

FROM THE DEBATE ON THE NEW PLANNING BILL

When the Town and Country Planning Bill was debated, March 15, SIR LYNN UNGOED-THOMAS (Lab., Leicester N.E.) moved an Opposition Amendment in the following terms: "This House declines to give a Second Reading to a Bill which fails to safeguard the public interest in land values created by community endeavour, prejudices the planning work of local authorities and will be detrimental to future land use planning."

Sir Lynn said: "First, there is betterment in connection with public interest in land values created by the community. It is a very familiar problem to everyone—the problem of preserving for the community the values in land created by the community but which now fall to the landowner. There cannot be any objection in principle—nor, indeed, is any put forward—to the requirement that such values should go to the community."

"Where electricity, gas and water supplies, roads, etc., are brought to a property, that property must increase in value as a result of community action, and that increase should go to the benefit of the community."

"This Bill provides that compensation is to be paid by the community for the development values which are to be sterilized, and that the community is not to have any advantage from development values which are to be allowed to fructify. It is to pay for what is unproductive and receive nothing at all for what it makes productive. That is a fundamental defect of the Bill. It means that the taxpayer may have to pay compensation, not only to the person who suffers, but even to a person who actually benefits from the planning."

"The Sky is the Limit"

MR. J. E. MACCOLL (Lab., Widnes) said: "There is no excuse at all for bringing in a Bill of this kind, which I am quite certain nobody can hope to understand."

"We are never going to be able to work the system by having compensation for development values on the 1947 basis of compensation and current existing use value for compulsory purchase whilst, outside the public purchase, the sky is the limit for land values. Except in so far as some public body is going to purchase the property, within the limits of planning permission land values can be pushed up as much as one likes. The land speculator can charge high prices and make as high a profit as the market will bear."

"It is like a game of snakes and ladders. Provided one keeps out of public purchase one may shoot up and up the ladders and get more and more money, exploiting a favourable position and getting full advantage of the services provided for the community and the increased value they give the land."

"There may be two pieces of land in exactly the same situation, say, on the periphery of a developing town where the services are coming out. Transport is coming out and factories are being built. One site may be left for private development and the other site may be used for a community centre, or a housing estate. On the site left for private development within the limits of planning, all the advantages of the services provided by the community and the advantage in respect of development by the community will accrue to private profit. But in the other case, on the piece of land which happens at some stage in its life to attract public authority purchase, it will lose those advantages. That seems a shocking injustice to perpetrate between one landowner and another by a party which is supposed to believe so passionately in the private ownership of land."

"It is perfectly clear that unless public authorities are to buy land on a very large scale the old orthodox situation, to which so many critics of land speculation have referred time and again, is going to arise. As a result of development of areas providing attraction to people to move into certain parts of the country, land values there will go up, to the benefit of the private owner of land. In so far as he is able to transfer that benefit into existing use by development outside the sphere of public control, the benefit of community activity, even if subsequently the public authority buys the land, will accrue to the private owner."

Wrong Principle Perpetuated

MR. J. A. SPARKS (Lab., Acton) said: "We are reverting once again to the principle that a private person is entitled without expenditure of any capital, or without any thought or organization on his part, to receive increments of value on his land, although such increments have been created for him by the community and not by himself. We on this side of the House believe that to be fundamentally wrong. This Bill is designed to perpetuate that principle. We, therefore, believe that the Bill is not in the general interests of the community in that very essential respect. I am very glad that we have tabled an Amendment, upon which we shall vote this evening, which once again affirms the right of the community to receive the betterment value which its own activity creates, upon land held by private persons."

Land Value Rating Beneficial Overseas

MR. C. W. GIBSON (Lab., Clapham) said: "The longer I listen to this debate the more amazed I become at the way in which hon. Members on the Government Benches seek to justify giving back to the landowners what the 1947 Act tried to give back to the community. That Act did not give it back, and some of us said that it would not."

