

THE COUNTY OF LONDON PLAN

At its meeting on 13th July, the London County Council received a report on the re-planning of London prepared by its architect, Mr J. H. Forshaw, in consultation with Professor Patrick Abercrombie. The Council decided to transmit the plan to the Minister of Town and Country Planning, the other government departments interested, and the various public bodies in London, reserving any judgment upon it until the comments of those interested had been received. In the space at our disposal it would be difficult to summarize a document of some 60,000 words, and those concerned to study it in detail must be referred to the published volume illustrated with numerous maps, plans, and diagrams (*County of London Plan*, 1943. MacMillan & Co. Ltd., 12s. 6d.).

The plan contemplates an extensive system of ring and radial roads, in some cases sunk in tunnels, in many cases passing through parkways. It aims at increasing the public open space to a standard of 4 acres per 1,000 of population within the county and another 3 acres per 1,000 outside. It proposes a reduction in the density of population housed; and as a result of this and the increase of open space, the population is expected to be reduced by 500,000 or 600,000 persons below the pre-war level of 4,000,000. The scheme contains many detailed and in some cases elaborate and extensive projects for re-planning and re-arranging individual areas, as well as for giving access to the Thames and for separating industrial establishments from residential areas.

In a joint report to the Council the General Purposes and Town Planning Committees point out that "any plan made now must be tentative, provisional, flexible and subject to adaptations" in the light of changing circumstances and conditions. They also note that the existing powers of the Council are insufficient, that special financial arrangements would be necessary and that new legislation should give the Council powers "for acquiring on equitable terms the necessary land and property, and which will also lighten the existing burdens of compensation, and enable the Council to share in just measure any enhancement of values arising from the large expenditure of public money involved." The Finance Committee also stresses that the plan "in magnitude and complexity . . . far surpasses any project which the Council has ever been asked to consider hitherto" and that "the cost involved would need to be examined in the light of the competing claims of other desirable schemes of development in the Council's various services as well as from the aspect of the cumulative burden which could properly be placed upon the London ratepayer."

It would not be unfair to say that the plan in its present form is a technical plan and not an economic one. Setting out from certain assumptions about the aims to be achieved it indicates in general terms the physical means by which they might be accomplished. It contains no evaluation, beyond a vague statement that the cost might equal that of some weeks of carrying on the war, of what the cost involved would be; neither does it attempt to

indicate what the economic benefits would be, nor how the cost could be met. Only the solution of the problems involved in this can make the plan a reality.

Past experience has shown that the great obstacle to re-planning projects is the heavy burden of expenditure involved in compensation for the land and property which has to be acquired. This is particularly marked in London where the level of land values is so extraordinarily high. The great Kingsway-Aldwych improvement which was initiated by the London County Council between forty and fifty years ago upon the basis of large acquisitions of property from which recoupment by re-development was to be derived is still a burden upon the London ratepayer. If that method were to be multiplied many times over the cumulative burden might well be staggering.

In the present instance the economic problem is greatly aggravated by the fact that the plan contemplates a very substantial reduction in the population of London. As the development of the plan proceeded it would involve acquisition of land at prices determined by the size of the existing population (or indeed of past population, for the obstinacy of land-owners causes the drop in land prices to lag far behind the drop in population). The recoupment from sale or letting of surplus land will be spread over long periods after the land has been acquired for each individual project comprised in the plan. Other things being equal, the recoupment would be on the basis of lower values conditioned by the reduction of population. Moreover the land available for recoupment would be smaller in area than that acquired, and apart from time lag there must be a loss on that account. It may be suggested that the re-planning would be improved by access and amenity lead ultimately to an increase in land values, but it would be unwise to place too much reliance upon this, at least until many years had elapsed.

In any event it is clear that legislation of the existing type gives no effective powers for recovery of any increase in land values due to planning. The Report of the Uthwatt Committee on Compensation and Betterment, whatever we may think of other aspects of it, has made it clear that the attempt to trace and earmark public increases of land value as due to specific improvements is futile and impracticable; while, for the reasons we have stated, it is not wise to assume that any general increase in land values will in the near future occur in an area subject to a large diminution of population.

Moreover, it is necessary to consider more general aspects of the problem. Within the framework of the plan it may be expected that development will take place by private enterprise as well as by municipal activity. If that is not assumed the financial problem becomes still more formidable. But how is that private enterprise to proceed if land values remain at an uneconomic level, and if buildings and improvements of all kinds are subjected to even heavier burdens of rates than at present?

This problem will have to be looked at from the point of view which was adopted

by the London County Council in its remarkable report on the rating of site values issued in 1936. The Council then said: "The economic effects of the present system (of rating) are prejudicial to the community generally. It discourages the improvement of land, as the burden of rates is proportional to the use made of land; the supply of houses and other buildings is diminished and consequently the rents payable for them are increased. The exemption of vacant land encourages withholding of land from development until a higher price can be obtained and thus tends to raise land values generally above the normal level determined by their advantage of situation."

In support of the proposal for rating on site values it said: "In our opinion, site value is pre-eminently a subject for local taxation as it arises from community causes. It is the measure of the commercial, social and industrial advantages attaching to a site which arise from the existence of the community and community services provided out of the public purse. It is a value which has not occasioned any cost of production to the owner, and consequently the rating of site values is, in effect, a means of securing to the public a value which it has itself created. . . . The separate rating of site values will also afford a basis for determining the value of land to be acquired by local authorities, or of compensation payable under town planning schemes, and incidentally as the yield of the rate would be increased in proportion to the increased site value of the properties benefited, it would to some extent constitute a set-off against the cost of compensations and improvements."

These are matters which need to be borne in mind in considering any planning proposals, and, if they are not, serious consequences will ensue which may easily frustrate the end in view.

The Cobden Club has recently published at the price of 6d., a pamphlet by Mr. Francis W. Hirst on *Gold, Silver and Paper Money*. Although all that is to be said on these subjects cannot be compressed within such a short space, it is a useful corrective of some popular notions on these subjects. In the course of some pungent comments on the British and American Treasury post-war money plans, he writes: "Generally speaking, it may be added that any form of international exchange control and any attempt to harmonize the post-war currency chaos by means of a clearing house will be ineffective and even farcical, unless trade between individuals all over the world, killed by the war, can be restored to life and relieved from the incubus of protective and prohibitive tariffs, government monopolies, exchange controls and quotas. If economic nationalism, bureaucratic ambitions, and the greed of monopolists dominate the world after the peace, it will be a world of want and privation, not to say starvation." That is a fundamental thought which must never be forgotten in all consideration of post-war policies in every sphere of economic activity.