

IT IS OFTEN argued against the introduction of site value taxation that the first people to occupy land are entitled to whatever that land will yield them in rent. When the population was smaller relative to land, land could be occupied without depriving others: no aggression or dispossession of others was necessarily involved—land was free. Site values, in the sense of value in exchange, were zero.

It is claimed that when others arrive later they are the aggressors if they try to claim rights to that same land without paying the original occupier for that 'privilege'. The pioneer would prefer to stay on the land which he discovered and claimed first. Prior occupancy gives him a natural right to the fruits of that land. Others can claim these fruits only if they pay him the appropriate rent.

If our first settler received no rent for 'his' land he would rather keep other people out since he is obviously better off with it than without it. Suppose, however, that with the growth of population and industry competition for his land made it valuable. If the community then insisted that the first settler pay for 'his' land the same amount that others are willing to pay for it, and that this payment be placed in a community kitty to finance community needs, he may claim to resent the arrival of the new population and to prefer to be left in peace as he was when he first arrived.

"I didn't ask you to come," he may protest. "I got here first and settled this land. I don't want to give any of it up, which I may have to if I am obliged to pay the current price for it. For, though it may be too big for me to use by myself as fully as it could be used, nevertheless it all has some value to me and if others want to use it they should pay me for the privilege, for it is mine. If you don't like paying me, go and find some other land, just as I found this. You certainly have no right to demand that I pay you for the land I found."

HE CLAIMS to resent the arrival of a community that

PIONEERS

makes such demands on him. But would he resent their arrival in truth, even with such conditions imposed? The answer must be no. Before the arrival of the new settlers he was isolated and forced to exert tremendous efforts to eke out a bare subsistence, no matter how great the extension of the territory he has staked out for himself. Either he has to make everything for himself, unable to take advantage of specialization and exchange, or he has to travel great distances at great inconvenience

Roger Sandilands describes the weaknesses in the argument used to defend the 'rights' of first occupants.

and loss of valuable time to find others with whom to exchange his produce for other things that are to him more valuable.

With the arrival of neighbours he is immediately better off. And the more neighbours the better. For the same exertion of his own labour, the first settler can now obtain much more in exchange than ever before. He can now exchange his products more quickly and conveniently, thus enabling him to produce more in the same period of time and to be a more specialized, hence more efficient, producer.

Suppose that one of the things he was producing, or which simply grew on his land, was apples. Before the growth of a nearby populace he could eat only what he himself needed or desired, or transport this perishable commodity large distances at great trouble and expense to himself. Most of the

apples would be left to rot. Now, however, there is a nearby market to which he can take his apples (or invite people to his house and sell them there) in exchange for bread and meat, clothing and furniture, medical services and entertainment. All these things he has obtained for virtually no additional expenditure of his own effort than before. This bounty has been obtained not as wages for extra labour but as rent for the land he had the fortune to occupy first.

Now suppose the new settlers perceive an injustice in an arrangement whereby they expend great efforts to provide luxury to a man whom they see exerting only the same labour, or less, than they. Suppose that they demand that the rent from land be paid into the common kitty. Can the original settler justifiably object? He would be no worse off than he was before their arrival. Indeed, he would still be better off because his own labour is more effective than before, thanks to the benefits of specialization and exchange, and he would be entitled to his share of the community-created rent.

Let us try a test to see whether the original settler would really object to handing over rent to the community. Suppose the community were to say to him: "Very well, you need pay us nothing for the privilege of occupying 'your' land. However, we are going to have nothing further to do with you. We shall not buy any of your products, nor shall we sell you anything we make. You wish to be left alone. So be it."

How would our pioneer react? Effectively isolated once again, he may start to make his own clothes, grow all his own food, make all his own furnishings, provide all his own medical and spiritual requirements. Impoverished by the inefficiency of his own dispersed efforts he would soon plead with his neighbours to be allowed to

-And The Rights Of Civil Society

trade and commune with them again. If he could receive just a fraction of the potential benefits of such trade and community he would know himself to be better off. If he were told he could enter fully into the community and receive all its benefits minus the amount his own land was worth, he would surely rejoice at the bargain? Would he not be thinking it his privilege to be able to pay to the community his land's value in exchange for the greater benefits the community can confer on him as a member of it? It is not the community that is privileged in gaining effective access to 'his' land, but he who is privileged to find that his land, and he with it, is now a part of a wider community.

LET US look at our pioneer's rights to rent from another perspective, introducing an analogy.

In 1928 Sir Alexander Fleming produced penicillin, the antibiotic drug. Suppose that, unlike most inventions, the secret of this drug's formula could not be discovered by anyone who studied the drug

with a view to producing it himself. In principle, it would then have been possible for Fleming to make a vast fortune in his own lifetime; and his heirs, if given exclusive access to the secret, could continue to amass similar or greater fortunes in the future.

Meanwhile, society would be producing other major innovations, just as in the past; but because these innovations are readily imitated, no monopoly rent is captured by the inventor, except temporarily. Instead, the price of such things as are produced by the new techniques will fall and society as a whole will benefit. Sir Alexander Fleming and his heirs also benefit in this way from all these other inventions. Why then, society will ask, should Fleming monopolize the benefits of his invention? He would be asked to reveal his secret, or the Monopolies Commission would recommend nationalization. If Fleming then refused to produce any more of his drug he would be universally despised. He would be ostracised and deprived of society's benefits. And rightly so.

Is our pioneer any different from

an inventor who owns a secret or a product that no one else can replicate? And does not the landowner, like the monopolist inventor, become wealthy because a society exists around him? The greater the population and the greater its productiveness (borne of its accumulated stock of knowledge and capital), the greater the wealth that the landlord, like the monopoly inventor, can demand in exchange for what they possess.

Land, like a strict secret, is in strictly fixed supply. A responsible member of society who discovers new knowledge seeks to share that knowledge with his fellow men. While others may seek to hide knowledge from their fellows, it is fortunate that such concealment is usually short-lived. It is our great misfortune that we do not treat land in the same way as we treat knowledge and demand that it be common property. There is a fixed amount of knowledge at any point in time but we strive to make that knowledge as freely available as possible to all men. Why not treat land in the same way?

RENT CONTROLS: THE OBVIOUS 'PROOF'

PROVING the obvious with statistics is one of the growth industries of the social sciences. Gathering statistics, in fact, has become a substitute for advancing knowledge.

The latest example is based on research into the attitudes of private landlords and tenants.*

Sponsored by the Department of the Environment, Bobbit Paley sought the opinions of 1,000 tenants and their landlords. He found some remarkable facts which are truly designed to make us raise our eyebrows in astonishment.

◆LANDLORDS were more likely to be satisfied with the rents they received where these were privately

agreed with tenants, rather than fixed by rent officers.

◆LANDLORDS expected that nearly 40% of lettings which fell vacant would not be relet.

◆FORTY five per cent of the tenants said they would prefer to be buying rather than renting their homes.

This information, billed as affording "an insight into some of the factors affecting the privately rented housing market," must come as a bombshell to anyone who has given the British housing market just a cursory glance!

Interference with the provision and administration of housing aris-

ing from bureaucratic attempts to solve shortages needlessly aggravates problems. For example, the enormous loss in rentable homes because of the dissatisfaction caused among people who have capital tied up in buildings could be minimised for a small price: of those landlords who felt that the rent they were receiving was inadequate, 43% would have been satisfied with an increase of £3 or less. Will the politicians take note of that vital piece of hard-won statistical evidence? Very unlikely. . . .

*Attitudes to Letting, HMSO: £4.75

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