"The landowners are doing much too well out of the Bill. It is true that I was never enthusiastic about the £300 million give-away to which the Minister referred earlier, or about the development Sections in the 1947 Act, but at any rate we tried to tackle the question of bringing back to the community the values that only the community creates. Without the gathering of men on a site that site has no value at all. It does not matter very much whether the men are highly organized into a town or a community. The fact that men gather together to live and work adds to, and goes on adding to, the value of the land, the owner of which can exploit their need right to the very limit. In fact, the landowner has done that and is doing so now in the city in which we are meeting at this very moment. We say that those values ought to come back to the people who created them, that is, the community in general. The 1947 Act went the wrong way about it. There is evidence all over the country and all over the world of the successful application of the principle of taxing land values as a means of getting back to the community the values which the community has created and which, incidentally, landowners cannot create. That is helping very considerably to ease the financial troubles of towns and cities all over the world. Therefore, it seems to me that, having got rid of the development Clauses of the old Bill, and having got rid of the £300 million present to the landowners, the Minister might have been very well engaged in trying to get back all these values for the community by putting a stiff tax on land values and on all landowners. Of course, he could not have done that by this Bill, which merely changes the machinery in regard to development use."

Municipal Housing Site—£36,000 per acre

"The net result of this Bill is that more money will be poured into the pockets of landowners who have done nothing to create the wealth which they receive. I should again stress how important that is for a city like London. I took the trouble to find out what we have paid during the past 12 months for sites required for housing purposes, and I discovered some even worse examples than I had previously experienced. For instance, I found that, in Bethnal Green of all places, there was an estimate of £36,000 per acre for a housing site. In Southwark the price asked was £21,000 an acre, in Bermondsey £16,000 an acre, in Poplar £18,000 an acre, and the average cost to which the London County Council has been put during the past 12 months for housing sites alone has been £12,000 an acre, an increase of 66 per cent compared with the figure of three years ago. In other words, land values are continuing to go up, and the only person who benefits is the landowner."

"I wish that this Bill had done something to tackle that situation. I am quite sure that one day some Government will

have to tackle it. I hope it will be a Labour Government, and that they will go all out to put a heavy tax on landowners. Somebody has got to do that eventually because, until it is done, we shall never clear away many of the financial problems which afflict local authorities or do justice to the ordinary people."

MR. G. LINDGREN (Lab., Wellingborough) said: "Although on this side of the House we violently disagree with hon. and right hon. Gentlemen opposite about the intentions expressed in the Bill, it is at least pleasant to be associated in debate with those who are turning their knowledge and experience to the problems which we are discussing.

"There have been assertions from hon. Members opposite, and the hon. Member for Wolverhampton, South-West, (Mr. J. Enoch Powell, Conservative) joined in them, asserting that the community does not create land values. Of course the community creates land values. I have been associated for a number of years with the development of a new town. The land on which that town* was built was bought for £40 an acre. In 1939, only 20 years afterwards, land in that town was

* Welwyn Garden City [Ed., L. & L.].

being sold at £6,000 an acre. The reason for that was that 15,000 people had come to live in that town. It is, in fact, the coming together of communities and community activity which gives value to the land. In that instance the organization was such that some of the value came back to the community, but under this Bill all future land development values go back to the landowner. If there is to be compensation because of deprivation of development rights, then the community has to pay them.

"How can Her Majesty's Government justify the fact that in future under this Bill any landlord owning land will be able to exploit to the full his ownership and get as high a price for that land as it is possible for him to get, and when for planning purposes there he is deprived of the right to develop, the community should pay the compensation? That is real Tory philosophy. The landowner takes the benefit and the community pays.

"I am a member of Hertfordshire County Council, which built a by-pass road. The land on either side of the road was worth £40 an acre but, when the road was completed, the land bought by the county council to make the road was sold at £400 an acre."

[The Bill was given its Second Reading by 296 to 262 votes.]

