

PRESIDENT ROOSEVELT WOULD BAR LAND SPECULATION

Among the many large public works now being undertaken by the United States Government is a project for constructing the Grand Coulee Dam in the Columbia Basin in the State of Washington. This is estimated to cost in all \$126,000,000 and will when completed not only be a source of water-power but will enable an area of 1,200,000 acres of arid but highly fertile land to be irrigated.

A correspondent has sent us a copy of the proceedings before the Senate Committee on Irrigation and Reclamation on 21st April which considered a Bill (2.S172) entitled to be for the purpose of preventing speculation and of enabling settlers to obtain land at fair prices.

The Bill was introduced at the instance of the President who wrote:—

"A tremendous benefit will accrue to the Northwest by the building of Grand Coulee Dam and power plant, and the Columbia Basin irrigation project. I am in favour of the Federal Government providing adequate funds so that the construction at Grand Coulee may proceed in an efficient manner and without delay.

"Nevertheless, it is only fair that I should tell you that before the appropriation of funds for the construction of Grand Coulee Dam as a high structure, it is my thought that the Congress assure itself of complete control over the lands in the Columbia Basin which would be irrigated.

"I know that you will agree with me that it is unthinkable that real-estate profits should accrue to private individuals solely because of this great government work.

"Therefore, in my judgment, construction of the high dam should be dependent on the elimination of private profits, speculative or otherwise, which would result from this proposed action by the Federal Government."

It was stated in evidence before the Committee that most of the land was almost valueless without water. It has been selling at from 50 cents to \$15 an acre. The latter figure indicates that there has already been some speculation, as the project has been under discussion for some years and work has been commenced on it. The land is at present assessed for taxation at an average of \$2.30 an acre. It is estimated that when irrigated it will be worth \$85 an acre. A considerable portion of the land affected is held in large holdings ranging from 5,000 to 40,000 acres, a considerable portion is also held by the State and county authorities.

The Bill provides that no person shall hold more than 40 irrigable acres. As a condition of receiving water for his land, each landholder is to be compelled to enter into a contract by which he undertakes to sell all his land in excess of this minimum holding in terms and conditions approved by the Secretary of the Interior. The value of the land is to be appraised in its existing condition without regard to the benefit expected from irrigation. If any land is sold the owner is required to pay to the Government a percentage of the excess of the selling price over the appraised value plus the value of any improvements made after the date of the original appraisal. If payment is made within one month of sale the amount to be paid by the owner is 50 per cent of the excess. If payment is delayed the amount to be paid is increased by one per cent each month, so that if payment is delayed for 50 months the whole excess is to be paid to the government.

It will be seen that the Bill hardly bears out its title. It does not prevent speculation but it enables the

government to obtain a proportion of the increase in the value of the land. It will also, though this is not so clear, prevent the sale of land in blocks of more than 40 acres.

Although this measure may be welcomed as an attempt to deal with the problem, it certainly does not fully achieve the purpose mentioned in the President's letter. Neither does it contain a permanent solution of the problem for it makes no provision to ensure that the land value shall for all time enure to the people.

MR WINSTON CHURCHILL AS LANDOWNER

Carnlough, a fishing village on the picturesque Antrim coast road, with a population of 800, is greatly excited, for Mr Winston Churchill, its landlord, is anxious to sell his interest to his tenants. But they, at a meeting held, have declined to accept his terms, unanimously describing his offer as too high. Mr McCann, solicitor, who presided told a representative of the *Daily Mail* (19th June) that the sale might involve £20,000 on Mr Churchill's terms and this was too stiff. "It really means," said Mr McCann, "that Mr Churchill wants in cash the ground rent multiplied by so many years purchase. The period varied from 40 to 60 years. I doubt if Mr Churchill has ever met his tenants but some of them are very poor although Carnlough is one of the prettiest towns on the Antrim coast." The *Daily Mail* correspondent was informed that Mr Churchill's property also includes beautiful Garron Tower estate and glens in the vicinity.

There was the famous speech in Edinburgh (17th July, 1909) which Mr Churchill made and with which his Carnlough tenants might well be acquainted. That was when he was portraying the land monopolist in vivid colours and was making the pace for the Land Value Taxation policy which would bring immense and undisputed advantage to society—since when we have lost that protagonist. But these phrases from the great speech will come home to the folks in Carnlough: "The land monopolist contributes nothing to the general welfare; he contributes nothing even to the process from which his own enrichment is derived. If the land were occupied by shops or by dwellings, the municipality at least would secure the rates upon them in aid of the general fund, but the land may be unoccupied, undeveloped, it may be what is called 'ripening,' ripening at the expense of the whole city, of the whole country, for the increment of the owner. Roads perhaps have to be diverted to avoid this forbidden area. The merchant going to his office, the artisan going to his work, have to make a detour or pay a tram fare to avoid it . . . And all the while the land monopolist has only to sit still and watch complacently his property multiplying in value sometimes manifold without effort or contribution on his part; and that is justice . . . At last the land becomes ripe for sale—that means that the price is too tempting to be resisted any longer. And then, and not till then, it is sold by the yard or by the inch at 10 times, or 20 times, or even 50 times its agricultural value.

"All comes back to the land value, and its owner for the time being is able to levy his toll upon all other forms of wealth and upon every form of industry . . . and the landowner who in many cases is a worthy person utterly unconscious of the character of the methods by which he is enriched, is enabled with resistless strength to absorb to himself a share of almost every public and private benefit, however important or however pitiful those benefits may be."