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## CLAY PIGEONS

**C**ASES of hardship are occurring now... There are some swindlers in the market... I should like to deal with them... It is no good imagining that one can monkey about with market forces and keep down artificially the price of land or the rents of houses. Sooner or later all of them have got to find their market level. I do not deny for a moment that the market level of land and rents in London is liable to be high. — Mr. Henry Brooke, Minister of Housing and Local Government, H. of C., July 26.



Landlords are the worst of our economic parasites... The Tories have let them loose on the people. Like mad dogs they are savaging the people. They are filching millions of pounds. They are exploiting the people's needs for a roof over their heads as viciously as the monstrous landlords of the melodramas... The best thing that could be done is to come out boldly and say: "You are not fit to have control of people's homes. We will take your property from you — for nothing. And be thankful you have got off so lightly." — Railway Review editorial, September 2.



We regard this now as an open declaration of war on Mr. Brooke and the Government on the Rent issue. We shall make it a major fight when the House resumes. We shall challenge and harry the Government by every democratic means. — Mr. R. J. Mellish, M.P., London Labour Party chairman, September 13.

**E**VERY person is entitled to seek the highest possible price for the goods or services he offers in the market. Such action is neither immoral nor anti-social. Equally, every normal person endeavours to obtain the maximum satisfaction for the minimum outlay. That, too, is unexceptionable. It is the way people are made, and no amount of legislation will ever change it. Given free play, the inter-action of these dynamic human forces ushers in abundance, variety, quality and cheapness—and prevents exploitation. If it were possible to still either or both of them society would disintegrate as would our planet if physical forces were quelled.

The present furore over house rents, particularly in London, is largely due to prolonged restraint of one of these forces. The Labour and Conservative parties between them, from a combination of wrongheaded economics, misdirected sympathy for the poor and "anti-capitalist" spleen on the one hand, and political cowardice on the other, have prevented property owners from charging market prices for rented accommodation.

Forty years of this have resulted in shortage, decay, over-crowding, hardship and exploitation—first of owners and now, increasingly, of tenants.

In 1957 the Tories courageously introduced a measure of decontrol. The owners of 800,000 dwellings (those rated above £40 in London and £30 elsewhere) were permitted either to wait 15 months before charging market rentals or to enter into 3-year agreements to charge higher, but still controlled rents. The majority chose the second alternative. These leases are now falling in and owners are free to charge whatever they can get. The rents of lower rated properties were also raised to a lesser degree. These tenants have absolute security and the Government's firm pledge, given just before the last General Election, that their rents would remain frozen throughout the duration (five years) of the present Parliament. Under the 1957 Act owners are permitted to charge market rents when sitting tenants vacate controlled premises.

**B**ECAUSE demand greatly exceeds supply, owners can get absurdly high rents for properties not worth the price the rubble would fetch if they were demolished, as many should have been long ago. No decent person can fail to have the deepest sympathy for the unfortunate people who have to pay such rents for such properties. Many of the dwellings are in much better case and it is asserted, probably correctly, that many tenants could afford to buy a house or to move out to better accommodation. Undoubtedly, too, there are some very unsavoury characters—"swindlers", Tory Housing Minister Mr. Brooke called them—who are ruthlessly exploiting those at their mercy. That, however, is irrelevant: they are a by-product, not the cause, of the present situation. Every community has its seamy element and it should be a primary duty of government so to arrange matters that it has no opportunity to harm others. These gentry will fade away when the housing shortage is ended as did the black market operators when rationing ended.

With its demand to reimpose rent control the Labour Party would simply worsen the present situation. What is needed is more accommodation to rent, and more, cheaper houses to buy. The stock of the former is gradually increasing but at a quite inadequate rate since only luxury flats are being built to let. House prices are soaring with the price of land.

**T**HE Minister has no policy to meet the situation. If that cowardly Election pledge had not been given he could free all property from control. Then the few hundred thousand tenants now "out on a limb" would have much less to fear. At the same time justice would be done to owners of presently controlled dwellings, necessary improvements would be put in hand, mobility would be increased and both over-occupation and under-occupation would begin to be ironed out. Construction of artisans' rented dwellings would be resumed after all these years. Some hardship would result but that is inevitable whatever is done or not done. In a vaunted Welfare State it ought not to prove unduly difficult during an interim period to grant limited aid to those—a small minority—who would find market rents unbearably high initially. Presumably, though, the Government will honour its rent standstill promise and it would be improper to urge it to do otherwise.

Mr. Brooke's firmness in refusing Labour (and some Conservative) demands to reimpose rent control is commendable. Not so his readiness to consider compulsory purchase of properties for which landlords are asking "exorbitant rents", whatever that may mean. This is little better than the trade union *Railway Review's* rabid demand that property should be confiscated without payment and owners told to be thankful that they had been treated so lightly.

Fatuously Mr. Brooke has expressed the hope—this from a responsible Minister!—that landlords will mitigate

immediate hardship by spreading rent increases over long periods or offering cheaper alternative accommodation. Scarcely more helpful was his suggestion that London councils should purchase vacant properties suitable for rehousing evicted tenants. The councils are already deep in debt and such expenditure will simply increase their indebtedness and, consequently, the rate burden which hard pressed tenants (and others) have to pay. It will also raise property prices still higher.

The Minister's puerile proposals may ease matters for a handful of tenants but only root and crop reform will solve the problem. Land and building materials must both be made cheaper and more readily available so as to increase the supply of dwellings which people can afford to buy or to rent. Slum and semi-derelict property would then become a drug on the market which owners, prompted by self-interest, would demolish and replace. That requires either the rating or the taxation of land values (or both!) and free trade. Tariff duties on bricks, etc., could be lifted forthwith to make an immediate small but useful contribution. It would take time before the tax or rate on land values could be applied. Nevertheless, land prices would begin to fall the day the Chancellor announced the Government's intentions.

**W**HERE very high rents can be obtained for poor condition property, practically all the income derived is land value. Thus the poor districts are actually extremely wealthy. For instance, Finsbury Council had to pay £75,000 last year for one-sixth of an acre of land facing Old Street to round off a housing scheme, and either it or Shoreditch council paid £79,500 for 1½ acres for housing land, according to Mr. Michael Cliffe, M.P. (Hansard, July 26, Col. 1574).

Local authorities need no longer be poor once land values are made available to them. From this source they, or the Government, could generously aid needy "victims" of the Rent Act. Once the land value reform was in operation, foreign affairs permitting, the Government could safely go to the country, with no cause to fear defeat, and on their return they could at once decontrol all rented property.

We confess we see no early prospect of any of this happening. As a result there is going to be considerable hardship and some suffering. Racial tensions are likely to develop and explode again as they did at Notting Hill. Since both the main parties are responsible for rent control, land monopoly and wrongful taxation, national and local, we beg leave to question Labour's motives and the genuineness of Conservative professions of concern for those who ask only for reasonable accommodation at a reasonable price.

A competently written article presenting the case for adopting land value rating appeared in the *Contemporary Review* last month. Author was Mr. Lyndon H. Jones, prospective Liberal candidate for Hornchurch. We can supply duplicated copies free on request.