

## LAND & LIBERTY

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### "£100 OR THREE MONTHS"

There was in my neighbourhood a piece of land about ten acres in extent owned by a man known as Lord Newlands. That land had stood in the valuation roll of the City for 40 years as having no value. We thought there would be no difficulty at all about inducing Lord Newlands . . . to put this waste land at the disposal of the local authorities. Immediately we wanted the land, Lord Newlands said: "You can have it on condition that you pay me £714 per acre." We had to pay it. Then we only got a sort of backward portion of it. When we wanted a front portion facing the main road, Lord Newlands wanted for that £2,500 an acre.—*Mr. J. Wheatley in the House of Commons, 29th November, 1922.*

The land costs us less than £200 an acre. It is well that the Committee should know the facts. For all land purchased for housing in England and Wales, the average price was only £180 per acre. . . . Taking £200 an acre and 10 houses to the acre . . . it means that there is a burden on each house of £20. But that £20 has to be distributed over 60 years which is the reasonable expectation of life of the house. That brings the burden on the house to 6s. 8d. a year or only 1½d. a week.—*Mr. J. Wheatley in the House of Commons, 3rd June, 1924.*

If there were no poorer people in the country than the people who are now getting houses there would be no housing problem and there certainly would be no State subsidies for house building. It is because we have a great multitude, a necessary, important, valuable multitude who are poorer than these, who cannot afford either to buy or to rent healthy houses at an economic rent, that we have a housing problem at all. . . . We require to extend our subsidy, to bring rents down to a level which these people can afford to pay.—*Mr. J. Wheatley in the House of Commons, 23rd June, 1924.*

The House of Commons, after two days' debate on 3rd and 4th June, adopted a Money Resolution authorizing the payment of the subsidies provided for in the Government's Housing Bill, which was read a second time on 23rd June. The new policy of State and Municipal housebuilding is explained in a White Paper (Cmd. 2151) and contemplates the building of 2½ million houses in 15 years, starting with 90,000 in 1925 and working up to 225,000 in 1934. The Treasury is to pay £9 annually per house (or £12 10s. if in an agricultural area) and the local authority £4 10s. annually. These payments are to continue for 40 years as a means of reducing rents below the cost of production. The annual subsidy out of national and local taxation taken together rises to £34,406,000 in 1940 and

remains at that figure till 1964, thereafter gradually diminishing till it disappears in 1980. The position is to be reviewed after three years' time and once every three years, so that if the number of houses built falls short of two-thirds of the full programme, no more houses will get the Treasury subsidy, and if prices have fallen the subsidy can be reduced. The scheme may also be stopped at any time if after due inquiry at the instance of the Ministry of Health and the Board of Trade the cost of the houses is found to be unreasonable.

Granting Mr. Wheatley's assumptions that the policy will proceed according to plan, the total subsidy works out at the vast sum of £1,376,000,000 and that, be it remembered, is not to pay for the building of the houses; it is the *loss* on the houses, to be made good by taxpayers and ratepayers after the tenants of the houses have been charged with all the rent they can afford.

The cost of construction, apart from the loss as stated, is another matter and how to finance it is a problem by itself. Local authorities will have to raise loans for the purpose, and no one seems to have estimated what the capital expenditure will be or has considered whether subscriptions to loans on such a huge scale are likely to be forthcoming. Unless the money can be borrowed there will be no houses to subsidize. Nor has the question been discussed by how much local rates are likely to be increased in any given district. The annual loss to be borne on the rates is £4 10s. per house and the necessary increase in the rates each ratepayer will require to pay will be measured by the ratio of the total loss to the total rateable value of the district. It is apparent that the addition to the rates will be greatest where owing to the poverty of the district the need for houses is greatest, and where also the rateable value is least able to bear any additional expenditure. Local authorities are not compelled to adopt this new policy and undismayed by the powers the Ministry may invoke under other Acts, they will certainly look to the effect on the rates before starting any scheme that will make any material impression on the house famine in their neighbourhood. If the Ministry likes to get into conflict with them, so much the worse for the Ministry.

Far more serious than these considerations is the inevitable increase in prices. Mr. Wheatley claims to have made a pact with some people on behalf of the "building trade," whereby in exchange for the promise of a long-term building programme they have agreed to "suspend the law of supply and demand." But this idea that the "infernal law," as the Glasgow FORWARD calls it, can be subdued by nebulous promises that in no way commit such a great complex of industries as that called the "building trade" could not be entertained. Something more drastic (but just as useless) had to be devised to counteract the natural effect of the subsidies. The Government propose to fix prices by law and if the price-fixing will not work, because it causes supplies to be withheld, stocks will be requisitioned and premises commandeered. The necessary complement of the Housing (Financial Provisions) Bill with its subsidies is the Building Materials (Charges and Supply) Bill to fine and imprison and expel from business those who, in the circumstances, will be obliged

to disobey the injunction of the Ministry of Health and the Board of Trade that prices shall not rise.

