Let me say how pleased I am to be here. I want to give some insight into the British experience of urban development.

Our Urban Summit was the first of its kind in the UK. Like your Congress, it brought together 1500 people to discuss how to improve our towns and cities. John made an inspirational contribution. He challenged us - asking tough questions about what a city should be and telling us about your experiences here in the US.

He explained why cities really matter - and how they can regain their greatness - because it is in cities that people connect. Successful cities connect people, business, culture and innovation. That is why they were built, why they flourished, and why pedestrianization is such a catalyst for regeneration.

This shows Covent Garden in central London where the old fruit and vegetable market has been converted and restored and where the streets have been given back to the people.

We are doing the same in Trafalgar Square where traffic has been excluded from the north side turning it from a traffic roundabout into a vibrant urban space. As we say in England these examples illustrate the principle of "horses for courses".

In Covent Garden and Trafalgar Square pedestrianization has worked.

But when John spoke at the Urban Summit he said exactly the opposite - that cars were sometimes necessary for economic vitality. I fully acknowledge the sense of what he said - that is the value of exchanging experiences. And I am very much looking forward to seeing what John has done when I visit Milwaukee at the weekend. That is why I am here this week. To make connections between our urban renaissance and yours.
We face many of the same challenges as you. And, like you, we are achieving real results as we explore and implement the ideas of New Urbanism. Both the UK and the US have some of the finest towns and cities in the world. Places where people want to live, work and visit. But, like you, we have lost the knack of making what former Vice President Al Gore described to me during the Kyoto climate change negotiations as 'liveable' places.

Back in the 1960s, another of your Vice Presidents - Hubert Humphrey - warned that in America cities were changing into "places where business goes on but where life, in its real sense, is lost". At the same time, the famous British town planner - Colin Buchanan - was warning us of the risk we ran by creating cities for cars, instead of people. Tragically, we ignored his advice.

Of course, the concept of "liveable" places - or sustainable communities - is not new. It is thousands of years old. The Romans brought sustainable communities to Britain 2,000 years ago. London, Chester, Bath, Manchester, York and others date back that far. They are still thriving - still sustainable.

This slide of Bath shows how attractive and popular these cities can be. But they have not stayed the same. They have stood the test of time. But they have changed with the times and adapted to modern life over the centuries.

We also have some of the best medieval and market towns anywhere in the world. Millions come to visit these towns and cities. Everyone loves them: not because they are museum-pieces; but because they are great places to live, work and enjoy. As you can see from this satellite image of Europe at night, England is one of the most heavily urbanised places in the world. Nearly nine out of every ten people in England live in towns or cities.

But, just like the United States, we have increasingly become a suburban nation. And it's been a long term trend. We love the countryside and rightly so. The UK may be heavily urbanized, but nearly 90% of our land is still countryside and wilderness. And our love of the countryside is reflected by the growth of our suburbs. They fit in with the self-image of a nation of warm beer, cricket and long summer evenings.

This London Underground advertisement shows Golders Green. It was developed in the 1920s when modern transport gave London commuters the ability to live in the new suburbs and work in the city center. It is a beautiful English image, but in reality it was
built with US money because the British financiers thought the underground would go bust. So it is you Americans who are to blame for our suburban sprawl. And only the Americans could come up with the slogan like "A Place of Delightful Prospect".

But although the suburbs may reflect a longing for country life, they are neither town nor country. And they undermine both.

That said, suburbs were not without their own logic. 100 years ago smokestack industries meant many cities became even more filthy, polluted and unpleasant. Trams, buses and railways started the flight from our cities. Later, cars, new roads and cheap mortgages encouraged the trend. And of course as we all know, World War II left many of our towns and cities devastated by bombing.

Once the war was over we directed huge efforts towards providing new housing on our urban fringes - like these blocks in South London. Meanwhile, we tore down much more of our historic urban fabric. Between 1950 and 1980 we demolished nearly two million homes - four times the number destroyed in the war.

