil erosion and more insidiously by human body and soul erosion. Over-renting and overcrowding spring from property in land. The victim, not the beneficiaries of this policy, need compensation. The disquieting consideration is that it has received fullest encouragement from a Socialist Government. They are "compensating" land owners and setting a precedent for more severe erosion of the community when bigger problems are met. They have apparently an unlimited belief in and respect for legislation and the alleged rights which it creates. But they should remember that the rights which have been written in man's nature transcend the rights which have been printed on Government paper. The second must honour and keep themselves in harmony with the first.

(Part I of Mr. John Orr's Review of the Town and Country Planning Act appeared in our November and December issue.)

## PALESTINE LAND SPECULATION

Mr. J. M. Berncastle, now in Newcastle-upon-Tyne, formerly Chief Valuer, Department of Land Settlement, Government of Palestine, had this letter in the *Daily Telegraph* of March 20:—

"As one who has practised land valuation professionally in Palestine for some 13 years, perhaps I may suggest an explanation for the discrepancy between Gen. Spears's estimate of £300 million as the value of Arab assets appropriated by the Jews and Mr. Yapou's dismissal of that figure as fantastic.

"During the British mandatory administration prices realised for land rose to levels which bore no relation to the capacity of the land to produce a return in the form of rent or produce. Stony hillsides and shifting sand dunes miles from any human habitation and incapable of being put to any productive use without vast expenditure were often sold at prices equal to those paid for first-class agricultural land in England.

"The reasons for this were various, but underlying them all was the demand created by Zionist ideals backed by Zionist capital.

"It is hardly to be expected that the Israeli Government will be prepared to compensate the dispossessed Arab owners on the basis of these inflated prices.

"Assuming that the appropriated Arab assets are correctly valued at £300 million on the basis of the prices ruling in recent years, their real or economic value would be much less."

We look back to the 1937 Royal Commission on Palestine which had many significant passages (see *LAND & LIBERTY*, September, 1937), revealing the intense land speculation that took place to the enrichment of the large Arab landowners and the impoverishment of the Arab masses, their misery and that of the Jews also. But despite all its testimony that land speculation was at the root of the trouble, the Commission reported its lame and impotent and cowardly recommendation that Palestine should be split into two States.

Mr. Ernest Bevin, only lately, in his distress and vexation, which ended in his throwing up his hands, said in a passing reflection that the Palestine question was a land question. The thought as well as any determination to act upon it passed into the thin air. The sadness is the falling of the curtain and the silent acceptance of the curse that sets men at each others' throats.

## WHAT NEW SOUTH WALES THINKS

Experience teaches. Mr. J. R. Firth informs us that lately, acting under the provisions of the N.S.W. Local Government Act, fifty ratepayers in the Fourth and Fifth Wards of the Municipality of Burwood petitioned the Council to hold a referendum on the question whether the rates should continue to be levied on land values only or on the composite value of land and buildings. The poll took place, those 50, and no one else, voting for rating the composite subject. The voting for continuing to levy rates on land values only, numbered 568. A significant feature of this referendum is that only property owners can vote. The land values system, tested and tried, has also *their* overwhelming approval. Burwood is an important Sydney suburban municipality.

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2d. HOW THE ENGLISH PEOPLE BECAME LANDLESS. And how to Regain the Land.