

THE COST OF TOWN PLANNING

IN AN article in the *Observer* (24th May) Sir Charles Bressey asserted that despite the zeal of civic authorities "few town planners would claim any decisive success for their efforts to improve our densely congested urban centres. The expense is prodigious and the machinery painfully cumbersome. Claims for compensation by individual owners affected are tangible and substantial; the counterclaim of the local authority for betterment is shadowy and elusive." The consequence is that progress is slow and little result is to be seen. Sir Charles refers to a case told to him by the clerk of a local authority "where within his lifetime compensation had been paid on three separate occasions for the setting back of one and the same shopfront in order to enable three successive street widenings to take place." Sir Charles goes on to say: "The outright purchase of the entire site in the first instance would obviously have saved a large outlay of public money, besides making a valuable addition to the civic assets." It should not be forgotten, however, that the purchase would have made an equal addition to the civic debt. The case mentioned is by no means typical, and does not provide a basis for the general proposition.

Sir Charles says: "Generally speaking, it is in the very core of our cities that this drastic replanning is most urgently needed and has been longest deferred, owing partly to treasured historical associations and partly to the high value conferred upon land by the demand for sites in so favoured a position." Historical buildings can usually be preserved by being suitably by-passed, but that frequently necessitates

the acquisition of more valuable land. It is the high land value which is the decisive obstacle. That is not going to be removed by a wholesale scheme of municipal land purchase. On the contrary if small purchases of land are so expensive and burdensome, large purchases will merely multiply the difficulties. This is not a case of taking a hair of the dog that bit you, but of inviting a hundred other dogs to bite you also.

Pursuing this line of thought Sir Charles adds: "There was never so favourable an occasion as the present for the compulsory acquisition of these rights [of ownership] by the municipalities, and with the nation in its present mind there is no reason to suppose that Parliament would impose terms of purchase likely to jeopardise civic prosperity." It is curious how prevalent is the idea that a time when the national debt is increasing by leaps and bounds is a favourable time for adding another huge amount to it or to the municipal debt. The present is far from being a "favourable occasion." And what does Sir Charles mean by terms not "likely to jeopardise civic prosperity." Are the owners to be paid less than the land is worth? Or is it expected that the state will subsidize the municipalities?

The interpretation placed upon Sir Charles Bressey's suggestion by the Lord Mayors of a number of large cities was made evident in the *Observer* of 31st May. The Lord Mayor of Birmingham said that "the local authority should be granted complete powers over all sites—indeed over all land in its area, and also the requisite financial credit to purchase and

develop it as required." What the Lord Mayor means by "financial credit" is not disclosed, but it is fairly clear that he thinks it is something which will save Birmingham from footing all the bill. The Lord Mayor of Bristol is more explicit: "Ownership by the municipality will enable the best schemes to be evolved, as, indeed, they can be, provided the National Exchequer will bear a proper part of the cost of acquiring areas suitable for planning to meet the needs of the future." However, the Lord Mayor does not explain what is the measure of the "proper part" which the State is to bear. The Lord Provost of Glasgow goes still further: "I am in general agreement with Sir Charles's point of view, but I would add that the facilities for replanning would be furthered and the local authority helped in its decision to replan areas in rebuilding if the whole cost of the buildings and sites required for clearance were met from national funds without charge to the local ratepayers." It now only wants some one to come forward and say that these projects would be furthered if the whole cost were met from international funds without charge to ratepayers and taxpayers.

When will our well-meaning public representatives wake up to the fact that the high land values which are the bane of all public improvements are created by the community, are brought into being and maintained by public expenditure? The first step is not to buy out the landlords, but to make land values contribute to the cost of municipal government. If that were done the problem would fall into its true shape and become readily solvable.

THE ENDING OF WAR-TIME CONTROLS

A PLEA has been heard in some quarters for the continuance after the war of the present "controls" over trade and industry. It appears to be believed that there is some intrinsic virtue in these devices—that they represent an instalment of communism, socialism, protectionism, or some other social philosophy. The truth is that practically all of these controls are systems of rationing the supplies of scarce articles of consumption or raw materials. They have been brought into existence because of scarcity. Their object is to distribute that scarcity as equally as possible between the consumers of food and other necessities, or to secure that supplies of raw materials go to munition factories instead of for civil production.

The reason for the scarcity is, of course, that so much effort has been diverted from normal production to war production, and in particular that imports have had to be curtailed to make shipping available for other purposes or to make room for war-like materials.

