

John C. Lincoln Says No To Government Ownership

A Chicago businessman writes: "Your letters are very persuasive, *but* . . . If government taxed land 100 per cent, the effect would be to make government the owner. There would be no inducement to own land for rental purposes. To own land on terms fixed by the government is nothing more than having a lease from the government. We might as well nationalize all land and be done with it."

I am unalterably opposed to government ownership. Government ownership means government control. The public appropriation of ground rent would enormously extend the use of land by private individuals, each having complete freedom to use his land as he sees fit. How many land users, farmers for instance, have that privilege now? The fact that the public collection of ground rent would destroy the incentive to own land for rental purposes is one of the chief arguments in its favor. If land may be justly rented by one man to another, then the equality of opportunity for all men to the use of the land is violated. No man made the land; no man has the right to charge another for its use. No man has the right to live off the earnings of another man—unless the other man is willing.

The desirability of a given piece of land is determined by its location with respect to population and public services; by the effectiveness with which capital and labor may be applied to it in the production and exchange of wealth, and by the readiness with which its occupant may supply his needs for goods and services. None of those advantages, please note, is the result of individual effort. Each is concomitant to community growth. They should be paid for by the use of the site to which they pertain. Such payment, called ground rent, should go to the community for community expenses. In normal times ground rent would be sufficient for the expenses of government. In abnormal times, such as these, its collection would permit a reduction of billions of dollars annually in taxes on labor products.

If, as our correspondent says, the public collection of ground rent would in effect make the government the owner of the land, what is to be said of our present tax system which now takes a huge slice of individually produced wealth and is getting ready to take more? Is the government any less the owner in that case? Are not both types of ownership wrong?

The use of ground rent for the public expense would not affect land titles; they would remain in private names as now. The landholder would continue in complete and exclusive possession of his land so long as he paid his ground rent, just as now he retains his home or business property only so long as he pays his taxes. Buildings and other improvements on the land would count for what they are—improvements. They would neither add to the value of the land itself nor increase ground rent. Moreover, rent for rural lands—farms, pasturage, etc., would be insignificant as compared with that of million-dollar city lots. Ground rent in each community would be fixed by local boards, just as assessments and tax rates are now fixed, with the same right of appeal and review. They would be determined by machinery similar to that used in many localities throughout the land, notably such large cities as New York and Pittsburgh.

—From the *May Lincoln Letter*