

exempted from death duties so long as it is not sold—a proposal which would virtually create an entail for the benefit of the present holders and their heirs—while urban land should be subject to such drastic death duties as would compel the owners to hand it over in course of time to the state. The inconsistency of this is evident. Nor is any distinction drawn between the land itself, and its value, and the perishable things which man makes and places on the land, and their value. We think that the Archbishop does see that the value of land is due to the presence and effort of the community as a whole. If so, then it must appear that the proper course is for the community, by such steps as are reasonable and practicable, to recover for itself the land value. When that is done every year will be a year of jubilee, for the community will continually be assured of the value of the land, and the individual who works on it will receive merely the fruits

of his exertion and will share with all other members of the community the value which attaches to land by the combined exertion of all.

Moreover land value taxation paves the way for removing other causes of inequality and injustice. It provides a source of revenue in substitution of the tariffs, purchase tax, local rates and other burdensome and oppressive taxes which rob men of their rightful earnings. The abolition of tariffs will prevent the formation of monopolies which are fostered by such restrictions. The levy of taxation upon the value of all land, whether used or not, will prevent the speculative holding of land out of use and throw open to labour the opportunities of which it is at present deprived. In all these ways land value taxation eliminates the exploitation of man by man and ensures that service rendered shall receive its due reward, and so it establishes the basis for the good society for which all men must strive.

FIRST PRINCIPLES OF LAND TENURE

Summary of Paper read by Mr F. C. R. Douglas, M.A., M.P., to the Conference on African Problems convened by the West African Students Union in London, on 30th August, 1941.

A JUST land system is the foundation of a well ordered society. This is so because land is essential to existence in all places, at all times, and under all forms of social organization. Land is necessary for the production of food, of minerals, of fuel, of raw materials, for roads and railways, for air fields and docks, for the sites of factories and houses, for work or for pleasure, for every activity of human life.

No man can have a better right to land than another, for if so he would have a better right to live than another. Hence every man (and woman) must have an equal right to the use of land. This right must be continually sustained so that every fresh life that comes into the world has its equal right to the use of land. Hence there must be no hereditary rights which can exclude some from the use of land, or cause inequality. The principle is that expressed by Thomas Jefferson: "The earth belongs *in usufruct* to the living; the dead have no right or power over it."

Although all men should be secure of equal access to land, it does not follow that they should have equal shares of what is produced from it. The produce depends upon the labour of those who work. If all were to be given equal shares of the produce of the earth, those who worked hard would get no more than those who worked little, the slacker would get as much as the industrious. Such a system would be inherently unjust. That is not to say that society should not make provision for those who by accident or misfortune are unable to earn a living, but merely that those who are able to work should not live at the expense of others.

ECONOMIC PRINCIPLES

The practical application of the principle of equal rights to the use of land depends upon certain economic considerations.

We are familiar with the fact that an equal amount of labour and an equal use of capital will give a greater amount of return on some plots of land than on other plots. This may be due in the case of land used for agricultural purposes to differences in soil fertility, or in rainfall, or sunlight or other natural attributes. In the case of mines it may be due to greater thickness of the seams of mineral or nearness to the surface. In the case of all land, including land used for houses, factories and shops, the difference may be due to

situation, to nearness to a centre of population, to a port, or a road junction.

Hence differences in value between one piece of land and another are due to differences which arise either from natural causes or from situation and relationship to the population. The value of land is not due to something that the individual owner or holder of land has done, but is due to the needs of community. In talking of the value of land or the rent of land we disregard the value which is due to the houses, or the crops, or the other improvements which man has put in or on the land. Those things are not land, and any part of the value due to them is not part of the land value.

It will be seen that there will be some land which will yield a very high rent because it has the greatest advantages. Such land is always the scarcest. Then there will be classes of land which are more plentiful and yield less rent, and so by a gradation we come down to land which yields little or no rent. There must always be some land in this class. This is the land which it is just worth while to use, and such land is said to be on the margin of production.

The man who works on land above the margin of production can get a greater return for the same skill and labour than the man who works on the marginal land. The difference is the measure of the rent of the better land. The owner of the better land can get this rent without doing any work and by merely leasing the land to someone else.

In a society in which rent can be appropriated by individuals there will always be people who can live without working, and there will always be inequality between various individuals in the community. The private appropriation of rent is the first cause of idleness, of privilege, and of oppression. Absolute and uncontrolled power over land enables those who hold the land to prevent the rest of the community from working except upon such terms as the owners may approve.

In order to have a just and stable society it is necessary that rent should be taken by the community, and used by the community for the equal benefit of all the members of the community. If this is done, rent ceases to be a cause of inequality between man and man. The man who uses a less productive plot of land is no worse off than the man who occupies a more productive plot,

because the rent (which measures the advantage of the more productive plot) is shared by all equally.

