

The Building Materials and Housing Bill will make new houses subject to rent and price limitation for five years, while the Bill for the control of furnished lettings will extend rent limitation to such lettings as well as to unfurnished lettings.

The original reason for such measures was the scarcity of accommodation which manifested itself during the last war, first in certain localities due to influx of munition workers, and later, in most districts owing to cessation of building. Another argument was that rents had gone up because of the inflation which took place. The latter argument is no justification for measures confined merely to the effect of inflation on house rents, for such a measure could not counteract the general effects of inflation and is quite inappropriate to the evil.

The argument from scarcity involves that those who happen to be in the possession of suitable accommodation are protected from the consequence of scarcity by being given security of tenure and fixed rents, while the full force of the scarcity falls upon those less fortunate. Moreover all measures of this kind do not alter the fundamental fact of increase of market price and have merely the result of deflecting the benefit from the pocket of the landlord to that of the tenant. This benefit in most cases does not take the form of actual monetary income, except where the tenant is able to sublet part of his accommodation furnished. The prevalence of this has thus led to the introduction of the present Bill.

The danger of all such measures of price control is that they diminish the economic stimulus of higher prices which is the natural means of procuring a greater production of a scarce article. They may thus actually tend to prolong the shortage, and delay the time when those who are without can be satisfied. That, in its turn, tempts governments to introduce systems of rationing. In the case in question, rationing is hardly applicable; hence the Minister of Health's appeal for voluntary sharing of houses.

Government Policy on Agriculture

The Minister of Agriculture (Mr. Tom Williams) made on November 15 a long statement of the policy which the Government intends to follow in relation to agriculture.

He said that they would "develop to the fullest extent the home production of food with due regard to the recommendations of the Conference on Food and Agriculture at Hot Springs." As the recommendations of that conference were of great generality and vagueness, little guidance is to be gained from them.

He went on to say: "The objective will be to promote a healthy and efficient agriculture, capable of producing that part of the nation's food which is required from home sources at the lowest price consistent with the provision of

adequate remuneration and decent living conditions for farmers and workers with a reasonable return on capital invested."

Every one of the phrases used requires interpretation. We may perhaps interpret a "healthy agriculture" by reference to the health of the plants and animals produced. But what is an efficient agriculture? Is it technical efficiency which is sought or economic efficiency? The reference to the "lowest price" appears to imply that it is economic efficiency which is aimed at. If so, consideration must be given to the price at which agricultural products can be obtained from abroad and not subject to tariffs or duties on importation. If economic efficiency is the test, then the encouragement of the production of beet sugar by means of tariffs and subsidies must be abandoned. The same argument will apply to special assistance given to encourage the production of cereals and other food stuffs.

The phrase "that part of the nation's food which is required from home sources" also calls for interpretation. During the war the necessity of economising shipping involved an unusually high proportion of home-grown food. When that necessity has passed, is there any valid reason for producing in this country at a higher cost what can be got from abroad at a lower cost?

The reference to a "reasonable return on capital invested" also needs clarification. Does it refer to capital invested in the past? If so, does it involve a return on capital which is outworn and not suited to present-day requirements? Or does it refer to capital to be invested in the future, and if so for what period is such return to be assured? Are those who engage in agriculture to be freed from all the risks which confront those who invest capital in other modes of production?

Another question, and a very important one, is whether a distinction is made between real productive capital and the capital value of the land itself, which is so frequently and erroneously referred to as capital? If no such distinction be made, then the Government is committed to a policy of maintaining the value of land at the high prices to which it has risen as a result of war-time scarcity and the subsidies given at the expense of tax-payers and consumers to maintain production at so high a level.

Mr. Williams' statement then went on to explain that the Government intended to fix the prices of cereals and annual crops eighteen months ahead of the harvest, and the prices of live stock, milk and eggs even earlier in advance. This part of the statement especially evoked applause from not only the Opposition benches but also from the Government side of the House. It is evidently expected that high prices will be maintained for some time to come. The prospect of restoring agriculture to a position in which economic efficiency

will be taken into account is postponed, and the strength of the vested interest which has been created both by pre-war and war-time policies will be buttressed. The tendency for high prices of agricultural products to be translated into high agricultural land values will continue, and the ultimate task of reform will become more difficult.

Land Value Policy

Land Value Taxation is not taxation on land, but on the value of land. Thus it would not fall on all land, but only on valuable land, and on that not in proportion to the use made of it, but in proportion to its value. It would thus be a tax not on the use or improvement of land, but on the ownership of land, taking only what would otherwise go to the owner as owner, and not as user of the land.

In assessments under Land Value Taxation all value created by individual use or improvement would be excluded, and the only value taken into consideration would be the value attaching to the bare land by reason of neighbourhood, public improvements, etc. Thus the farmer would have no more taxes to pay than the speculator who held a similar piece of land idle, and the man who on a city site erected a valuable building would be taxed no more than the man who held a similar site vacant.

Land Value Taxation would call upon men to contribute to the public revenues not in proportion to what they produce or accumulate, but in proportion to the value of the natural opportunities they hold. It would compel them to pay just as much for holding land idle as for putting it to the fullest use.

By taking for public uses that value which attaches to land by reason of the growth and improvement of the community, it would make the holding of land unprofitable to the mere owner, and profitable only to the user. It would thus make it impossible for speculators and monopolists to hold natural opportunities—such as valuable land—unused or only half used, and would throw open to labour the illimitable field of employment which the earth offers to man.

When Chesterton talked of the robbery of the people of England by the great landlords, he did not take the slightest trouble to prove his case to the many who knew nothing of the matter. . . . He wrote of the terrible irony whereby "the Commons were enclosing the commons." He spoke of the English revolution of the Eighteenth Century, "a revolution of the rich against the poor." He mourned with Goldsmith the destruction of England's peasantry: He cried aloud like Cobbett, for he too had discovered the murder of England his mother. But his cry was unintelligible and his hopes of a resurrection unmeaning to those who knew not what had been done to death.—*From Gilbert Keith Chesterton, by Maisie Ward; published by Sheed and Ward.*