

Housing

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PREFATORY NOTE.

This little handbook does not profess to be anything more than an introduction to the study of the problem of Housing. It is one of a series, the object of which is to assist Social Service Committees and organizations of working men who are striving to promote, by voluntary effort, the public health and well-being of the towns in which they live.

It was felt that the study of any one social problem too often necessitated the purchase of costly books, and the attempt is therefore made to bring together in a compact and cheap form all the important facts that bear on the subject.

For more detailed information students should consult Mr. W. Thompson's "Housing Handbook" and the supplement recently issued. The writers, and indeed all social reformers, are under a deep obligation to him for the mass of valuable statistics which his book contains.

We desire to acknowledge the kindness of the British Institute of Social Service in compiling for us the little Bibliography which we have appended, and for the

assistance in several directions it has readily granted.

PERCY ALDEN,
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CONTENTS.

I. Introduction—The Problem Stated I	
II. Historical Retrospect — Existing Legislation 12	
III. Rural Depopulation And Rural Housing 27	
IV. Housing In Cities 48	
V. General Remedies 67	
VI. The Land Question And Taxation Reform 84	
VII. Model Dwellings And Municipal Housing 101	
VIII. Garden Cities And Suburbs - - 118	
IX. The Problem Of Transit - - 133	
X. General Conclusions - - - - 144	

Appendices—

Practical Points of Housing Reform - - 154	
The Labourers (Ireland) Order, 1906 - 161	
Bibliography - 165	
List of Housing, Land and Reform Associations - - - - 170	
Index 173	

CHAPTER I. INTRODUCTION. THE PROBLEM STATED.

"I am certain that I speak the truth, and a truth which can be confirmed by all experienced persons— clergy, medical men, and all who are conversant with the working class—that until their housing conditions are Christianised, all hope of moral or social improvement is utterly in vain." (Lord Shaftesbury.)

THE Housing Problem, which has reached such . . . an acute stage in most civilised countries to-day, is by no means a new problem; the need for its solution has, however, received additional emphasis by reason of the immense increase in our urban population due to the industrial revolution. It has become a truism to say that unhealthy houses and insanitary surroundings are unfavourable to the growth of

healthy and virtuous citizens, but it is only of late years that this fact has been borne in upon the nation as a whole. The result has been a great awakening of the interest displayed in this important question, an interest which is manifest in the better administration of existing legislative enactments on the part of local authorities.

[graphic]

In its present form the housing problem began to be urgent about the middle of last century, when the factory system was working out its significant change in the conditions of Great Britain. The marked exodus from country to town, a movement which as yet shows no signs of abatement, brought the whole question of housing into prominence, and compelled the attention both of municipalities and the legislature; a long and bitter struggle for reform at last resulted in the appointment in 1884 of the Royal Commission on Housing. \ This was one outcome of that strenuous feeling on social matters, which was a characteristic mark of the whole country in the "eighties." All sections of the community began to realise that there had arisen, as an indirect result of the very prosperity which a period of industrial invention had created, a housing problem of the first importance and of the greatest complexity. Encouraged by Royalty and strengthened by reformers of all parties, the Housing Commission attacked almost for the first time the problem of the town, with its overcrowded tenements, its squalid rookeries, and its insanitary slums.

[merged small][ocr errors]

I.—The Town Problem. The problem which presented itself was briefly as follows:— The country had been passing through a period of unprecedented prosperity and commercial activity, due to the introduction of machinery and the growth of the factory system. The towns and cities, acting as a sort of gigantic magnet, attracted to themselves hordes of country labourers who were feeling at this time the depression in agriculture. The population of these urban areas grew with such rapidity that the municipalities, untaught by experience and lacking men of ideas and foresight, found themselves unable to cope with this inrush of new life or to create the necessary machinery for dealing with it. No scientific or well-planned effort was made to supply effective housing accommodation, and as a consequence large masses of the working classes, compelled to live near the factory owing to the exigencies of their labour, were crowded into unhealthy and insanitary slums; while the worst forms of jerry-building were pardoned or condoned on the ground that the insistent demand for more houses must be satisfied. The Housing Reformer, then, found himself face to face with a problem rendered complicated and difficult by reason of the constant reaction of other social evils which resulted from the same cause, and thus it is that a solution of the housing problem would enable us to attack with more confidence the pauperism and crime, the drunkenness, physical degeneration and high death rate of our great cities.

2.—The Problem of Overcrowding. The question as to whether there is a sufficiency or insufficiency of housing accommodation depends mainly on our definition of overcrowding. "We may be tolerably certain," say the Census Commissioners of 1891, "that the rooms in tenements with less than five rooms will not in any but exceptional cases be of large size, and that ordinary tenements which have more than two occupants per room, bedrooms and sitting-rooms included, may safely be considered as unduly overcrowded." According to this definition there were, in 1901, 392,414 overcrowded tenements in which were living 2,667,506 persons. Thus 8.2 per cent. of the whole population of England and Wales was returned officially as overcrowded in the last census. This is a desirable decrease on the census of 1891, where 481,653 tenements were overcrowded, in which were living 3,258,044 persons, or 11.2 per cent. of the total population; which justifies the Commissioners in 1901 in remarking, "However the tenement figures are compared, it is impossible to avoid the conclusion that the comparison affords satisfactory evidence of distinct improvement in the housing of the people during the ten years 1891-1901."* We are also told that 3,186,640 persons occupy three-room tenements, and 2,158,644 two-room tenements; whilst not less than 507,763 live in dwellings of only one room in England to-day.

