

LORD MESTON said it was impossible for the private developer wishing to build houses to let "to compete with subsidised houses and, secondly, it is impossible for him in a great number of cases to buy land at an economic figure. If only local authorities would clear the land and then, subject to the approval of the Minister, tender it to private developers" some of the obstacles to building houses to let privately could be overcome.

LORD LATHAM: The cost of land in London is just fantastic; and it is the local authorities who have to bear a substantial proportion of that increased value. In some cases they have to bear all that increase in value — an increase which, of course, is very largely created by the activities of the community.

REPLYING to the debate, Earl Waldegrave said: I do not know whether it would be wholly unfair to say that a city grows rather like a tree: it puts on rings outside. One does not want to take the simile too far, but everyone knows what happens to the centre of a tree—it gets rotten. By the same simile the outside part of a tree is the sapwood — the flimsy bungalows and teashops, while there is a mixture of banks and slums in the centre. I think we must always see, and must take the greatest care, that when the centre of our tree, good solid heartwood, begins

to rot, we infill. We cannot afford to go on and on outwards all the time (the country has only a certain size) and leave nothing in the middle, although we shall then be immediately up against the problem of the very high cost of land in the centre and that must be tackled—and I hope to show that it is being tackled.

Where dwellings are erected on an expensive site an Exchequer subsidy is available towards the cost of purchasing and developing the site. The sort of thing taken into consideration is the purchase price, including legal expenses, the cost of clearing, the construction of roads, extra deep foundations, and piling and retaining walls.

Lord Douglas of Barloch considered rates an obnoxious tax—and I am inclined to agree with him. However, I am not prepared, if he will forgive my saying so, to debate whether rating on site values would be more or less obnoxious. I think that is a matter that we must leave to another day, although I have taken note of the suggestion.

Two principles must guide all our thinking on this matter. First, we must zealously safeguard and preserve the assets we already possess, and we must never let up on adding to the assets by new construction. That must be the aim. And the second principle is that we must not allow any preconceived prejudice or doctrinaire political bias to frustrate that aim.

Roads And Land Values

Extract from article by SIR ARTHUR COMYNS CARR, recently retired President of the Liberal Party. Reprinted with due acknowledgment to author and editor from the Liberal News, November 9

NOTHING delighted me more in Jo Grimmond's brilliant speech to the Council and candidates than his remarks about site values, with particular reference to road construction.

That the increase in site values since the war has been fantastic, there is no doubt. It is the basis on which fortunes have been built by take-over bids, and it has been a serious handicap to private building. But detailed facts are not so easy to come by as they used to be, and I should be greatly obliged if your readers would supply me with plenty of local examples comparing post-war with earlier prices . . .

Meanwhile, here is a striking fact: the booklet just semi-officially published—The London-Birmingham Motorway, by L. T. C. Rolt, which is full of interest—shows that the total cost of the 55 miles of roadway, 105 ft. wide, with 134 bridges of varying size and type, was almost exactly £300,000 a mile. Now it happens that in 1929 I was able to prove that within five years the construction of the Southend by-pass, a much simpler affair, which cost £60,000 a mile, had added at least £300,000 per mile to the value of land north of Ilford, only half a mile on each side of the road, mostly agricultural previously. But the

public paid for the road, including compensation to the adjoining land-owners for land actually taken — leaving them to collect the £300,000 which by this time will be vastly more.

I pointed out at the time, and later when unemployment became even far greater, that if we would only collect these values we could have all the road building we wanted. The same is true today, but probably more so.

There is a tragic-comic passage in the booklet about the District Valuers negotiating compensation to the land-owners for putting untold wealth into their pockets, as it certainly will.

The Liberal record on this point is good. The 1906-'14 Liberal Government passed legislation whereby (a) the land on each side of new roads could be taken to pay for their construction; and (b) the proceeds of motor taxation were to go into a Road Fund.

Then came the war, and subsequent Tory and Labour Governments (a) refused to use the land powers, as I personally besought the Labour Government to do in 1924; and (b) misappropriated the Road Fund for other purposes. Finally, the Tories repealed the legislation. So there we are.