

THE HOUSING PROBLEM AND LAND PURCHASE

Barren Results of the Housing Acts

The 43rd Annual Report of the Local Government Board on Housing and Town Planning in England and Wales (Part II., Cd. 7610) for the year ending 31st March, 1914, contains, among much other interesting material, a record of the areas and prices of land acquired by local authorities for the purpose of housing schemes under Part III. of the Housing of the Working Classes Act 1890.

As to houses actually provided, it is shown that during the year 79 urban authorities borrowed £565,860 in connection with schemes for the erection of 2,465 houses and 45 rural authorities borrowed £193,580 for the erection of 872 houses—which can hardly be considered a satisfactory contribution to the admitted serious scarcity of housing accommodation in town and country. The progress, small as it is, has unfortunately to be offset by the closing or demolition of houses unfit for human habitation, as to which however the Board's statistics are not very clear. It is stated that in rural districts 979 houses and in urban districts 1,338 houses were "closed or demolished voluntarily during the year, without a closing order or an order for demolition being made." This leaves a net increase of 1,127 houses in urban districts and a net decrease of 107 houses in rural districts. Besides these voluntarily closed or demolished houses it appears that closing orders were made in respect of 10,853 houses and demolition orders were made in respect of 2,266 houses, but we are not told in respect of how many houses these orders were actually executed. The operation of the Acts in causing unfit houses to be made "fit for human habitation" shows a total of 63,883 houses repaired at the cost of the landlords or owners during the year.

By summing up the cases of land purchased in England (eliminating the schemes where the land was leased, given or appropriated) it is found there were 43 urban schemes comprising a total area of 194½ acres, which cost altogether £49,600 and on the average £255 per acre. In rural districts there were 55 schemes comprising a total area of 148 acres, which cost altogether £26,857 and on the average £181 per acre. It would be instructive to know what relation the prices paid bore to the previous rateable value of the land and to compare the rate burden on the land before acquisition with the rate burden on the houses when occupied. But the details are wanting for this comparison, and we hope that in future years it will be possible to obtain, in accordance with the Prime Minister's promise in the House of Commons on March 4th, 1914, to give instructions for such a record to be kept, a complete and official annual return showing the rateable value of all land purchased for public purposes, in which housing schemes under the Housing Acts administered by the Board are included. This will be more satisfactory than having to resort to the method of questions and answers in Parliament in respect of individual cases, although last year some striking information was obtained in this way respecting several of the housing schemes mentioned in the then current report of the Board. It revealed several extraordinary contrasts and generally proved that land was "cheap" so long as it was the basis on which rates were paid, but that when a local authority came into the market to purchase the price might be anything from fifty to four hundred times the annual value for rating purposes.

If it was necessary to particularise among the schemes dealt with in the present report, we should like to know, for instance, what was the rateable value of the three acres bought at Annfield Plain for £1,320; of the seven acres bought at Barking Town for £2,538; of the six acres and thirty-three perches bought at Chelmsford for £1,769;

of the four acres bought at Leigh for £900; and of the two-and-a-half acres bought at Selby for £960. These purchases represent average values respectively of £440, £362, £274, £225 and £384 per acre, and numerous similar instances from other places could be quoted.

In the urban districts the estimated income from the houses just meets the estimated expenditure, although with such new charges as the doubling of the income tax it is difficult to see how the schemes will pay their way unless the weekly rents are increased. The alternative will be to throw the cost of any deficit upon the shoulders of the ratepayers generally. In the rural districts the estimated expenditure exceeds the estimated revenue, and it is already provided that the excess of expenditure is to be charged to the ratepayers. This means that the houses generally speaking are let at an "uneconomic rent," and only emphasises the point that the housing question is in the main a question of wages, which in turn depend upon the rents and prices men have to pay as a condition to occupying land.

If we had to rely only upon that kind of housing legislation which takes poverty for granted, employs public charity for housing some workers at the expense of other workers, buys land at monopoly prices, crowds houses together even in rural districts in the endeavour to make schemes remunerative, and continues to sanction the taxation of the buildings, we should have to wait many years for an approach to the solution of the problem. The methods of bureaucracy with its costly staff of inspectors and general disregard for the fundamental rights of the "working classes" have failed, and it is time now to turn to the principles of freedom and justice in taxation. The real housing reformer is the land reformer who will oblige the Government and local rating authorities to take taxes and rates off houses and by transferring taxation to land values make access to land both for building and for production the easiest instead of as at present the most difficult proposition.

A. W. M.

HOW TO PAY FOR THE WAR

By Mrs. Joseph Fels

Letter to the HERALD (London), 9th January, 1915

How should the expenses of the war be met? Whatever plan may be adopted by the Government it will have one of two results. It will either make harder the struggle for existence of the men who have risked their lives in the war, of those who have returned crippled or broken in health, and of the widows and orphans of those who were killed, or it will make the future easier. It all depends on what method the Government will adopt to raise the necessary revenue, whether one result or the other will be the outcome.

Should the Government decide to issue bonds, it will mean that those who buy them will have a legal claim upon the labour of every worker in the country, upon the labour of his children and of his children's children. Surely the war has caused sacrifices enough. Such additional sacrifice should not be asked.

