

Have The Fabians Dodged Ricardo?

TIME was when the crusading philosophy of Henry George and the intellectual Socialism of the Fabian Society marched forward in dynamic co-belligerence. Their ultimate aims were not the same. There never was a doubt that the ideal society of the one would inhibit the full development of the other. But in those fervid days at the turn of the century Fabians faced the reality of Ricardo's Law of Rent. And the presence of Sidney Webb on the Committee of the Land Restoration League was evidence of a partnership which boded no good for the forces of entrenched Privilege.

But times change. The sharp teeth of political youth are blunted by time and compromise, and those of Early Fabianism have failed to survive the sugary corrosion of "modern" economics.

Nevertheless, such is the dearth of progressive ideas from the leaders of the political Left, that a Fabian pamphlet is still a work to be welcomed and studied. And when it has a bearing on the Land Question this is doubly so.

Not that *Paying for Urban Development* plunges at all deeply into the basic question of land ownership or of the right of individuals to appropriate the value created when human beings gather together in society. In this pamphlet the ethics of the status quo are not challenged. The author deals only with *future increases* in land value, commonly known as "betterment" and particularly, as he puts it, "the problems of compensation and betterment which arise with town planning."

The collection for the community of "betterment" has long held attraction for those with a nodding appreciation of land-value's social origin. Suggested by John Stuart Mill, given legislative expression by Lloyd George, and incorporated—after a fashion—in the Labour Government's Town and Country Planning Act of 1947, it appeals because it appears to bring a semblance of justice to the masses without hurting any current owners of land. A line is drawn. A new leaf is turned over. A clean sheet is started. This, at least, is the argument.

The argument is understandable but misconceived. If the present system, under which the rent of land flows into private pockets, amounts to injustice for the mass of the people (including many a small landowner), drawing a line at the present—and a veil over the past—will not reduce the injustice by one iota. The disease might be halted. It will not be cured. If the worker has been robbed of the fruits of his labour in the past he will still be so robbed in the future. Only the most complacent compromiser could distil consolation from the thought that to-morrow's robbery will not be quite so large as it might have been. To those who insist on facing facts, the mere

Paying for Urban Development. H. R. Parker. 22 pp. April 1959, 2s. 0d. net. The Fabian Society, 11, Dartmouth Street, London, S.W.1.

collection of betterment is no more than a measure of swag stabilisation.

It is, therefore, important to note that the "betterment" that the author of this pamphlet proposes to collect is not like that collected for a short period under the 1947 Act—does not even go as far as this. It would cover not only increases in land values but only those involving "development" under the Town and Country Planning Act. The owner of a piece of farm land being developed as a housing estate would pay a development charge. But the owner of the site of the village shop, which becomes a veritable gold-mine as the village grows into a town, would not be touched. As the Minority of the Erskine Committee reported in 1952:

"Substantial increases in site value can and do constantly take place because of increase in population or of public improvements or of other events increasing the utility or desirability of the site; and in many cases a large part or the whole of such increase in value may be realised without change of development."

To achieve the collection of this pitiful proportion of the land value it creates, the community would, under the pamphlet's proposals, be saddled with a procedure as bureaucratic as any that ever hatched from a planner's brief-case. Whenever land were needed for development the local authority would "acquire" it at its existing use value and lease it to the developer at its future or permitted use value. If no change of ownership were involved the local authority would impose a development charge of 75 per cent of the "development value". Other proposals deal with compensation and payments to cover "reasonable contingent losses".

Whether such a plan would be worth the candle is obviously open to doubt by even the most generous mind. The insertion of the local authority (and a compulsory purchase order) between the existing owner and the would-be developer would be cumbersome, to say the least. In effect, land would change hands twice instead of once. Staffs at Town Halls would have to be built up so as to arrange the take-overs and the leases. General "overheads" would mushroom. And there would be the usual frustrations and delays which inevitably occur when "A" is not able to deal direct with "B".

At 75 per cent of the full amount the newly proposed development charge would, in one sense, be an improvement on the 1947 version in that it would give the landowner 25 per cent to "go for". But what owner would consider 25 per cent an inducement to develop his land in face of the 75 per cent he would forfeit? In practice the deterrent to putting land to its best use would be little less fearsome than under the 1947 Act.

