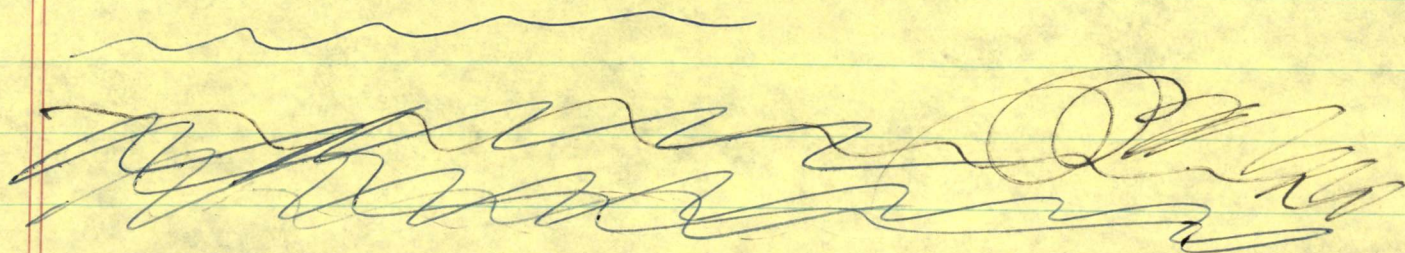


Land Nationalization

Land Nat.

1. 41, p. 6

2. 31, p. 4

A series of wavy lines and a large, stylized handwritten signature or scribble at the bottom of the page.

Read Elwood
Lawrence, H.G.
in Br. Isles

Land Nationalize, ideas.

- ✓ 1. Wallace,
2. Mill
3. Confused w. peasant props.
4. Ireland - Davitt vs. Parnell.
5. Unitary govt, Eng. Navy $\equiv$ socialism
(Munic. o'ship, as in Gy, not national)
6. U.S. public domain.
States ~~are~~ replaced by Fed as owner w-a lands.
7. Denationalize of 3-mi strip.
8. Extension of 3 mi limit to 200.
- ✓ 9. Soviet naty, and adm.
10. Crown fed + Provincial.
11. Town + Ctry Plan.
Eb. Howard?

12. Utilidad Publico

13. Co-prop. of land by state
Acremay, Gosnar, Wabrus, James Mill

14. Compensation

15. Betterment

16. R.O.W.

- a. Use of em. domain
- b. Hist, cost pricing
Roll-in pricing.

17. Socialize of unearned A

- a. Price control of oil & gas
- b. Export duties, w. elast. demand
- c. BCLC

18. Sev. Taxes, e.g. Alk.

19. Royalties etc., public lands.
Fed lands: OCS, up lands
State

20. James Watt - ambiguity of denationalization -
Sagebrush rebellion.
21. Fed. oil reserves
B.P.
Pumex, Petrobras, etc. - see W. Mead paper.
22. Hi Arctic
23. BMS - overlapping nat. claims, eg - S. China Sea.
24. Lign. of Kulaks
25. contrast psych. of new country like U.S. w. vast
nat. public domain, vs Eng.
But now Eng. has N. Sea, note diff. treatment.
Saudi Arabia, oil as national land
26. Newly found resources, like spectrum, come under
nat. ownership.
27. Land tax, coupled w. exemptions in personam, has led to
denat. via "commutation," etc.
Sometimes deliberate, eg. fixing kolkhoze, forcing land
into sorkhoze,

28. Feudal system was orig. natn. of land. Espy. in Eng.
(Hence Land "Restoration" League)

29. Henry VII "washed" church lands - but then privatized.
Fr. Rev. confisc. church land, then sold.

Hence, "nat-u" is a transfer phase, not permanent.

30. Kulaks lig. their cattle etc. before being sovietized: took 10 yrs.
to recover.

31. "Collectivize", collective farms, etc -

"Taxn. is nat-u. w/o collectivism." - M.B.

4 types of natu:

(a) ^{knit} ~~for~~ ^{Taking} Confisc. from one group ff. by conveyance to ^{other} ~~another~~ -
e.g. ~~confisc.~~ church lands, Eng. 16th cent.; enclosures,
18th; urban renewal, U.S. 1960s.

(b) Peasant prop. Maybe thru (a); maybe thru
immed. purchase & resale; maybe thru loans.

(c) Taxig. ~~rent~~ land holding, rent, and gains.
Natu. w/o collectivizing.

(d) Collectivizing. Or just retaining w/o privatizing.

(e) v. 38, p. 6

12. ~~Collective~~ ~~govt~~
Nats. govts. occurs to run large holdings.
Kulaks everywhere resist. Only in Russia were they
attacked head-on. And China?
33. E-u Eur.
a. Land divn., by popular demand.
b. Discrim. vs. small farms
- To orient to mkt.
- To avoid strong Kulak class.
- To collectivize, upscale ops.
Fairly in eur. of scale. Gigantism.
34. Feudalism in its functional pd. was everywhere the same.
gentry held land on condition of milty. service.
35. Fate of Poland showed what happens when gentry
o'come central power, w/hold service. (Eng. survived
same thing in 1688 by having commerce, indies.)
36. Turkey protected nation by device of Janissaries. See
Topuker.
37. Yugoslavia had many small farmers (hence declined
soviet system).
38. Alien ownership leads

38. Natn. may also refer to replacing alien owners w. nationals.

In Bohemia, 1920, this meant displacing Austrian Catholics; in Ireland, 1880's, ~~ships~~ buying out by protestants.