Should the Government levy tariff taxes, excise duties, or taxes on labour products? If it does this it will restrict production and trade and lessen the number of opportunities for employment. It will thus increase the number of unemployed, reduce wages, and at the same time force up prices of commodities. Tariff taxes increase the price of imported goods and check importations. Since, for every dollar's worth of goods imported into a country, a dollar's worth of labour must be performed within the country to pay for these goods, tariff taxes reduce oppor-

tunities for employment as well as increase prices. When made so high as to be called "protective," then taxes force much labour out of industries for which the country is best fitted into industries which can only be carried on under difficulty and loss. Moreover, it stimulates and encourages the formation of trusts and monopolies which rob and oppress the workers as grievously as would any foreign conqueror. Those who have made the sacrifices which war requires should surely be spared such treatment from their own Government.

Excise taxes check production of the commodities on which they are laid, thus reducing the number of men employed, lowering wages, and raising prices. They also encourage combinations and trusts. Other taxes on labour products have the same effect. Taxes on honestly earned incomes merely rob the taxpayer of a part of his earnings.

Surely the Government should avoid all such methods to raising money. The Government can raise all the money it needs in a way that will open opportunities to labour so that none who want work need be without, that will stimulate production of wealth instead of checking it, that will put an end to the trusts and monopolies now existing and make impossible the formation of new ones, that will increase wages to the full product of one's industry and will keep prices down to a fair level. It is only necessary, in order to accomplish such a result, to levy taxes so that holders of natural resources will find it more profitable to let them be put to their most productive use than to hold them unused or but partially used. The tax that will do this is a tax on the value of land, irrespective of improvements, so laid as to take for public purposes the entire rental value. This is the only tax that should be levied to raise public revenue. It would put into the public treasury the ground rent of the nation, thus taking nothing from labour or capital which they do not already pay to private individuals. At the same time it would exempt industry from all taxes now paid in addition to rent.

It would compel all landholders to either make use of their land to its full capacity or let someone else do so. To let valuable land lie unused will mean to the landowner payment of the rental value to the State without return. He could not afford to do this; moreover, he would not, as is now the case, be taxed more for improving his land than leaving it lie idle.

Thus in every country adopting this system there would be effective demand for labour equal to the needs of the population. There would be no need of enforced idleness and no involuntary poverty. Is not the establishment of such conditions due to the people who have made all the sacrifices which war entails, and endured its awful suffering? Let them refuse to tolerate any suggestion of depriving them of their due.

The BRITISH AUSTRALASIAN of January 7th contains a reference to the death of Mr. Isaac Jacobs, of Melbourne, father of our friends and colleagues Louis P. Jacobs and Emanuel Jacobs, now resident in London. The Melbourne JEWISH HERALD of October 23rd refers to the passing of Mr. Jacobs as a great communal loss. He was in his 80th year, and was widely held in high esteem for his sterling worth as a man and for his good works. His heart was big enough at all times to take him beyond his own circle into outside fields of social uplifting, as the many glowing tributes to his memory indicate. One feels in reading what these who knew Mr. Jacobs say of him both in public print and in private correspondence, that he was a loyal and strenuous advocate and supporter of every good human cause and that the City of Melbourne has in his death lost one of its best loved and respected citizens. Along with very many Single Taxers in Australia and here we join in sympathy with the members of his family in their great bereavement.

CLEVELAND GIVES HEIRS OF JOHN CORLETT \$298,200

The People Pay for the Monstrous Increase in Value of Corlett Property which has not been Improved in Fifty Years

By DAVID GIBSON (CLEVELAND, OHIO).

John Corlett bought this property, about 100 feet on Prospect Avenue, for \$18 a front foot, fifty years ago. He did not improve it save by the two houses now upon it and built from timber felled in this neighbourhood about the time he purchased the land.

He died in one of these houses about two years ago.

Observe that this is the only parcel of land on Prospect Avenue from Ontario to Ninth Street not used for business purposes.

I personally know of an offer of \$2,800 a front foot made for it four years ago.

Members of the Real Estate Board say it is now worth more than \$3,000 a front foot.

Now it is a cinch that if every landowner along Prospect Avenue had not improved his property, as John Corlett did not, land along this thoroughfare would still be worth \$18 a front foot.

An idle piece of land on a street where land is in demand is just as bad as an idle man; for land that is improved has to work just that much harder, as in the case of one man who works in order to support another man who does not work.

If the late Benjamin Rose could have purchased this Corlett land he would have extended the Rose Building 100 feet farther west.

Mr. Rose would have given building mechanics and labour just 100 feet more work, and there would have been 100 feet more stores and 100 feet more offices ten stories high.

The reason this property, and other property along Prospect Avenue, is worth \$3,000 a front foot, is that you and a large number of other people walk along Prospect Avenue.

If you and others took a notion all at once to cease walking along this avenue and go by another street, this value would be reduced to nil, and landowners along the other street would enjoy an immense increase in their land values.

The reason you and others make this high land value by simply walking past it is that every one of you becomes a customer or a possible customer of merchants along Prospect Avenue.

The average merchant figures that under average conditions ten out of every one hundred persons passing his store come in to make purchases.

Now, these merchants do not get all the profit you leave in their stores.

A part of it, and a very large part of it, goes in rent to pay interest on land value at the rate of \$3,000 a front foot, which value you by your very footsteps have created.

And, by the way, it is woman's footsteps as well as man's footsteps that make these immense land values; and incidentally this is one reason why women should have the right to vote.

The landlord charges the merchant for your habit and tendency to walk along Prospect Avenue.

The landlord owns your very habits and tendencies by a paper title, which he has no human right to own.

The increased number of people passing this land creates its increased value.

The landlord increases his rent to the merchant.