
LAND & LIBERTY

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TASK AND DUTY OF THE PLANNERS

The Town and Country Planning Bill, which was given Second Reading on March 15, marks the second stage in the unscrabbling process resulting from the decision of the Government to revise drastically the financial provisions of the 1947 Town and Country Planning Act. Reasons for this action were fully explained in the White Paper Cmd 8699 (price 6d.) which was issued in November, 1952. The present Bill follows on the amending Act of 1953 which abolished the development charge and suspended the pay-out of the 300 million pound landlord-compensation fund which had been due to take place not later than July 1, 1953. The consequence is the need for building up a whole set of new arrangements for satisfying the claims to compensation, as established by the 1947 Act, and for refunding in hosts of cases the development charges already paid; or the latter are balanced against the former, all depending upon this or that circumstance or contingency.

The new Bill is a maze of provisions dealing with many intricate and baffling problems, such as the reparation under stated conditions to be made to those who sold land at prices determined by the restrictions of the 1947 Act, the division of compensation claims where land has since been subdivided, the tracing of those persons who have bought claims from the claim-holders; furthermore the rules and regulations that are to govern the financial aspects of future planning operations and the compulsory purchase of land by local authorities. To cover all that ground has required no fewer than 73 clauses and ten supplementary schedules. The Bill contains no amendments of the planning provisions of the 1947 Act; it deals only with the financial.

It may help to an understanding if we go back upon and look at the financial provisions of the 1947 Act. They established a State monopoly in the right to develop land for building purposes or to make any material change in the use of land and premises. The State thus nationalized and became proprietor of what was described as the "development value" of land, that being the difference between what land would sell for if the Act had not been passed and what it would sell for subject to prohibition against any development, as development is defined in the Act. The individual landholders, retaining in all other respects their ordinary dominion over the land, were left in possession of what was described as the "existing use" value of the land, namely what it would fetch in the open market if it were condemned by law perpetually to remain in its existing state of use—a most

arbitrary conception and surely a stiff headache for any valuer. Incidentally the sponsors of the Act imagined that they had thereby "stabilized" land prices and put a stopper on speculation, but it was soon discovered that the best laid plans of mice and men gang aft agley. Would-be developers found to their cost that the speculation in the price of land easily ignored those legislative notions.

To compensate the landholders for that "development value" which had been monopolized by the State and of which they had been deprived, the sum of £300 millions of public money was to be placed at disposal. This sum, with accrued interest as from July 1, 1948, was to be shared out amongst all who made the claim and had it substantiated that their land had been depreciated in value by the operation of the Act. All those "development values" were valued and, with the exclusion of small sums, the total came to about £350,000,000. These claims are now "established" and the State is committed in regard to them. The 1947 Act would have doled out the whole of the £300 million fund, pro rata to the amount of the established claim in each case and many would have received share who had no intention whatever of developing their land. The amending Bill does three things. It avoids the payment of such unconditional gifts. It will pay the claims only where there is proof of "loss sustained" through planning restrictions. These claims it will pay in full instead of on the pro rata scale. Thus some will get nothing of what they had banked upon while others will get more than they had expected. On balance there may be some saving in the draw upon public funds—not that this mitigates in principle the scandal of any payment whatever being made to landed interests for a value they have done nothing to produce, a value that belongs rightly in the common treasury.

The other main financial feature of the 1947 Act was the "development charge." The State, as explained, had become the monopolist of the right to develop land beyond its existing state of use. Permission to develop had to be bought from the State. The payment took the form of this charge, the amount of which was determined by a more or less arbitrary assessment resulting from what could only be guess-work on the part of the valuer, so tenuous and so artificial were the conceptions involved. What is the value of this property, choosing any, as it stands and must stand, all alterations forbidden? By how much will its value be increased if permission is given to erect or enlarge this or that building or to make some material change in the use of the premises? Solution of that problem could only be a dictate, the grievances against which kept growing in volume. Four years' experience, and the story is well told in that White Paper Cmd 8699, proved how well named the mischievous thing was—a development charge, a charge on development, delaying or preventing development, since it fell only when and as development was contemplated and in relation to its extent. The time had come to abolish the charge, and the Act of 1953 stopped all levy of it as from November 18, 1952.

The rent of land, its value apart from the value of man-made improvements, is the rightful property of the people as a whole. The wanton idea underlying all this legislation is that the land belongs to a section called landowners whose right to appropriate its rent must be acknowledged and safeguarded by the State. This is the language of the law: the occupation and use of land may only be had if the would-be user, either in his individual or his corporate capacity, purchases the right from a fellow-

