

LAND VALUES.

Fifteenth Year.

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"OUR POLICY."

"We would simply take for the community what belongs to the community—the value that attaches to land by the growth of the community; leave sacred to the individual all that belongs to the individual."—Henry George.

HOUSING AND TOWN PLANNING.

The air is thick with plans for the better housing of the working classes, but from our point of view it is melancholy to think how little attempt is made by any to grapple with the real nature of the problem. In the towns we have City Improvement Acts already in operation, under which Corporations try to build down to the effective demand of low paid labour, and very naturally fail in the attempt. Then we have Garden Cities, one of whose ambitions is also to build cheap houses, and now comes Mr. Burns' Housing and Town Planning Bill to facilitate the purchase of land by Local Authorities and empower them to condemn houses unfit for habitation.

All of them well-meaning attempts, no doubt, but each and all utterly failing to get anywhere near the predisposing causes of bad housing, as can be shown beyond the shadow

of a doubt. What are those causes? Primarily the low earnings of common labour which puts a decent house beyond the reach of millions, and in the second place the artificially high house rents manufactured by our vicious system of local rating which exempts from rates unused land, however much it may be in demand, and then has no alternative but to pile the whole burden on occupied houses.

Given these conditions, how can Housing Bills which do not touch them hope for any measure of permanent success? It is scarcely matter for surprise that such Bills have in the past failed to meet the situation, when we have it on the authority of Mr. Seebohm Rowntree that in some London working-class districts ground rent alone accounts for 2s. of the rental of each room per week. Where, we wonder, are the labouring men who can face such a charge. Give them but two rooms, and ground rent alone would swallow up all they can possibly afford to pay; so that stone and lime would have to be thrown in free. The London County Council finds it impossible to provide houses at rents which common labour can pay, unless they do as in the case of the Holborn to Strand Improvement, where the extortionate price paid for the site was written down to nil, and for each person housed a charge of £60 made on the rates. In Glasgow, after the Corporation had spent £42,000 in purchasing an old foundry and £3,000 in pulling it down to make an open space, the proprietors in the neighbourhood raised every rent, so that the people for whom the improvement was meant had to flit to back streets, and crowd the slums worse than ever. So it would seem this effort at Town Planning proved worse than useless. The Corporation has also built many working-class dwellings as cheap as it is possible to build them. They were intended to meet the wants of the man whose needs are most pressing—the man with 20s. per week and under; but it is now found the houses cannot be let at a rent which he can pay, unless a charge be made on the rates; that they are now filled by the higher paid skilled workers, and the others have to find accommodation elsewhere as best they may.

Though such experiences must be common to every progressive community, and will continue so long as land famine and dear houses are manufactured by the present system of rating, the Government is engaged in pushing forward a Housing and Town Planning Bill, which contains all the seeds of failure inherent in the old Corporation Housing and City Improvement Schemes.

The main feature of the Bill is the increased powers it confers on Local Authorities to buy land under compulsion and devote it to public uses. But the universal experience, has been that when public bodies have exercised this power in the past, they have found the price of land stiffening against them. From all parts of the world the same tale comes. In Germany the activity of the cities in snapping up

land for Town Planning has hoisted ground rents, so that in towns of equal size rents are very much higher in Germany than in England. In British cities local authorities always find the price of land rising against them whenever they want it. In Ireland and the Orange River Colony, land purchase has had precisely the same effect and has completely broken down. In rural England even it is stated that the price asked for land is already stiffening owing to the new demand of County and Parish Councils, under the Small Holdings Act of last Session, and if this continues, it will, of course, neutralise any benefits small holders ought to get under the Act.

The effect of Mr. Burns' measure can only be to confirm general experience. As Local Authorities will be more in evidence on the market than ever before, they will have to pay higher prices for the land they need, and the Bill will be a very effective way of subsidising landlords. Without a doubt it is a Dear Land Bill.

The appointment of an official valuer, as provided under the Bill, cannot save the situation; for his duty will be to take into account everything which affects the price, and the new demands of the Corporations will be one of them. The failure of all measures drafted on such lines is morally certain for the simple reason that they fail to do first things first. They go for land purchase and town planning before we have got land valuation and taxation.

That the present rating system is largely responsible for present housing conditions is clear once we realise that it acts as nothing less than a fine on house building. When rates are assessed on the rental of occupied houses, rents must of necessity be higher by the amount of the rates, and as rates vary from 5s. to 10s. in the £ according to locality, this alone accounts for rents of houses being higher than they ought to be by from 25 per cent. to 50 per cent. Decent dwellings are in this way placed beyond the reach of large masses of people, and here we find some answer to the riddle why families are crowded into single room houses, while an ample supply of better ones remains empty.

With rates on their present basis no builder will build houses until the demand for accommodation forces people to pay a figure which will cover all his expenses *and the rates as well*; so building is held in check till that time comes, and a reason is found for the action of the London County Council a few years ago in refusing the free gift of 25 acres of good building land. Rates amounting to £2,000 would have had to be paid on the houses, and the Council could not count on getting rents which would cover their outlay on building *and this item as well*. With rates on the land value basis £1,100 would have been saved, and the houses would have been built.

The miserable housing of the rural labourer is traceable, in large measure, to the same source. In a typical rural district of which we have personal knowledge, labourers' houses are both scarce and bad. Amid every evidence of

rich soil and splendid culture, the men who are doing the work live in wretched, nooky, lath and plaster houses through which wind and rain must find their way at every blast. The houses are scarce and bad, because builders cannot get a decent return on their outlay at such rents as the labourer can afford to pay—£6 per annum. House famine is the natural result. How would the change in rating from a rental to a land value basis affect the situation? Let us see. Land in this district is sold at £40 per acre, which is equivalent to a rental of £2 per annum, and the builder usually puts six houses on the acre. These six houses are assessed at £30, and when occupied pay £10 in rates. If land value were the basis of rating, only 30s. at the outside would go in rates, and one of three things—all good—would follow.

1. Builders would be induced to build more freely, because they would get £8 10s. more profit.
2. The six families would save £8 10s. if they continued to occupy the same class of house, or else get better houses for the same money.
3. The advantage might be shared between builder and labourer.

It is more than gratifying to see from the Prime Minister's statement in the House of Commons, that facts and conclusions like these are now frankly admitted by those in authority. Mr. Asquith, in reply to Mr. Hart Davies and Mr. Wedgwood, said that the Government is quite as alive as they are to the necessity of accompanying housing legislation by legislation for the separate valuation of land and buildings, and pledged themselves to introduce, at a very early date, a measure which would accomplish that end throughout the whole of England and Wales.

So the Government is pledged to lay the foundations of the policy which alone can grapple with the housing question at its core. Carried to its logical conclusion, this policy will raise wages by opening up new sources of employment, and so attack the problem from the right side by enabling the labourer to pay for a respectable house. For of all ideas about housing, surely the most inverted and miserable is that we must find ways and means of building down to the level of the poorest classes. We decline to believe that the resources of statesmanship are exhausted when that plan has been tried by local authorities and failed as dismally as it deserved, and when Garden Cities have expended their ingenuity in building their £150 cottages. Let us have done with this miserable ambition and try the better plan of raising the man to the house, instead of forcing the house down to the level of an impoverished labouring class. Let us demand more space, better workmanship, and dearer houses *with men in a position to take them*. The Government have pledged themselves to the only course which will make it possible to reach this ideal. Land valuation and taxation on the basis of that valuation will cheapen land, raise wages, and free industry. Once the effective demand for good houses is there, the houses themselves will not be long in forthcoming.

W. R. L.