

LONDON'S OWN LANDLORDS

How the Community is Fleeced

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Labour's Manifesto to the Electors for the L.C.C. Election of 5th March demands the Rating of Land Values. In this demand, Labour is out for a change in the system of local taxation. At present the whole burden is thrown on the users of land and the land-owner is able to deprive the community of its rightful revenues without rendering a single pennyworth of service in return.

LANDLORD LAW

The present rating law is a law made for landlords. It raises rent in two ways. First by encouraging speculation in land, and second by taxing all buildings and improvements. He who holds land out of use is not asked to pay a brass farthing to the local rates, although the value of the land is due entirely to the presence of the surrounding population and to all the public services provided at their cost. The land withheld from use may be an urgently wanted area in the outskirts suitable for housing, or a public playground, or some new private or public enterprise. It may be a vacant site in a commercial or industrial district, where a factory or shops or other premises might be erected giving employment to hundreds of people. No matter. Such land is entirely exempted from local rates if it is not used. That is the encouragement the present rating law gives to land speculation. That is how it helps the mere monopolist to enrich himself at the expense of the community.

WHY RENTS ARE HIGH

It is not sufficient, however, to look at or think about the "ring of monopoly" around our cities, or the vacant sites in their midst, to see how the law causes high rents and hard times. Landlordism is not a mere case of holding land out of use. It exacts its tribute everywhere, pointing its finger at householders and occupiers, at working men and business men alike, and saying in the words of the notorious poster placarded all over London eighteen years ago, "IT'S YOUR MONEY WE WANT." The people have gathered together to form a great city. They have created the value that attaches to the land, placed it "in position" as it were with regard to themselves; and whether it is used or not used private persons step in to claim the rent of land and the price of land as their private property. This taking of tribute begins with the ground landlord, but he is not the only party who benefits by it. Between him and the occupier there may be many "interests" who have a share in the land value; leaseholders, for example, who have sublet at rents far exceeding the original ground rents, because the land has greatly increased in value since the original lease was made. Whether they be few or many who thus take tribute from the earnings of industry, the fact remains that the value they thus appropriate to themselves belongs to the people as a whole, and is the source from which public revenues should be drawn before we begin to tax buildings and improvements.

Consider the value that attaches to the land of London. A thousand million pounds would not buy it to-day. One might quote example after example to justify such an estimate. In Queen Victoria Street, land has been sold recently at the rate of £1,000,000 per acre; and in Cornhill two sites have realized ground rents equivalent to a capital value of £5,000,000 and £6,000,000 per acre. If you go east from Charing Cross

to the Mansion House or west from Whitechapel to the Bank you pass along the richest vein of gold to be found anywhere—the enormous rent of land that now goes into private pockets!

RATING ABSURDITY

Or take examples of land prices like that of Devonshire House and grounds, which sold not long ago for a million guineas, although rated at the ridiculously low figure of less than £5,000 a year. These million guineas represented pure land value.

Fulham presents what may fairly be termed the scandalous case of Hurlingham, scandalous because here is a great park reserved as a playground for the rich and rated at a purely nominal figure, while all around you have a teeming population crying out for house-room. The overcrowded look in vain at the Hurlingham estate as an ideal spot for a great housing scheme because, as Dr. Addison told the House of Commons, "the price is prohibitive." Yes, it is prohibitive and it will continue to be prohibitive so long as taxation is levied in a way that exempts the monopolist and puts a premium on idleness and the enjoyment of indefensible privileges.

The rule to-day is to tax land according to the use to which it is put. The better the use, by building houses or making other improvements, the greater is the burden. Nothing could be more ingeniously devised to produce poverty and all it means in unemployment, overcrowding and the stagnation in trade from which we all suffer.

BREAKING LAND MONOPOLY

The remedy is to levy taxation on the real value of the land and correspondingly exempt buildings and improvements. This is the way to cheapen land and cheapen houses at the same time. It is the way to break down the land monopoly and promote industry in every occupation of life.

The rating of land values requires a valuation of all land whether used or not, showing separately the value of land apart from improvements. When that valuation is established it will be a simple thing to transfer rates from the present basis of "rateable value" (the use to which land is put) to the real value of land apart from improvements.

The demand for this reform is made in full knowledge of the fact that neither the London County Council nor any of the local authorities can at present give effect to it. The law must first be changed and Parliament alone can change it. What can be done now is to secure such a majority on the London County Council in favour of the rating of land values that Parliament itself will be bound to listen.

Let us have a form of protection which we can all heartily support—the protection of industry against the extortions which idleness is levying upon British industry. Appropriate the hundreds of millions a year which is the social value of the land.—*Mr. Philip Snowden, M.P., in the House of Commons debate on the Safeguarding of Industries, 16th February.*

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There is a demand from South London Boroughs for an extension of the Tube service, and thus the WESTMINSTER GAZETTE, 20th February:—

"How long will the hundreds of thousands of South Londoners who fight daily to get to and from their work be denied the Tube facilities possessed by North Londoners?"

Another question: "How long after this publicity will it take the "ground sharks" and the land speculators to dig themselves in as at the Golders Green and Finchley extensions?"