

## PUBLIC LAND SPECULATION

### The Distinction between Joint Rights and Equal Rights to Land

In his otherwise admirable report to the Local Government Commission (see page 292) on land administration in Nairobi, Kenya Colony, Mr. C. E. Mortimer defends the withholding of land from use, and its exemption from local taxation, when the land is owned by the Government. The view is all the more remarkable when it is placed by the side of Mr. Mortimer's own emphatic declarations in favour of the taxation of land values as applied to land that is in private ownership. We quote the following passage:—

“Government is the largest landholder in the Municipal area and as such should make a liberal contribution to the rates. It may be argued that Government should contribute precisely on the same basis as any other holder of undeveloped land, as Government hopes to benefit in course of time by a rise in land values of those areas now held out of the market. There is this difference, however; that in the one case the benefit is for private profit, whereas in the other case the profit is for the public good. Further, much of the land now in the hands of the Government is withheld from the land market with good results to land values in general. Were Government to offload all its holdings the property market would collapse and rateable values fall to zero. That being the case it is inequitable that Government be mulcted in a full rate in respect of all its holdings, occupied or otherwise. The payment should in my opinion be assessed only on land in actual occupation by Government and should be charged on the usual basis of calculation.”

The statement contains everything that is to be said about the evils of land speculation, whether Government or the public authority or the private monopolist is responsible. Mr. Mortimer maintains that when the Government is the withholder, the profit from increased land values is for the “public good,” not reckoning the effects in the lowering of wages and the lessened returns to industry that result from an artificial rise in the rent of such land as is allowed to be used.

It is a strange thought that something can be good for the community which is against the interests of each individual worker or producer who is a member of the community—that the wealth or the prosperity of a district is enhanced if the value of the land is increased, when the fact is that the land value only indicates what portion of the wealth being produced is deducted from the total by those who have power to charge rent for the use of land.

Still more dangerous is Mr. Mortimer's view that the withholding of land has “good results for land values in general.” This only means that the Government is playing into the hands of the private landowners in the municipality, creating that artificial scarcity which enables the private landowners to get so much more or their land when they sell or rent it.

A similar outlook unfortunately dictates public policy where vacant or idle land, destined for private use, is owned by the municipality itself in such places as London, Aberdeen and many British towns. The land is held up for the highest possible price and the rents of all privately owned land in the vicinity are thus carefully protected and enhanced.

In the name of “public policy” the people are invited to swallow the fallacies and endure the mischief of land nationalization, just as in those proposals for the public acquisition of land (to be held in advance of future

needs) which incidentally occupy such a large place in the new land programmes of the Liberal and Labour Parties. The equal right to land is subordinated to an alleged common or joint right by which the State or the municipality can grant or refuse the individual the permission to use land that lies idle or undeveloped. This wrong view is to be traced to the failure to observe the distinction between joint or common rights and individual or equal rights, and the confusion between the two has led more than one land reformer astray in our time. Liberal and Labour land policy as now framed in schemes of State ownership and control is the best evidence of that. The equal right of the individual to use land is not only an equal right with any other individual but also with *all* individuals in their corporate capacity of State or municipality.

Mr. Mortimer's final conclusion draws a picture that should alarm no one who will examine things in their proper perspective. It unconsciously admits the relation of the law of rent to the law of wages. It is certainly an exaggeration to say that if land now withheld from use were made freely available all rateable values (land values) within the municipality would fall to zero. The more desirable sites would still command a rent determined by their advantage over other sites; but of all the land now in use there would be a general fall in rents and prices and this would surely be to the public good in as much as it would benefit every industrious citizen. Nothing would “collapse” except the value of land—the price demanded for permission to use it—the wealth of the community would be in no way diminished. There would be but a different distribution and the rent of land being lessened the returns to industry would be correspondingly increased. And in the damaging blow to land monopoly, new and great increments would come to production and trade when they entered so fully into their rightful reward.

#### Joint Rights and Equal Rights

We have referred to the distinction between joint and equal rights. It bears so intimately on the questions here discussed that we think it well to recall Henry George's treatment of the subject in his book *A Perplexed Philosopher* where he examines Herbert Spencer's various utterances on the land question:—

“Joint rights may be and often are unequal rights. The matter is an important one, as it is the source of a great deal of popular confusion. . . . When men

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have joint rights to a thing, as for instance to a sum of money held to their joint credit, then the consent of all the others is required for the use of the thing or of any part of it, by any one of them.

"Now, the rights of men to the use of land are not joint rights; they are equal rights. . . . The right to the use of land is a primary individual right, not springing from society, either expressed or implied, but inhering in the individual, and resulting from his presence in the world. Men must have rights before they can have equal rights. Each man has a right to use the world because he is here and wants to use the world. The quality of this right is merely a limitation arising from the presence of others with like rights. *Society, in other words, does not grant, and cannot equitably withhold from any individual, the right to the use of land* (italics ours). That right exists before society and independently of society, belonging at birth to each individual, and ceasing only with his death. Society itself has no original right to the use of land. What right it has with regard to the use of land is simply that which is derived from and is necessary to the determination of the rights of the individuals who compose it.

