

letter from the editor

The Henry George Foundation website now has archives of all Land&liberty issues since 1894, reproduced in their original form. The archives preserve a remarkable history of the struggle to overcome land monopoly and the consequent poverty – along with the history of constant opposition through ignorance or vested interests. One of the recurring themes is the housing crisis, especially in the inner cities such as Glasgow.

And here we are now, over a hundred years later, still speaking of the housing crisis. The proposed remedies of increased production and wider distribution of wealth have had no effect whatsoever on either the shortage of decent housing or the costs of a home. Indeed, as a proportion of income the costs have increased and now rents or mortgages average 40% of a household income. Declarations of human rights and the right of every human being to a home have had no effect whatsoever.

The Housing White Paper published by the government February 7 is nothing more than a consultation document, and nothing in it suggests a grasp of the real nature of the problem. In a BBC Newsnight interview the Conservative housing minister, Gavin Barwell, was asked: why could not land held out of use by developers be taxed so that they would build on it. He replied that “A land tax would discourage investors”. No doubt in all innocence, the minister revealed in that reply the real concern of the Conservative Party: not housing but investment in land monopoly. The investor takes precedence over the countless homeless citizens of our nation – the people that Gavin Barwell was elected to serve. At a stroke his statement converted the housing problem into an entirely different one: how can land speculators continue making vast profits and at the same time provide urgently needed homes? It seems to be a catch-22 situation.

But Gavin Barwell has even more adventurous and deeply ignorant ideas. *The Independent* newspaper, reporting on the Tory Conference last year, wrote: “Gavin Barwell told the party’s conference that the Labour plan to build at least 500,000 council homes as part of an increase overall housebuilding to a million would increase inequality between people who owned homes and those that did not.” It is worth thinking what this very odd assertion means. If the poor are given affordable rented homes to live in, this will increase inequality between them and the rich who can buy homes. It is the oddest argument. And surely it could work in reverse, that if the cost of buying homes was substantially reduced, this would produce more equality between home owners and those renting affordable homes. This did not occur to Gavin Barwell. Instead he argues that more social housing would force up the cost of buying homes. Then he says another totally incompressible thing:

“If we carry on building at the current rate then by 2020 the average house in the south east of England will increase by about £1000 a week. That will mean normal people’s homes in Kent or Hampshire, or wherever, are going to be earning more than they’re earning”

Where does he get these figures from, and what does this mean? *“That will mean normal people’s homes in Kent or Hampshire, or wherever, are going to be earning more than they’re earning”.*

I am not even going to attempt to make sense of that statement – though I wonder who these “normal people” are. It is meant to reinforce his claim that the more social houses are increased, the greater will be the inequality between the rich and the poor. But if the poor have decent homes to live in, they will not be so poor any more. The truth is that, the more people have decent homes to live in, the greater the equality.

I do not think Gavin Barwell means harm. He is not a bad person. Nor is what he says so surprising. Since the 1980s the Thatcher government has fostered the notion that owning a home is not so much about dwelling with your family as about making an investment. So homes are not really homes any more, but commodities to buy and sell at a profit. They are merely market products. This idea is the cause of homelessness. It has fostered pyramid buying and selling, which means that the home owner has been turned into a land speculator, even to the point where the owner’s children are priced out of the market.

But Gavin Barwell does not have a monopoly on ignorance. In a newsletter of February 22nd MP Sir Roger Gale writes:

“In an attempt to reform Domestic Rates Margaret Thatcher’s Conservative Government introduced what was wrongly described but became known as the “Poll Tax”. It seemed at the time fairer and more sensible to charge people individually for the services that they used in a household rather than to base the taxation paid for the emptying of dustbins and the maintenance of roads and schools on the value of an individual property in which, however large, only one person might be living.”

It sounds like the ‘little old lady’ argument again. What is it that creates the value of the individual property? The benefits created by the community. A little terraced house in Chelsea has greater benefits from the wider community than a little terraced house in Liverpool. It is the benefit of the location that creates the difference. It is this that argues for a tax on the land value. It is the most equitable and easiest to administer. But according to the strange logic of Roger Gale a single individual living in a multimillion pound mansion in the heart of London should contribute no more to the community than the poor man supporting a large family in an overcrowded slum.

What is really lost in these ideas of Barwell or Gale is any comprehension that a nation is a community, and that any form of taxation is ultimately meant to serve the whole community in common. But sadly, the Conservative Party conceives society as a market-place to be exploited for private gain, and that nobody owes anything towards the common good. Therefore we can only accept that homelessness is a natural consequence of market forces. Britain, over the last hundred years, while increasing the wealth of a few, has become a land of even deeper moral poverty.



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