

PLANNING AT A PRICE

THE TOWN and Country Planning Bill received its third reading in the House of Commons on 26th October, having been the subject of violent controversy and having undergone much modification. The heat engendered points to an underlying appreciation of the importance of the land question, but, as we hope to make clear, the efforts of the disputants on both sides were not always directed towards the vital points.

The primary purpose of the Bill was to establish a planning procedure applicable to areas of extensive war damage, and particularly to give planning authorities large powers of purchase of land in such areas where the existing pattern of ownership would prevent speedy rebuilding upon a modern lay-out. The Bill also contained provisions for purchase of land to facilitate the redevelopment of areas of bad lay-out and obsolete development. In short, it dealt with "blitzed" and "blighted" areas.

In addition to settling the procedure to be adopted in such cases, the Bill also dealt with the price to be paid by planning authorities for land which they acquired, not only for the purposes of this enactment but for all purposes. It thus altered the basis of compensation for all public acquisition of land.

There was on the face of it no reason why a Town Planning Bill should deal with the basis of compensation which is already laid down in other statutes of general application. Why this one did so is to be found in the earlier history of the consideration of this question. When Sir John (now Lord) Reith was the Minister charged with handling the question of replanning, he appointed an Expert Committee, under Mr. Justice Uthwatt as chairman, to advise him on the problem of compensation and betterment. In an interim report this Committee recommended "that the compensation ultimately payable in respect of public acquisition of land or of the public control of land" should "not exceed sums based on the standard of pre-war values." By pre-war values they meant the value on 31st March, 1939. The Government somewhat hastily announced that it accepted this recommendation, and that pledge was renewed on several subsequent occasions.

This pledge was interpreted to mean that the 1939 value was to be a ceiling to the price to be paid, and would not preclude local authorities from purchasing at a less price if in any case they were able to do so.

When the Town and Country Planning Bill was introduced, it contained a clause providing that the compensation for public acquisition of land, whether under this Bill or any other enactment, should be the value as at 31st March, 1939, and that this standard should operate for a period of five years. There was a provision that the owner-occupiers of dwelling houses and also of agricultural land could receive a higher scale of compensation. Con-

siderable criticism arose, mainly from the Conservative benches, that the proposals were unjust. On the other hand, the Labour Party strongly resisted any further concession, and protested against the 1939 price being made a standard instead of a ceiling.

In the end, after the Prime Minister had intervened in the discussion, the clauses dealing with this were withdrawn and new clauses were submitted. These provided generally for compensation to be assessed at the value in March, 1939. But all owner-occupiers, whether of dwelling houses or of other property, were to be entitled to receive an addition to the standard compensation of not more than 30 per cent. This addition was to be calculated on the value of the buildings alone and not on the value of the land, except that in the case of agricultural land occupied by the owner it was to be calculated on the whole value, land as well as buildings and improvements.

The original recommendation of the Uthwatt Committee had been made on the ground that no one should obtain at the expense of the public any financial gain out of his landed property by reason of war conditions or post-war reconstruction. The provisions for compensation now embodied in the Bill were defended by the Chancellor of the Exchequer (Sir John Anderson) and the Minister of Town and Country Planning (Mr. William Morrison) on the ground that at the present time there is no settled market for land, and its value was so uncertain that the only means of attaining certainty was to adopt a pre-war standard. This argument is entirely dissimilar to that of the Uthwatt Committee.

In any case, it must be evident that an arbitrary standard of compensation for land cannot last for any long time, as it is unfair that the owner of land who sells to a private purchaser can get whatever the market price may be, while the owner whose land is required for public purposes gets a 1939 value. Moreover, it is not necessarily the case that the market value at any future time will be higher than the 1939 value. Indeed, the provisions inserted in the Bill were defended by the Government upon the ground that the value of land in certain districts, such as the towns on the South-East coast, was temporarily depressed below the pre-war value, and it would be unfair for public authorities to take advantage of the effects of enemy action.