* Census Commissioners of 1901, pp. 40, 42.

Often in this one room these people have to rear their children, eat, sleep, dress, cook, live and possibly die, unless they are among those who breathe their last in the more spacious infirmary or prison, To-day in London, with all its immense wealth, two-thirds of the whole population live in dwellings of not more than four rooms in all. In such cities as Glasgow, Edinburgh, Liverpool, Dublin and even Birmingham, conditions are quite as bad, if not worse. In Glasgow, where municipal enterprise has made such splendid progress, "no less than one-fifth of the people live in oneroom dwellings, and more than half the people have houses of not more than two rooms. In Edinburgh, 'the Modern Athens,' more than half the houses consist of one and two rooms, while in some districts, such as Canongate and St. Giles', the proportion is as high as seventy per cent. In Newcastle, Gateshead, Sunderland, and the counties of Northumberland and Durham, one-third of the total population, urban and rural, live in overcrowded houses."*

* "Housing Handbook," p. 4. W. Thompson.

3.—A Minimum Standard. What then is the standard aimed at by the majority of housing reformers? What is the least accommodation necessary for decently, healthily and comfortably housing the mass of the working people of this country? We know that it is unwise to put this standard too high, for by making unnecessarily stringent

conditions, we are apt to increase the difficulties of those who have a practical concern in this matter, and have to administer the law as members of our public authorities.

The minimum for the average working man's family is a cheap, but well-built house with four or five suitable rooms, together with a quarter-acre garden, or at least with a fair-sized courtyard. The site should be a healthy one and the house perfectly sanitary, well-lighted, well-ventilated and well-drained. And this accommodation must be supplied at a low rental, or it will be found beyond the means of the working classes. All who have any knowledge of the subject say that such accommodation is seldom or never found either in town or country. The first difficulty is a financial one. A sufficiently high standard of dwelling is not provided for the masses of our people, because they cannot afford to pay the necessary rent. The wages of the unskilled labourer are for the most part subsistence wages, and do not admit of paying the high rents which are charged in our big cities for even the poorest accommodation. It is probably true that in some cases overcrowding is due to carelessness and failure to use to the best advantage existing accommodation, but this will not go far to explain the miserable conditions we have described.

4.—The House Famine. The most important factor in the whole Housing problem is the serious house famine which exists generally in this country. The dearth of houses will explain one cause at least of the high rents as well as the overcrowding. The statistics as to deficient accommodation are conclusive, and this notwithstanding the fact that an enormous number of insanitary houses are still occupied and will probably be occupied for years to come. "We find in the first place, that if every room, good and bad, occupied or unoccupied, in all the workmen's dwellings in the country be reckoned as existing accommodation, there are not enough of any sort to house the working population without unhealthy overcrowding; and if only healthy rooms are reckoned, the position is infinitely worse. In the second place, we find that so far from new rooms being built in sufficient quantities to make up the deficiency, there is a distinct lessening of the rate of increase, and (so far as healthy dwellings are concerned) no prospect of relieving the intensity of the 'famine' to any appreciable extent." *

* "Housing Handbook," pp. 1 and 2.

Nor is this condition of affairs confined to our cities. The same writer states that "even in the rural districts, where population is either stationary or diminishing, the supply has been unequal to the demand." In 1897 an investigation was made into housing conditions in nearly 400 villages in various parts of England on behalf of the Land Law Reform Association; this revealed the fact that in half the villages, the cottages

were "unsatisfactory" or "very bad," and that "in over a quarter there were not enough houses for the people."

We shall have occasion to mention this scarcity in house accommodation more than once again. It lies at the root of the whole Housing question. It is not enough to improve existing property, we must increase the supply of houses. "Fundamentally the problem resolves itself into an increase of the effective supply of houses. In the inner ring of London this is the one political problem which directly affects the life of the people." *

*"Towards a Social Policy" (The Speaker), chap. x.

5.—Failure of Private Enterprise. How can we account for this state of affairs? The first and most obvious reply is that private enterprise has failed to keep pace with the demand. It has so failed for many reasons, but chiefly because the whole concern of providing housing accommodation for the poorer classes does not give a sufficiently large return on the money invested. In justice to the good builder it must be said that, now building materials are so much more expensive, it is practically impossible to build houses at cheap rents and at the same time not infringe the local bye-laws. "It cannot be too strongly insisted upon that the increased cost of building has more to do with the house famine in suburban and rural districts than the cost of land." t The latter fact has, however, as we shall see, an important bearing on the problem. Whatever the cause, the ill effects of this serious scarcity of dwellings are the same. Families which under normal conditions would be living in two or three rooms, have to be content with one, and that all too small for the varied needs of its inmates. Workers, who should rightly be occupying a four-roomed house or cottage-flat, have to live in a two or three-roomed tenement; and so on right up the scale, for the house famine affects the whole mass of the workingclasses, even the well-to-do artisans. To the poorest of the poor, it simply means that no accommodation is forthcoming at all except in the worst slums. "When we read of families seeking admission to our workhouses owing to their inability to secure accommodation, we certainly get a glimpse of the house famine in our midst, and it requires but a slight intercourse with the people themselves in order to appreciate the unparalleled scarcity of house accommodation."*

t "Housing Handbook," p. 10.

