

PARLIAMENT DISCUSSES PLANNING

19th March, 1941

THE PARLIAMENTARY SECRETARY TO THE MINISTRY OF WORKS AND BUILDINGS (MR HICKS—Labour): Broadly, the functions which the Minister of Works and Buildings will undertake in connection with reconstructions have emerged as part of a general framework of post-war planning, which will be under the general control of my right hon Friend the Minister without Portfolio, and we have labelled this group "The Physical Reconstruction of Town and Country." We have to remember all the time when we are dealing with this vast and complicated subject, that the results of our deliberations have to emerge some time in the future in the shape of bricks and mortar, streets and terraces, towns and cities. So far, well and good; but as soon as we begin to examine the problem more closely difficulties begin to show their heads and the best way of dealing with the problem is to hunt out these difficulties and run them down. It is with this end in view that my Noble Friend has appointed a special expert committee, under the chairmanship of Mr Justice Uthwatt, to investigate compensation and betterment problems and the difficulties which may arise from speculation in land values. I informed the House of the appointment of this committee on 29th January.

The problems to which we hope this committee will offer some solution are ones which go right to the root of our economic life, and I know that some quarters of the House hold strong views about them.

MR LAWSON (Chester-le-Street—Labour): Who can forget the Great West Road, that monstrosity of our present-day social life? I hope there will be an end of that business once and for all. What hypocrisy there was when this House put through the ribbon-building Act. Everybody knew that the local authorities, the county councils, could not give the necessary compensation. The Act was meant to be a kind of moral gesture. I think the only effect of it was to expedite the race along the roads, and if it had not been for the war, we should hardly have been able to see a field by now.

I hope that landlords will not be allowed to make profit out of the coming times. If you are to prevent exploitation in this respect, I do not see any way out of it but by frankly and simply nationalizing the land. Whatever the Government do, I hope no profit-making will be allowed to take place out of the nation's need in the days to come.

SIR PERCY HARRIS (Bethnal Green, South-West—Liberal): I hope that my hon Friend will not be persuaded by the arguments of some architects in favour of skyscraper building-up instead of spreading-out. That is one of the dangers we have to be very careful about. I am a land taxer myself, but we want to be careful to avoid putting up these 60 or 70-storey buildings, which will create congestion around them.

MR STOKES (Ipswich—Labour): Land taxation would have exactly the reverse effect.

SIR P. HARRIS: I hope that is so. But I hope that we shall not be too much attracted by American standards and American ideals.

MR STOKES: The method of taxation in New York is to impose a tax on the improvement, as well as on the land; and that is why they have skyscrapers in the centre.

SIR P. HARRIS: I hope that the Committee will allow my hon Friend to come before them, and to discuss these points.

MR HUTCHINSON (Ilford—Conservative): What has been happening in recent years has been that the centre of industrial and commercial direction has gradually moved away from the provincial cities, where it was once located, to a central position in London, with the result that a great population has spread itself in the outer suburbs of London until to-day London has reached dimensions which some of us thought almost unmanageable in the days before the war. That is the major problem of reconstruction which we have to face. The conditions which existed in the outer parts of London were that there were progressive increases in the rates, due partly to the improvement and development which were going on in the suburbs and partly to the progressive concentration of population on the outer edges. The increases in travelling expenses were contributing to a progressively increasing cost of living for those classes who are dependent upon the daily journey into London for their livelihood.

MR WEDGWOOD (Newcastle-under-Lyme—Labour): All the town-planning schemes have broken down because of the indefinite question of compensation. If there were some definiteness, if one knew what would be the liability of the Government or of the local authorities the matter would be very much easier, but the liability is an indefinite one, and one which does not, as some hon Members have said, fall upon the local authorities. It falls upon the consumers, it falls upon the people who live in the houses on the land which has been bought at an exorbitant price. It is the

public which pays the compensation to the landowners for laying out their land in a different manner. It is for this reason that towns have not been planned and our new arterial roads, our by-passes, have cost us an enormous amount of money, and it is for this reason that, when new by-pass roads are made, the whole cost is charged to the public and goes almost directly to the benefit of the owners of adjoining land. One hon Member from this side of the House referred to the system that was followed in Frankfort-on-Main, where the local authority bought up, without paying for it, the land in large blocks, and then when it laid out the roads and arranged for buildings and open spaces, compensated each landowner, giving him a share for his area in proportion to the total amount. That was a very good way of getting round the difficulty and it was fair in operation, but it was on a small scale in connection with a suburb of Frankfort-on-Main.

