

CHURCHILL RECALLS HIS PAST

The new session of Parliament began on November 4. In the Queen's speech it was declared that: *Further measures will be promoted relating to the Town and Country Planning Acts.*

Speaking on that subject, the PRIME MINISTER, RT. HON. WINSTON S. CHURCHILL, said: "I remember the old days, which were my young or younger days, when the taxation of land values and of unearned increments in land was a foremost principle and a lively element in the programme of the Radical Party to which I then belonged. But what is the situation which presents itself to us to-day? In those days we had the spectacle of valuable land being kept out of the market until the exact moment for its sale was reached, regardless of the fact that its increased value was due to the exertions of the surrounding community. Then we had the idea that, if those obstructions could be cleared out of the way, free enterprise would bound forward and small people would have a chance to get a home, or to improve their existing homes, and many other things besides. But here at the moment we have the exact opposite.

"The problem which now confronts us directly and urgently is that of the £300 million, established by the 1947 Act, and also the development charge.

"The result of the development charge or betterment charge is that it has become a direct deterrent upon enterprise and production and has brought a lot of it to a standstill. We may ask ourselves, Is that what we want now? If ever there was a subject which might be considered calmly and coolly without partisanship by both parties, it is here in this Measure that will come before us this Session.

"To pay out £300 million next year, would put money into the pocket of many who have no intention of ever exercising development rights and who suffered no loss. The ordinary small landowner also does not understand the theory that he must buy back potential development rights. The process is unenforceable except by the drastic use of compulsory powers. Before the end of the month the Government's full proposals on this subject will be presented to the House of Commons."

Comments on this statement were made by Mr. James Hudson (Labour, Ealing N.) and by Mr. Hugh Dalton (Labour, Bishop Auckland, and a former Chancellor of the Exchequer), the latter speaking on November 5.

MR. JAMES HUDSON: "The Prime Minister spoke I thought, with a little nostalgia, remembering his earlier days in the Liberal Party and the taxation of land values. I am fairly certain that if he had stopped to consider all that he was saying to-day he would have been more careful. I say that because if the Government are to scrap legislation now in being dealing with this question of land, however unsatisfactory that legislation may be in certain details, all that is left, at all events for the Prime Minister, is what he remembers of his old ideas, the taxation of land values.

"I have always regretted that the end which both Lloyd George and, at a later date, Philip Snowden contemplated did not materialise. I told him (Snowden)—for I was for a time his Parliamentary

Secretary—that if ever he went with the Tory Party into a Coalition Government they would destroy every hope that he had of dealing with this fundamental question of the land and the attaining of the values of the land for the community that created those values. Before he had been a year in the Tory Party it was proved that my reckoning of the matter was correct. For he said himself in the House of Lords that he had been completely 'betrayed' on that question. I am hoping that in the discussions now foreshadowed we shall be able to bring out again into public light the importance of further efforts to bring into the possession of the community great masses of value still left so far as the land is concerned."

MR. HUGH DALTON: "There was a retrospective passage in the Prime Minister's speech about his old days. I have looked up one of my favourite bed books, *Liberalism and the Social Problem*. I looked up what the Prime Minister was saying on this subject in his speeches in 1900. At Edinburgh he dealt with the way in which land values are built up almost out of nothing and he speaks of

'the enrichment which comes to the landlord who happens to own a plot of land on the outskirts or at the centre of one of our great cities, who watches the busy population around him making the city larger, richer, more convenient, more famous every day, and all the while sits still and does nothing! Roads are made, streets are made, railway services are improved, electric light turns night into day, electric trams glide swiftly to and fro, water is brought from reservoirs a hundred miles off in the mountains—and all the while the landlord sits still and does nothing!

'Every one of these improvements is effected by the labour and at the cost of other people. Many of the most important are effected at the cost of the municipality and of the rate-payers. To not one of those improvements does the land monopolist, as a land monopolist, contribute, and yet by every one of them the value of his land is sensibly enhanced. He renders no service to the community, he contributes nothing to the general welfare, he contributes nothing even to the process from which his enrichment is derived.'

"That is a noble prose. It is also clear economic thinking, is it not? We ask now: are the Government considering the substitution for this development charge, which, they say, has worked not too well, of some old-fashioned tax such as is suggested in the speech which I have just quoted? We would like to know." [The italics are ours. Ed. L. & L.]