* Fabian Tract, No. 101. Part III. Edward Bowmaker, M.D.

Scarcity of supply in a case like this is bound to mean monopoly value, and high rents are the result. We find an average rent of 7s. 6d. per week for three rooms in suburban London, while as much as 6s. 6d. a week can be got for one room in Central London, which means a yearly rental of over £16 per room. Dr. Bowmaker rightly observes,

"Until we have relieved the tension and dealt with the deficiency of the supply; we can do nothing to check the upward tendency of rents or cope with the evil of overcrowding. So long as the present conditions exist, so long as a single room, nay, even a part of a room, possesses such an artificial value, so long must our efforts be foredoomed to failure."

We will mention only one other evil effect of this scarcity of house accommodation. Many of the houses for which these exorbitant rents are asked are thoroughly insanitary and consequently dangerous, both to the inhabitants and the community at large. The useful sanitary legislation which already exists cannot, in many cases, be put into operation for the simple reason that a strict enforcement of the law would make large numbers of men and women absolutely homeless. In fact, until we have more houses for our working people, any further reform in the way of removal of insanitary dwellings is extremely difficult, inflicting as it does real hardship upon those who can least afford to suffer.

7.—Summary of Problem. The Housing Problem then may be practically summed up as follows:—We must regard four things as absolutely essential if men, women and children are to live healthily and decently in our great cities.

1. Too many people must not live in any one room or house.
2. Too many houses must not be built on any given area of land.
3. The houses must be well-built, well-lighted, well-ventilated, and well-drained.
4. There must be a sufficient number of houses for the whole population.

SUMMARY OF PROBLEM.

Bearing these points in mind it is necessary to show how far short we have fallen of this ideal both in country and town, and then to state not only the attempts to remedy the evil which are in operation to-day, but those more drastic and sweeping measures which have been suggested by reformers and legislators.

CHAPTER II. HISTORICAL RETROSPECT—EXISTING LEGISLATION.

"A solution of the great difficulties connected with the housing question can be expected only from the long continued co-operation of the economic and social influences of the community, with the legislative and administrative powers of the state " (Prussian Decree On Housing, 1901).

It is, of course, only of recent years that the community has deliberately pledged itself to the work of seeing that the citizens are properly housed. But for many centuries the old boroughs and corporations of England have had the management and ownership of houses and buildings. There are still towns and cities that draw a considerable portion of their income from the rents of such property. Even so far back as the fourteenth century, the power to hold land and to own the buildings upon it was vested in the municipality. It has been pointed out that in the reign of Henry VIII. powers were given to the municipal authorities to rebuild the house property in the towns which had fallen into disrepair and confusion owing to the wars of succession, and such property in a considerable number of cases eventually fell into the hands of the local authorities. It is fairly certain that in the eighteenth century one function of the local government was to rebuild houses and premises destroyed by fire, and this seems to suggest that fire insurance was also at that time a municipal function. In the last century the growing feeling in favour of better housing makes its appearance even in the writings of our poets and essayists. Wordsworth refers to the poor as—

"Barricaded evermore Within the walls of cities;"

and Carlyle was sufficiently scathing in his condemnation of those who shut out from the working classes the right to life and to light. It was Lord Shaftesbury, however, who, as a social reformer, approached the question of housing from a practical standpoint. The Labourers' Friend Society, afterwards the Society for Improving the Condition of the Labouring Classes, was largely the result of his agitation in 1842. It aimed at creating a standard of housing for the working classes, and the society contended that "the moral were almost equal to the physical benefits, and that although numbers would refuse or abuse the boon extended to them, many would accept it joyfully and turn it to good account." Of this Society the Prince Consort became President. In 1851 Lord Shaftesbury introduced a Bill to "encourage the establishment of lodging-houses for the working classes." For various reasons the Act was almost a dead letter. It was not until thirty-four years later that the first real Housing Act was passed. We must not, however, forget the indirect effect of the Public Health Act of 1875. We may say that at this date, i.e. at the beginning of the last quarter of the nineteenth century—commences any effective legislation for the better housing of the people.

1.—The Public Health Acts. It is true that we previously had The Nuisances Act and The Prevention of Diseases Act (1855), but these were but tentative measures which

were made sure in the Public Health Act of 1875. This Act was especially supplemented for London by the Public Health (London) Acts of 1891 and 1902, and for Scotland by the Public Health (Scotland) Act of 1897. By these Acts, as is well known, all Borough Councils (and in default of any one of these the County Council of that county in which the borough is situated) are appointed the proper sanitary authorities to enquire into all matters of the public health.

