

LAND & LIBERTY

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Here are two simple principles, both of which are self-evident :

I.—That all men have equal rights to the use and enjoyment of the elements provided by Nature.

II.—That each man has an exclusive right to the use and enjoyment of what is produced by his own labour.

There is no conflict between these principles. On the contrary, they are correlative. To secure fully the individual right of property in the produce of labour, we must treat the elements of Nature as common property.—*Henry George*: "Protection or Free Trade," chapter 26.

THE COLLAPSE OF THE HOUSING SCHEMES

The housing needs of the people have been estimated by various authorities at from half a million to a million houses. The plan adopted by the Government for dealing with this acute shortage was to persuade town councils and other local rating authorities to borrow money for the purchase of land, engage in the building trade, erect houses, and, if necessary, let them at a loss. A deficit is assured in every case, and the policy involves the spending of hundreds of millions on what are essentially grants-in-aid of wages.

Business began on these lines in April, 1918. At first arrangements were made whereby the loss on housing schemes would be shared to the extent of one-quarter by the local authority, and three-quarters by the State: but under the Housing Act of this year it was provided (except in Ireland, where a direct subsidy is made for every £1 of rent collected) that the local authority shall pay so much of the loss as is equal to the produce of a 1d. rate, the State paying the rest.

A bureaucratic régime centred in the Ministry of Health engages an army of experts and officials to stimulate the local authorities, examine their schemes, and control them in all particulars. Public enterprise, trying thus to force its way through all the difficulties in absolute

contempt for the obstacles that stand in the way of house-building, has been in operation for more than a year. When we look to the results of this much-vaunted policy, we find that of the half-million or more houses required, only 124 are ready for occupation and not more than 5,880 have begun to be erected. That number, far from making headway upon the shortage, is very much less than is enough to meet the normal increase in population. More houses are needed now than a year ago. The famine, in fact, has grown worse.

Promises were made that public enterprise would produce the houses, but matters have reached a deadlock, and the promises have collapsed. It was said the State could do this thing. The private builder was declared to be unequal to the task, which was true enough if it was thought he could build successfully against low wages, land monopoly, the cornering of raw materials, and the present burden of rates. The Ministry of Health and the local authorities have not been able to build either, even with the lavish aid of the subsidies. They have raised the price of land and the price of materials against themselves.

Town Councils and other bodies are committed to the purchase of some 43,000 acres at a price of about £8,000,000. That one result has been achieved—desirable for the landowners, whose contribution to the rates on all this land probably did not exceed £8,000 a year, but there is little else to show for all the expenditure of money and waste of time. Local authorities have tried, but have failed, to raise loans to finance the housing schemes any farther, and these schemes remain mostly at the paper stage of lay-outs, plans and designs, all the particulars of which are communicated week by week to the Press as a sign of "progress."

The Housing Act was advanced as an effective measure for promoting building. Its failure is now admitted, and we are told that further measures must be taken to force the pace. Local authorities must have power to issue Housing Bonds, which it is assumed will be more attractive to investors than ordinary municipal loans. But the real fiasco emerges in Dr. Addison's appeal to private enterprise to come to the rescue after it has been deliberately paralysed by Governmental regulation, interference and extravagance. Dr. Addison is now constrained to recognise the private builder and bribe him with an offer of £150 for every house he will build. Having pledged millions in subsidies to the local authorities, the Government flounders deeper in the mess by proposing further raids on the public purse. They are determined to try any remedy rather than remove the real obstacles to housing which they know and appreciate as fully as any reader of this paper.

Some of these obstacles were mentioned at a crowded meeting of the Property Owners' Protection Association in Winchester House, London, on November 25th. Mr. A. G. Shearing spoke of the high cost of materials and said:—

The builders' merchants, wisely or unwisely, considered they were not getting enough profit in pre-war times. They went ahead silently until they got the whole of the builders' merchants together and decided that they would form a schedule of prices, binding themselves under a penalty of £1,000 to charge their prices. Everything seemed pointing to success when the manufacturers stepped in and said—"Where do

we come in? Unless you admit us to this ring you will get no materials." The result was that the builders' merchants combined with the manufacturers to introduce a price-list. It was a serious thing that a body of men should enter into such an indecent transaction, entailing not 20 or 30 per cent. but 800 to 1,200 per cent. over some pre-war prices. Owners and builders were held up by this ring, and it was scandalous. There was not one article that did not come under one combine or another.

