

since 1896, in Queensland since 1889, in New South Wales since 1906, in Denmark since 1926. The policy adopted is to remove or reduce taxation on houses and other buildings and correspondingly shift it upon the value of land alone, disregarding the use to which the land is put. Testimony to its successful operation is provided also from towns and shires in Victoria, South Australia and Western Australia; from local authorities in the Transvaal, Orange Free State, Natal and Cape Province; from the Western Provinces of Canada; from Pittsburgh in Pennsylvania; from the Irrigation Districts of California; and other examples could be mentioned.

In the light of all these facts we hope that the Government will proceed speedily and boldly with the legislation, will resist all attempts to modify the clear, simple principle involved, and will render all the assistance which lies in their power to the local authorities to get the plan into operation at the earliest possible moment.

THE PLANNERS AND THEIR NEW TOWNS

THE NEW TOWNS Bill proposes that the Minister of Town and Country Planning shall have power to designate an area of land as the site of a new town, and this may include an existing town. It also enables the Minister to establish a corporation to develop the new town. The corporation may be authorised by the Minister to acquire any land either inside or outside the area of the proposed new town which they require for the purposes of the town. Such land will be acquired subject to the provisions of the Town and Country Planning Act, 1944, that is to say, generally at 1939 prices. The corporation will be empowered to develop the land itself or to dispose of it to others, but it will not without the Minister's permission be able to dispose of land outright or by lease for more than 99 years.

The expenditure on creating a new town of 50,000 population is estimated at £19,000,000 which would be defrayed as to £15,500,000 by the corporation and the rest by the local authorities of the district. The Bill provides for public borrowing (advances from the Consolidated Fund) of up to £50,000,000 which the Financial Memorandum says is estimated to cover requirements for the next five years. One of the dangers implicit in this provision is that the Minister may establish quite a number of new corporations to develop as many new towns, and at the end of the five years the further development of them will cast a moral obligation upon the Exchequer or else the prospect must be faced of writing off as a loss expenditure already incurred. There is something here for the Chancellor of the Exchequer to ponder over. The Minister (Mr. Silkin) in moving the second reading of the Bill, admitted that Letchworth, commenced in 1903 and planned by Sir Ebenezer Howard to an ultimate maximum of 35,000 population, had at the outbreak of war attained to only half that figure. Welwyn Garden City, commenced in 1920, had in 1939 reached only 15,000 of its planned 50,000. The Bill contemplates that these enterprises will eventually be self-supporting, but hope rises perennial in the breasts of planners.

Planners may produce most plausible reasons why a town should be established at some point, but no planner is sufficiently intelligent to judge of all the economic and other factors involved even at the moment when the plan is initiated. Still less is he able to foresee those which may emerge thereafter. It is very often overlooked that the ultimate data of economic life are the valuations placed by individuals, not one or two individuals but many thousands or in some cases millions of them, upon the commodities and services which they wish to acquire and those which they

are willing to surrender in exchange. This is what makes planning the more uncertain the more centralised and more extensive it becomes, and which in fact turns it into a mere gamble. It may be one of the reasons why in the so-called plans of the Soviet Union the projected outputs are in many cases not reached, and by very varying percentages, or in some instances even exceeded.

There is no doubt that anyone who could build a town to accommodate 50,000 persons at the present moment could easily fill it and at rents which would amply meet interest and other annual charges. That is merely an index of the present acute and abnormal shortage of houses. It proves nothing about the ultimate soundness of the policy. At present many people will be thankful to obtain accommodation even if it entails an hour's travelling to work. When the shortage is abated, an entirely new condition will arise. Many houses which people are willing to take now might become vacant, or could only be let at rents which would not meet the outgoings.

These are some of the grounds for observing caution in this matter. There are others. The Bill introduces all the injustices of the March, 1939, scale of values. Existing owners of houses or other property may be expropriated at a figure which will not buy them anything like equivalent accommodation to-day. It is true that a duty is imposed upon the corporation to secure in the case of residential accommodation the provision in advance of alternative accommodation for the person displaced. However, the decision of a corporation or of a court of law on what is reasonable alternative accommodation is a very different thing from having in one's pocket a sufficient sum of money to make one's own choice. Moreover, it would seem that the corporation could meet the claim of the dispossessed owner of a dwelling house by paying him compensation at 1939 values and letting him other accommodation. In that event the spoliation of the owner is not immediate, but is postponed until such time as he wishes to leave the district when he will find himself without sufficient money to buy at post-war prices accommodation equal to that he lost. In the case of non-residential accommodation there is not even an obligation to offer alternative accommodation.

It may be presumed that the corporation will try to avoid expropriating people unnecessarily. In that event and especially where the new town is built round the nucleus of an old one, other anomalies and injustices will arise. The owner who is dispossessed will receive 1939 compensation. The owner who is not may enjoy not only the present inflated value but also perhaps large accretions of value by reason of the growth of the town round him.

Another point which may be mentioned is that no adequate machinery will exist for fixing the rents of property owned and let by the corporation. If they grant long leases, it is certain that many anomalies will arise in the course of time. If they grant short leases, there should be some effective and impartial machinery for ensuring that the rents are revised frequently and brought into accord with market value.

It will be seen that some of these difficulties arise out of the decision of the State to pay compensation at 1939 values although the action of the State has at the same time reduced the purchasing power of money and increased the money price of everything. They also arise out of the inherent economic obstacles to planning. They arise further out of the failure of the State to establish an effective system of land valuation and taxation and rating of land values. This is the indispensable means of preventing speculation, relieving houses of rates and encouraging their erection to let at reasonable rents, and recovering for the community the land value which it creates as and how that varies whether upwards or downwards.