EXORBITANT PRICES ASKED FOR HOUSING SITES

Estate Agents' Advertisements Provide Propaganda for Land Value Reform

Beckenham. Good residential position 5 minutes Junction Station, shops and buses. Freehold site, town planned for 3 houses. Frontage 120 ft. Depth about 160 ft. **£1,750.**

Bexhill. Friars Acre, Glyne Manor Farm, 20 Plots, sea-country views. Planning permission. **£3,000 or, not less than 10 plots, £1,750.**

Bishops Cleeve, Near Cheltenham. Twelve acres level Building Land, ripe for immediate development. Approved by Local Authority. Suitable for 10—12 houses per acre. **£6,000.**

Blackheath. 1½ acres building land in a good residential locality, close to the centre. Low price to close estate. **Freehold £2,500.**

Blackheath. Highclass Freehold Site near Paragon, suit approximately six houses or block of flats. **£6,000.**

Idle sites in town centres are the hallmark of a rotten rating system. Blackheath ratepayers have been mulcted annually to pay for the roads, drainage, street cleaning, police protection and other services which the owners of these sites have enjoyed without contributing a penny piece to the municipal treasury while waiting for the genial rays of community expenditure to "ripen" their holdings.

Canterbury, Kent. Freehold Building Estate, outskirts of city. Nearly 5,000 ft. frontage. **£30,000.**

Chelmsford, Essex. Corner plot zoned residential. Easy reach town centre. All services. Made roads. 255 feet frontage. **£10 per foot.**

For Sale—roads and services provided by municipal enterprise. The land speculator reaps what the community has sown—land value.

Cookham-on-Thames. 4½ acres of Freehold Building Land. Scheduled for 17 houses. Good level site. Electricity and water. **Freehold £3,500.**

Householders have paid more than was necessary for the electricity and water they have consumed to provide cables and pipes past this site to the benefit of the speculator who can now demand £206 from each homeless person seeking shelter.

Coulson (Old). Over 2½ acres Land suitable Building 20 houses for sale, with existing bungalow. **£5,000 freehold.**

Dover, Kent. Ripe Building Land near Dover. Developed district, planning permission for houses. 1½ acres. Forced sale **£475.**

When rates are taken off houses and improvements and placed on the economic rent of land, tens of thousands of "forced sales" will result, to the advantage of the whole community and in particular to home seekers, industry and all who wish to have a piece of land to develop.

Hertfordshire. Woodland, approx. 4 acres, adjoining Old World Village, 20 miles north of London, suitable for building a few houses of character. Close to railway, with frequent service to Kings Cross, coach and bus routes. **Price £1,250.**

Public transport raises privately appropriated land values.

On the River Thames between Maidenhead and Windsor. Eight plots for private building of varying frontages from 80 ft. and each extending to ½-acre. Price per plot, freehold, **£1,200.**

Middlesex—Herts. Border. Building frontages in large and small lots from **£14 a foot**, roads and sewers in.

Shanklin/Sandown, Isle of Wight. 21 acres prime Building Land. Permission to build 160 houses. **Price £7,500.**

Sutton, Surrey. Two acres of Beautiful Building Land in the centre of Sutton. The finest position in the town. 600 feet road frontage. 400 yards from Station. On high ground. Passed by town planning for eleven detached plots. [Price not stated.]

Every day business people have hurried from inconveniently distant homes on the outskirts of Sutton past this delectable site where, but for land monopoly and an iniquitous rating system, some of them could have lived; women have struggled by with heavy shopping baskets; expensive water, electricity, telephone, drainage, sewerage and other services have lain unused and unrecompensed beneath and before it. Now, judging his two delightful acres to be "ripe," the holder offers for sale those services, the proximity of the station and the purer air so high above sea level.

Upminster, Essex. Building Land. Lay-out approved for 122 houses. **Freehold. £16,000.**

Waltham St. Lawrence, 7 miles Maidenhead, 2½ miles Twyford. About two acres of Freehold Building Land in delightful surroundings, scheduled for 10 houses. **Freehold £3,000.**

Each prospective house owner must first pay £300 ransom to a private speculator for permission to occupy a piece of the national heritage: if he buys through a building society he will have to pay £1 18s. 6d. a month for 20 years.

West Midlands. One of the Most Important Building Estates in the West Midlands. Situated within about 3 miles of Three of the Best-known names in the Aircraft Industry and within 1½ miles of the Centre of the City of Gloucester. Development of 300—400 Houses Permitted.

How considerate of this landowner to place the city centre so close to the land which he now offers for sale!

Woking. Site of 2.7 acres suitable for 23 building plots together with existing 4 bedroomed detached house. **Freehold £5,200.**

Culled from *Estates Gazette*.