Chief Clauses. It is the duty of these authorities:—

(1) To adopt such Bye-laws as the Act provides, so as to secure the construction, draining and cleansing of streets, removal of house refuse, proper building of houses, etc., e.g. there must be good foundations, party walls of regulation thickness, a damp course, incombustible roof, properly built chimneys, rain-water gutters, proper sanitary conveniences and sufficient water supply (in the case of London for all houses, in the case of England and Wales for new houses or houses rebuilt). Underground dwellings are only permitted under specially stringent conditions. Where these housing conditions are not fulfilled, the sanitary authority, after giving due notice, may issue an order declaring the building to be "unfit for human habitation" and, unless repaired, may close it by a similar order.

(2) To receive the compulsory notification of all cases of infectious disease and to carefully enquire into and remove any "nuisance." A nuisance is defined (1891) as (a) any premises or part of premises in such a condition as to be a "nuisance or injurious to health"; (b) any animal or deposit of material so kept as to be a "nuisance or injury to health"; (c) any house or part of a house so overcrowded as to be dangerous or injurious to the health of the inhabitants; (d) any chimney other than that of a private house emitting such quantities of smoke as to be a nuisance.

(3) To carry out such inspection (especially in the case of Common Lodging Houses), both Sanitary and Medical, as shall ensure the bye-laws being fulfilled and the nuisances prevented.

2.—The Royal Commission of 1884. The next event of importance for housing reformers was the Royal Commission, appointed March 4th, 1884, "to enquire into the Housing of the Working Classes in the United Kingdom." Upon this commission sat our present King, who shewed an appreciative and sympathetic interest in all the proceedings, Cardinal Manning, Lord Salisbury, Sir Charles Dilke (chairman), and many other influential persons. The Report of the Commissioners appeared (1885) in two large volumes and contains almost all the recommendations which housing reformers, then and since, have urged upon Parliament. It is needless here to go into the details of these suggested reforms, as we shall have to discuss them when we come to deal with the question of remedies. Unfortunately, the legislative result was

in no way equal to the ability and earnestness of those who worked on this Commission; but much was brought to light, especially in the sympathetic evidence of the Earl of Shaftesbury, which it has been highly advantageous for the country to hear and to discuss.

3.—The Housing Act (1890). It is when we come to the Housing of the Working Classes Act of 1890, with the amending Acts of 1900 and 1903, that we find the chief legislative measures for housing reform; and doubtless the main Act was, in no small degree, due to the Commission we have just mentioned. It contained not much that was new, and far less than the Commissioners had recommended; it was rather a consolidating Act, collecting and revising such measures as had been adopted in Torrens's Act of 1868 (amended in 1879 and 1882), and Cross's Act of 1875 (amended also in 1879 and 1882). The Act consists of seven parts, three only of which we need describe in any detail.

Part I. Part I., which applies to the London County Council and all Urban District Councils and Towns Councils, provides for the clearance, by the sanitary authority in question, of large *unhealthy areas*. An area is said to be unhealthy if it contain (*a*) "any houses, courts, or alleys . . . unfit for human habitation," or (*b*) such "narrowness, closeness, or bad arrangement ... of the streets and houses, ... or the want of light, air, ventilation, or proper conveniences (as are) dangerous or injurious to the health of the inhabitants." On the complaint of at least two Justices of the Peace, or at least twelve ratepayers, such an area must be inspected by the Medical Officer of Health and be reported to the local sanitary authority. If he report that the area is not unhealthy the twelve ratepayers may appeal to the Local Government Board, who will cause an official enquiry.*

When the local authority has decided upon the clearance of such an area it must next prepare an improvement scheme which the Local Government Board confirms by a provisional order. The local authority may then demolish all property that it

* It is important to note here that the medical officer has only to show that there are conditions in the area of complaint "*dangerous to health*," and not necessarily that illness is then being directly caused by those conditions. Thus, in the case of overcrowding, he has only to demonstrate that so many persons inhabit such and such houses in the area that the overcrowding becomes "*dangerous to health*." thinks desirable in the area after paying compensation to the owners of such property. But the authorities are responsible for re-housing (in London) at least half of the ejected inhabitants, or such proportion as the Local Government Board shall determine.

Part II. Part II., which applies to all urban and rural sanitary authorities (the London boroughs and rural districts must seek ratification of the County Council above them),

provides a means of dealing with small slum areas. The Medical Officer of Health, whose duty it is to inspect all districts under his charge, or any four ratepayers, may report on such houses as they consider to be "unfit for human habitation " to the local sanitary authority. The authority may then apply for a closing order at the Petty Sessions (the owner has an appeal to the Quarter Sessions), and, in the last resort, obtain an order for demolition. It may also remove obstructive dwellings, such as back to back houses, etc., and reconstruct dwellings on an improvement scheme,* which, however, requires the ratification of the Local Government Board. The somewhat difficult legal procedure causes this part of the Act to be but little used, although it confers some real benefits.

Part III. Part III., the most valuable part of the Act for practical housing reform, enables local sanitary authorities to erect workers' dwellings whenever they consider it necessary to do so, and without any clearance of other areas. This part of the Act may be adopted (and this must be done by an official resolution) by the London County Council and all *urban* sanitary authorities; *rural* authorities must seek ratification of any schemes for building from the County Council of their district. The land required for such building may be compulsorily purchased, which generally implies 10% on the market value as compensation. In case of dispute over this price, the Local Government Board is to appoint an arbitrator to decide the question. The land thus purchased may be either let to builders, or a company of builders, or be built upon by the local authority itself. Gardens attaching to such houses must not be more than half an acre in extent; and the houses themselves may be supplied, if the authority think fit, with all necessary fittings and even fully furnished (sec. 59). The local authority may, instead of erecting new houses, purchase or reconstruct such houses already existing as might be suitable for workers' dwellings. And by the amending Act of 1900, the necessary land required may be purchased *within or without* the district of the local sanitary authority.