If the views of the pamphlet's author are widely held in the Fabian Society (and, to be fair, a general disclaimer appears in the inside front cover) it is plain that some

fundamental re-thinking is necessary. Such re-thinking might well take the following form:—

First, the recognition that "betterment" of land value—in fact the whole of land value—arises not through planning but through the presence and activity of the community. Planning alters the pattern of land values; it does not create them.

Second, the acceptance that the whole question of land value, as a financial and legislative matter, should be separated entirely from the question of town planning. If land values belong to those who create them (and do the Fabians deny this?) they must be collected via the taxation and rating systems, irrespective of the merits of planning.

Third, the appreciation that if this were done the alterations in pattern produced by planning would have little consequence. Land subject to planning "blight" would be reduced in value and the sums payable to the community would be correspondingly smaller. There would be no

need whatever for complicated schemes of betterment collection or compensation disbursement.

Fourth, and above all, Fabians must recognise that, on a matter as fundamental as this, there can be no compromise between what is right and what is wrong. The mere collection of betterment, whether related to planning or not, is no solution of the Land Problem. As Henry George pointed out so many years ago, to the extent that landowners retain their rights, by that same proportion will the mass of the people be denied theirs.

Paying for Urban Development is a far cry from Fabian Tract No. 6 which proclaimed the Fabian faith in the 100 per cent land-value tax. The Fabians have travelled a long road since, in *Socialism, True and False*, Sidney Webb insisted that there must be no "devices for dodging the Law of Rent". If this pamphlet represents the limit that the Modern Fabians are prepared to go in the struggle against the Privilege of Land Monopoly, there has been an awful lot of dodging en route. B.W.B.

Telling The World

Throughout the world readers of "Land & Liberty" maintain a steady barrage of letters to the press.

These by an American, a Briton and an Australian are typical.

TWO KINDS OF LAND REFORM

By Mr. Noah D. Alper, Director of the Henry George School, St. Louis, Mo., in the New York Herald Tribune.

LAND REFORM has proved a necessity in our time both in well developed and in underdeveloped countries. The approach unfortunately, is physical and not scientific. The result is highly limited and the methods in opposition to the trend of modern agriculture whereby fewer workers produce more.

Cuba, the latest in the field, places land reform high on their category of "musts". Again, they use the fragmentation process of taking over large areas of land and dividing it arbitrarily into plots. This system, says Capt. Antonio Nunez Jimenez, Cuba's land reform chief, follows the American pattern imposed on Japan by American occupation. The pattern was not a good one since it restricted acreage to less than good economic units. It did take the wind out of the Communist sails, as the Communists sought to win over the Japanese agricultural workers.

Another serious defect of the "Agrarian" approach to land reform is that it ignores the need for land reform in urban and in resource land.

Cuba's leaders could well look to what is happening to Jamaica, a small country near Cuba. This country is beginning the re-assessment of land and exemption of improvements. It is substituting the public collection of rent of land, which is scientific, as the Cuban imitation plan is not. The one plan will encourage economic use of land, labour and capital; the other (Cuban) will not. The one will encourage use of land without fear of exploitation; the other (Cuban) will not. The one will en-

courage the inflow of needed capital; the other (Cuban) will not; the one can be morally justified; the other (Cuban) cannot.

POPULATION AND HUNGER

By Mr. W. A. Dowe, Director of the Australian School of Social Science, Sydney, in The Anglican (N.S.W.)

THE newly released film of the Lambeth Conference is splendidly produced, and in most respects to be warmly commended. But it contains one blemish which cannot be allowed to pass unchallenged.

In the 1958 Lambeth Report there was a definite, though cautious, tendency to approve of measures for reducing the growth of population, and so to some extent supporting the Malthusian theory that population by a natural law tends to outstrip subsistence.

The film strengthens this tendency, though still somewhat cautiously. The spokesman-bishop who dealt with this aspect of the report gave the impression that the Malthusian theory is an established fact.

In my opinion this is regrettable, not only because I believe that the theory is demonstrably false, but also because it throws the blame for human want and misery on the Creator, instead of on political wickedness. No doubt the Lambeth Fathers did not intend to imply this, but they cannot escape the implications of the theory.

There is unlimited literature for and against the theory. The devastating attack in *Progress and Poverty*, and *The Geography of Hunger* (1952), should be read by all who are seriously disposed to study the great social problems of yesterday and today.

Put very briefly, some of the most obtrusive facts opposed to the theory are:—

(1) Every new mouth in the world is accompanied by