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THE HOUSING "CRUSADE"

Housing Repairs and Rents Bill

Proudly and flamboyantly the Government has announced a great crusade designed to solve the nation's housing problem. Campaign plans were outlined in the White Paper *Houses—the Next Step* (Cmmd. 8996) and in a condensed, popular version under the title *Operation Rescue*, published simultaneously November 3. The *Housing Repairs and Rents Bill*, giving effect to the White Paper proposals was given a two-day Second Reading, November 30 and December 1.

With the air of having made a great discovery, the authors of the White Paper reveal that the solution of the housing problem requires the building of new houses for sale and to let; the clearing of the slums; the temporary patching up of dilapidated buildings that are due for clearance later on; and the repairing, conversion and improvement of houses which for want of such attention would otherwise needlessly degenerate into slum properties.

A digression stops to hand a bouquet to the British people for their characteristic independence, preferring as they do to help themselves as much as possible instead of relying upon Parliament or the municipalities to act on their behalf. With that pat on the back, the White Paper states that the Government looks to private enterprise to play an ever-increasing part in the provision of new houses.

The principal proposals contained in the Housing Repairs and Rents Bill may be briefly summarized. That which has attracted the greatest publicity and, from the Opposition the greatest hostility, provides that owners of rent controlled properties may add a "repairs increase" to the statutory rent allowable under the Rent Restriction Acts. To qualify for this increase, owners must first spend a minimum amount in a stated period to restore their premises to good condition, and thereafter so maintain them. Here it may be observed that while the increases should suffice to maintain the newer, better type of houses, they are unlikely to achieve their declared object so far as millions of the older, lower-rent properties are concerned. In such instances, property owners will have a direct incentive under the terms of this Bill to allow their buildings to fall into ruin so that they may thus qualify for compulsory purchase at site value.

The remainder of the Government's proposals are chiefly devoted to schemes involving the expenditure of huge sums of public money to the advantage of sectional interests. Local authorities are to be required to purchase slum properties at their so-called site value. Where it is not physically possible to demolish and replace these

buildings immediately, the local authority will be required to carry out "such repairs and decoration as are reasonably practicable" to make occupation of those dwellings more agreeable.

To encourage the preservation, modernization and conversion of structurally sound old houses, the Labour Administration's 1949 Housing Act is to be amended so as to facilitate the dispensation of public funds to private property owners. The maximum Exchequer grant allowable is to remain unaltered at £400 and is subject to the proviso that the owner must spend at least as much on his property as does the State. He is granted the new "freedom" of spending more if he should so desire.

Thus while the whole British people have received a nicely written testimonial, more tangible provision has been made for certain sectional interests. The flagrant injustice of granting monies exacted by direct and indirect taxation to private interests is so apparent that comment is unnecessary.

* * *

In the matter of housing the present Government has to its credit three considerable achievements. Their importance cannot be over-emphasized. The development charge has been repealed; soft wood and other building materials have been de-controlled; and the various building licensing schemes have been relaxed or repealed. Liberation from these vexatious restrictions has borne fruit already so that to-day thousands of families which would otherwise still be homeless now occupy homes of their own. The complete solution of the housing problem lies in further progress along this road until every artificial barrier has been removed.

Dispassionate examination reveals that every such obstacle serves a sectional privilege in some form. It is privilege alone that forces millions of people in these islands to suffer privation in decaying slums, in rented furnished rooms, in abandoned army camps, and the like. Hence our most serious criticism of the housing "crusade" is that the Government shows no awareness of the nature of the problem or of its solution. Whether their apparent tenderness towards privilege may be fairly ascribed to fear or to favour, as some assert, or merely to ignorance, we do not pretend to know. Nor is it important. What matters is that the Government has abrogated its first duty—that of securing equal rights and opportunities for all citizens under the law—and that these "crusaders", brandishing blunted swords refuse to join battle with the real enemies of the people—land monopoly, protectionism, the rating and taxation laws, rent control, and so on.

A plot of land is the first requisite for building a home. And because supply is strictly limited and demand is almost insatiable, exorbitant prices are demanded. Before the first sod can be cut, the would-be home owner has to pay hundreds of pounds to a private individual for permission to occupy a small portion of the national heritage and to defend which, as likely as not, he may have served in two world wars. This privately exacted tax is the greatest single obstacle in the path of the homeless. Elsewhere we publish a selection from recent Estate Agents' advertisements of building land offered for sale. It warrants the most careful study. In not one case is the vendor offering anything which he has created or to which he could properly claim recompense. Instead he offers position, community-created services—drainage, ready-made roads, and the like—and permission to build. *The Government has no policy for reducing the selling price of*

land which can be accomplished alone by levying taxation, whether national or local, on the true market value of land apart from improvements.

Privilege deals a second hefty blow at those who contrive somehow or other to surmount this barrier of land monopoly. No longer is the Government cast in the role of supine spectator; it enters the lists as the active champion of privilege, maintaining the taxes which for twenty-two years have been imposed upon practically every item used in the construction of houses. Elsewhere we publish a brief selection from the General Tariff List to give some indication of the extent of the Government's liberality to privileged industrialists. For be it noted that these are protective duties, imposed to foster home industry at the expense of the consumer.