Everybody who has studied this problem from 1909 onwards realizes that the whole problem would be possible of solution if we had made a general valuation of land all over the county and the buildings on the land, so that we would know what compensation was payable and exactly what was the value of the land, without having to go through the cumbersome procedure of having a board of arbitration at which all sorts of subsidiary claims in connection with the destruction of amenities are brought up.

If there is to be any reconstruction on sane lines after this war, it is essential that we should have this valuation as soon as possible. I am certain, if the right hon Gentleman who is to reply to this Debate will envisage afresh the question of valuation, that he will obtain results of times of peace which will be invaluable, not only for the purposes of reconstruction, but for all time, as the State gradually acquires more and more of the land of this country, as inevitably it must. At the present time the valuation of land, particularly undeveloped land around our towns, is unduly inflated. Speculation is not a new thing. It has not sprung up since the "blitz." It has been going on for years. Everyone who owns land says to himself, "It is quite true that I cannot get a better price for this land now, but that will not be the case in 10 years' time." Everyone knows that land which was bought at £50 an acre 10 years ago is in many cases worth £1,000 an acre at the present time. That is shoving up the price of land to the purchaser all over the country, and by pushing up the price it means that the man who wishes to use it, whether for building, agriculture or whatever it may be, is refused the opportunity and is put out of work.

Indeed, unemployment is created when nature's storehouse of the goods which we can manufacture is locked up. Therefore, when you make your valuation, bear in mind that it is at inflated value and not an economic value. The real reason why the question of taxation of land values has never been accepted in this country is that it has the effect of reducing the selling value of land. Ultimately it reduces the amount of rent which the owner can receive. Everyone who owns land is against the procedure, but it is inevitable that we should reduce this burden of private taxation which falls on people at the present time. Among other speakers the right hon Baronet the Member for South-West Bethnal Green (Sir P. Harris), who ought to know better, suggested that if a tax was levied on land values, we should get skyscrapers. It would have exactly the reverse effect. The cheaper land is, the less necessary it is to put up enormous buildings. If land all round London was half the price it is, people would be tempted to go out. Anything that reduces the value of land enables you either to have a larger area for your own house or to put up more houses further out and thereby relieve congestion. The obvious case in point is Sydney, which for 30 years or more has had local taxes levied upon land values* and nothing on buildings, with the result that Sydney, a town of about 1,500,000 population, is spread over an area nearly as large as London. Instead of being congested, the houses all have gardens round them. The drawback is that everyone has to have a motor car in order to get about the town. But it has made land in the suburbs cheap. People can get a very fine site for a house at a reasonable price.

MR SELLEY (Battersea, South—Conservative): If that was applied to London, would not London cover the whole of the Home Counties?

MR WEDGWOOD: If my hon Friend went to Sydney, he would see these lovely suburbs all round the harbour. It is a very pleasant thing when people are able to make their gardens a decent size, and when they can get the amenities of the country combined with the conveniences of the town. There you have cases where, far from leading to congestion and skyscrapers, it has

* The rates of the city and borough councils in the Sydney metropolitan area are levied on the value of land only, but those of the Water and Sewerage Board are still levied on the old basis of the annual value of land and improvements taken together. (EDITOR, L. & L.)

opened up the country. Johannesburg is sometimes thought of as being a second edition of Wigan. It is nothing of the sort. It is like a gigantic sea of trees from end to end. They have an intelligent scheme, and they have the revenue. But do not let us think it is impossible to get it here too. Let us have the valuation now.

MR BOSSOM (Maidstone—Conservative): As to the question of the land, we have to face the fact that ultimately the Government will have to purchase and be the owners of large areas of land. When they do that I hope they will do a rather novel thing. I hope that they will lay it out and then turn it back to private ownership, taking the profit that will thereby accrue when it goes back into private ownership, and when that land is resold again, if that should occur, the Government will then take any further profit that accrues in the form of a tax. Do not let us take away entirely individual interest in property. I live on a piece of Crown property, and I cannot even put a bush in my garden without some bureaucrat saying whether I shall or shall not.

