

THE LAND FOR THE PEOPLE

BY THE RIGHT HON. PHILIP SNOWDEN, M.P.

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A man is entitled to what he himself creates by his own industry, but there is no possible defence of a system which permits a few monopolists to take what other people have created.

So long as landowners are allowed by law to reap the fruits of public industry, public enterprise, and public expenditure, the mass of the people will remain poor and social progress will be impeded.

THE RENT OF LAND

Land differs in one important respect from all other forms of property. It is a natural monopoly. We may increase its productivity; we may add to its social and economic value; but we cannot increase its area.

Men must have access to land or perish. When a few people have a monopoly of what everybody must use, these monopolists are able to exact the uttermost farthing the landless persons can pay for its use.

Rent is the price which monopoly extorts for the use of land.

FACTORS OF LAND VALUE

Three things, in the main, give economic value to land. First, the extent of the people's need of land; second, the density of the population; and third, the productive capacity of the people, that is, the wealth of the community.

The more dense the population is the greater is the land value. But we may have a dense population whose productive power is not very high; and on the other hand, we may have a very wealthy business community needing land, not for residential, but for commercial purposes.

The landowner in each case gets the utmost economic rent. But as the business community is richer than the poor residents of a slum area, he can extort a far higher ground rent from the former than the latter.

HOW LAND VALUES RISE

Other factors come in to increase the value of land. Every scientific discovery applied to production increases wealth, and therefore enables the landowner to get a higher rent.

The making of roads at the public expense; improved methods of transport which render land more accessible to the population; improved marketing facilities; these and a hundred other industrial and social activities give an added value to land. *Every child born adds to the wealth of the landowners.*

WHO BENEFITS?

In New Zealand, where they have more accurate statistics of land values than we have in this country, it has been shown that the value of land per head of the population has increased in the last 47 years from £129 to £241.

The land of England has probably increased in value at the same rate in the last 50 years. And all this increased value has gone to enrich the landowners.

Instances of how land values rise with the public demand for land are so familiar to everybody that it is hardly necessary to quote examples.

But I may mention a few, and every reader can add to the number from his own observations.

LAND SPECULATION

I remember Golders Green when it was an inaccessible rural district. The Tube railway was made. Agricultural land immediately became "eligible building sites," and the rents went up from £2 to as high as £100 an

acre. One plot of four acres I knew was sold for £8,000, which a year or two before was worth only £300.

Lord Ashfield has recently pointed out how the extension of this tube to Edgware has sent land values up sky-high; and landowners are holding back land to enhance the price of the limited area in the market.

Some years ago Lewisham wanted land for a cemetery. They had to pay £24,000 for 38 acres. This land, at the time of purchase, was assessed for local rating at £32 a year. Its capital value on this assessment was not more than £900 at the outside. And when the land was needed for a public purpose its value immediately went up to £24,000.

MORE INSTANCES

A return recently published gives particulars of the prices the Sheffield Corporation has had to pay for land for schools and other public purposes. For one school site the Corporation had to pay 820 years' purchase on the rateable value; for land for street widening, 816 years' purchase; for a playing field for the children, 267 years' purchase.

In a debate in the House of Commons, some years ago, Sir Tudor Walters, who has a great knowledge of urban land questions, speaking of Leicester, stated that unbuilt-upon land, adjacent to houses, had in 30 years increased in value to such an extent that if the increment were capitalized at 3 per cent it would pay the entire rates of the borough and leave a considerable sum for distribution! Every growing town in the country can supply similar instances.

In 1845 about 250 acres of land at Plumstead were sold for £15,000. The Government put down the arsenal, a town grew up, and the ground rent of these acres is now £15,000 a year.

NEW DEVELOPMENTS AND PUBLIC EXPENDITURE

I could cite thousands of such instances. Every town, I repeat, can supply such cases.

And with the rapid development of motor transport land values are going up everywhere. The landowners are fattening in their sleep.

To make the land available for use, the local authorities are spending money on roads, schools, parks, housing, and all the amenities and necessities of a new residential district. A public debt is being created, rates are being imposed, and the landowner gets off with all the social value given to his land by this expenditure.

It is a monstrous wrong to the community. I have no patience with the complaints about heavy rates, so long as the people calmly submit to this legalized robbery.

WHAT WE MUST DO

Instead of basing local rating on land values, we tax the fruits of industry. If the owner of a cottage wants the decency of an extra bedroom or a bathroom, the rate assessor comes along, and makes him pay an extra rate for it. If a factory expands, and provides more employment, its rates are put up and its production costs increased.

The taxation and rating of land values would secure public values for public purposes. It would relieve industry and agriculture, and liberate municipal enterprise. It would cheapen land and cheapen building, and encourage thrift and business enterprise.

The rating of land values would be the key to open the door to freedom for our municipalities to go ahead with schemes for promoting the health and well-being of the people, and for relieving local industries of the burden of heavy rates.

[The crossheads to this article are our own.—
EDITOR, *Land & Liberty*.]