

THE LAND QUESTION IN THE NETHERLANDS

By BASIL BUTTERWORTH (Hampshire, England)

Since my last report on Georgist activities in the Netherlands (GJ No. 13, Autumn 1976) the two Georgist groups have amalgamated, Stichting Grondvest (Land Chartist Foundation) and Recht en Vrijheid (Justice and Freedom). Ons Erfdeel (Our Heritage) has ceased publication, and Grondvest (Land Chartist) continues as a quarterly. Here are some points of interest from Grondvest:

Land Values in the Hague

The propaganda carried out by Grondvest for the rent of land leased by the city council to be regularly increased to correct it for inflation seems to have had some effect. The council has, however, decided to continue to make leaseholders a present of part of the value created by the community. They have decided that the rent shall be adjusted only once in five years (not annually, as proposed by Grondvest), and corrected for only half the amount of inflation. It seems to be a principle with politicians (local as well as national) always to compromise on matters of principle!

Leases and Consumer Interests

This issue of Grondvest makes a great feature of the relation between the rent paid by a leasehold shopkeeper and the prices paid by customers. It is stated that consumers pay, in the purchase price of the articles they buy, a certain percentage for site value, and get this back again in the contribution the shopkeeper pays to their municipal treasury. Grondvest goes on to work out how much the citizens of The Hague lose owing to the fact that four-fifths of the land in the city is privately held by developers, financial and insurance companies, big firms and individuals. It is concluded that it costs every family in The Hague some thousands of guilders a year. How is this possible? "A combination of individual interest, group interest, ignorance, laziness and probably also fear."

(Grondvest is probably correct in this diagnosis, but a point of theoretical criticism seems to be in order here. I suggest it is incorrect to say that the consumer pays a percentage for site value in the prices of goods. There is no reason to suppose that prices will be higher in a shop on a valuable corner site in the city than in one on a more marginal site in the suburbs. Surely, rent arises because the shop on the busy corner will sell many more articles in a given time than the other and so, although both sell the same goods at the same prices, will make much more profit. The "profit" in the marginal shop will be the wages of the shopkeeper and his assistants; in the shop on the busy corner it will be wages plus rent.)

Methods of Propaganda

Grondvest invites its readers to cooperate actively in its work. The ways it suggests for doing this are: (1) keep the committee supplied with press cuttings and news about matters connected with land - rents, local land sales, etc.; (2) support Grondvest with an annual subscription and encourage others to do the same; (3) write letters to the press; (4) pay an extra subscription - F20, instead of the minimum F12 - to become a member with a vote in elections of the committee; (5) make opportunities for Grondvest speakers to address other organizations; (6) distribute informative literature.