The money necessary for such schemes, if the amount does not exceed two years' rateable value in the district, may be raised in the following ways:—(a) The London County Council may 'create consolidated stock repayable within sixty years; but the leave of the Treasury has first to be obtained; (b) Urban District Councils and Town Councils may either borrow of the Public Works Department or create stock with the rates as security. The repayment in either case must be within sixty years. Part IV. of the Act has an important clause directed against corruption in the various local councils. Parts V. and VI. concern Scotland and Ireland especially, whilst the last part (Part VII.) contains only technical details.

4.—The Small Dwellings Acquisition Act. The only other Act of Parliament which we need mention in any detail is the Small Dwellings Acquisition Act of 1899. This Act gives local authorities power to loan money to persons who wish to become

the owners of their own (small) houses. This Act may be adopted by any Borough, Urban District, or Rural District Council with jurisdiction over a population of not less than 10,000 persons. When the population is less than 10,000 the local authority must receive the consent of the County Council (or, failing this, the Local Government Board) for the adoption of the Act. Four-fifths of the purchase money, which must not exceed £400, may be thus advanced to residents or intending residents only, and the rate of interest is to be not more than 1% more than the rate at which the council receives its loan from the Public Works Department. Repayments must be made at least every six months and must end within thirty years. Certain conditions as to the use of the house thus being purchased are imposed,

* In the case of *rural* districts improvement schemes can *only* be carried out under Part II. of the Act ; thus also with London Borough Councils. But County Councils and all Urban District Councils outside London may proceed under Parts I. *or* II.

CHAPTER VI. THE LAND QUESTION AND TAXATION REFORM.

"Back to the land! It is the storehouse of wealth; Nature's universal bank—a bank that never breaks and never dwindles, that honours every draft when drawn by labour's hand. It is a moral, a physical, a political, a national regeneration." (ERNEST JONES.)

IN memorable words Ruskin has described the proper possession of the land by the people as their greatest inheritance. "Land," he says, "carefully tended by the hand of man, so far as to remove from it unsightlinesses and evidences of decay, guarded from violence, and inhabited, under man's affectionate protection, by every kind of living creature that can occupy it in peace, is the most precious 'property' that human beings can possess."*

* "Munera Pulveris," § 16.

This "property," which is invaluable for the well-being of the people is, however, largely a monopoly in England to-day. The fact, already referred to, that four-fifths of the whole of the land in this country is in the hands of a few thousand landowners should be sufficient testimony to the truth of this statement.

Moreover, since our land is possessed by the few, and it appears to be increasingly difficult to largely extend its ownership, it acquires an unnatural and abnormal value. This *dearness* of land has many ill effects on housing in our cities and towns.

1. —The "Towniness of Towns." It has been responsible for that evil of our large cities which has been described in the general term, "the towniness of towns," *i.e.* the

lack of open spaces, the narrow streets and few gardens which give the general air of dinginess to these centres of population. Where urban land is in the possession of a few great land-owners who practically own some of our cities and who, in many cases, deliberately keep back much of the unused land for the rise in value which is certain to come—only the minimum amount possible will be purchased for housing purposes. It is obvious how direct must be the connection between this dearness of land and such evils as overcrowding, lack of open space and general insanitary conditions of living.

2. —The House Famine. But another ill effect which this artificial value of land has upon our cities is its creation of that house famine of which we have already spoken. We have seen that private enterprise has very largely failed to supply a sufficient quantity of dwelling-houses for the working classes. One of the main reasons for this is that, in consequence of the high price of land, buildings cannot be put up at a rent which it would be possible for the workers, who need such houses, to pay, and which would at the same time make a safe investment for the builder. It has been pointed out that this is so even in the case of building enterprise not strictly "private." "This 'corner' in land has operated very injuriously on those semi-public, semi-philanthropic bodies such as artisans' dwellings' companies and cooperative societies, that have been endeavouring to cope with the deficiency in the supply of good houses. So much has their work been hampered by this and other causes, that the great public companies and trusts, after building over 30,000 dwellings have practically suspended operations during the last ten years, in spite of the average return of four and a half per cent which they get on their capital."*

* See "Housing Handbook," p. 10.

3.—The Land Monopoly. Yet another effect of this dearness of land—an effect which vitally concerns our housing question—is the direct encouragement that it gives to that rural exodus with which we have already dealt. The fact that our land is largely in the hands of the few great landowners hinders that free access to it which is so necessary a feature of a prosperous agricultural people. The depopulation of the country might at least be checked were it possible for the labourer to maintain himself in independence. A proof of this fact is the remarkable success of small holdings where they have been tried on a fairly liberal scale. Authorities on this question, such as Lord Carrington, Mr. R. Winfrey, M.P., and Mr. Rider Haggard express the utmost confidence in the success of any system of small holdings where it can be tried over a sufficiently large area and worked on a moderately liberal plan. *

* Cf. an interesting pamphlet, "The Small Holdings of "England," by L. Jebb. Co-operative Small Holdings Society. (6d.)