If rent is taken by the community it is no longer possible for men to hold land idle, because the community will require every occupier of land to pay a rent for it according to the advantages it possesses and irrespective of whether he uses it or not.

PRACTICAL STEPS

The details of the manner in which these principles may be put into practical operation differ according to the legal and social system in force.

In communities where absolute ownership of land has not gained any great hold the matter may be dealt with in the fashion adopted in Northern Nigeria in 1910. The Land and Native Rights Proclamation declared that the whole of the lands were to be called native lands and to be under the control of the Governor and administered by him for the common benefit of the natives of Northern Nigeria. No title to land could be had without the consent of the Governor, and the only kind of title he could grant was a right of occupancy. The Governor could only grant a right of occupancy upon condition that the holder paid a rent, and the rent must be revised not less frequently than every seven years. The rent was not to take account of the value of the improvements made by the occupier. If the occupier considered that at any revision of rent, the Governor had fixed the rent too high, the occupier could surrender his right to the land and require the Governor to compensate him for the unexhausted value of any improvements he had made.

The principles of this legislation were sound, but I do not offer an opinion about how it has been administered in practice. A very unsatisfactory alteration has since been made in this law extending the period of time which may elapse between successive valuations of the rent to be paid. The failure to revise rent frequently has been one of the principal reasons why systems of land tenure which protected the rights of the community have degenerated into systems which permitted the private appropriation of rent. That was one of the reasons by which the feudal system in England gradually deteriorated and turned into that which now exists. That is one of the reasons why the land system in India has become so unsatisfactory. The land there was originally held upon condition of paying a rent, but in some provinces that rent is only revised at very long intervals of time, and in others (under the "permanent settlement") it is never revised at all. The result is that if the land value goes up the occupier is able to appropriate the difference between the rent he pays and what the land is now worth; if the land value goes down he is held to paying a rent which is more than the land is worth. Frequent revision is essential, and that revision must be made by skilful and impartial persons.

In communities where private rights in land have been allowed to grow up the same result can be achieved by what is known as the taxation of land values. This involves that a valuation is made of all land, disregarding the value of any improvements on it. A tax is imposed upon each landowner according to the value so ascertained. The effect is that the owner of the land pays by way of taxation a proportion of the rent of land according to the rate of tax imposed. The rate of taxation can be gradually increased until the whole land rent is taken for the community. When this point is reached, each holder of land has virtually a right of occupancy upon condition of paying a fair rent to the State.

It will be evident that in this system as in the other, it is essential that the valuation should be frequently

revised. Where the land is let on long lease provision has to be made for dividing the payment to be made between the freeholder and the lessee so that each pays his fair share. Practical rules for this have been worked out, but it would take too long to explain them here.

Where the taxation of land values is introduced, there will already be in existence taxes of various kinds. As revenue begins to accrue from the tax on land values, the most burdensome of these taxes can be repealed. It is particularly desirable that tariffs, excise taxes and other taxes on commodities should be abolished, for they fall on people according to the quantity of goods they consume and such taxes generally fall most harshly upon the poor.

Taxation of land values provides the means of removing the inequality which arises both from unjust systems of taxation and from unjust systems of land tenure. It secures equality of right to land, and by requiring every holder of land to pay according to its true value it makes it impossible for men to hold valuable land out of use and deprive others of the opportunity of working.

In former times the exploitation of man by man was achieved by slavery or serfdom. In these times it is accomplished by the ownership not of the lives of men but by the means by which they must live. This exploitation has been introduced by European countries into others where it was hardly known, but this has not been for the advantage of the mass of the people in Europe who suffer from the same evils and who require the same emancipation.

The fundamental principle must always be: the fruits of his labour to the individual; the rent of the land to the community.

A BRIDLINGTON CASE

On 6th August, by auction at the Black Lion Hotel, Bridlington, Yorks, the property known as Stepney Farm containing 37.771 acres or thereabouts was sold for £2,200. This includes dwelling-house and various farm buildings. The land is subject to an annual burden (Queen Anne's bounty corn rent, pier rate and fee farm rent) of £8 15s. 8d. without which the selling price would have been higher.

Mr Geo. S. Arran, the assistant valuation officer of Bridlington Borough, in a letter to *Land & Liberty*, gives the following further information. In the valuation list the entry appears:—Stepney Farm: Agricultural dwelling house gross value £15, rateable value £9. The land and buildings are de-rated but when in rating they were assessed as: farm buildings gross value £8, net annual value £4 10s., rateable value £1, agricultural land gross value £50, net annual value £47 10s., rateable value £12. The property in question is well within the Borough boundary. On the opposite side of the road the local authority some five years ago carried out a road widening scheme demolishing several houses and made a considerable improvement in the main approach to the town all of which has improved the value of "Stepney Farm."

A property with a rateable value of £9 commands a price of £2,200. As Mr Arran says in his letter to us, it is one more instance of the injustice of the present rating system.

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