

PONTIUS PILATE was not the first nor the last of many to find himself unable to define truth; and an even greater number of eminent people have found it just as difficult, if not impossible, to define fairness, especially in rent. If you are a landowner you will think it fair to collect the maximum in rent for your land regardless of what you paid for it and whether or not your tenant thinks as you do. If you build a house and let it, you will consider a rent something like a point or two above the bank minimum lending rate a fair interest on your capital expenditure, while if you are a Marxist you will probably say that no rent at all can be fair.

Dr. Piers Beirne of the University of Connecticut spells out this dilemma insofar as it affects the many and varied attempts to solve the housing problem in *Fair Rent and Legal Fiction** (Macmillan £3.95). His first part is called The Sociology of Law which is a philosophical discussion about sociologists and lawyers and their differing bases for reform arising out of the peculiar language used by each and not fully understood by the other.

There were three million slums in the UK in 1914. In spite of the large increase in council housing and private building since then, the same number of slums existed just prior to the Housing Finance Act 1972, the main purpose of which was to embrace council house units in the "fair rent" scheme.

It seems that the housing problem arises from two main causes. First, as Dr. Beirne points out, "Under a feudal mode of production prosperity and sovereignty were one; both ensured dominion over persons and things. The history of the large estates and of peasant holdings was to be the gradual transition from a mode of production based on service (and security—my parenthesis) to one based on land and house rent (and freedom with insecurity—my parenthesis again)." Second, with the Industrial Revolution came the exploitation of labour, overcrowding, insanitary conditions, and in short the housing problem.

Rent control was first introduced in 1915 and numerous other Acts have followed it, among them

BOB MILLER

FAIR RENTS AS AN ILLUSION



several whose main object was to establish fair rents. As a result of all this legislation, landlords have not been abolished; they have merely changed their form. In place of the fast disappearing breed of private landlords we now have an increasing army of property companies largely financed by banks and insurance companies who are the lessors of 99-year leases. The majority of people left seeking a home have but two choices: to buy a freehold house of their own or apply for a council flat. More and more find that the former is quite out of the question because of the ever rising cost of land, and the latter becomes more and more difficult as local authorities are hit by rising land prices and hamstrung by government restrictions on their finances.

As to fair rent, how can it ever really be established? The mere fact that either landlord or tenant has to apply to an arbitrator—the rent officer—to determine the "fair rent" indicates that he is not satisfied with it; and even when the rent officer has established the fair rent, this may not please either of them. So how do we solve the problem without discouraging private building for letting to the point of extinction, or lifting all controls and allowing rampant land prices to destroy for ever the last chance of the next generation of young couples to obtain a house of their own? Dr. Beirne does not tell us. His book is an excel-

lent exposition of sociological and legal problems but it points no way out of the dilemma. His only reference to Henry George states: "The Labour Party approach had been christened with Henry George's *Progress and Poverty* in 1871 (*sic*) where George had tried to show that the laws of the universe do not deny the natural aspirations of the human heart; he urged that land be given to communal ownership." But he does not go on to say how. It seems a pity that Marx gets so much more attention and is quoted so often—not necessarily that Dr. Beirne agrees with him, of course—but I suppose this has to be since so many people today still believe him to have been the one and only economic genius of the nineteenth century. It is high time his contemporary Henry George had a fair share of the spotlight and his theories of land tenure and taxation got a fair hearing!

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find that there is a profit to be made from land speculation."¹⁰

For a permanent solution to the crying problem of our dying inner cities a completely new strategy will eventually have to be formulated.

1. *Hansard*, 13.6.78.
2. *The Property Letter*, No. 271, Feb. 1978, p. 16.
3. No. 274, May 1978, p. 12.
4. *Ibid.*, p. 9.
5. G. Smart and R. Nabarro, 'Land values and the inner city,' *The Planner*, May 1978.
6. *Policy for The Inner Cities*, Cmnd. 6845, HMSO.
7. *The Times*, 21.6.78.
8. *Ibid.*, 11.5.78.
9. See, e.g., 'Development Land Tax,' RICS, 1978.
10. J. Switzer, 'Planning and ethics,' RTPI annual conference, May 1978.