By the late 1950s we were building a record 300,000 homes a year. Many of them were in large public housing estates in new towns, suburbs and indeed our inner city areas. The touchstone by which we measured success was not the creation of sustainable communities, but the number of new homes built.

At that time developments like this one in inner London were regarded as the last word in progress. The planners and politicians placed their faith in new untried techniques. And above all they embraced the car.

Victorian terraced houses were torn down in favour of new high rise estates. The philosophy was "build them cheap, stack them high" - the dominating theory of economies of scale. And today we are lucky if they last 40 years.

That is what the architects and planners - and indeed politicians - gave us. You will have heard the phrase "an Englishman's home is his castle". Well, the planners got awards for their streets in the sky which quickly became castle ramparts from which abuse, objects and even boiling oil were hurled at police, doctors and neighbours beneath them. In fact,
this was the location for the filming of the "The Clockwork Orange" - a nightmare vision of the future.

In less than a generation, high rise tower blocks and deck access flats became the new slums. Crime went up. Educational standards came down. People worked and sometimes shopped in the cities but at night they fled back to the suburbs. And our town center communities were undermined. In the 1980s sights like this became commonplace as the urban exodus gathered pace.

You will remember the slogan "A Place of Delightful Prospect". That was the image. Fifty years later this is the reality.

National planning policies were relaxed and new building was encouraged on greenfield sites. The car was king and the public transport system was allowed to deteriorate. In just 20 years from 1980 to 2000, more than 3 million people in the UK moved to new homes in the suburbs - one in twenty of the entire population! Out of town shopping centers like this sprang up like a rash.

In 1970 virtually all of our retail space was in towns. Thirty years later, a third of it was in out-of-town malls - like this one which could just as well be here in Washington as in Manchester, England.

These were also years of industrial devastation. In the fifteen years after 1980, our twenty largest industrial cities lost half a million jobs. The vast majority were in the industrial north and midlands where we suffered a collapse of motor car and manufacturing industry similar to many US cities. Urban economies collapsed as fast as they had expanded a hundred years earlier. Rioting and unrest hit the streets of many of our towns and cities.

Here we see Brixton, in 1981 the scene of some of the worst rioting, now 20 years later benefiting from an urban renaissance.

But while the industrial cities lost half a million jobs, the rest of the country - largely in the south - gained more than 3 times that number of new ones - mainly in the IT, service and telecom industries. London and the south east did well. The north and the midlands struggled.
When the new Labour government came into office in 1997 one of our priorities was to get to grips with this legacy of poor planning, long term neglect and the "stop-go" economy. Rebuild, regenerate, reconnect. So, what are we doing?

Firstly, we stabilized the economy creating 1.5 million new jobs - the essential foundation for any sustainable community. Second, we created a framework where the public and private sectors could work together. This replaced the ideological political conflict we had suffered from in the past - and the Tony Blair New Labour government emphasized cooperation, not conflict. Third, we decentralized power to the regions, cities and local authorities.

We gave Scotland and Wales their own elected parliaments. This week in Parliament I announced that we would press ahead with referendums for elected regional assemblies in our English regions. And we have restored democratic city wide government to London with its elected Mayor. We have put in place powerful new regional economic development agencies.

We are modernizing local government and giving new powers to local councils to work in partnership with the public and private sector - introducing Business Improvement Districts and elected mayors - both lessons learnt from you here in the US. We have a powerful national regeneration agency - English Partnerships - with its own land bank that assembles sites, sponsors excellence in design and works with private developers.

I am very pleased to say that our new Chief Executive of English Partnerships - David Higgins - is here with me today. He comes from a private sector background and brings with him a range of skills and experience, which will enhance our ability to deliver. I am also joined today by David Lunts - our Director of Urban Policy - who comes from a voluntary sector background which will again strengthen our ability to bring about an urban renaissance. We have changed our national planning policies to promote urban brownfield development, instead of suburban greenfield sprawl and pepperpot development.