It is not so much true that the people "have been drawn to the towns like moths to the flame," t as that they have been driven out of our rural districts by the difficulty of obtaining land, the scarcity of employment, and, so we must add, by insufficiency of house accommodation. One of the first remedies, then, for the housing evils of which we have been speaking would be a cheapening of land, and the letting of such land in holdings of a convenient size. How this may be done it is scarcely our province to discuss here, but what we have to say in the rest of this chapter will have some bearing on the question. But by some means or other there must be freer access to the land if there is to be a lessening of the evil of overcrowding in our cities. The Select Committee of the House of Commons to consider the "Housing of the Working Classes Acts Amendment Bill, 1906," makes some interesting recommendations in this direction.*

t Cf. statement by Mr. Chas. Trevelyan, M.P.: "It is not that the glare of shops is preferred by all men to the sunset; that the quieter glories of springtime and haymaking and gardening cannot compensate for the music-hall and the lure of the crowded city. The same kind of men from town and country settle down happily in Canada and New Zealand on the land. But in England the land is closed to them." See 'Land Taxation and the Use of Land.' "Coming Men on Coming Questions," Pamphlet XX.

* See Chapter on Rural Housing, page 44.

4.—Municipal Ownership of Land. This power to purchase land is most urgent, and especially so in the case of the municipalities. Our municipalities must have greatly increased powers of land purchase around their borders, if our towns and cities are to be rightly developed in the immediate future. Germany is far ahead of us in this respect; and the reason for this is that the land monopoly, of which we have been speaking, is largely unknown in that country. "The purchase by German towns of land outside their boundaries is rendered easier than the purchase of land would be for English towns, even if they were as free from legal restrictions as German towns are, by the fact that land is in far more hands in Germany than in England, and holders of small quantities of land are, as a rule, less able to hold their land till it will sell for a very high price than are the holders of large estates."t Mr. Horsfall instances the loss to the township of Manchester of Trafford Park, which would have formed a valuable suburb for the people, the Council having failed* to previously adopt a comprehensive policy which would have insured the purchase of this desirable property as a permanent investment for the city.

f "The Example of Germany," by T. C. Horsfall, pp. 82 and 18.

*Cf. also a similar instance in regard to Sheffield mentioned in Municipal Journal for November 16th, 1906. In this case the difficulty seems to be "in the inelastic nature of the regulations under which the department (the L.G.B. acts." There must be real

reform in this direction in the case of all our cities, reform that shall give them large powers to acquire land without having to pay those swollen rates for compensation which are the difficulty of many municipalities to-day. We must have also a considerable simplification of procedure in land conveyance if any movement in this direction is to be permanently useful. This achieved, the growth of population would mean the lowering of the death rate, and the increase of municipal wealth. The good results of such a wise policy of land purchase would be many. The suburban slum would be a thing impossible in the future. Town development would take place along properly planned lines. Good and sufficient building, either by private enterprise, or by the municipality would result. And, last but not least, the increased value of the land would go into the municipal exchequer and thus relieve the rates, which, at the present time, are such an incubus upon the proper development of the city.

5.—Taxation Reform. This latter consideration leads us on to the important question of taxation reform. The Report of the Royal Commission on Housing, already mentioned, contains the following significant words: "Your Majesty's Commissioners must observe with reference to . . . nearly every proposal for improving the dwellings of the working classes . . . that the present incidence of local taxation stands seriously in the way of all progress and reform." As we have already seen, the fact that rent consumes from a quarter to one-third of the worker's wage in England to-day, makes it impossible for good accommodation to be secured by any but the best paid workers. The rest have to be content with poor accommodation at a rent which inflicts hardships in many respects. Now one of the chief factors in this high rent charge, a factor which of course helps to determine the amount of the rent, is the increasing charge of the rates imposed by local taxation. There is almost a universal outcry against this increase in rates, an increase which shows no signs of abatement. Anything from 20% to even 40% of the total rent has now to be paid in rates to the local authorities of any of our large towns. Nearly all seem agreed that some relief must be forthcoming, for this is a burden which seems to press heaviest on those who are least able to bear it, and who are ignorant that they really do bear it, viz. the poorer classes who, for one reason or another, are often obliged to live near the heart of the town. Lately a comparison has been drawn between the condition of the working classes in the old food-tax days and their condition in the present house-tax days. There have not been wanting those who maintain that the state of affairs is not much better now than it was then, that only the point of incidence of taxation has been changed. If, so these persons argue, *food* has been immensely cheapened by free trade, why not attempt to apply the same principles of free trade to the *houses* of the people, for the dwelling-place is as certain a necessity of life as bread or meat? It is at this point that taxation reformers and housing reformers meet to offer their suggestions of reform. Putting it as briefly as possible these suggestions are three in number:—

(1) To tax what is known as the "unearned increment" whenever urban property is sold or re-leased.*

(2) That a tax be levied by the State on all sites as distinguished from buildings or other improvements on those sites, and

(3) As an alternative and improvement on this second suggestion, that this tax on site-values should be levied not by the State, but locally, i.e. should form a new system of *rating*.

