

# THE Truth about Leasehold Enfranchisement.

"Every permanent improvement of the soil, every railway and road, every bettering of the general condition of society, every facility given for production, every stimulus supplied to consumption, RAISES RENT. The landowner sleeps, but thrives. He alone, among all the recipients in the distribution of products, owes everything to the labour of others, contributes nothing of his own. He inherits part of the fruits of present industry, and has appropriated the lion's share of accumulated intelligence."—J. E. THOROLD ROGERS, "Political Economy," chap. 12.

## How the Desire for Leasehold Enfranchisement Arose.

Most houses in London, and some of those at other towns, have been built on what is called the leasehold system. The owner of the land which has become "ripe for building" lets it for 99 or 80 years, or for "three lives," at a fixed ground rent, to a builder, who undertakes to cover it with houses. The houses are built, and let to tenants, who pay their rent to the "leaseholder" or "lessee"—the builder or the person to whom he has sold the houses. During the period of the lease the ground landlord (or "freeholder") receives from the leaseholder the annual ground rent, free of all rates and taxes (except income tax). At the end of the term agreed upon, the houses and everything else affixed to the soil become the property of the ground landlord, who henceforth takes the whole rack-rent from the occupiers. Sometimes it is impossible to obtain land to build on upon any other terms than these.

This does not matter to the occupier at a weekly rent; it is all the same to him whether he pays that rent to a freeholder or a leaseholder. Nor does it matter to the investor in house property; if he buys a short lease, he takes care to give for it only a low price. But it is hard on the shopkeeper who has established a business, and finds himself threatened with an increase of rent, just at the time when he dare not move. It is hard on the congregation of a chapel who may be compelled to turn out because the ground landlord dislikes Dissenters. It is hard on the prosperous man who has bought a house to live in, and wants to feel that it is his "very own" for ever. Above all, it is hard on the public, to see the fruits of their labor scooped in by the ground landlords, who "grow richer, as it were, in their sleep, without working, risking, or economising. What claim have they, on the general principle of social justice, to this accession of riches?"

These are the hardships which must be remedied in the leasehold system.



### **What is Meant by Leasehold Enfranchisement.**

Unfortunately, the Leaseholds Enfranchisement Association, which was formed in 1883 to remedy these hardships, could think of no better remedy than a further extension of landlordism. As private ownership of land has worked so badly, they recommended a wider diffusion of it! The Leaseholds Enfranchisement Bills now before Parliament would enable the holder of a long lease to buy out the ground landlord, and so become the freeholder himself. Instead of the Duke of Bedford owning Bloomsbury, we should have a few hundred little Dukes of Bedford, each owning a tiny scrap of Bloomsbury. What good would this do to anybody but these fortunate individuals?

### **What would be the Effect of Leasehold Enfranchisement?**

Such a change in the law would meet the case of the chapel congregation, who could free themselves from landlord tyranny. It would meet the case of the prosperous man who occupies the house he has bought, and who would no longer feel that he was improving another man's property. But it would do little for the shopkeeper, who seldom has more than a 21 years' lease at a rack-rent—not enough to bring him within the benefits of the proposed Act. It would do nothing for the millions of occupiers of weekly tenements, who have no more chance of becoming leaseholders than of becoming kings. And it would do nothing whatever to stop the plunder of the public by the scooping in of the unearned increment of land values, due to the mere growth of population and the execution of public improvements. What does it matter to the community whether that unearned increment goes to Duke A. (the freeholder) or to Mr. B. (the leaseholder)?

### **Who would Benefit by Leasehold Enfranchisement?**

Nobody but the man prosperous enough to own a house, whether he occupies it himself or not. The millionaires of Belgravia would be able to buy out the Duke of Westminster. But nothing whatever would be done for the tenement occupier. No one would be benefited but the rich and the middle class, and the bigger their prosperity the more they would gain.

Why are the Tories taking the question up, and the rich Liberals warmly commending it? One of them has told us—"The more widely spread, and the larger the number of persons who are interested in the ownership of property, the better it is for the rights of property." And at the Annual Meeting of the Leasehold Enfranchisement Association, in February, 1891, the "United Property Owners' Association" presented the President with a memorial in consideration of his services to their cause in strengthening the defences of "the rights of property." What have workingmen and Radicals to do with the cause of the "United Property Owners' Association"?

### **The Proper Lines of Leasehold Reform.**

Two distinct grievances demand redress—the grievance of the public in the matter of its plunder by the landlords, and the

grievance of the tenant in the matter of landlord tyranny. The Leaseholds Enfranchisement Bill would remedy neither of these; and in its place we want an "Unearned Increment Bill," and a "Tenants' Protection Bill."

### **The Unearned Increment Bill**

should secure to the public at large the whole benefit of any future rise in the value of urban land. Let there be an exact valuation made which would serve also as the basis of a proper taxation of land values. Give the County Council, or other public authority, power at any future time to take over the land at its present value, with compensation for any improvements subsequently made by the owner. This would enable the community to secure for itself the whole of the future unearned increment, and place it at the same time in a position adequately to tax what it has already let slip. This is the easiest method of Land Municipalisation.

### **The Tenants' Protection Bill**

Should do for urban tenants what the Agricultural Holdings Act has begun to do for rural tenants. It should enable the actual occupier, under whatever conditions, to recover from the landlord (whether freeholder or leaseholder) compensation for all reasonable unexhausted improvements, and for injury to "good-will" in case of wanton disturbance. Some cheap and expeditious local court should have (as in Ireland) the power to protect the tenant against an unfair rent, or tyrannous conditions. This compensation and protection should be given to all tenants, whether leaseholders or not.

### **No more Landowners.**

In no case should Leasehold "Enfranchisement" be aided by the law. We do not wish to create new landowners under State title. In places like Devonport, where the ground landlord imposes the peculiar "three lives" term, and in others where tyrannous conditions are insisted upon, the court would find a remedy, and protect the tenants without making landowners of them. Buildings which are property of a public nature, such as chapels, halls, schools, and co-operative stores might be compulsorily enfranchised as against the freeholder, and the ownership of the soil should then become vested in the County Council or other public authority which should grant to the occupiers permanence of tenure at a nominal rent.

**All Radicals and Socialists and others who are against Landlordism, should therefore oppose Leasehold Enfranchisement. Ask the Member of Parliament and the Candidate for your constituency to**

**VOTE AGAINST the LEASEHOLD ENFRANCHISEMENT BILL.**

**Tell him you want in its place an  
UNEARNED INCREMENT BILL and a  
TENANTS' PROTECTION BILL.**



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