

speculation — what is a “better” and “safer” use of natural resources? Presumably “safer” refers to political safety. The fourth is sufficiently vague to be of no consequence.

The report ends with an expansion of these solutions which reads as follows:—

“Land would be taken out of crop production and diverted to recreation, wild-life, and green belts. Supply would be tailored to demand by estimating annual requirements and allotting a farmer the number of acres he should cultivate. Compensation would be paid for land not used. Under-production would be planned until the surplus had been used up.”

Thus does privilege make a mockery of the science of political economy and the rights of man.

IN PARLIAMENT

No Hope For The Homeless

CONSERVATIVE policy on housing is “not a policy based on any consideration of real needs, but a policy based on an ideology, on the belief that one should seek continually to discourage public enterprise in the provision of housing and act in the faith and hope that private enterprise will somehow provide an answer to our problems.” This was the charge made by Mr. Michael Stewart (Lab. Fulham) in opening the debate on housing and local authority finance in the House of Commons on May 2.

He said that owing to the cost of land and high interest rates the 1961 index of house prices had risen by 22 per cent. since 1956, the Rent Act had not brought more rented accommodation on to the market at reasonable rents, and the Government’s financial policy towards local authorities had forced them to suspend their services of help to house purchasers, and to cut down on their own rate of building.

He wished to see housing regarded, like education, as a social service, for the idea that reliance on private enterprise and the forces of the market could solve the problem had been repeatedly disproved. He felt that this principle was already accepted in part by rebates on Income Tax allowed to the owner-occupier, and by the proposals to abolish part of the Schedule A Tax. It was also recognised in the case of the council tenant who pays less than the market rent. Here was almost an admission that the housing problem was not really one of who was to *provide* houses, but of who was to *pay*. And of course this is at the heart of the problem. He also suggested that one other approach might be to bring down the technical cost of house-building by improvements in productivity by way of amalgamation of small

firms and the co-operation of the trade unions.

Concerning slum clearance, Mr. Stewart said that in 1961, 74,000 houses were pulled down and 69,000 Council houses were built for people who required more than one bedroom, leaving 5,000 fewer houses for people on ordinary Council housing lists.

One of the main causes in the decline in the rate of building houses he said, had been the high cost of land. Assuming that the Government was not prepared to do anything to control land prices, or to bring land into public ownership, he asked whether they could at least try to spread its demand more evenly over the country by considering the re-location of industry.

Although mentioning the desirability of alternative methods of local government finance, Mr. Stewart did not introduce the subject of site-value rating.

In a predictable speech, the joint Parliamentary Secretary of the Ministry of Housing and Local Government (Mr. Geoffrey Rippon), claimed that many of the present housing problems stem directly from the operation of the Rent Restriction Acts over the years. He went on to boast about the number of new houses completed under Conservative administration, and the number that had been modernised. These were described as “formidable” achievements.

He claimed the problem was now qualitative rather than quantitative and largely the result of rising standards of general prosperity. This is of course humbug, for in economic terms an effective demand must produce a supply. He continued: “The actual rate of progress is limited solely and necessarily by the physical availability of resources, including particularly land and labour, and our ability to make the best use of them.” This is the Malthusian idea applied to housing and most misleading for those with cupidity enough to swallow it. Land is not scarce, but its purchase price is, and it is often a speculative one and a major factor of cost to the potential house owner.

Referring to the ability of the building industry to cope with the problem he said that it was still suffering from a measure of overstrain. Presumably he has overlooked the simple fact that as the “housing shortage” has been with us for many years demand would have seen to it that production increased by making it more profitable for the industry’s labour and capital. He is too young of course to remember the late 1930’s when estate agents were running prospective purchasers (shopmen, bus drivers, bank clerks and others earning £3. 10s. to £4 a week) around in cars to view new houses for sale at £430. The simple fact is that the price of a house today is beyond the reach of many people and the right solution lies in policies which will raise real wages and lower the cost of houses — *policies by r.o means inconsistent.*

In criticising the suggestion that a specially low rate of interest be provided for housing loans Mr. Rippon

was on firm ground and correct in his claim that this would be a concealed subsidy to be borne by the taxpayer.