Some of the advocates of the 1939 ceiling have supported it upon the plea that it would prevent land speculation. The Uthwatt Committee, however, in their interim report, stated expressly that they had "not attempted to deal with speculation in land as such, nor have we been asked so to do." In the first place, it is clear that there was speculation in land values in 1939, and therefore the 1939 value contained a speculative element. This fact is brought out in the final report of the Uthwatt Committee so far at least as concerns land of potential building

value on the outskirts of towns, although speculation in other land is slurred over. In the second place, speculation is not confined to land which will be required by local authorities. Speculative values attach to all land in localities where land values appear to be increasing. Hence speculation cannot be prevented by measures which apply only to land required and purchased by local authorities. In any case, it is quite impossible to say how much of the value is speculative and how much is normal, and it is therefore impossible to devise any measuring rod which will separate the speculative value from the rest.

The evil of speculation has already been done when land has acquired a speculative value. The only cure is to devise some method of preventing the speculative value from ever coming into existence. No method of achieving this has ever been devised or suggested except the imposition upon the value of all land, whether used or unused, of a sufficient measure of taxation, either local or national, to make it unprofitable to hold land in anticipation of future increases in price and not for immediate use.

A subsidiary, but important point, is that it is impossible to find any satisfactory measure of the price to be paid for land acquired for public purposes if there is not in existence a uniform system of valuation of land apart from improvements, and a valuation which is intended and used as the basis either of local or national taxation of land values. The present procedure in case of disagreement by reference to an arbitrator simply results in the most extreme estimates being put forward by the parties, and the ultimate result is incapable of verification by reference to any ascertainable standard. The results of attempting to apply this process five or ten years after the event for the purpose of ascertaining what was the value of a piece of land in 1939 are likely to be even more erratic than those emerging from ordinary arbitrations.

The one thing that does arise out of the discussions on the Town and Country Planning Bill is that there is a strong feeling that the land question must somehow be tackled in a serious fashion if substantial progress is to be made in rehousing our people and replanning our cities. The 1939 standard was advocated with vigour and sincerity, although as we have seen it does not afford a solution of the real problem and will lead to inconsistencies and anomalies. The strength of the support for it no doubt arises from an instinctive recognition of the fact that land value is different from other values, that it is a public value and that it ought to go to the community. But this argument applies not only to the excess of land value over the 1939 value, and not only in regard to land which may be the subject of public purchase. It applies to the whole of the value of all land. It is all the result of the activity of the community generally. Hence, there can be no solution

of the land question except upon the basis of treating all land equally, and collecting its value for public revenue with corresponding relief of other unjust and hampering taxation. The land question is not solved by the Town and Country Planning Bill, and those who seek a solution of it must base that upon the principles which we have indicated.

PHOENIX AND CARRION CROW

Speaking in the Debate on the Town and Country Planning Bill, Money Resolution, House of Commons, on 3rd October, Mr. F. Seymour Cocks (Labour, Broxtowe) said:—

"We remember that in the days of the blitz when London and other great cities were blasted, the Prime Minister made a speech in which he said that after the war they would rise up 'beautiful, resplendent, phoenix-like from the ashes of death.' Inspired by these magnificent words our local authorities developed plans for the reconstruction, for example, of Plymouth, which are on exhibition within a few yards of this House, for the reconstructing of blitzed and blighted areas, with broad streets and vistas, and plenty of open spaces, with homes grouped around community centres and schools so placed that children would not have to cross streets to get to them, with special roads for fast traffic and so on. Then they waited for the Government to give the word to go. All they have got is this miserable and truncated Measure, which, as limited by the Money Resolution, has been hailed by all the land monopolists with screams of delight and has betrayed the hopes of the local authorities. They can be assisted to build up a modern centre of the town, as in Plymouth, they can plan shopping and municipal centres on bold lines, but all these will be in the midst of dismal seas of ill-planned slums. As a result the site value of the slums surrounding them will rise so that it will be impossible for the local authority ever to clear them away.

"In Plymouth, which is my native town, they have a plan by which the municipal and shopping centre will be allowed to be reconstructed under this Money Resolution, but attached to that plan, and making part of it, is a great processional avenue from North Road Station to the Hoe, giving a vista of the sparkling waters of Plymouth Sound and getting rid of a lot of mean streets. As a result of this Money Resolution the value of all that land, one cannot call it exactly slum land, but ill-planned land, will rise in value, and that road in the Plymouth programme can never be constructed; so I say that this Bill means the death of planning. For the glorious golden phoenix of the Prime Minister's oratory it substitutes the black carrion crow of the land monopolist and the bald-headed vulture of the land speculator. For the perfect civic statue which might have been so beautiful we have now this mutilated Venus de Milo, or rather Venus de Morrison, a figure with no arms to act

and no power to replan on comprehensive lines."