THE MINISTER WITHOUT PORTFOLIO (MR ARTHUR GREENWOOD—Labour): The House has shown its great interest in this problem of planning. Planning is a word which may become a shibboleth. By planning I mean the pooling of our knowledge and experience

so as to concert measures which will ensure that the limited land of our small islands is used to the best in the national interest, and that our other national resources are conserved and maintained for the public advantage. I mean by planning the preservation of those beauties which, once gone, can never be restored. I mean by planning a proper relationship between industry and agriculture. These are enormous tasks which we have now to face.

At this stage I do not want to raise any controversial issues, but it is clear—and it has been so expressed by every speaker—that you cannot plan unless you have some solution to the land problem. I am not pretending to put forward an answer at this stage. I am only saying that a planned economy of the land means some form of control of land use. That matter is now under active consideration by the expert Committee which was set up by my Noble Friend Lord Reith under Mr Justice Uthwatt, to probe into the very complex questions which hitherto in our legislation we have not solved—questions of compensation and the difficulties which may arise from speculation in land values during the war. That seemed to me at the time to be a workmanlike way of beginning our consideration of this very large and difficult problem, and one hopes that the report will be received without undue delay. Indeed, I understand that the Committee has made very extensive progress with its investigations.

THEORY AND PRACTICE

I. Theory

The protective theory implies the opposition of national interests; that the gain of one people is the loss of others; that each must seek its own good by constant efforts to get advantage over others and to prevent others getting advantage over it. It makes of nations rivals instead of co-operators; it inculcates a warfare of restrictions and prohibitions and searchings and seizures, which differs in weapons, but not in spirit, from that warfare which sinks ships and burns cities.

That unscrupulous men, for their own private advantage, break laws intended for the general good proves nothing, but that no one really feels smuggling to be wrong proves a good deal. To make that a crime by statute which is no crime in morals is inevitably to destroy respect for law; to resort to oaths to prevent men from doing what they feel injures no one is to weaken the sanctity of oaths. Corruption, evasion and false swearing are inseparable from tariffs.

The only indirect taxes from which any considerable revenue can be obtained require large and expensive staffs of officials and the enforcement of vexatious and injurious regulations. So with the collection of indirect taxes upon imports. Land frontiers must be guarded and sea coasts watched; imports must be forbidden except at certain places and under regulations which are always vexatious and frequently entail wasteful delays and expenses. But in spite of prohibitions, restrictions, searchings, watchings and swearings, indirect taxes on commodities are largely evaded, sometimes by the bribery of officials and sometimes by the adoption of methods for eluding their vigilance, which, though costly in themselves, cost less than the taxes. All these costs, however, whether borne by the Government or by the first payers (or evaders) of the taxes, together with the increased charges due to increased prices, finally fall on consumers.

From "Protection or Free Trade," by Henry George.

II. Practice

(On the Irish Border.)

What are described by worried Ulster and Eire police and customs officials as "reciprocal smuggling rackets" have now started along the Irish Border—on such a major scale that special measures are being taken by the authorities to stop the trafficking.

It is alleged that powerful smuggling combines are working on an organized system of ration "sabotage"

in both Eire and Northern Ireland, endeavouring to pit their smuggling skill against all the precautions of the Irish authorities.

"Fair exchange is no robbery" might well be their business slogan, for police investigations have revealed that huge quantities of sugar and other foodstuffs have been secretly "exported" illegally from Eire into Northern Ireland territory—in exchange for flour supplies transported "South of the Border" from Ulster.

Smuggling along the Fermanagh-Monaghan, Tyrone-Downal and Londonderry-Downal frontiers has become so acute that it has been found necessary to maintain a small-size "standing army" of police, special constabulary and preventive men in these three areas.

Smuggling ingenuity manifested itself in one Ulster-Eire district recently during the blackout hours when a large party tried to slip past the local patrols.

They were caught, but NOT red-handed, for they carried no smuggled goods at all—their feint had merely been to divert police attention from another part of the frontier, close by, where a few smugglers—laden with smuggled goods—got through successfully.

Customs men recently chased a smuggler—who was carrying a bag of flour—so hotly that he jumped across a river into Northern Ireland territory, first throwing the bag into the water. Attempting to follow suit, one officer fell into the water and had to be rescued by his colleagues. They seized the flour, however, and conveyed it to Clones!

From "Reynolds News," 2nd February.

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