

# HOW LANDLORDS HOLD US UP TO RANSOM

Citizens Make Wealth which is Stolen by those who Do Nothing  
NEED FOR TAX ON LAND VALUES

By George D. Hardie, M.P.

(The following article appeared under the above headlines in "Reynolds's Illustrated News," 14th September, 1930. In an introductory paragraph, Mr Hardie says:

"The Land Valuation Bill will need all the force of public opinion possible behind it if it is to be forced into law over the heads of those whose business in Parliament it is to protect the privileges of the landowning class.")

Improvements made by communities to meet the ever-growing needs of a growing population are always laudable; but too often the big-hearted desire to improve is used to perpetuate a great evil. In all our large cities there is evidence of this fact.

The presence of large masses of people engaged in industry create values which they are not able to realize and use under the present system. Improvements, whether by large private concerns or by the public through the Government or local authorities, create these values, all of which become a permanent addition to the burden resting on the industry of the people.

As an instance in relation to improvement by a large private concern, take the question of transport and extension of railway routes. Lord Ashfield, at a meeting of the Underground Railways and Omnibuses, pointing out the new construction and other developments, said: "The construction of such a railway leads to the creation of land values, which escape entirely the burden of contributing to the agency which has created them."

That is a complete admission that the landlord has only to sit and wait on the industry of the community to increase his income without in any way helping that force that creates the values for him.

Thus do we have Lord Ashfield giving proof of the great need for the taxation of land values. Every penny of public money spent on roads and other improvements has increased these values, and their payment has to come from those who created them. We are now facing the extensions of the Tube from Finsbury, and here, again, the ramp in values is going apace.

The illustration of the Kingston by-pass road emphasizes this, and shows the sudden rise in values. The land before the road was proposed had an agricultural value of £30 to £50 an acre. When it had to be purchased for making the road, it rose to £250 and £300 per acre. Building land before the road was suggested was £300 per acre, but when the Surrey County Council had to make the Merton connecting road, they had to pay an average of £1,250 per acre.

The evil does not stop there. A second slice is taken from those desiring to build. Land which was £100 per acre in 1921 became £350 per acre when the road proposals were made known, and now it is offered at from £2,000 to £3,000 per acre.

In every possible direction connected with the expenditure of public money these values have jumped by leaps and bounds.

Another example is the suggested scheme for the Charing Cross improvement turned down by a Select Committee. The scheme was estimated to cost a total of £16,865,000. It was revealed during the evidence

taken before the committee that no less than £11,122,000 was for land purchase, easement and permanent rights. Had the scheme gone on, every bit of land adjoining the improvement would have gone up in value in the same way as land affected by a new road such as Kingston.

Thus are the citizens held to ransom for every improvement. A Domesday Book could be filled. The famous Foundling Hospital site, comprising 56 acres, was purchased for £6,500 in 1741, and when sold in 1925 it cost £1,650,000.

Glasgow citizens had to pay landlords the sum of £106,820 for the right to use water for domestic supply. Just the water, not the land.

In the same city, in 1925, the Council had to pay £5,000 for a building site which was rated at £81 per annum.

The Scottish Co-operative Wholesale Society bought land at Shieldhall, Glasgow, in 1887, and the price was £500 per acre. In 1914 they desired to extend their premises by one and a half acres, and they had to pay £2,000 per acre. In 1915 another extension became necessary, and for about three acres they had to pay £5,500 per acre. The landlords were taking part of the Co-op. dividend.

It is not surprising that whenever an improvement scheme is suggested, there is immediate speculation in the area, and prices rise in the hope that the public purse will fill their greedy maws.

All these huge sums are a tax upon industry, from which all payment must come. It is a bitter pill that after creating values, they should be taken away. Thus is the community bled.

The moment the citizen seeks to improve his conditions of living he is met by the challenge of the landlord. Golders Green was to be a relief to congested London, and many looked forward to it with delight. Before the Tube was made to that place land prices averaged between £200 and £300 per acre. After the Tube was completed the average price rose to £3,000 per acre, dashing the hopes of thousands yearning for a change of living conditions. The same tale applies to the extension to Edgware.

To meet this evil and bring relief to the community, the Labour Party have a Bill before Parliament which seeks to enforce the valuation of all lands.

There is growing support for such a measure, even among big business concerns, who feel that they are also creating values that are taken by the landlords.

In addition to the national advantage of a tax on land values producing funds for the Exchequer, there is even a greater advantage forecast. This advantage is that when a tax is placed upon land, the owners will not find it so easy to meet it while holding up their land, and they will be compelled to come into the market with it like other people. Thus will the tables be reversed, and the landlord will be looking for someone to use his land that he may meet his tax. The holding up of land in cities is a well-known practice; but a stiff tax on such lands will make them release their hold and prevent the citizens being held to ransom or bled because of the needs of the community.