

## PARLIAMENTARY DEBATES

### TOWN AND COUNTRY PLANNING BILL

12th July, 1944

Mr. DOUGLAS (Battersea, North): The problem of the blitzed areas is certainly one of extreme urgency and high priority, but that must have been obvious to the Government for more than three years past. What is required first is a more simple, expeditious and comprehensive machinery of planning, and that is not provided at all in the Bill, which deals for the most part with the acquisition of blitzed areas and of blighted areas, and will make the procedure with regard to all these matters even more diverse and complicated than it is at the present moment.

The 1939 ceiling, which has now, under the Bill, become a standard price, will not solve the difficulties of the local authorities. Prices in 1939 were in very many cases at an extremely high level and were speculative prices. That applied not merely to undeveloped areas, but to a great many others which were approaching the stage at which they required to be redeveloped because the buildings were becoming obsolescent. I am not at all certain that the limitation of price to the 1939 value will be advantageous to local authorities generally. In some cases it will probably be extremely detrimental. If, for example, a plan is finally adopted for London which results in a diminution of population to the extent of 500,000 or 600,000 persons, as is contemplated in the draft plan prepared by Professor Abercrombie and Mr. Forshaw, the result of that, other things being equal, will be a considerable reduction in land values in London, and the planning authority, so far as it requires to purchase land, will be obliged to purchase it at values fixed by reference to the population of 1939.

The problem of compensation is the one which goes to the root of this whole matter of planning. It is the obstacle which has prevented planning from being operated successfully ever since the first Town Planning Act was introduced in 1909 or 1910. It is a difficulty which is not met by this Bill at all.

Let me give the House an illustration which will be familiar to every hon. Member. One of the best and most imaginative planning schemes which has ever been carried out in this country was the Kingsway-Aldwych improvement, carried out by the London County Council between the years 1895 and 1905. It took ten years in order to get that scheme completed, and even then not fully completed, because the land was not all let by that time. Some was not actually let until after the last war was over, and the L.C.C. in respect of that land had the advantage of being able to let it at a post-war price, although the price they had paid originally was a pre-war price. In spite of that advantage, at the present day that scheme is costing the ratepayers of London £60,000 a year, and the accumulated deficit which has been charged upon the rates is £2,800,000.

As far as we can estimate it at the present time, the deficit to be charged upon the rates will rise to a maximum of £3,500,000. After that, we hope that in course of time the process will begin to be reversed, but that will only be after a period of some 60 years or so. If that is the basis upon which the local authorities of this country are expected to carry out large-scale, comprehensive, imaginative planning schemes, I say to the Minister that the burden which will be imposed upon them will be an intolerable one.

The Financial Memorandum to the Bill estimates that the cost of dealing with blitzed areas will be of the order of £575,000,000. That, I presume, is intended to represent the initial cost. If it results in deficiencies year by year of the order I have indicated just now the ultimate cost involved may well be double that figure. The difficulty which the Minister and the Government have to face, sooner or later, if planning is to be put upon a sound financial basis, is to overcome the difficulty with regard to the price of land or the cost of compensation, whichever form it may take. That difficulty will not be overcome by means of devices such as the 1939 ceiling. It will only be overcome when we realise the necessity of having for every piece of land in this country a valuation which is fixed, not only as a basis upon which compensation or purchase price is decided, but also as a basis upon which the owner of the land will have to pay tax or rates.

Universal experience, all over the world, and particularly in the British Dominions, which have made many experiments with regard to this problem, has shown that that is the only way in which a satisfactory solution can ever be attained. Therefore I say to the Minister that it does not matter how much the Bill is amended. I welcome his willingness to consider representations made to him by the local authorities and by other people who are concerned in a practical way with this question, but at the same time it is impossible for him so to amend this Bill as to make it a really sound, workable proposition which will not throw upon the ratepayers or the taxpayers a burden entirely disproportionate to the results which would be achieved.

Mr. STOKES (Ipswich): I think I am right in saying that a great number, if not all on this side of the House, consider that the effect of this Bill will be—if I can put it that way—to re-entrench the landlords in a still stronger position than they were before in what the Prime Minister described as "the mother of all monopolies."

Take my constituency and the borough of Ipswich. What has been happening there? I will give two glaring examples of land speculation in 1939. What happens when war breaks out? People rush to buy land, because it is the safest place to put their money. Here is the case of a small farm on the outskirts of Ipswich, the rental value of which was £26 8s. 1d. in 1939. This farm was purchased for £3,600. The Minister would not dare to get up and say that here was an enthusiastic farmer who was out to invest £3,600 in a farm which, apparently, gave such a small return. Next door there was another farm, the net rental value of which was £126, for which £10,000 was paid. When Ipswich wants to develop it will have to pay through the nose for the land which it requires. All along the line this Bill fails miserably because it fails to deal with the question of land values.

Some are in favour of confiscation. I think it is unjust to confiscate, although do not let us forget that the land was confiscated from the people in the first place.

The second alternative is nationalisation. I know a great many people on this side of the House think that they agree with nationalisation. I think it would be most unfair to the community and to posterity; to the community because the value of the land of this country, free of all developments, is £10,000,000,000; and if we are to borrow that sum on our own credit you will have to pay £500,000,000

a year interest. I do not see why people should be asked to do that.

My third alternative is the subject-matter of the Amendment on the Paper in my name. I want to put a tax on the value of all land whether it is used or not, and so put a penalty on idleness. Value attaches to the land by the work of the community and of no one else—the work of all the community. Why should the community be made to buy back the value which it has created itself? We make roads out of London (and millions of pounds of land values arise, and go straight into the pockets of the landlords. If the community wants to spread outwards, you have to pay a rack rent to the landlords before you can get on with the job. The community are constantly placed in the position of creating obstacles for themselves, by their improvements, and have to buy at enhanced values before they can take the next step. I appeal to the Government to take the Bill back and to bring in a decent Bill, with a thorough-going scheme for the taxation of land values in it as well, and then we shall be satisfied.

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