

## THE BATTLE OF THE RENTS

IN THE matter of the "Rent Strikes" that have been taking place in London and elsewhere, there has been an illuminating correspondence in the columns of the *New Statesman and Nation*. A writer, "Anonymous," whom we would like to congratulate, went into the causes of high rents and the remedy, in his letter of 8th July, from which we quote:—

"The situation in Stepney is admittedly very grave. A large working-class population remain resident there because of the opportunities for employment in the factories, warehouses and wharves, and there is an insufficiency of housing accommodation there for them. The site value of the land is high, and so are the rates, and they, of course, affect the rentals charged to the tenants, whose earnings are poor. The competition for flats is keen among the tenants, and it is they, and not the landlords, who fix the rentals of decontrolled flats. Blocks of flats are not purchased so that the owner can play the rôle of philanthropist. An owner seeks as large a return on his money as he is offered by the tenants—otherwise he is a philanthropist.

"The Leagues are out to compel the landlord to philanthropy. Why only the landlord? Perhaps it has been found easier, rather than more just, to tackle the landlord.

"If a person were to build a block of flats in Stepney and put it into the hands of agents for letting purposes at rents which a League considered high, would the public approve if the League were to organize a forcible entry and occupation by persons seeking flats in the district, and offer to pay a rent considerably less than was required by the landlord or otherwise to resist eviction?

"If so, we are getting to a new principle which may be correct, but which would involve a reversal of the basis of present society. Houses must be nationalized to balance things round. Indiscriminate capture and besieging of blocks of flats will not do, nor will rent battles do. Having succeeded in persuading an owner of a block of flats, either by reason or by threat of forcible resistance to attempts at eviction, to reduce his rents, in what way is the housing shortage met? The insufficiency of homes for working-class people still stands out as an ugly ogre.

"The two ways of meeting this ogre are either by building more houses or depopulating these districts somewhat. So long as the rents are at a level consistent with the demand for the homes, speculative builders are allured to build until competition, as very often happens, outdoes itself and rents collapse automatically by reason of the competition between landlords for tenants instead of competition between tenants. Today builders are discouraged by high site values, high rates, low rents and the fear of being bossed by the local Leagues. A League can act fairly and can act arbitrarily, but the builder will not take the chance; and public authorities are not immune from the activities of the Leagues either. The lower rent enforced by organized Tenants' Leagues stems the slow movement outwards, and encourages a movement of new house seekers towards the district, thus increasing the problem of a housing shortage.

"What is the remedy? Surely a course should have been adopted of avoiding an attack on the essential principle of freedom of contracting on the letting of flats? Our rating system is devised to keep the problem for ever unsolved. Buildings are assessed for rates as though it were a crime to put them up, to improve them, to let them. If valuable land is left unbuilt upon

or not let, there is nothing to pay in rates. If it is built upon, one has to pay, and the greater the building and the greater its comforts the greater is the penalty.

"Where else should the authorities derive their revenue? And the answer surely must be from the site values, created by the ratepayers and occupiers of the district. Rate the site values and derate wholly or partially all buildings and improvements and, relatively speaking, one will be met by a tornado of building activity, with the consequent competition in letting, reductions in rents, and the improved conditions of the block of flats without a strike, battle or a Rent Act."

Mr Michael Best, hon general secretary of the Federation of Tenants' and Residents' Associations, made reply on 15th July, defending the action of the tenants and saying in the course of his letter:—

"The remedy lies not in an appeal to freedom of contract and blaming the situation on to competition among tenants for accommodation, or on to the admittedly bad rating system. The remedy lies in legislation directly on the issues: in restoring the protection of the Rent Acts to all pre-war houses below a certain level; in applying a form of rent control for post-war houses; in laying down a standard of building and a minimum standard of fitness in the houses, and extending the powers of local authorities to enable these standards to be enforced; in encouraging building by municipal authorities—in any case municipalities as a general rule, build better, plan their estates better, and build more cheaply; and recognizing housing as a vital national service. . . . I do not understand the mentality of a person who, knowing the hovels in which so many Stepney tenants have to live, the cheating practised on them and the extraordinary power given to the landlord by law, refuses to admire them for making a stand against those conditions."

"Anonymous," in his response on 22nd July, wrote:—

"Mr Best's letter shows up where we stand. He has enlarged on certain symptoms of the disease which we are both set to cure. He advocates a symptomatic treatment. He does not believe that high rents, neglected properties, etc., are symptoms of a disease at all—he believes that they are diseases born of themselves and this is what he means by "legislating directly on the issues." Symptomatic treatment is the method of the untutored practitioner. I have diagnosed the disease as being a serious insufficiency of houses for a large working-class population and prescribed a careful treatment for a permanent cure by bringing about a sufficiency of housing accommodation. I bear in mind the fact that rent strikes and Rent Acts do not alarm landlords as much as the appearance of hundreds of new flats. Rent strikes and Rent Acts are temporary and partial blows; new blocks of flats are a complete and lasting blow.