Our planning laws have a crucial part to play in this and I know that many in the US have expressed admiration of the British planning system. It has had great successes - for example containing urban sprawl by protecting the countryside around our cities and putting in place a network of national parks. But of course it also created some of the
monstrosities we have seen this evening - high rise flats and urban motorways that smash their way through the center of cities.

We are now reforming the planning system with new legislation and new central government guidance to local planning authorities. For example we are helping to regeneration traditional town center shopping by refusing permission to build out-of-town retail centers.

That is not always popular with the developers, but we have stuck with it - and it is working. New supermarkets are springing up in high streets. New retail stores are bringing with them important public private sector partnerships and together this is bringing about the regeneration of our town centers. This year for the first time there was more retail development in town centers than out of town. We have done the same for housing with what we call the sequential test. We refuse planning permission to build on greenfield sites unless there is no brownfield land available. This has helped us exceed our target of 60% of all new housing development being on brownfield sites.

We are also insisting that new housing developments contain an appropriate mix of affordable and private housing in order to ensure that we have balanced communities. We are making better use of the land on which we build.

For too long, we have wasted precious land by building low density sprawl. Now we are requiring new developments to be built to a minimum density of 12 homes to the acre. That is about the same as the first Garden Cities built in the 1920s. But it is worth pointing out that the housing density in Georgian towns - where we have some of our most expensive housing - can be as much as 30 or 40 houses to the acre.

We also want to see better standards of design and building. Exciting architecture can create a sense of place and real pride for a community. We have therefore created a new Commission for Architecture and the Built Environment which works to improve standards. We are beginning the biggest shake up of training and education of planners and professionals for a generation. We want to break the straitjacket culture of conservatism that has come to dominate the architectural and planning professions. We are setting up a new program to improve our public space and parks - often the very lungs of our cities.
That means recapturing public spaces which have been neglected for years and often overrun by drugs and crime. We have achieved a lot. But there is an awful lot more to do. Many of our cities have a vitality and a self-confidence that has been missing for years.

Nowhere more so than in London. For nearly a century it has been losing population. Now it is set to gain 700,000 in the next 20 years - an increase of nearly 10%.

Or take Manchester. Fifteen years ago less than three hundred people lived in the center of this city of nearly half a million people. The center had simply been abandoned by its citizens. Now the city center has a population of 15,000 and growing. Many of them young people who have colonised refurbished Victorian warehouses.

In Newcastle, there has been a similar story. Along the River Tyne, new housing and arts facilities are bringing new energy into the city center and a new sense of self confidence and civic pride. Here we see the award winning Millennium bridge bringing together two communities on different sides of the river.

And we are making intelligent use of the planning system. In one case a developer who wanted to build new housing on a greenfield site near the airport was required to build two new houses on inner city brownfield sites for every one he built on a greenfield site. It is a two for one deal that is providing housing to meet the needs of different parts of our communities.

But I want to focus for a moment on Birmingham where we held our first Urban Summit last October. In the 1960s Birmingham became famous as a motorway city - an experiment of our architects, planners and highway engineers. I think it is great -"I'm an architect, I'm glad I'm not a planner. I'm a planner, I'm glad I'm not a highway engineer. I'm a highway engineer, I'm glad my mother loves me".

Today, we have brought back the City's sense of civic pride with its restored Victorian Town Hall. And another beautiful historic square reclaimed for the people from an urban traffic roundabout. We have returned the city to pedestrians. We have taken the City's historic buildings and urban fabric and turned them from liabilities into assets. Abandoned waterways, warehouses, docks, squares and streets are coming back into use.
Only in Britain could urban canals be seen as a liability. To turn them around we have modernized our agency - British Waterways - with new powers to run the canals and provide a catalyst of public and private money to bring them back to life. Ordinary people have returned to the city center and visitors come to enjoy the city. This urban renaissance is working with the grain of the new working generation. It is swimming with the tide of a new economic trend.

Cities are becoming active, thriving and exciting place - 24 hours a day. They are worked in - and lived in. As New Labour would say, urban is chic. Urban is cool. That, at least, is the positive story. Those are the areas we have turned around. They are areas where people now want to live.

