

# Foreword

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## OF TAKINGS AND GIVINGS: LAND VALUE AND PRIVATE PROPERTY

Think of the idea of property rights in land as a kind of political fulcrum. Upon this fulcrum is balanced, teeter-totter-like, a beam conceptually representing the conflict between individual rights and social obligations. Along this beam have been arrayed (from left to right, of course) the diverse papers collected in this volume according to the degree to which they favor, or predict, or (at least) speculate about, a future in which either individual or social claims on land dominate. Harvey Jacobs has described the existing state of affairs as an uneasy equilibrium, one based not on social consensus but on a rough equivalence of forces in two opposed movements, labeled for our convenience as 'private property rights' and 'land use and environment'. Where will we find the balance between these forces in the coming century?

Much of the energy in the contemporary private property rights debate is focused on government land-use regulation, in particular on the concept of the regulatory 'taking' articulated in the 1922 US Supreme Court decision in *Pennsylvania Coal Company v. Mahon*. These are cases in which government 'goes too far' in regulating land, sufficiently diminishing its value to a private landowner to require compensation under the Fifth Amendment. In an extension of this principle (as in Oregon's Measure Seven), some states have contemplated a policy of 'zero tolerance' in value diminution, requiring full compensation for any regulation-induced land value reduction. Land-use planners and environmental regulators have on occasion responded to such claims by asking, if these be 'takings', what about the 'givings' – land value created by governmental actions like highway building? Should compensation to society by private landowners be required in these cases?

As the sponsor of the symposium that generated the papers in this volume, the Lincoln Institute of Land Policy is grateful to the authors and editor for their contributions to the ongoing dialogue on land use, land value and property rights. The Institute owes its existence to the deep and abiding interest of Cleveland industrialist John Cromwell Lincoln in the field of land and tax policy as embodied in the works of the great nineteenth-century political economist and moral philosopher, Henry George. George continues

to provoke our thinking, as evidenced in this quote from his 1879 master work, *Progress and Poverty* (1992, 343–4):

... As every man has a right to the use and enjoyment of nature, the man who is using land must be permitted the exclusive right to its use in order that he may get the full benefit of his labor. But there is no difficulty in determining where the individual right ends and the common right begins. A delicate and exact test is supplied by value, and with its aid there is no difficulty, no matter how dense population may become, in determining and securing the exact rights of each, the equal rights of all ... Thus, the value of land expresses in exact and tangible form the right of the community in land held by an individual; and rent expresses the exact amount which the individual should pay to the community to satisfy the equal rights of all other members of the community.

I will not leave you in suspense as to George's view on the amount of compensation that would be owed to landowners for the confiscation of these rents through a single tax on land value: \$0.00.

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## REFERENCES

- George, Henry (1992 [1879]), *Progress and Poverty*, New York: The Robert Schalkenbach Foundation.  
*Pennsylvania Coal Company v. Mahon*, 260 U.S. 393 (1922).