* Cf. an able article, by A. Hook, advocating the suggestion, in the Economic Review of October, 1906.

6.—Rating of Site Values. Inasmuch as this last proposal is, as we have said, an improvement on the second and also includes the advantages of the first without its disadvantages, we shall confine ourselves to briefly discussing this one only, viz. the rating of site values. This suggested reform, largely urged now by men of every shade of opinion, and especially advocated by the progressive members of the London County Council, is usually backed by the following arguments:—

(i.) Though there is, in some agricultural districts of England, an undoubted Cereement in the value of land, yet, on the whole, land values have increased and are still steadily increasing. In all large towns this increase of value has been so remarkable that the phenomenon of "the unearned increment" is now known and discussed by all interested in social matters. This increase of value, so familiar to all readers that it will be unnecessary here to give any examples in illustration of it, has been almost entirely created by the presence and exertion of the community as a whole rather than by the individual landowner, a fact which has led both taxing and housing reformers to ask why this increment should not be available for local taxation. It is the locality that has created the increased value, why then should not the locality reap some return in the form of rates from such values? Thus Professor Marshall, one of our leading political economists, says: "There may be great difficulty in allocating the betterments due to any particular improvement. But, as it is . . . much of the rates raised on building values for public improvements, is really a free gift of wealth to owners who are already fortunate."* And he goes on to suggest that some form of taxation of these betterments is not only just but expedient. This unearned increment would be effectually taxed if the incidence of the rates fell not, as it does now, on buildings and improvements on the site, but on the site separately. All sites would thus have to be separately valued, not on the present basis (which is often below the true value of the site) but at that amount which a willing buyer would give to a reasonable vendor. We will return shortly to the question as to whether this valuation is feasible. It is only

important here to notice that there are two distinct parts to this proposal to tax land values; first the separate valuation of sites, and, second, rating on that separate valuation.

* Cf. Parliamentary Paper, C 9528 of 1899.

7.—Vacant Land and Void Houses. (ii.) Another argument, brought forward on behalf of the rating of site values, is that vacant land and void houses which have so long escaped their fair share of the burden of local taxation would, by this system, be put under proper contribution to the rates. The system of rating urban land now in use not only falls most heavily on the occupier of buildings on that land, but actually induces landowners to keep land vacant for the rising value which is certain to come through the nearness of the city. This, of course, forces up the rent of the land already used for building, and thus helps to cause the existing house famine. The effect of rating such vacant land would be, of course, to bring it into the market, whilst the rate on vacant houses would tend to fill such houses with tenants at reduced rents and thus to lower rents generally. If the question of the right of the community to heavily tax "the unearned increment" be still a debateable one, this question of taxing vacant land can hardly be called so. It has been estimated that if such land were rated as other property, for example, in Halifax, the city rates would be lessened by is. 6d. in the pound. Out of an area of 10,776 acres which the city of Bradford occupies, it is said that no less than 4,512 acres are held back from sale for the rise in value which is certain to come.* There can be no doubt but that a proper rating of vacant land and empty houses would give a real stimulus to private enterprise in building. This activity would have to be carefully watched so as to guard our suburbs from the land speculator and jerrybuilder, yet it can hardly be questioned but that such increased building would tend to simplify the problem.

* "The Housing Problem in the Towns." C. M. Knowles, "Eighty Club" Pamphlet, p. 31.

8.—Lowering of Rents, (iii.) Yet another argument which may be adduced in favour of the rating of site values, is that in consequence of urban land coming more freely into the market and building enterprise being! stimulated, rent would be materially relieved; and this relief would come where rent is now at its maximum, i.e. in our large industrial centres. As we have seen, it is just here where rent presses most severely on our poorest classes, and any relief of this pressure would have a salutary effect, especially in the direction of slum clearances. Every opportunity given to the freer growth of the city in the suburbs will tend to reduce this congestion at the centre. Abolition of restrictions in the matter of the housing of the people will have the same effect as in the matter of the people's food, viz. increased distribution of supply at a

lower price. "Overcrowding," as Sir Henry Campbell-Bannerman recently observed, "is to a large extent due to the maintenance of the same sort of restrictions and privileges at home as Free Trade has abolished for international commerce. The taxation of land values will put an end to the immunity of the landlord enriched by the exertions of others, to the circumscribing of natural expansion."* It is this "natural expansion" which is the all-important matter in the question of housing our workers. It is this, and this alone, that will materially lessen the heavy charge of rent; and so the rating of land values is a proposal to be commended because, by aiding natural expansion, it will tend thus to reduce rents.

* Quoted by Sir F. A. Channing, M.P., in *Independent Review*, for October, 1906.