These despotic powers are the logical development of the subsidy policy. The pivot on which Mr. Wheatley's proposals turn is his instrument of the £100 fine or 30 days' imprisonment. It is unthinkable any one will be willing to carry on business or make contracts subject to such control and interference and possible penalties. If prices are so fixed, in all likelihood merchants will supply inferior goods at those prices and sell the better quality article at the market price to other customers than the Ministry and the local authorities. In any event, prices will not be fixed until long after they have risen to some point deemed excessive by the appointed subjugators of the law of supply and demand, and then it will be discovered that there is less money available for the reduction of rents because the subsidy is being swallowed up by the "building trade." The rising costs will sooner or later set the pace for more subsidies, more grants-in-aid of wages that never reach the wage-earner, or bring all house building to a standstill and spread disaster throughout the building industries.

The fundamental cause of housing shortage is low wages. That is frankly admitted by the Government spokesmen, but with a strange gesture of despair. Mr. Wheatley said:—

"It is because we have a great multitude who cannot afford either to buy or to rent healthy houses at an economic rent that we have a housing problem at all."

Mr. Greenwood, Parliamentary Secretary to the Ministry of Health, in the debate on 4th June said:—

"The level of wages at any given time has never been sufficient to provide the working class family with a house which the public conscience at that particular time regarded as necessary. In the vicious economic circle in which we live I do not see how you are likely to get wages at such a level that working people will be able, unassisted, to provide the decent houses which the community has a right to expect its citizens to live in."

Mr. Herbert Morrison, the Secretary of the London Labour Party, made a similar contribution to the debate on 3rd June:—

"It is true that the amount of the subsidy is large but that is necessary in view of the fall in wages of the workpeople and the fact that they cannot pay an economic rent."

Let no one then say that Mr. Wheatley's scheme is not a grant-in-aid of wages, in every respect comparable to poor relief and doles to the unemployed. It is the expression of the conviction, tenaciously held by Labour men and Liberals alike, that poverty cannot be remedied, that there is no prospect of raising wages so that working people can provide themselves with their simplest wants in the way of food, clothing and shelter without being dependent on the public purse for one or other form of public assistance. The same thought pervades all the projects of "money for social reform" mooted alike by Conservatives, Fabians, Socialists and the Liberal Summer School fraternity. The other day at the London Henry George Club, Mr. T. T. Broad expounded his plans

for an "all-in insurance" and said the finance of his proposals had been thoroughly examined and endorsed by able actuaries and acknowledged experts. The agreed basis of his calculations was the continued unemployment of 800,000 people in this country for the next ten years! It did not occur either to him or his "experts" that unemployment and the poverty that exists with it could be swept away to-morrow if the equal rights of all to the land were recognized.

But Mr. Wheatley and the Government, with its Liberal supporters, prescribe for poverty not for 10 years but for 40 years. Indeed, it will be necessary to continue subvention out of rates and taxes until the year 1980 so that rents can be brought "down to a level that people can afford to pay." The subsidy may be reduced if prices fall, but there is nothing to indicate that the subsidy may be reduced or withdrawn if wages rise. Such a contingency is not even contemplated and there is no provision for it. On the contrary, the implication throughout is that the solution of low wages and poverty is beyond the horizon and only further palliatives can be contemplated.

The failure to look at the wages question is the natural attitude of those who approach the housing question as a "problem" to be settled without troubling about land or taxation. The intimate relation between low wages and dear land is outside the purview of "housing reformers" of that stamp. And it is Mr. Wheatley's self-chosen task to erase the land question from the picture. He affects to have dismissed it with his assertion that housing sites cost not more than £200 an acre on the average and that the price of land amounts to "only 1½d. a week" in the rent of a house. The analysis of the house rent was fallacious to begin with (as we point out elsewhere) and was deftly silent about the heavy burden of rates levied on houses as soon as occupied. Mr. Wheatley had no compunction in ignoring the fact that land monopoly dominates the situation by withholding countless opportunities for the production of wealth and preventing access, save at a price, to the coal, slate, clay, sand, limestone, iron ore, lead and all the other raw materials that Nature has provided. Is it denied that if these opportunities were thrown open, wages would rise, unemployment would cease, materials wanted for a house or anything else would be easily and cheaply obtainable and "there would certainly be no State subsidies for house building"? Are rates on houses no part of the land question seeing that they would not exist if we took public revenues from land value? Mr. Wheatley's reply is to confine the argument to the price of sites, to talk the fallacy of averages and present the landlord interest with the convenient story that the price of land makes "only 1½d. a week" in the rent of a house. The landlord Press and partisans are of course delighted with the gift, accompanied as it is by Labour (and Liberal) legislation that challenges no vested interest.

