

LAND AS PUBLIC PROPERTY

• **ROCKETING** land prices have provoked heart-searching in Japan. But while the talk is radical, the political action may be too cautious. The Mainichi Daily News, in the editorial commentary which is reprinted here, insists that land is public property – and without a recognition of this fact, proposals for revision of the laws of property will fail to meet the challenge.



THE NATIONAL Land Agency is preparing a basic land law, and plans to submit a bill to the next ordinary session of the Diet. To discuss the contents of the law, a private consultative panel to the agency director general has been inaugurated, headed by Shuzo Hayashi, former Cabinet legislative bureau director.

While there is no reason to object to a basic land law, it should be substantive enough to be worthy of enactment. What should its basic principle be? It should, in the final analysis, aim at securing a broad understanding among the people that land is a public property.

An ad hoc advisory group compiled a report on land policy last June which proposed that the following principles should guide future policy:

1. land ownership is accompanied by the responsibility of land use;
2. in the use of land the public good comes first;
3. land use must be planned;
4. profit from land development must be returned to the community, and
5. the burden should be borne equitably according to the use of the land and the benefit derived from it.

The government has included those points in its outline of a comprehensive land policy which the Cabinet adopted following the report.

These principles will reportedly be incorporated largely intact into the proposed basic land law. That is fine, as long as it is understood that they are impossible to realize unless the people accept the prime proposition that land is public property.

Public property is different from ordinary goods, whose prices are determined by market mechanisms. Land, as public property, should not be left to the mercy of market. Public restrictions and intervention

will be needed to control the use of land as public property and land transactions.

As present, land is private property, and as a rule is left to the mercy of free market price mechanisms. Public intervention is carried out on a limited basis only after land prices have skyrocketed, and thus there is no preventive effect.

It follows that if the government is to pursue strict land price policy, it needs to change the people's perception of land from private to public property, and this should be made clear in the basic land law.

In addition, in order for the perception of land as public property to take root, the law may set the reduction of land prices as its medium- and long-term target.

The advisory group report rightly specified that efforts should be made to reduce land prices. But the government's subsequent outline of comprehensive land policy makes no reference to land price reduction.

The need for that is obvious. Land as public property makes it improper to expect windfall profits from increased land prices. Japan is one of the few countries in the world where land is allowed to remain a target of speculation.

In Tokyo, a corporate worker must devote more than eight times his annual income to buy a condominium. According to an international comparison, residential land prices in Japan are ten times higher than in Europe or the United States. This prevents an improvement in the quality of life, for which better housing is indispensable. Additionally, exorbitant land prices in Japan also impede its structural adjustment to meet the demands of internationalization.

Possible relationships between the pro-

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and these resources have been added to substantially during the past 40 years when the State has on average borrowed every year the equivalent of 8% of current GNP.

It is because these two circumstances no longer obtain that there is now hope of change in the process of national retrogression or undevelopment that has obtained here for five centuries, and during the past 70 at least as much as in earlier years.

Emigration is no longer so easy. To squeeze out the half the population denied a livelihood it is now necessary to have a reservoir of 250,000 unemployed persons compared to a normal reservoir of 50,000 in the past. That five times larger pool of unemployed gives rise to new financial and political strains.

That is one consideration. The other is that with borrowing, it's a long road that has no turning; and the State's apparently limitless capacity to borrow has now been exhausted. The public debt is way beyond control. Within the next five years it will bring crashing down the entire public finance system of the country. With that crash will go whatever power and prestige the State and those who control it command.

It is in that context that it has become peculiarly timely and relevant for the nation – workers and workless – to unite to end the cursed situation where only half the nation can get a poor and insecure livelihood. The necessary reforms are easy to identify.

- Immediately abolish the status of unemployed. That can be done overnight by paying to every resident citizen, unconditionally, a basic income or national dividend in excess of

present unemployment assistance.

- All deterrents to employment should be removed or offset. That means abolishing PAYE and VAT. The £5 per person per week that the CAP costs should be offset by appropriate taxes on the produce particularly of large farmers.

- The ample means to finance these essential reforms include:

- (a) The £1.6 bn of the nation's tax revenues which politicians are now using, along with new borrowings, to service the debt which they created to establish and sustain their family political dynasties;

- (b) A revenue-maximising tax on all the nation's land, both urban and rural; and

- (c) A revenue-maximising tax on the financial system such that its controllers would cease to usurp the nation's prerogative of expanding its money supply.

THESE measures are technically, economically and financially possible. The task is to make them politically necessary.

Those who are denied a livelihood here can contribute most towards bringing that about, by acquiring – and creating in others – a clear and burning awareness of the inequity, inefficiency and mindlessness of the present situation.

They can help by supporting persons and movements concerned to bring about fundamental change which would end mass unemployment and mass emigration.

They can help to bring about change by withdrawing support for a State that is the enemy of the nation in that it denies a livelihood to half its members.

The half who are denied an opportunity to work can help to bring about change by making it impossible also for the other half to work.

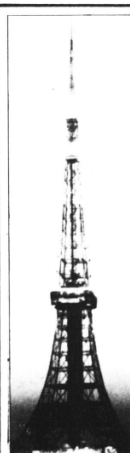
And like Marx's workers of the world, Ireland's workless should remember that they have only their £35 a week dole to lose, and if they cannot immediately win justice and reason, they will at least be assured of a £1000 a week stop in the State's newest prison.

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posed basic land law and the prevailing national land use planning law must be studied. In order to reduce land prices, the government must possess the power to enforce such a reduction.

At issue is the possible sale of the former Japanese National Railways land lots, which is frozen for the moment. How the government handles the sale will foreshadow the attitude and determination with which it will handle the basic land law.

Land must be treated as a public property. If the government repeats the blunder of provoking land price hikes by the sale of the former JNR plots, not much can be expected of the basic land law. The proposed legislation should not become a bureaucratic plaything.



Tokyo Tower: Sky-high land prices