9.—Readjustment of Rate Burden, (iv.) The last argument to be brought forward in favour of the taxing of site-values is—that such an incidence of local taxation would ensure a fairer sharing of the burden of the rates between owner and occupier. It is a well-known maxim of the economist that the owner really bears the burden of the rates and taxes in that he receives a lower rent than he would otherwise do were the occupier not liable for these burdens. This, however, like many other general maxims, is only partly true. It will be seen how little true it would be when, for example, a long lease is signed by an occupier knowing much less of the neighbourhood, in which he is about to dwell, than the owner, who naturally has an extensive acquaintance with the conditions of house property in that neighbourhood. The occupier, in this case, will not be able to fairly estimate what the rise in rates will be over the long period of his lease; and so superior is the position of the ordinary landlord to that of the tenant, that this attempt to estimate in the rent the burden of the rates, will be more or less, as it is often called, a "blind bargain." It is true that the tenant receives the temporary benefit of the improvements for which the rates are levied, but, when his lease expires, many of these improvements will be entirely in the hands of the owner; and, for these, as far as the tenant is concerned, i.e. if he does not renew the lease, the owner will have paid nothing. Even if the lease be renewed and the tenant attempt to get the rent lowered in consequence of such improvements, it will be very difficult for the occupier to get the owner to share the burden equitably, for there is much truth in the statement that a tax tends to stick where it is levied.

This point of the sharing of the rates as between owner and occupier is quite incidental to the main question of the rating of site values and not essential as many seem still to suppose. Yet it is an important additional argument for this new system of rating. At present the occupier certainly bears the heavier share of the burden, and, if a properly regulated and carefully modulated system were introduced by which this burden should be equitably shared, great relief in the increasingly serious pressure of local taxation would be experienced. The actual proposal in this connection by most

reformers is that, at any rate at first, half the site rate should be paid by the owner and half by the occupier. The latter would still continue to actually pay the rate, but he would be entitled, as at present in the case of the house tax, to deduct half the amount when paying his rent to the owner. All existing contracts would be considered still binding (which removes one of the chief arguments originally used against the proposal), but at the end of present leases owners would be required to allow half the value of the site rates which occupiers had paid since the new system became law.

10.—Is Site Valuation Practicable? In closing this chapter it only remains to ask two simple questions, which can be very briefly answered. Is this valuation of sites practicable? and, What has been already done on behalf of this proposal for the separate rating of sites? In answer to the first question we may mention the opinion, for example, of Mr. Harper, Statistical Officer to the London County Council and a well-known authority on such matters. He maintains that all sites could be separately valued in London for, say, £40,000, and that such a valuation is eminently desirable. We may point to the many German towns and provinces (over seventy), to five out of the seven of our Australian Governments, to New Zealand,* and most recent of all to New York—where, in each of these cases, this valuation is a matter of history, and where improved systems of taxation have followed on such valuations.

* Cf. Blue Book on Australasia (1906), Cd. 3191. Price 5d.

11.—The Minority Report of 1901. To answer our final question as to what has been done in this matter in England, we would first draw attention to the most important Minority Report furnished by five out of the fifteen Royal Commissioners on Local Taxation in 1901. This Report, signed by the Chairman of the Commission, Lord Balfour of Burleigh, contains the following recommendations:—

- (1) *Site should be separately valued from structure.*
- (2) Site can bear heavier taxation than structure, but all existing contracts must be rigidly respected.
- (3) There should be a *special site value rate.*
- (4) This should be charged also on (a) *unoccupied property*, and (b) on *uncovered land.*

The general conclusion of that report was that this proposal to rate site values "would do something towards lightening the burdens in respect of building, and thus something towards solving the difficult and urgent housing problem," "t This report only followed in the steps of the Royal Commissioners on Housing who, as far back

as 1885, recommended taxing "land available for building" outside our towns at 4% on its selling value.

t "The Rating of Land Values." A. W. Fox, C.B., Secretary to Royal Commission, pp. 97-115.

It is a significant fact that in 1904 and, again, in 1905 such a Bill was passed, on the second reading, by a majority of no less than 67 and 90 votes respectively in a Conservative House of Commons. No less than two hundred of our leading municipalities have declared in favour of such a rating reform. In fact, the London County Council have had a definite scheme on this question for some years past; this scheme recommends a separate valuation of each site, this valuation to be the basis of a special "owner's tax" to be limited by Parliament to a minimum of 6d. in the £. It has been pointed out that the London County Council has already practically taxed site values by its "Tower Bridge Southern Approach" Act (1895), when it imposed a "Betterment Charge" of 3% on the site values surrounding the improvement. "If an owner was not satisfied with the County Council's estimate of the final value, he could resort to arbitration, or else could give notice to the County Council to buy it at their own figure"* —an arrangement which would answer some further objections to this proposed rating of site values.

* Cf. "Local Taxation in London," chap. iii. M. E. Lange (1906).

But we have said enough, we hope, to show that this reform is new neither in idea nor in practice. That it may need the separate organization of some central body to administer this reform, and that some difficulties in valuation and collection may have to be encountered are questions of debate; but that a new source of useful revenue to the municipality will be created can hardly be doubted, and this without increasing the burden of the already over-burdened householder. Such a new revenue must, of course, be used for further lessening the evils of town and city life. "We must never lose sight of the fact that the primary object of taxing or rating site values in or about towns is to make our towns habitable."*

* See Independent Review: "Measures to accompany Land Taxation," by F. W. Pethick Lawrence, October, 1906.

That is why we have dealt with it rather fully here—as being one of the most needed reforms for the betterment of our cities. "It is not a mere question of the incidence of rates; it will lighten the burden of rents, diminish the evils of crowding, and relieve the pressure on manufactures, "t

t Sir F. A. Channing, M.P., Independent Review, October,