

the Henry George News

PUBLISHED BY HENRY GEORGE SCHOOL OF SOCIAL SCIENCE • SEPTEMBER, 1959

The Challenge of World Problems

By FRANK A. W. LUCAS, Q. C.

President (1955-59) of International Union for Land Value Taxation and Free Trade, and former Judge of the Supreme Court of South Africa

THAT people are living in fear of a new world war is clear to everyone. It should be equally clear that it is the duty of each one of us to say and do whatever lies in our power to lead the world into a state of real peace.

The world's problems can all be reduced to difficulties arising from injustice, from disregard of the dignity and of the inherent natural rights of the individual. The law of human progress is the moral law. In no country do we find real freedom for the individual. The greatest inroad on that freedom is made by our present land system. It places the landless at the mercy of the landlords who, because of that system, have the power to determine the conditions on which the former may obtain permission to live and work. I believe Henry George was right when he wrote: "What has destroyed every previous civilization has been the tendency to the unequal distribution of wealth and power."

The United States has been very generous in giving material aid to poor and backward countries. Unfortunately many of these gifts have

merely enriched the landlords.

The rise of nationalism with the demand for self-government in Asia and Africa has been rapid and is now irresistible. Already several countries in those continents have gained their independence. Riots, unrest, or rebellion in the Belgian Congo, Nyasaland, Cyprus, and Algeria, are proof of the struggle. In those which have succeeded and those which are still struggling, there is intense poverty.

Justice and liberty, then, are the essential elements for world peace. Can we have them? Our answer is a decided "Yes."

The great injustice through long ages among so-called civilized peoples has been the system which treats land as a chattel, to be bought and sold, as if both were made by human labor. Land, excluding improvements made on it, has been provided by the Creator and cannot be made or increased by man. All life depends upon access to it or to the water on it. Chattels or goods, the subjects of commerce, are made from materials obtained from it.

(Continued on page 2)

Ownership of land thus confers a monopoly power; ownership of chattels does not.

OUR PROPOSAL

The remedy we propose is that the community take for itself for public purposes the rent of land, the ground rent, as distinct from the improvements on it. The equivalent term in use in Denmark is "ground duty." That rent represents the desirability attaching to the land as a result of the presence and activities of the population living on it. In equity, therefore, it should belong to the community producing it. There can be no valid denial of that proposition. If everyone had to pay that rent to the community he could not afford long to hold his land out of use nor would he be able to find anyone to pay him more than that rent for the use of the land. All land that was not actually being used would then become available for occupation by those who now find difficulty in getting land except at an exorbitant price or rent. Industry and agriculture would be set free and poverty and frustration ended.

This could be done with a title as secure as freehold. In countries where municipal revenue is raised from a rate or tax on the site value of land there is clearly no interference with the security of the freehold title although such tax takes for the local authority a fraction, sometimes a fourth or more, of the full ground rent of the land. Nor would there be any more interference with the security of tenure if the community were to take the whole of that rent.

It must be emphasized that what we aim at is not merely an improved system of taxation but the means of bringing about a just land system under which all will share in a joint heritage. It remains then to consider how our policy would solve the world's problems or at any rate make a solution possible.

We cannot, of course, prevent madmen from plunging the world into war as long as there are dictators controlling powerful countries. But the example of countries where prosperity was universal and shared by all, would inevitably begin to arouse demands for similar freedom for people in totalitarian countries. The cause of freedom there would be furthered and the danger of war lessened until it disappeared altogether.

The best way to induce friendship between nations is to let them trade freely and the surest way to cause friction between them is to place obstacles in the way of their doing so. The removal of customs tariffs would represent a weighty contribution to the cause of world peace.

The prosperity which the suggested change would bring about would soon stimulate others to take the same course. The country which did away with such restrictions would be able to produce much more cheaply and so would enjoy a great advantage in the export market.

Our proposed land value policy would enable less developed countries to help themselves and, over a not very long period, to embark on the works they need. Possession of the freehold is not essential to improve-

The Henry George News, published monthly by the Henry George School of Social Science, 50 E. 69th Street, New York 21, N.Y., supports the following principle:

The community, by its presence and activity, gives value to land, therefore the income from land values (rent of land) belongs to the community and not to the landowners. Labor and capital, by their combined efforts, produce the goods of the community—known as wealth. This wealth belongs to the producers. Justice requires that the government, representing the community, collect the rent of land for community purposes and abolish the taxation of wealth.

Publication committee: Ezra Cohen, William S. O'Connor and Lancaster M. Greene, chairman. Editor: Alice Elizabeth Davis. Subscriptions \$2 a year; single copies 20¢. Second class postage paid at New York, N.Y.

ment of land. The long leases which have been the vogue in many prosperous countries are convincing proof of that. Actually, however, it is easily possible to provide a title with all the security of freehold under our policy, while retaining for the community all the value conferred on the land by the presence of the community. The application might have to vary according to whether the country is highly industrialized or is still in the tribal state, but in essentials it will be the same.

The Theory in Practice

A method described in *Native Races and Their Rulers*, a book explaining the scheme of land tenure introduced by the "Land and Native Rights Proclamation" of Northern Nigeria, 1910, shows how this can be grafted on to tribal custom to confer complete security of tenure and avoid exploitation of workers and land speculation.

The large tin deposits of Northern Nigeria "needed European brains and capital to make full use of them in the interest of natives and Europeans alike. Leases were granted enabling holders to develop the deposits, but limiting their use of the surface strictly to that purpose. . . . No difficulties were put in their way in their efforts to recruit or attract labor. . . . The capital expenditure in the country and the paying out of large sums to the natives in the form of wages greatly assisted the native community generally. In short the development of the tin industry has been of great advantage to Northern Nigeria and has not damaged the interests of a single native alive today or of a future generation. This excellent result may be traced to the absence of 'the institution of freehold in land' and the fact that the government would have nothing to do with supplying labor."

Among primitive peoples the true nature of land as the heritage of the

whole community from generation to generation was clearly recognized. It was to secure the continuance of that principle but with protected individual tenure, that the Government of Northern Nigeria introduced the "Land and Native Rights Proclamation" as being in line with native law and custom. Modifications were made only to permit development on modern lines.

The land was to be leased at "the full economic rent obtainable, that is to say, the ground rent charged must be the greatest possible obtainable in the market." Rents had to be revised at intervals of not more than seven years. In this way the interests of the community were "safeguarded against predatory action on the part of the individual." Provisions were also inserted in the law to protect the individual against arbitrary action by the authorities and to prevent his being penalized for improving his land as so many of our taxing laws do. If at any time the rent were raised on revision beyond what the occupier was prepared to pay he could claim to be compensated for the value of any unexhausted improvements on the land.

The newly independent countries of Asia and Africa would have open to them a means of attaining the capital works they need if they would take for their communities the ground rent of their land. They would soon get a fund with which they could begin to build dams, power plants and irrigation schemes, and they would be under no feeling of obligation to foreigners. Thus not only would the prosperous nations of the world free themselves from the present tension and fear of war, but they would cease to appear to the non-white races as oppressors and enemies.

To go forward with courage and confidence to positive world peace, we should say, not, what can one man do, but, no good work any of us may do can be lost or wasted. And the need for our work is urgent.