



Misappropriated nature

We used to own all the rainwater that fell on the UK but, in 1989, we sold most of it together with all the precious land and infrastructure needed to capture, store and give it back to us. The people who bought it are described as “investors” although their actual business model seems to have been based on avoiding investment as assiduously and for as long as they could get away with, while steadily loading their asset with debt which they extracted in dividend payments until the cash cow died (a practice that is better described as profiteering rather than investment).

The story of privatisation has largely been one of transferring natural resources—most notably land—out of public ownership and into private hands: the steel, railway, airport and aerospace industries as well as services like the NHS and Royal Mail were all land-rich. Moreover, privatisation of utilities like gas, electricity, telecommunications and water transferred not only land but also control of natural monopolies.

As the water companies go out of business under the weight of unsustainable debt, catching up on decades of under-investment in infrastructure will inevitably place a huge burden on the public purse but it is their land that is the major obstacle to taking them back under genuine public control. Land values have quintupled in the last thirty-five years and, unlike the franchisees who are granted time-limited licenses to operate the railways, the water companies own their land. The pension fund managers and bankers always knew this and their landholdings are the main asset that allowed the water companies to accumulate the kind of debt levels that would inevitably send the companies to the wall. Just as slave-owners were compensated at the time of emancipation, the shareholders will be entitled to compensation at current prices and this will make renationalisation a very big mountain to climb.

Labour Land Campaign Chair Murad Qureishi says “The sad story of the rapacious water companies points up the danger of placing essential services that are natural monopolies in the hands of financiers. Ownership of any natural resource like land confers a right to extract unearned income from it. (Most of the rent I pay for my London flat—apart from the 10% that my landlord spends on maintenance plus whatever tax he pays—is such unearned income.) If this right were subject to an annual levy based on the resource’s value, anti-growth taxes on productive activities like work, trade and enterprise could be reduced and our economy could be refocused on creating rather than extracting wealth.”ENDS

***The Labour Land Campaign is a voluntary organisation working for land reform.
It advocates a fairer distribution of land wealth through a Land Value Tax.***

For more information see www.labourland.org

Contact details

Press Officer: Anthony Molloy

Email: anthony1molloy@gmail.com

Telephone: +44 (0)7704 116 238

URL for posting on Twitter:

https://www.labourland.org/wp-content/uploads/2023/08/Labour-Land-Campaign-Press-Release_01082023_We-tax-the-wrong-things.pdf