"Getting rid of the idea of joint rights we see that the task of securing, in an advanced and complex civilization, the equal rights of all to the use of land is much simpler and easier than Mr. Spencer and the land nationalists suppose; that it is not necessary for society to take the land and rent it out. For so long as only one man wants to use a natural opportunity it has no value; but as soon as two or more want to use the same natural opportunity, a value arises. Hence any question as to the adjustment of equal rights to the use of land occurs only as to valuable land; that is to say, land that has a value irrespective of the value of any improvements in or on it. As to land that has no value, or to use the economic phrase, bears no rent, whoever may choose to use it has not only an equitable title to all that his labour may produce from it, but society cannot justly call on him for any payment for the use of it. As to land that has a value . . . the principle of equal freedom requires only that this value, or economic rent, be turned over to the community. Hence the formal appropriation and renting out of land by the community is not necessary; it is only necessary that the holder of valuable land should pay to the community an equivalent of the ground value or economic rent; and this can be assured by the simple means of collecting an assessment in the form of a tax on the value of land, irrespective of improvements in it or on it. . . . In this way, all, including the user of the superior natural opportunity, obtain their equal shares of the superiority, by the taking of its value for their common uses; while all the difficulties of State rental of land and of determining and settling the value of improvements are avoided."

Henry George's reply to Herbert Spencer *A Perplexed Philosopher* should be in the hands of every student of the land question. Price 1s. 6d. from *Land & Liberty*.

A. W. M.

Government offers subsidies to encourage the erection of small houses, but they are not enough to meet the present unconscionable rate-burden. Eighty years ago this nation came to see the folly of taxing food, but it has evidently not yet occurred to us that it is just as foolish to tax houses. Both are necessary to life and health. And there is an infinitely better and more equitable basis for taxation in the value of land, which is created and maintained by the needs and activities of the whole population.—Sir Edgar Harper, F.S.I., in the *Manchester Guardian*, 4th November.

## NEWCASTLE-ON-TYNE CITY COUNCIL

### Committee on Land Values Appointed

At the meeting of the Newcastle-on-Tyne City Council on 1st December, the following resolution moved by Councillor J. C. Doyle, which had been held over from 6th October, was adopted by an overwhelming majority.

"In view of the possible future increase in the boundaries of the city and the consequent increase in the extent of land in and around the city available for building purposes, and, further, recognizing the rating anomaly at present existing, viz., the large sums paid by the Corporation for land for public purposes and the comparatively small sums paid as rates thereon, a Committee be formed for the purpose of inquiring into and reporting to the Council on the whole question, with a view to making a recommendation thereon to H.M. Government."

Councillor Doyle, who was seconded by Councillor James Smith, said that the rights of the ratepayers must not be made the sport of an unjust law which placed in the hands of a few persons the power to dictate terms as to the sale of land for public purposes.

Referring to the discussion on his resolution, Councillor Doyle writes to *Land & Liberty*: "I was afforded an opportunity to expose the nefarious system so patiently borne by our unthinking public. I took as the ground for my appeal the fact that here we have spent on housing £1,694,000. A very large portion of this went into the pockets of the earth profiteers. The list was a long one and opened the eyes of a number of my colleagues. One case was calculated on 160 years' purchase. Another case: In 1912 land was offered and refused as the price was considered extortionate, viz., £7,000. A few weeks ago, without the expenditure of a penny, the self-same land was offered for £43,000. Houses were being built near hand. I may add that the local rates being paid on this land amounted to a few pounds. Another case: £17,500 asked for 25½ acres for housing purposes for land on which the local taxation amounted to £23 6s. 7d. You can glean from this that the case for the taxation of land values was vigorously presented."

## EASTBOURNE TOWN COUNCIL

### Debate on Land Value Taxation

The Eastbourne Town Council at its meeting on 9th November had under consideration a Bill for power to purchase land on the Downs and for other purposes.

Councillor Chatfield (Labour) moved a motion—

"That this Council apply for power to levy a rate up to, but not more, than 2½ per cent on the capital value of the land in the borough of Eastbourne as a contribution to local rates."

The Town Clerk thereupon at once read a long letter on the subject which he had received from the "National Citizens' Union," a definitely Conservative organization, making a series of assertions of the disastrous results that would accompany the taxation of land values. "Capital would fly from Eastbourne and the development and progress of the town would be checked . . . We do most emphatically oppose such a confiscatory measure, which if it were carried, would immediately check the advance of the borough and be a blow to investment and trade which would hit every one in the town."

Councillor Chatfield called on to speak to his motion, said only a few months ago the Council had passed a