After the war our object must surely be to do away with scarcity, and with that to do away with the need, or the excuse, for rationing and controls. The change over from war activities to peace-time activities may take a considerable time. Mr J. M. Keynes, speaking at Manchester, on 20th May, said:—

"I believe that this time it will take us three years to recover from the effects

of the war. During that period we must willingly submit to discipline—progressively less severe than in time of war, but nevertheless more difficult perhaps to bear in time of peace. After that period we can reasonably expect to obtain a measure of prosperity and health not only not less but higher than ever before. We can only lay sound foundations for that by accepting the discipline of the first three years.

"During those three years we shall have to use our brains as never before. Orderly transition from war to peace, without the disorderly demobilization of last time and without avoidable waste of labour or materials, or excessive transitional unemployment, is not going to be easy. It requires the maintenance in principle of many of the war controls and of all rationing until the actual effects of abundance of supplies prove controls and rationing to be unnecessary. We have to be full of plans, unlimited in the ambitions of our projects, but rigidly disciplined in the order and the pace of their execution. It is to be a time, I hope, such as it has not been our good fortune to enjoy for many years for the use of the political, economic, and constructive imagination."

On this we would say, even if it be granted that the relaxation of war restrictions must be gradual, let us be critical of all arguments in favour of their continuance. Restrictions of all kinds conduce

to and support monopolies. The last war led to a terrifying and destructive growth of protective tariffs all over the world, reinforced by the still more dangerous devices of quotas and controls. All of these policies were advocated as being in the public interest. No monopolist ever appeared on the public platform or wrote a letter to the press saying that he would benefit by a tariff or a quota. The argument was always that these things were for the benefit of labour, would increase employment or raise wages, or that it was in the national interest to encourage certain industries.

Do not let us be deceived. The remedy for scarcity is abundance and not rationing.

Mr Keynes in the same speech went on to say:—

"For us in this island, our economic relations with the rest of the world are the clue to all else. Great Britain, the United States, and Soviet Russia will have the task of laying foundations for world relations in which every country can without hindrance exchange its surplus produce for the goods it needs from other countries. It is a matter not of the niggardliness of Nature but of the organization of relations, honest purpose, and, above all, hard and untrammelled thinking."

We agree. It is not a matter of the niggardliness of nature. It is, however, a denial of access to the resources of

nature, a restriction of opportunity for those who could make use of those resources. There should indeed be no hindrance to the exchange of goods, but there should equally be no hindrance to the production of goods for if they are not produced they cannot be exchanged.

This is a point which Mr Keynes and many others ignore or evade, but it is fundamental. The relations of man to land lie at the base of all social activity. Denial of access to land causes unemployment and all its consequences. Private appropriation of the rent of land puts

into the pockets of a few what has been created by the efforts of all, and obliges the many to pay heavy taxes so that the few may continue to enjoy what all have produced. If we change that we shall enable men to have abundance instead of scarcity.

DEAR LAND MAKES LOW WAGES

A CORRESPONDENT has sent us the following interesting extract from *A Text Book of Modern English History*, by G. W. Southgate (Dent & Sons Ltd.), Book II, Chap. XLII, page 279, the more interesting because, as our correspondent says, the author seems in his chapter not to have heard of Henry George, who in his economic teaching so fully reveals the relationship of the law of rent with the law of wages:

"Free settlement began in W. Australia in 1829. In order that settlers might be attracted, land was offered at a nominal price, and many large grants were made without any payment at all. The settlers received large estates which were too widely scattered. There were no markets for their produce, and the colony was almost without roads. Labour was scarce and wages high. Labourers newly arrived from Great Britain earned so much money that they were soon able to become landowners, and the shortage of labour remained unrelieved. Under such conditions the colony failed to prosper and the home Government was asked to send convicts to West Australia. This was done between 1849 and 1868, and the labour difficulty was met.

"A different policy was followed in the colonization of South Australia. Edward Gibbon Wakefield, an English writer, contended that, for a colony to be successful land must not be too cheap. It must be sold to settlers at a 'fair price,' so that immigrant labourers would have to work for some years before they could afford to become landowners. Wakefield argued, further, that if the price of land was substantial, there was less likelihood of the formation of estates of great size. The settlement of Adelaide, in 1836, was based on these principles, land being sold at 12s. per acre, and later at 20s. per acre. But fewer settlers arrived than was anticipated, for while they could obtain land for 1s. 6d. per acre in W. Australia, it was not to be expected that they would pay a much higher price in S. Australia. The colony incurred a heavy debt, and was saved from bankruptcy only by the discovery of copper."