The prices paid for housing sites are in every case monopoly prices having no relation whatever to the previous rateable value of the land. We have never had all the facts about the transactions on which is based the contention that the average price has been £200 per acre or less, what sums were added for legal costs and arbitration fees, what

expenses had to be incurred because the land acquired lay far away from the centres of population, or how often compulsory powers had to be enforced to bring landowners to reason. But let the average price be what it may, on being told, we are no wiser than the man who was drowned in trying to walk across a stream of an average depth of three feet. We have recorded case after case where the price of land for housing schemes has been anything from £500 to £1,000 per acre, where schemes had to be abandoned within urban boundaries and transferred if proceeded with at all to outlying districts, where in Leeds and Portsmouth for example they had to add to the purchase price the cost of extending the boundaries, building roads, laying tramways and carrying gas and electricity to the new area. All that expense was extorted out of the ratepayers because it would have been still more expensive to buy any of the more conveniently situated "agricultural" land within the town, of which there are 10,232 acres in Leeds out of a total of 21,572, and 1,181 in Portsmouth out of a total of 6,100.

Why multiply examples? The over-crowded people in Fulham will no doubt in due course hear the "1½d. a week" trotted out on the platform with the Hurlingham Polo Ground right at their door, an estate rated at a mere song but impossible to procure for working-men's houses because, as Dr. Addison late Minister of Health said, the price would be prohibitive. And perhaps Mr. Wheatley himself will forget about the "1½d. a week" when next he serves up the case of the site that belonged to Lord Newlands in Glasgow.

Unrelated as it is to the question of land monopoly and consequent unemployment and low wages, the Bill stands condemned. It is wrong in conception, in theory and in practice. Not only will it not produce houses but it will bring confusion worse confounded to the building trade. It is difficult to understand how the Government and the Liberal Party in the House of Commons can reconcile their support for such a measure with their professions in favour of the Taxation of Land Values.

A. W. M.

We hope our readers everywhere will take the opportunity to congratulate Mr. Snowden on his radical pronouncement at the Cobden Club Dinner, 1st July, on the policy of real Free Trade—freedom to produce as well as freedom to exchange (see page 127).

**Our Thirtieth Anniversary.**—Mr. E. J. Craigie, Secretary, Single Tax League of South Australia, writes 19th May:—

"On behalf of the League I desire to offer hearty congratulations on the attainment of the thirtieth anniversary of the publication of LAND & LIBERTY. The paper is a mine of information on all phases of the land problem and its relation to human welfare. Its sound articles on general principles are much appreciated by readers in South Australia, and its world-wide survey of single tax propaganda enables its readers to keep in touch with the general progress of our movement. May the paper meet with the great success it deserves and long survive to hold aloft the beacon light of economic freedom."

## THE QUAKERS AND THE LAND QUESTION

### Charles H. Smithson's Religious Mission among the Friends

On 27th May Charles H. Smithson addressed the Yearly Meeting of the Society of Friends held at Llandrindod Wells. The subject under discussion was the implication of the Christian faith in relation to the ownership of land.

THE FRIEND of 6th June reports as follows:—

From London and Middlesex and Yorkshire Quarterly Meetings came two minutes on this subject, as the outcome of visits paid by Charles H. Smithson. London and Middlesex said, "We think that the question of the private ownership of land goes to the root of our relationship to our Heavenly Father and to one another and we ask the Yearly Meeting to give further attention to it, in order that any united view to which Friends may come may find suitable expression." Yorkshire stated that C. H. S. had spoken to them on the private ownership of the natural resources of the earth—land, minerals, air and water—and had pointed out some of the evils resulting therefrom. "He has persuaded us that whilst things produced by man from these natural resources may rightly become the property of individuals, the natural resources should not be in private ownership but should be the common heritage of all, and that the Churches ought to state plainly the principles involved, so that they may ultimately be applied through our laws."

Charles H. Smithson, in speaking to these minutes, said the great conception of human relationship was that of brotherhood, and the recognition of that relationship would be immensely strengthened if we declared we were all joint heirs of a joint inheritance provided for us by the Father of all, who had provided the land for the use of His people. The private ownership of this joint inheritance obscured the vision of the universal love of the Father for each of His children by making it appear to the minds of the vast majority of these children that they had been brought into the world unprovided for. We prayed daily for sustenance; it was only through the medium of the land that that prayer could be answered as far as the material needs of men were concerned. Believing as we did that all were equal in the sight of God, it was inconsistent to sanction laws which empowered some men to intercept the answer to that daily prayer by giving them the power to levy tribute upon others to use the Creator's bounty and the power to withhold that bounty unless the tribute were forthcoming. The power to withhold that bounty was described by Tolstoy as "the great social iniquity." As members of a Christian democracy we could not escape our civic responsibilities; it was our duty to see that the laws and institutions we supported were those based upon the Christian principles that we professed. That was what was meant by the saying, "We ought to carry our religion into our politics." His concern was that the Christian Church, particularly the Society of Friends, should make a declaration that the earth should be treated as the common heritage of all. It was not the function of the Church to associate itself with any political proposals, but he felt the duty of the Church was to enunciate the Christian principles upon which action should be taken.

By way of supplement to the report published in THE FRIEND as above, Mr. Smithson has informed us that there was not time to explain to the meeting how in a complex state of society it is quite possible to combine the advantages of the private occupation of land with the principle of equal rights in the Creator's bounty. Had time permitted Charles H. Smithson hoped to have shown that in order to apply this principle