BLACK-OUT IN THE 1840's

From "Miscellany" in the *Manchester Guardian*, 12th September:—

The relaxation of the stringency of the black-out will be hailed with something of the same rejoicing as was caused by the repeal of the Window Tax in 1851. One recalls in an old bound volume of *Punch* a contemporary cartoon of a working-man and his family greeting with joy the sunlight once more streaming into their living-room through the newly unblocked window, the tax upon which the tenant had been too poor to pay. Some of these still built-up windows may be seen in country places, and the writer has seen the unblocking of others in quite recent times, and preserves a record of the window-tax paid by the owner-occupier of a house near Morecambe for the year ending 5th April, 1841, who is charged the "Duty on Windows or Lights (11 to 16)"—five being perhaps blocked for the time only—the duty being £2 2s. 3d. (two or three of the windows were fairly large—the rest small).

Another charge in the same year for sixteen windows was £3 18s. 6d., with an addition (unexplained) of 10 per cent. This tax, enacted in 1695 to pay for the recoinage of silver, was constantly increased, till in 1850 the revenue from it raised £1,832,684. A duty on inhabited houses took its place in 1851.

[The Inhabited House Duty was repealed in 1924 by Philip Snowden. But houses and their windows, doors, roofs and all their parts are still taxed under our local rating system, and grievously. The repeal of that tax and its substitution by Land Value Rating is first among the reforms urgently required.—EDITOR, *L. & L.*]

THE NATION'S OIL

The fact is now revealed that petroleum to the extent of 100,000 tons (or 26,000,000 gallons) a year is now being obtained from English wells. During the war period a total of 78,000,000 gallons has been produced, and it is stated (*The Times*, 23rd September) that the field will continue to yield oil although in diminishing amounts for another ten or fifteen years.

This recalls the successful Parliamentary struggle which was waged over the question of ownership of petroleum rights. The first Petroleum (Production) Bill was introduced in 1917. It provided for the payment of a royalty of 9d. per ton to the owners of land under which petroleum was found. The Bill was strongly opposed on second reading by members of the Land Values Group, notably Mr. H. G. Chancellor and Mr. J. Dundas White.

On the financial resolution an amendment was moved by Mr. Denman directed against the proposed royalty. After a notable debate, in which those mentioned, together with Col. Wedgwood, Mr. Charles E. Price, Mr.

Pringle and others spoke, the amendment was carried. The Bill was then dropped.

In 1918 another Petroleum (Production) Act was passed which made provision for prospecting, but left the question of ownership open.

The last Petroleum (Production) Act was passed in 1934. It declared the property in petroleum in its natural condition in strata in Great Britain to be vested in the Crown, except for such petroleum as might be gotten under a license granted under the Act of 1918. It also empowered the Board of Trade to grant licenses to search and bore for petroleum upon such terms as to royalty or otherwise as it thought fit. During the debate on this measure in the House of Commons the Marquess of Hartington asked the Minister of Mines whether he had consulted various technical and scientific bodies, adding: "Has he consulted any of the existing licensees? I can answer that one for him. He consulted me and I told him that this was a darned rotten silly Bill." Such was the reaction of our landed aristocracy to even the smallest measure of land reform.

"A GOOD INVESTMENT"

A member of the English League in Victoria, British Columbia, has sent to the League office a cutting from the *Daily Colonist* of 17th January, 1943, in which is reported the retirement of a Mr. Bridgman from an 85 years old firm of land agents in that city.

"As an instance of mutually profitable relationship and trust between client and agent, Mr. Bridgman cites the case of the very first transaction made through their office in 1858 between a family in France and a property owner in Victoria. For the next seventy-five years, without any personal contact and without ever a visit to Victoria, the buyers of the property received annual rentals that were, on the average, twice the purchase price, and the property was finally sold some ten years ago for a total of 3,000,000 francs, or one thousand times the original purchase price. The property is now the site of the Dominion Bank and the Metropolitan Stores, and Mr. Bridgman is of the opinion that this is probably the best real estate investment ever made in Victoria."

Very good, no doubt, for the family in France, but what about the population of Victoria, who, by their presence, activities and public expenditure, have brought about this great increase in the value of the land upon which they live and work?

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