

## FURTHER THOUGHTS ON THE UTHWATT REPORT

THE INTERIM Report of the Uthwatt Committee, published in July, 1941, proposed among other things that compensation in respect of the public acquisition of land should not exceed sums based on the standard of values at 31st March, 1939. It is evident that this would produce a gross inequality of treatment as between the landowner whose land was required for public purposes and the landowner who was left free to sell for private development. The proposal would also have another indirect but serious result. Unless some time limit were placed upon the restriction, no owner of land could know whether his land was likely to be wanted for public purposes or not. If in fact the value of the land had advanced beyond the 1939 standard, no one would pay the higher price because of the risk of the public authority afterwards requiring it and paying only the 1939 price. Conversely, no owner would be prepared to sell at the 1939 price if the value had in fact advanced above it, because he would hope that some time the public authority would make it clear that it did not require his land. The result would be to prevent development of land which had increased in value.

The Final Report also shows the same lack of appreciation of the economic facts involved. It proposes to prohibit the development of undeveloped land outside town areas by State purchase of the development rights. Here also some landowners are treated quite differently from others. The owner whose land lies inside a town area will be free to sell his land or to develop it and to get whatever is possible by so doing. The owner whose land lies outside a town area will get a share of a lump sum arrived at by some arbitrary guess, which may be much less than the market value of his land. As town areas are not to be defined by existing boundaries, but by a new survey, no owner of land will know until that is done what category his land will be in. This also will hinder or delay development which might otherwise have taken place.

There appears to be nothing in the development rights scheme to prevent an owner of land in the area subject to it from selling the land to another. It is proposed that the owner shall be at liberty to erect on such land a house for his own use. It seems, therefore, to follow that an owner of such land could get a building value for his land by selling it to someone who wanted to build for his own use; and this although he has already been compensated for loss of building value.

Apart from the possibility of an owner of land having a house built for his own use, no one will be able to build anything in the restricted area except by obtaining a lease of the necessary land from the State. In order that this shall be done, the State has to acquire the land from its owner. If the owner objects, compulsory purchase procedure will be adopted and the price fixed by arbitration. This may easily involve considerable expense and long delay.

The shortage of housing accommodation

after the war will be so acute that anything which prevents them from being built or makes them dearer will be exceptionally detrimental.

The development rights scheme is said not to be intended as a means of nationalizing land, although it will have the effect of vesting in course of time plots here and there in public ownership. Those who believe in land nationalization would be well advised to steer clear of this proposal which would be expensive to operate and manage owing to the fortuitous manner in which the parcels owned by the State were scattered throughout the country.

The Uthwatt Committee has not elucidated the most important item, and that is the principle upon which the rent to be charged by the State is to be fixed. Is it to be as much as a private owner could in any event have got? If so, then the owner who has been compensated by a smaller sum will have a just cause of complaint that the State does what it has prevented him from doing. If it is to be some smaller sum, how is that to be fixed? And if it is a smaller sum, will the scheme ever be solvent? The members of the Committee evidently have little hope of the scheme paying for itself, because they say that "the sum paid for the development rights should be regarded as of historical interest only." In other words it is to be regarded as a bad debt.

Another possible consequence of the scheme, which its authors do not seem to have foreseen, is that the trouble and difficulty of obtaining land for development outside town areas will increase the demand for, and force up the price of, land within them. As the high price of land is already the main obstacle both to planning and building, anything which aggravates it will be most detrimental.

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Mr T. Atholl Robertson, former M.P. for Finchley, spoke under three headings: 1, Freedom of Distribution; 2, The Atlantic Charter; 3, Freedom of Production. He argued that all trade barriers should be lifted. "Nothing will right the world's wrongs sooner than the free exchange of commodities in the world. The sooner we are free from cartels, controls and high finance the better for us all." He urged the man-in-the-street, whatever his label, to demand that the door to international trade and exchange be re-opened after the war as the only possible means of restoring the material prosperity of a world impoverished by war. He made trenchant observations about the "monopoly of land." He advocated, not nationalization or confiscation, but the taxation of land values. The big burden to-day was the eternal grind to raise rent or rates. He added, "I see forces gathering to hand out certain things—another bedroom in your house and a bit more garden; but they will hang on to land values. I say begin at the bottom and break up this big land monopoly which helps the smaller monopolies to squeeze us all."—From the *Palmer's Green Gazette*, 30th October, report of the Southgate Forum.

## LONDON AS IT MIGHT BE

COUNCILLOR C. W. GIBSON, a member of the London County Council Housing Committee, criticised the "Architects' Plan" in *Reynolds News*, 1st November. We give the following extract:—

Everyone is planning the new post-war London except the people who will spend their lives in it. The much publicized Architects' Plan is a grandiose extension of the Bressey road plan. There is an air of fundamental common sense about it—if you forget all about the vested interests which will be affected, and if you forget that London consists not only of a central five-mile circle, but of the homes of many millions of ordinary men and women.

If by a wave of the magician's wand the architects' plan could be put into full operation to-morrow, we should have a London which would be a show piece equal to any city in the world. But as the town planning law stands to-day, it would take 200 years to carry out, and the landowners would scoop enormous fortunes out of land purchased for the scheme and in increased land values.

The first and most urgent post-war problem in London and in every one of the blitzed cities will be to build houses, which will be real homes, for the workers who have been bombed out by Nazi fanatics.

The architects' plan is a first-class production, but it would be a crime and an insult to the workers of London if the carrying out of such a gigantic scheme is allowed to take priority over the provision of homes for the hundred thousand Londoners needing them. And the total of the homeless may be very much larger before the war is over.

The real difficulty with London is not in working out, on a plan, how we would like to rebuild this great city, but how, in the present state of the Town Planning law, and the vested interest of landlordism, to carry out the agreed plan in any reasonable period of time.

There are two things needed urgently. One is to extend and speed up the Town Planning powers of the Local Authorities and to increase their power to compulsorily take the land necessary, and the second is to provide a fair way of financing these great schemes without putting an impossible burden on London householders and on business premises.

Any improvement in the plan of London and other cities will greatly increase land values. These increases will arise solely because of the activity of the community as a whole, and such values should come into the coffers of the Local Authority representing the Community.

The fairest method yet evolved to secure this is to put a land values rate on all land. This in itself would be an act of justice to the general body of ratepayers, and the increased values so collected by the Community could be used to finance the cost of an imaginative and great scheme of re-planning and beautifying London.

I say to the architects, and others who are busy telling us how London should be replanned—and I wish more power to them in the good work—remember that the Local Authorities must be given the legal powers and the finances to carry out the schemes and help us to get them.