LONDON'S GOLD MINE

By Frederick Verinder

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It used to be said that London's streets were paved with gold. Lord Rosebery, first Chairman of the London County Council, told us that London had a gold mine under its feet.

But neither the immigrants from the villages nor even the L.C.C. can work the mine.

It belongs to London's ground landlords.

A fine nugget was found the other day, when Bart's Hospital bought back for £130,000 a piece of land which was sold many years ago for £130.

It is being realised that any improvement which makes London a healthier place to live in, a more convenient place to get about in and to do business in, gives the ground landlord a double "rake-off." Those whose land is acquired by the public get heavy compensation, and those whose land is within or near the improved area collect increased ground-rents.

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Take, for instance, the question of London traffic, so much to the fore just now.

London stands on both sides of a tidal river; and better means of traffic from North to South are urgently necessary. A long-talked-of new bridge at Charing Cross was to have cost nearly £17,000,000, of which over £11,000,000 was to go in purchase of landlord interests.

The site of Grand Hotel Buildings, at Charing Cross, has been recently valued at £1,055,525—over £40 a square foot.

What would have happened to land values thereabout if the new bridge had been made, may be inferred from the story of Lambeth Bridge. It cost £839,000, of which £102,500 went in compensation to landlords.

On the main route from the new bridge to Victoria Station, the Duke of Westminster sold eight acres of the Grosvenor Estate for approximately £1,000,000. *The Times* said: "It is the building of Lambeth Bridge that has stimulated this land development and has so enormously increased neighbouring values."

Even before the Blackwall Tunnel was opened, the late Will Crooks told the L.C.C. that land formerly worth £5 an acre had gone up to £300. One effect of the establishment by the L.C.C. of a Free Ferry at Woolwich was to send up by £3,000 the value of 11 acres at North Woolwich, bought for an open space.

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The real London has now extended far beyond the L.C.C. boundary, and new traffic problems have arisen. In nine years (1920-29) the Middlesex C.C. constructed 70 miles of arterial roads at a cost of over £6,000,000 of public money, and it has been estimated that the value of the adjacent land was increased by £15,000,000.

The Edmonton District Council employed out-of-work men to improve Bury Street, and then had to pay £1,400 an acre for some nearby land which they could have had for £300 to £400 an acre before the improvement was made.

Land on the Great West Road, which, a short time ago, could be had for £60 an acre, was fetching £5,000 a year ago. A farmer at Watford sold 2,000 feet of frontage, created by the Watford by-pass road, for £21,000—10 guineas a foot.

A Tube railway was extended from Finsbury Park through Southgate to Cockfosters. An estate of 102 acres, adjoining the site of the proposed Southgate Station, was put up for auction and withdrawn, as the highest bid (£85,000) was below the reserve price.

At Cockfosters, an elderly woman, who owned six cottages and lived in one of them, refused £10,000 offered for the property which—buildings and land—had cost only a few hundred pounds.

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This kind of thing is no new discovery.

Nearly half a century ago, Mr W. E. Gladstone, addressing a meeting in London, said:—

"We have just been driving along your magnificent Embankment. But at whose expense was that great permanent and stable improvement made? Instead of being made, as it should have been, mainly at the expense of the permanent proprietary interests, it was charged, every shilling of it, either upon the wages of the labouring man in fuel necessary for his family, or upon the trade and industry and enterprise which belong of necessity to a vast Metropolis like this."

He then went on to refer to the ground-rents of London, "those great unearned increments." The Embankment, paid for by the people of London through their local rates and a tax upon their coal, had increased the unearned incomes of the ground landlords, whose "business was simply to receive and pocket the vast earnings of the labour, industry, and enterprise of their fellow-creatures."

For instance, Queen Victoria Street, opened in 1871, connected the Embankment with the heart of the City. Seven houses in Cannon Street, assessed in 1870 at £2,770, were assessed at £3,794 in 1875.

The whole of this increase was in the land value; the houses themselves had not been improved. At 20 years' purchase, it meant a gift of at least £20,480 from the public to the landlord.

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It is plain that these recent "increments" of land value have been created by the people, and are "unearned" by those who pocket them. But the same thing has been true of every successive increment of the land value of London, created and maintained by the people since the time of the ancient Britons.

The famous "Pedlar's Acre" in the parish of Lambeth was valued in 1504 at the sum of 2s. 8d. a year. It was bought in 1910 by the L.C.C. for £81,000 as the site for their County Hall. This enormous value had been built up in the intervening four centuries by the growth, the industry, and the public expenditure of the people of London.

It is all "unearned increment," so far as the landlords are concerned.

"Betterment" proposals are not good enough. History and common justice alike call for the simple and straightforward plan of a valuation of all land, and the taxing and rating of all land values.