The effect of protection upon the housing drive may be well illustrated by a topical incident reported by the *Daily Telegraph*, January 4. On New Year Day the Norwegian people sent as a gift to the flood-stricken town of Harwich sixteen prefabricated houses. Customs officials refused to admit them until the Harwich Council had paid a fine—or duty—of £960, equivalent to 15 per cent of their estimated value, that being the rate of duty applicable to imported prefabricated houses built wholly or mainly of wood, imposed by the Government to the benefit of British manufacturers of such buildings. Surely to prevent the acceptance of such a gift is carrying to the point of absurdity the Government's declared belief in the Briton's desire to help himself?

And having levied these tariff taxes, the Government superimposes the purchase tax on a number of building materials.

At last the house is built; the new owner moves in. He finds that the rating assessor has preceded him. From that day forth he is taxed by the local authority on the Marxist principle of his (arbitrarily assessed) ability to pay. The estimated rent his house would command in the free market if let from year to year is taken as a measure of his capability to pay local taxes. Thus the better or larger his house, the more he is called upon to pay. Devoid of sound principle, iniquitous and inexact, this fine operates against both the individual and society, and in favour of the landed interest. Smaller, poorer houses are built to reduce the exactions of the tax gatherer, while the price of land, free from all contribution to the local or national treasuries, steadily rises to the detriment of those still without a roof over their heads.

The Treasury gives a final turn to the tax screw with stamp duties, and levies annual tribute in the form of Schedule A of the income tax.

Clearly the ordinary home-seeker, such as the factory worker, the clerk, the transport worker, the shop assistant, for instance, is unable to run the gauntlet of the Robber Barons who stand between him and the house he desires for his wife and children. Hundreds of thousands, and perhaps millions, of such people could afford to pay the free market price of the bricks, mortar and timber and for the labour necessary to fashion them into a house. They could afford and would be willing enough to pay each year to the community the rental value of the site on which it stood. But denied the opportunity to build their own homes, they are forced to look to the local authority to provide them with heavily subsidized dwellings, the cost of these subsidies coming largely out of their own pockets.

The Government's duty is clear. The taxation and rating of land values must be introduced immediately, both

to reduce the purchase price of land and to provide an alternative source of revenue to that obtained from fines on houses. Foreign building materials must be allowed to enter British ports free of tax, thus incidentally breaking the building "rings" of which there have been so many complaints during recent months. Simultaneously, rent control must be progressively relaxed and the housing subsidies reduced. For while rent control in a privilege-ridden society mitigates the worst effects of monopoly conditions for millions of tenants, it is an unjust, costly and inefficient device. Property owners are victimized, called upon to forego the proper market return on their capital. As a consequence their capital decays, to the disadvantage of the tenant as much as to the owner, and no further houses are built for letting on private account.

MR. HAROLD MACMILLAN, the Minister for Housing and Local Government, has proved his energy and ability; his desire to speed the building of new houses is not in doubt; and his occasional flippant remarks in the House of Commons indicate that he is not entirely unaware of the case for the taxation and rating of land values. Has he the courage and wisdom to promote the policy we advocate? A laurel wreath and the gratitude of the British people await the enlightened Minister who is brave enough to defy entrenched privilege and to apply the policy of equal freedom for all.

P. R. S.

"Splendid for the Slum Landlord!"

MR. R. R. STOKES' VIEW OF THE BILL

Addressing a Labour Party rally at Dumfries on December 18 and reported in the *East Anglian Daily Times*, December 21, MR. R. R. STOKES, M.P., said: "In the matter of housing, whilst the proposed Government measure may encourage landlords to keep in good repair those that are in good repair already, it won't do a thing to get houses in bad repair put right. On the contrary, it will encourage the landlords to let them get worse. For what did the Minister say? Precisely this, that "if the landlord lets his house fall into continued disrepair he runs the risk of it being taken from him with no payment except of the site value!" (Col. 1,079, *Hansard*, December 1). Splendid for the landlord! The site value is often several times the value of the building on it, so the slum landlord has only to let things get steadily worse in order to receive compensation on a large scale for having done so! Give the landlords the choice of nationalization by compensation (which is what this is) or taxation and rating of site values and they'll choose the former every time."

Costly Sites for New Homes

RESULTS OF RECENT AUCTION SALES

LAMBETH—Blenheim Gardens, Site 30 ft. F.P.	£170
CLACTON—Connaught Gardens East, Site 50 ft. F.P.	£730
LIVERPOOL—Ranelagh Drive South, 960 sq. yds. F.	£875
COVENTRY—Blackberry Estate, Wyken (Building Land), 52 acres. F.P.	£37,500
CROYDON—Manor Way and Winchelsey Rise, Building Site, 8½ acres. F.P.	£16,000
KNARESBOROUGH — Manor Road, Building Land, 5,193 sq. yds. (in lots)	£930
COLCHESTER—Berechurch Road, Building Site, 106 ft. F.P.	£350

F=Freehold; P=Vacant Possession.

Valuable as these sites are, they, like all vacant land, have been deliberately exempted from local rates and Schedule A of the income tax as long as they remained unused. House famine and the land blockade: these are the fruits of our iniquitous laws.