

ZONING

The Problem Exposed, but Solution Shunned

LAND is the only thing in the world that amounts to anything . . . for 'tis the only thing in this world that lasts, and don't you be forgetting it! 'Tis the only thing worth working for, worth fighting for . . . worth dying for." And thus the tone is set by Peter Wolf, quoting from the all time best seller *Gone With The Wind*.

Quotes, anecdotes and a plethora of information on land permeates *Land In America*. Sentence by sentence and paragraph by paragraph, the author demonstrates the multi-faceted causes of land values. Zoning, federal legislation, tax laws, land speculation, access and migration are all subjects developed in this interesting presentation of 600 pages. But alas, one flaw emerges – one of perspective.

Peter Wolf is a planning consultant to governments, corporations and private landowners, and has published on a wide range of subjects connected to land use, land values and planning. In dealing with planning, legislation affecting land, and an historical perspective of the importance of land, his narrative is impeccable. However, as he meanders into the realm of economics, notably as it relates to land speculation and taxation, there is much to be desired. Professionally, his thoughts are moulded by his clients' desires, and that may account for his limited horizons.

BY STAN RUBINSTEIN

Notes on buying and selling a continent – a chapter focusing on a brief review of land in this country – offers insight into land's imprint on the American scene. Through a series of brief vignettes and short commentaries, land itself becomes the focal point, as well as what happened on it and to it since white settlement. Methods of land acquisition by the federal government and its disposal to the private sector, are presented to make more understandable our situation as a nation of mixed private property and public ownership.

Federal Lands: Public Wealth and Private Privilege – a section devoted to public lands, details the extent of government ownership of land, about one third of the nation's total acreage. Illustrating the narrative with charts and graphs, the author depicts who owns the land and how it is regulated. Various departments are responsible for its use and regulation – the Bureau of Land Management having the most control. And the economic activity or the lack of it, can have an important impact on our economy. Marion Clawson, noted land economist, states that the total economic activity on the federal lands, including sale of goods, and foods and products derived from the land in 1957 accounted for about ten per cent of the Gross National Product, a sizeable amount. What industry has that much economic clout?

Most of our energy reserves are on or under public land; half of our oil and natural gas reserves, 40 per cent of our coal and uranium, and 80 per cent of our shale oil. These lands, or part of them are leased, but most are controlled by about one dozen corporations. Leasing of coal resources is an interesting example of how our natural resources are distributed – a sorry example of what can happen when government owns the land.

The New York based Council of Economic Priorities claims that the leasing of our coal resources is a "give-away" of public resources. Lease prices paid the federal government several years ago averaged one dollar an acre, state governments collecting an average of 41 cents an acre. An insignificant amount to pay for the use of our natural resources. Is it any wonder that a majority of these leases are not producing coal, but are being held for speculation? At these prices, what corporation would act differently? The five largest federal leaseholders control about 31 per cent of federal coal leases. And the largest? Exxon Corporation.

Recognizing that many factors affect land value, all of them external to the landowner, Peter Wolf, in his numerous commentaries, fails to identify the culprit. Although sympathetic to the injustices and inconsistencies of leasing, as with other areas affecting land use, he continually avoids coming to grips with the central problem.

Again, in his discourse on zoning and its effect on land value, he admits that through rezoning the manipulation of value is engineered by experienced politicians and land investors. Zoning, he claims, is the single most decisive arbiter of land value in America. With the first shoe dropped to the floor, one impatiently waits for the other, but to no avail.

Quoting Churchill that "unearned increments in land are not the only form of unearned or undeserved profit, but they are the principal form of unearned increment, and they are derived from processes which are not merely not beneficial but positively detrimental to the public" does not prevent Peter Wolf from stating that a high tax on land is unsound. Along with Churchill, Henry George, John Stuart Mill and Lowell Harriss are included as advocates of a land-value tax. Devoting scant space to their ideas, he shuns the merits of this tax, failing to recognize any connection between his solution and all the problems he dwelt on.

"There would be a deluge of selling, or at least of offering. Land would be available everywhere at lower prices . . . New construction would on the contrary, occur just as it does today; where the land is comparatively inexpensive and where there is a projected market demand. On a comparative basis, underdeveloped land all over the land would deflate. But the new tax on land . . . might also produce considerably less revenue than anticipated . . . It would also lead to runaway windfall profits for the owners of improved real estate, the very individuals who benefit directly and most extensively from federal regulations today."

Had Peter Wolf's research been as thorough in the areas of land-value taxation as in other subjects connected to the causes of increases in land value, he may have avoided these fallacious arguments.

Notwithstanding his myopia in economic matters, "Land in America" is well organized and professionally researched. Twenty-five pages of a bibliography can assist anyone who wishes to further study this area. Missing from his list of hundreds of books, however, are those dealing with land-value taxation.

● *Land in America: Its Value, Use & Control*, by Peter Wolf, New York: Pantheon, 1980, \$20.