In his *Science of Political Economy*, Henry George thus refers to the same incident:

"Edward Gibbon Wakefield visited this country (U.S.A.) in its more democratic days in the first quarter of the century, ere the natural result of our thoughtless acceptance of land and true property as alike wealth, and our desire to get in the first place an owner for land had begun to show so fully its effects. He was impressed with the difference between the society growing up here and that to which he had been used, and viewing everything from the standpoint of those accustomed to look on the rest of mankind as created

for their benefit, he deemed the great social and economic disadvantage of the United States to be 'the scarcity of labour.' To this he traces the rudeness of the upper class—its want of those refinements, enjoyments and delicacies of life, common to the aristocracy of England. How could an English gentleman emigrate to a country where he might actually have to black his own boots, and where no one could count on a constant supply of labour ready to accept as a boon any opportunity to perform the most menial and degrading service? He saw, as Adam Smith before him saw, that this 'scarcity of labour' came from the cheapness of land where the vast area of the public domain was open for settlement at nominal prices. Without the slightest question that the land was made for landlords, and that labourers were intended to furnish a supply of labour for the upper classes, he wished the new countries which England had yet to settle to be socially, politically and economically newer Englands; and, without waiting for the slower process of speculation, he wished to bring about in these new countries such salutary 'scarcity of employment' as would give cheap and abundant labour from the very start of settlement. He, therefore, proposed that land should not be given, but sold at the outset, at what he called a sufficient price—a price high enough to make labourers work for others until they had acquired the fund necessary to pay a price for what nature offered without money and without price. The money received by the state in this way he proposed to devote in paying the passage of suitable and selected immigrants. This would give from the start two classes of immigrants to settle the great waste places which England still retained, especially in Australia and New Zealand—the better class, who would pay their own expenses, and buy from the government their own land, which would at first have a value; and the assisted class, who, being selected from the best workers in the old country, would at once be able to supply all the required labour. Thus the new country, where this plan was adopted would from the first, while wages were still enough higher than in England to make working-men, especially if assisted, desire to go there, offer the inducement to a wealthy and cultivated class of a 'reasonable' and ready supply of labour, and save them from such hardships from the lack of it as made the United States so unattractive to the 'better class' of Englishmen.

"This plan was very attractive to the more wealthy and influential class of Englishmen concerned in, or thinking of, emigrating to the newer colonies." It was "another curious example of the perversion of the doctrine of the relation between land and labour" but "even its obvious inferences never affected the teaching of

political economy." We would add, not until *Progress and Poverty* was written, shedding its light on the matter.

Karl Marx in *Das Kapital* also drew the moral in the following passages:

"It is the great merit of E. G. Wakefield to have discovered, not anything new about the colonies, but to have discovered in the colonies the truth as to the conditions of capitalist production in the mother-country. As the system of protection at its origin attempted to manufacture capitalists artificially in the mother-country, so Wakefield's colonization theory . . . attempted to effect the manufacture of wage-workers in the colonies. . . .

"First of all, Wakefield discovered that in the colonies property in money, means of subsistence, machines, and other means of production, do not as yet stamp a man as a capitalist if there be wanting the correlative—the wage-worker, the other man who is compelled to sell himself of his own free-will. He discovered that capital is not a thing, but a social relation between persons, established by the instrumentality of things. Mr Peel, he moans, took with him from England to Swan River, West Australia, means of subsistence and of production to the amount of £50,000. Mr. Peel had the foresight to bring with him, besides, 3,000 persons of the working class—men, women and children. Once arrived at his destination, 'Mr Peel was left without a servant to make his bed or fetch him water from the river.'"

From *The Times* of 23rd May, 1842: He (Lord Brougham) distinctly declares that a legislative provision for the poor is a grand mischief; and he refers to "The accursed statute of Elizabeth" as opposed to "the true principles of population on which a Malthus has enlightened mankind!" He takes his ground on these principles and on Malthus, who says, "A man who is born into a world already possessed, if he cannot get subsistence from his parents, on whom he has a just demand, and if the society do not want his labour, has no claim of right to the smallest portion of food, and, in fact, no business to be where he is. At nature's mighty feast there is no vacant cover for him. She tells him to be gone." This is Lord Brougham's creed.

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