being already in possession. Society to-day is based upon that monstrous injustice, its ravages to be seen on every hand in the overcrowding and slumdom which the planners, false observers and false prophets, attribute to anything but the true cause. To them bad planning in the past has been responsible, and in their conceit there would have been no slums, no ragged or distorted or shocking development had they been at the helm fifty or a hundred and fifty years ago. They cannot or will not or, lacking the courage, dare not look at the core of the problem which was and is, and will be (until landlord influence is expelled), the private appropriation of the rent of land. Blotted from their vision, or with their eyes deliberately shut to it, is the restrictive effect of existing taxation, which is imposed on the work of man's hands because the natural source of revenue has been surrendered by State and municipality to the private interest. They would plan or zone this or that neighbourhood saying, for example, "here shall houses be"—excellent plan, on paper, but destined like most of those plans to remain at the paper stage because of the failure, even before pen touches paper, to see to the removal of the obstacles that stand in the way of achievement: the price of land and the burden of rates on houses. Instead of demanding removal of those obstacles, they try to overcome them by resort to heavy subsidies causing new tax burdens that prevent far more building than what is thus fostered into being. The things seen are as nothing to the things unseen. The lesson was not learned. On the contrary the Labour Party, or its lunatic fringe, gave us that 1947 Act with its development charge aggravating the evils of the present rating system, and with its indefensible booty to landlordism by way of compensation for the loss of so-called development rights, plus the engaging of untold millions for the public purchase of land, paying these prices which are wholly out of relation to any assessment for local taxation.

The heritage is perfectly acceptable to the Conservative Party. The landowner must be paid his price. No one could be more outspoken in that regard than the Minister, Mr. Macmillan himself: "The Government has no intention whatever of subordinating the proper use of land to the need for budgetary economy." Let the taxpayers pay, and fill the cup to the brim; such is the word of the House of Have.

The State monopoly of development values is ended and private interests are given the free run of them. It is not, however, a desperate situation. The outlook is not so bad; for as long as those financial provisions of the 1947 Act persisted much difficulty would attend the application of the taxation and rating of land values. But now the field is clear for that policy, as it has not been, and the arguments for it are more powerful than ever.

The present Bill accepts the commitments to the holders of established claims to development value, but it modifies them and spreads the payments over a period. The Minister appears to think that the eventual sum total will be "infinitely less money" than was provided by the 1947 Act. He made no estimate nor could he hazard a guess. Nevertheless the administrators of this new legislation are faced with an appalling task in squaring the accounts. A different dish is provided. And seated at the table are all those who with larger ladles or smaller spoons are privileged to sup the soup of this landlord compensation, be it that the fare is not quite so plentiful as what was first cooked in the Labour Government's kitchen.

A. W. M.

RECENT LAND SALES

Lord Street, Liverpool

The *Estates Gazette*, February 6, reported the sale of 72-78 Lord Street, Liverpool, the vacant site next to the corner of Paradise Street. The site has been acquired by a development company who intend to erect shops with offices above. The price realized was in excess of £100 per square yard—approximately £500,000 per acre—and is believed to be the highest obtained since the war for any of the sites in that area. It was materially in excess of the after-damage value. The vendors were Stonier, Ltd., traders from that position before the blitz.

Freehold of Frascati's Restaurant Sold

The London correspondence column of the *Manchester Guardian*, March 27, reported that "Frascati's, the gold-and-plush Oxford Street Rendezvous of the smart Edwardian diner-out, is closing tomorrow after a run of sixty-two years . . . Kings, princes, statesmen, celebrities of the theatre, music-hall, films and sport dined at this well-run restaurant . . . The freehold was bought in April last year for £637,000 by an unknown buyer, who turns out to be Mr. Samuels, the property-owner who was concerned in the Savoy bid. As he is closing the restaurant, presumably he intends either to pull it down to rebuild or to convert it into shops or offices."

Educational Foundation Sells Building Land

By order of the Governors of the Whitgift Educational Foundation, and with the sanction of the Minister of Education, Messrs. Harold Williams & Partners (80, High Street, Croydon) submitted to auction on March 16 approximately 13.2 acres of freehold building land forming part of the Fox Farm Estate, with frontages of about 2,595 feet to Ewhurst Avenue and access to Upper Selsdon Road, Sanderstead, Surrey. The land is available for the erection of 68 detached houses and was disposed of at the auction at a figure of £32,000.—*Estates Gazette*.

Durham Municipal Purchase

The *Municipal Journal*, November 13, reported that Durham City Corporation had decided to buy a 237-acre farm at Framwell Gate Moor for £20,000. It plans to use the land for the development of houses, shops and civic buildings.

Duke of Bedford's Estates for Sale

Instructions have been given to sell by auction this summer two agricultural estates to help to meet duties payable after the death of the 12th Duke of Bedford last October. They are the Great Maytham estate in Kent (2,824 acres; rent roll £6,675) and the Chenies estate in Buckinghamshire (1,681 acres; rent roll £4,380). According to a *Daily Telegraph* report, March 31, these two estates are expected to realize about £400,000. No decision has yet been taken regarding the late Duke's other land in Bedfordshire, Devon and Dorset, or his extensive London estate. His property has been valued at more than £5 million.

9th INTERNATIONAL CONFERENCE—1955

The Ninth International Conference of Members of the International Union for Land Value Taxation and Free Trade, which all our readers are invited to join, will be held in

ST. ANDREW'S, 15th to 20th AUGUST, 1955

The Conference meets in the United Colleges Hall of the University. Members will be accommodated in the well-appointed University Residence Halls.

The University City of St. Andrew's has a world-wide fame. Situated on the coast it is an ideal holiday resort. It is within easy distance of Edinburgh. The date of the Conference is well chosen as it immediately precedes the opening of the annual Edinburgh Festival.

For all particulars as to Conference terms and fees, cost of residence and travel arrangements, write to the International Union, 4 Great Smith Street, London, S.W.1.

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