"Rent Acts do not encourage builders. Site values warn them, present rating systems threaten them with penalties; tenants' leagues wait for them around the corner to set about them. Mr Best naively proceeds to state that the local authorities must be encouraged to build. I presume he believes they should receive a subsidy. If so, Mr Best should be heralded as the landlord's friend. The owners of neglected yet valuable sites are always on the watch for a council with a subsidy in its pocket, keen and anxious to buy. In fact, an important reason why these sites are not improved is

the anticipation that sooner or later Mr Best may be successful in persuading the Government to grant a subsidy to the local authority. When the council has bought, the loss has to be borne by the ratepayers and taxpayers, and the profit is pocketed by the site owners of the district. My suggestion is that the site owners should pay. Tax the annual value of their sites and do not penalize the improvements of their sites. Unimproved land will, of necessity to the owner, soon be employed to the best advantage. The owners dare not ask for exorbitant prices from the council in case they are assessed at that figure. The owner of the hovels to which Mr Best refers will realize that by improving his hovels he will not be fined, as he would be to-day by a higher assessment for rates.

"Yet Mr Best does not believe the remedy lies here.

## "BOILING WITH RAGE"

MR CLAUDE MULLINS at the South-Western Police Court on 18th July sentenced Richard Seymour and his wife, Elizabeth, of Dawlish Street, South Lambeth, to one month's imprisonment for causing unnecessary suffering to their seven children by neglecting them. During the hearing of the case he had so "boiled with rage" that he had to adjourn it till he was calm.

The incident prompted the following letter by Mr A. S. Stokes, appearing in the *East Anglian Times* of 21st July:—

"The Stipendiary Magistrate at the South-Western Police Court may well have 'boiled with rage' and, whilst he cooled down, adjourned a case in which parents were accused of neglect of their seven children, who were found 'ragged and in indescribable conditions of filth though they were well fed.'

"The struggle of these two wretched people to maintain their family in the condemned house in which they had rooms is difficult to picture, but the feelings of the woman, if, indeed, she had any left—must also have been indescribable when, on replying to the Magistrate that it was her misfortune to have so many children which, she added, 'the Almighty allotted me,' she was told by him to 'leave the Almighty out, he would blush for shame to see all this.'

"On picking up the case again, the Magistrate remarked on the blasphemy of the woman's attitude, and consequently of those who had taught her to take the attitude which, he indicated, was responsible for births in such terrible conditions.

"The pair received one month's imprisonment, the minimum, it seems, that can be given to enable the authorities to obtain power to protect the children.

"There are cases in East Anglia which come close to this terrible state of affairs, and those who read this letter should ask themselves whether, indeed, the alleged crime for which these two poor people are now to undergo a month's imprisonment, is really the fault of religious misdirection or is due to maldistribution of the abundant wealth of the world? If the latter, what are they going to do about it?

"Surely the least anyone with a conscience can do is to mark their discontent with the present state of social affairs not by words only but by actively studying the problem of enforced unemployment, which is beyond contradiction at the root of all social evils.

"Those with no remaining moral sense should also study the problem as it affects the pockets of each one of them to an extent that they will fully realise as soon as they make the effort to delve into the matter.

I prophesy that the property owners as a body, who know where their interests lay better than Mr Best knows where the interests of his tenants lay, will vote gladly for his suggestions in preference to my own."

The Editor of the *New Statesmen and Nation*, in a footnote to this letter said: "Our correspondent's advocacy of rating reform has our wholehearted approval"—followed however by the "but" that it was a long-term policy, and will certainly not be carried out by the National Government. For this reason there must be sympathy with the strikers; an example of housing conditions was given, adding the question: "Does our correspondent believe that after twenty years of such conditions, tenants can be expected to wait patiently for rating-reform, especially when they live under a Government supported by the landlords?"

"Be the cure Henry George, Social Credit, Liberalism, Socialism, or something else, there must be a cure, and it will not be found until more men mind about these things."

Land values became the subject of taxation not because they were high but because they were land values. The American reformer, Henry George, had long before advocated the "single tax," which was to be a tax upon land. Mr Henry George's argument was not fiscal, in the ordinary sense, but moral. Land values were created by the community and should therefore be the property of the community; they were the product of the concentration of industry and population, not of anything that the land owner had done, for which reason they rightly belonged to the community.—Professor J. H. Jones in a contributed article, "Theories of Taxation," the *Accountant*, 1st July, 1939.

*Social Leaders (Soziale Führer)*, their life, their doctrines, their work, by Dr Alice Salomon, published in 1932, by Quelle & Meyer, of Leipzig, contains an excellent biography of Henry George and description of his life's work in 17 compact pages, so well done that it could stand translation and publication in the form of a little brochure. The book, comprising 150 pages, gives a similar sketch of Francis of Assisi, Robert Owen, Florence Nightingale, Johann Hinrich Wichern, Emmanuel von Ketteler, Lassalle, Ernst Abbé, Tolstoi, Jane Adams and Bismarck "as social politician." We are indebted to Mr Gustav Buscher of Zurich for a presentation copy of this interesting publication, which was catalogued by the publishers at 1.90 mark.

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