

and Canada show the way in which the same principle may be asserted in a developed economy where individual legal title to land has been established. By requiring the holder of land to pay a portion, and ultimately the whole, of the economic rent to the state by way of taxation, we assert the right of the community to its share, while leaving to the citizen the results of his own labour and expenditure.

At the same time land value taxation secures access to raw materials by requiring the holder of the land to pay to the state for the privilege of holding them, whether he uses them or not. Thus it ceases to be profitable to hold land out of use and access to raw materials is secured.

This change is needed not only in colonies and protectorates, for it is to these that thought first turns, but in all countries. It is essential that the people of Britain or France or Germany or the United States should have access to the land of their own country upon equal terms. If they do not have this, they will be deprived of facilities for producing and trading at home, and this is far more important and fundamental than access to raw materials abroad.

It may not be without significance that Mr Churchill said that Napoleon's armies "carried with them the

surges of the French revolution—"Liberty, Equality, Fraternity," that was the cry. There was a sweeping away of outworn medieval systems and aristocratic privilege: the land for the people, a new code of laws." We have not yet got the land for the people, but we know better how to get it.

The whole argument is reinforced by the consideration that when tariffs are abolished other sources of revenue must be found. The needs of the state as the agent of the community can best be met from that revenue which arises from the common activities of the community, and not from taxes which hinder trade or fall upon consumption.

Liberalism interpreted the Atlantic Charter is indeed a new Great Charter of Liberty. Mr Churchill has made it clear that he sought and obtained the assent of the member states of the British Commonwealth of Nations. It has been approved by the Russian Government, and, we may hope, will be approved by the next meeting of the Inter-Allied Conference. Let us pray that in every sense it represents "the marshalling of the good forces of the world against the evil forces" to lead the toiling masses "forward out of the miseries into which they have been plunged, back to the broad highroad of freedom and justice."

LAND VALUES AND TOWN PLANNING

IN THE Summer number of *Town and Country Planning* appears the first instalment of a long article by Mr F. J. Osborn entitled "Compensation and all that." The whole tenor of it is that town planning is a problem of land values. It may be useful to quote the following passages.

"Hitherto I have left out one most important effect of planning. I have talked a lot about restrictive zoning and reservation of farm-land from building, which clearly tend to reduce the values of the land to which they are applied. But there are indirect effects. Stopping or restricting building in one place does not mean that there is less building. It only shifts building from one place to another. If we preserve a country belt for 10 miles round London, and also limit the density in the built-up areas, we thereby stimulate building somewhere else; possibly in smaller towns, possibly in new towns (if we see that such new towns are started in practicable places for people to live and carry on industry in). Thus there is not a total reduction of land values. But there is a considerable redistribution of land values.

"We have seen that it is not always easy to judge whether and by how much the restrictive zoning of given areas of land (whether undeveloped or built-on) reduces its value, because we can never really tell how far it merely confirms, and how far it alters, the expectation on which the previous market value was based. What is more, just because different people have different forecasts of how a piece of land is likely to be used in the future, even 'market value' itself is uncertain and fluctuating. And as any valuer or planner will tell you, the assessment of 'injurious affection' resolves itself into the hearing of widely different estimates by experts on both sides who start from entirely different ways of looking at the case.

ELUSIVENESS OF 'BETTERMENT'

"Difficult as is the assessment of the direct adverse effect of planning, it is child's-play compared with the problem of finding out to what area and to what owners the benefit goes. It may be the next plot, it may be an unknown plot in the next suburb, it may be spread

over dozens of areas in other towns or other parts of the country altogether.

"This is the main reason why it is impracticable to make 'Betterment' pay for compensation. It is not really possible, in most cases, to make a scientific assessment of fair compensation—but because of the intense personal interest in public actions which damage private interests, some rough estimate simply has to be made to quiet personal grievances and to satisfy the public conscience. In the case of *increases* of value caused by planning, the public conscience is not aroused at all and the public sense of grievance very little. The degree to which individual consciences might be rendered uneasy by unearned benefits would no doubt vary widely—but the question rarely arises, because in the sort of case we are dealing with (which is the typical case) the individual is not more able than is the state to judge whether his property has been increased in value by planning in some other area, or even in his own area. And if he suspects he is benefiting, neither he nor the state has the least idea of the amount of that benefit.

"The one case where Betterment could be easily assessed is the case, which has hardly had time to arise yet, where there is already a planning scheme which zones the land for one use, and an amending scheme is introduced in which the same land is newly zoned for a more profitable use. In such a case, without much doubt, Betterment would be claimed and would be fairly assessable as soon as the change of use came into effect. But it is likely to be a rare sort of case, and does not help us over the main problem of providing adequate funds for the much more frequent cases when 'injurious affection' will be apparent."

While labour-saving improvements do increase the power of labour, no improvement or invention can release labour from its dependence upon land. Labour-saving improvements only increase the power of producing wealth from land. And land being monopolized as the private property of certain persons, who can thus prevent others from using it, all these gains, which accrue primarily to labour, can be demanded from labour by the owners of land, in higher rents and higher prices.

HENRY GEORGE in *Social Problems*.