And because they want to live there, property prices are rising and there is a buzz and excitement about the place. There is a virtuous cycle of improvement built on high demand.

But there can be another story where parts of our medium size towns and cities face a spiral of decline and low demand and community life is fast disappearing. That is the challenge. And in areas of low demand like this we also face high unemployment, high crime, high levels of deprivation and low levels of educational achievement. The very opposite of sustainable communities.

We have some towns where hundreds, sometimes thousands of houses are abandoned. Where residents cling on it is often because they are trapped in homes that nobody will buy and where their mortgage is far higher than the value of their property. This is a new experience in our country. We now have nearly a million homes that are classified as 'low demand' - largely privately owned or privately rented properties. These are places where traditional mining, textile and manufacturing industries have gone, and where housing is obsolete.

The challenge in these areas is to restore the sense of community and lift up property values using public and private resources.

It is clear that market forces alone will not be sufficient to turn around low demand areas or to provide sufficient affordable homes in areas of high demand. We can use compulsory purchase to clear sites. And we have new proposals for compulsory leasing where local
authorities will take on houses that landlords are unwilling or unable to restore, restore them, and only return them to the landlord once the cost of restoration has been recouped.

This is a major challenge for us and one thing I hope to learn about on this visit to the US is your fiscal frameworks and tax incentives to encourage urban regeneration. If we get the rules right, the private sector can do a lot more. And when you have - like we have - a target to build over a million homes in a sustainable way it is the private sector that will provide the vast bulk of the investment.

But different places have different problems. In parts of the north of England, there is a lack of demand with thousands of good quality publicly owned houses standing empty. Elsewhere, in the south, there is rising pressure for new homes and a desperate shortage of affordable homes. House prices have been rising so quickly that many young people and public service workers cannot afford a home close to work. That is a huge problem for any sustainable community.

Last February I published my plan with a record level of financial resources for dealing with these related challenges of housing supply and demand. I was under some pressure to make it a housing plan. Or a planning plan. I did neither. Instead it is a 'Sustainable Communities' Plan. Not housing, but communities. Not sprawling suburbs but liveable neighborhoods. That is what we are after.

Our "Communities Plan" is a step change which shares a common vision with your charter of New Urbanism. As your Charter puts it, we are all "working to reconnect the art of building with the making of community".

Let me finish with a final example.

To set new standards for urban development we are making a start with seven new millennium communities in Britain. This is the Greenwich Peninsula in East London as it was ten years ago. Derelict and polluted. The site of an abandoned gas works. The most poisoned land in the whole of London. It cost us about half a billion dollars to clean up - something only the public sector could do. The Greenwich Peninsula is now the home of the Millennium Dome. And we have already built 600 new homes together with shops, a school and community facilities.
The Greenwich Peninsula is part of the wider Thames Gateway area in London. As you can see from this slide extends along the banks of the River Thames from the City of London and Canary Wharf in the west for about 20 miles to the east. It is the biggest regeneration area in Europe in one of Europe's oldest cities.

We are planning to build 200,000 new homes in the wider Thames Gateway area. But the next step for the Greenwich Peninsula is to enlarge the existing Millennium Village to include 10,000 new homes, and new offices, schools, hospitals, shops and leisure facilities.

It will express our vision of sustainable communities for the 21st century. Not just a housing estate, but a planned community with: infrastructure investment in health, schools and jobs; using new energy and water saving standards; making use of modern building techniques and off-site manufacture; using good quality design and planning; creating a sustainable social mix of 35% affordable and 65% private housing; and hopefully starting a new school of thinking about New Urbanism. Greenwich Millennium Village proves that we can make our towns and cities the very best of places. Places where life can be enjoyed and people can prosper.

Let's work together to bring the best to all our cities and all our communities. In Europe and the United States let's learn from each other and pursue policies that will help our cities thrive, develop and grow into sustainable communities.