It is an insult to the public intelligence to suggest that a gift of £150, or of £500 for that matter, is a remedy in this state of affairs. The Government may vote such a dole, but houses will be no cheaper to the occupiers. It will only tend to raise still further the price of monopolized goods and the price of monopolized land. The builder, whether public or private, is in the hands of the interests who own the ground on which houses must be built, and the land from which alone raw materials can come. The Government will not smash this ring. It gives aid and comfort to those who have formed it. The result is all-round scarcity, limited employment in every industry and occupation, and wages brought down to the subsistence level.

The great impediment to any progress with housing reform is the iniquitous rating and taxation system which encourages the holding of land from use and heavily penalizes building and improvement. Property is valued at the rent at which it would let in its existing condition, and he who uses his land not at all, however high its real value may be, escapes scot free. On the other hand, he who builds and improves is taxed to the hilt. In recent months we have given numerous examples of the workings of this glaring injustice, and of the way in which it protects the speculator in land. An instance occurs to us from Kingston, one of many but less striking than others that might be quoted. Twenty-one acres were bought for £6,720, equivalent to a true annual value of £336. That land was paying no more than £13 in rates. Two hundred houses will be built, and when occupied the rates will be at least £1,000. This means that for permission to use that land occupiers must pay £1,336 a year, whereas before the rate-payment had been only £13. The imposition of this vicious hostile tariff supplies the answer to those who use the spurious pro-landlord argument, voiced the other day by Dr. Addison himself, that "the price of land does not count." Let anyone try to bring any other goods to market which are taxed at the same furious rate, and see with what success he could sell them to customers who, by the incidence of the tax in other directions, are denied a job or are forced to work for only a living wage.

The price demanded for the ground on which houses are to be built is in many cases exorbitant. Too often it is prohibitive. Frequently the owner refuses even to name a price. But the solution of the problem goes very much farther than a reduction in that price alone, or the expulsion of that particular land monopolist. The land question has wider and deeper relations to the housing question. The difficulties in regard to the latter will speedily disappear as land is forced into its best use, giving freedom to produce goods from Nature's limitless store of raw materials, and offering to every man the full reward for his labour.

A. W. M.

HOW TO COLLECT THE LAND-VALUE TAX (OR NATIONAL LAND-RENT)

BY JAMES DUNDAS WHITE, LL.D.

General Principles

1. The land-value tax ought to be regarded as a rent payable to the nation for the land. It should be treated as a national rentcharge on the land, having priority of all other charges, and in the event of non-payment the State—as representing the nation in its corporate capacity—should be entitled to resume the land. The following scheme would apply these principles both to the simple cases where only one person has an interest in the land, and also to the complex cases where two or more persons—as, for instance, a landlord and a tenant—have interests in it, by providing an arrangement under which, if either of them fails to pay his share of the tax, the other may make substituted payment of it under proper safeguards, so as to secure his interest against the resumption of the land by the State and also against claims by the defaulter.

Registries of Interests and of Tax-payments

2. In order to facilitate the working of the system, Registries should be set up in the various localities for the registration of the interests in each property and the tax-payments in respect of it. The interests, if more than one, should be entered in the order of their apparent priority, beginning with that of the owner of the fee-simple, and being continued in descending order. Registration should be voluntary; but no application for tax-payment should be made to, and no tax-payment should be receivable from, any person whose interest was not entered on the Register. Any person should be entitled to have his interest registered, provided that any other persons already on the Register in respect of the property were agreed as to its being registered in the place claimed for it; in almost all cases there would be agreement as to the priority of the interests, and in the event of a dispute, the question should be settled by process of law. Interests dating from after the commencement of the system should, in cases of conflict, have priority according to their respective dates of registration. The Register should be open to public inspection on payment of a reasonable fee.

Method of Tax-collection

3. The collection of the tax (or national land-rent) should then be worked along the following lines:—

(1) If there is only one registered interest in a property, the original application for the tax should be made to the owner of that interest. If he pays within a certain time, no question arises. If he does not pay, his interest should be deleted from the Register, and the State should credit itself with making substituted payment, receiving thereupon the rights of the substituted payer.

(2) If there are two registered interests in a property, the original application or applications should be made in accordance with the scheme for proportional contribution (as set out in *LAND & LIBERTY*, November, 1919). If the owner of an interest to whom an original application is addressed pays within a certain time, no question arises. If he does not pay, his interest should be deleted from the Register, and application for substituted payment should then be made to the owner of the other interest. If he pays within a certain time, he should thereupon be entitled to the rights of the substituted payer. If he does not pay, his interest also should be deleted from the Register, and the State should step in as described.

(3) If there are three or more registered interests in a property, the same procedure should be followed, the application for substituted payment being made to each