He thought there were only two ways in which a large-scale increase in building could be brought about. The first was by securing a real growth in the national economy, because this "would lead to greater resources for housing," and the second was to increase the productive efficiency of the building industry including better liaison between all concerned in the planning and creation of buildings. Old stuff and poor at that. He reiterated that the difficulty was not one of finance. It included the shortage of technical staff, demands on building labour, and the physical lack of land.

Almost all other speakers during the debate gave personal examples of shocking constituency housing problems, and Sir Martin Lindsay (Cons. Solihull) reminded the House that as this was the fourth housing debate held within three months this fact alone reflected the great anxiety that existed.

Mr. Lubbock (Liberal, Orpington) warming up to his new environment, wished to see rates levied on vacant property as a means of discouraging landlords from allowing their houses to remain untenanted. He said: "Apart from increasing the availability of houses, this would also help stem the rise in property values, which is the delight of the speculator. Landlords would not be so likely to hang on in the hope of securing higher rents if they were paying rates all the time."

Mr. Lubbock was reasoning on the right lines, perhaps he will develop the theme to include land at the next opportunity.

As usual the debate got bogged down in a lengthy discussion of improvements that could be made to old houses with the aid of Government grants, the demand for which has apparently been rather meagre, no doubt due, as one or two speakers pointed out, to the fact that improvements would lead to higher rates, and in the case of tenants, to higher rents as well.

Referring to the economic or rack rent that should be paid for council housing Mr. Victor Goodhew (Cons. St. Albans) made some good points, "When we look at the position throughout the country today we find no logic and no justice as between tenants who are living in local authority houses . . . Varying rent schemes are adopted by local authorities . . . If we look at the matter further we see that the question of rents is colouring the attitude of the people towards housing. We have long passed the position in which people felt that they should pay the actual cost of the home . . . This means that the private developer who might build houses or flats to rent in many cases will not do so, simply because people would not pay the market rent for those properties as long as they could put themselves on a waiting list and hope later to be subsidised by their fellows — and who can blame them as long as they are allowed to get away with it?"

Winding up the debate the Minister of Housing and Local Government (Dr. Charles Hill) said that a grave human problem was involved, with the need for greater productivity, further slum clearance, and exhortation of landlords to enlist their interest in improving their property, and he did not altogether exclude the idea of compulsory improvement. He agreed there might be a shortage of houses to let, but doubted whether council accommodation was the complete answer. Rather he welcomed the setting up of non-profit housing association schemes to provide rented accommodation at economic rents.

Dr. Hill is a great talker and if words were deeds the situation would soon be solved for he said: "I want to make it perfectly clear that the Government intend to see that every family has its home, and a decent home — that is the pledge." To which we would add, "we have been up that road before."

If those genuinely interested in solving our housing problem would look more towards radical remedies, i.e. the taxation of land values; free trade in building materials and house fittings; the breaking up of rings, monopolies and restrictive practices in the building trade and elsewhere, and the cessation of currency debasement which erodes savings — we might not only solve our housing problem — we would stop the inevitable drift towards state socialism to which the wrong remedies are inevitably bringing us.

—But *Caveat Emptor!*

A RECENT report in the *Evening News and Star*, told the story of Eddie Meadows who made for himself a potential £3 million by speculating in land. He was described as "London's newest millionaire."

Seven years ago he bought a 32-acre plot of vacant ground at Hounslow for £35,000. Sceptics told him he would burn his fingers because planning permission to build would not be given. They were wrong.

As soon as the potentialities of the site became evident and planning permission to build probable offers began to come in from other speculators.

"Property tycoons and geezers out of holes in the ground came to ask me to sell," said Mr. Meadows. He refused to sell. Subsequently, permission to build was granted and this, says the *Evening News and Star*, "meant that the owner of the property would make at least £3 million during the next few years." Said Mr. Meadows, "It has brought untold wealth to me and my family."

We do not condemn Mr. Meadows in any way, nor do we hold it against him that he regards his newly-found fortune as rightfully his. What we do condemn is the system which allows and indeed encourages this speculation in land to go on throughout the country, year after year, siphoning off the wealth which rightfully belongs to the community for the benefit of private individuals.