Re minerals, alien control common, invites nationalism.

Media, "Canadian content" in TV.

U.S. FCC vs. Mexican owner.

39. Nat. may also refer to removing native peasants from an occupied area, resettling w. new stock:

Plantations in Ulster

Japanese in Manchuria - Manchukuo

Germans in Poland.

40. Mercantilist state, controlling raw supplies, is nationalizing them in a sense - esp. when:

a. Forbids export, as UK oil

b. ^{Taxes} Export, as Canadian oil. cf. Canad. Fed-m.

c. Controls price at low level

d. Forces deliveries, as Poland (?) and Russia may have done, to peasants.

41. In most ^{comprehensive} general sense, land ~~own.~~ is subject's land to overriding int. of nation. This may be done in

several ways, viz: ----

42. Imperial Gt. having secured share of coal of upper Silesia, ~~is~~ ^{govt} must have assured incentives to produce same. (1850, coal became vital).
43. Jeff. saw nat. landownership as xul. device for privatizn. under state sovty.
44. Some landholders prefer to encourage land reform w. compensation, having more land than they can handle. ~~Poland?~~ Ireland. Poland, 1930s - but govt. lacked funds.
45. 1860, $\frac{2}{3}$ Russia held direct by crown.
 Fred. the Gr. also had vast crown lands?

Thru mir, collective resp. for taxes and drafts.

46. Peter Gr. abolished many obligations of large landholders.
 Thus denationalized what had bn. an organic feudal system.

Thus the collectivist version of land nat., nurtured by Marx in Eng. and seen as an outgrowth of Eng. cap. conditions, found its home instead where that style of collectivism already existed.

47. "Resettlement"
U.S. 1936
Greene, 1917-40
48. Poland, 1959, land selling partly for hi prices.
49. 1918-38, e-n Em, nobility weakened & discredited by loss of war — both Russia and by, and Austria, all 3 lost — much redistrib. of ~~the~~ vast holdings esp.
50. Babush, 1960-97, Conspiracy of the Equals, wanted common ownership of land. Exec. by Directory. Called himself Gracchus.
51. Might from functional to decadent nobility causes demand to nat. or divide land, lords' demerits
52. Periodic redistrib. of land in mir, adjusting for diff. b.r. (Mormon Village!).
Coupled w. mir collective obligations, a kind of water — of mir lands and people. But noble lands exempted.
Land natu. cannot ~~be~~ have large exceptions.
53. Collective fung. is logical conclusion of the dogma of scale ~~and~~ + score for mkt.

54. 1928-33, Stalin ligs. Kulaks
Kulaks had privatized what was previously nat.,
hence renationalism.
55. Centralized, organic politics like Russia. ^{Frome,} Eng. "nationalism"
more likely than fed. systems.
56. Mexico, nat. land was occupied by great hacendados,
they opposed reform.
Russia, reserve of nat. land was locked up.
Likewise Hamilton & Wakefield saw reserve of nat.
land as means to entify scarcity.
OCS oil, in one pd, same idea.

Land Nationalism, Ideas.

1. Wildly diff. meanings,

a. ~~Land~~ tax on rent levied by nat. govt. E.g.
F.L. Montagu.

b. A. R. Wallace, movement.

c. Sciy. Watt. Fed. vs. State.
Fed. systems, Fed. vs. State. U.S. system
consciously vs. land tax; but merged state land claims
in Fed.

d. Nat. Govt. used to firm title to commons, etc.
Eng; Philippines, 1905.

2. Land & Labour League, fdd. 1869, pro "nationalism of land" & "home colonies." - R.D., p. 18

Land Tenure Reform Ass., also fdd. 1869, included M.H.
- R.D. p. 18.

Jos. Chamberlain, "free trade in land", p. 18

- 2
3. Taking from Church, also nat-u.
 4. Eng. ^{land} landlord had provided kind of welfare state from his land rents. When ^{services} ~~these~~ were socialized, was natural move to nationalize the rents.
 5. Parnell favored "peasant prop-ship"; Davitt, land tax. Parnell won.

But in Eng., ~~nationalized~~ community ownership was the course taken. - RD, 45.

6. Land Nat. Soc., fdd, 1881, A.R. Wallace,

- a. Use em, down in, buy land, distrib. in small holdings. RD, 46.

- b. Some went further, would keep the land. (and then?)

7. Land Reform Union, fdd, 1883. Became Eng. Land Restoration League, 1884. George vehicle.

Davitt + George spoke under their auspices.

8. 1880s, various land reformers became more aware of their differences, divided, but clung to names & slogans, so Georgists, Wallace-ites, & Socialists, all got lumped.

Chamberlain, too, for a while. And he also pushed succession duties on land. Chamb. was a liberal. He favored b, a. - RD 49.

9. Franchise extended, 1880s, to rural workers. Chamberlain would 'em w. "3 acres & a cow", they went liberal.

But only Georgists had "an urban cow".

10. Land Purchase Acts had quieted Ireland, may have encouraged b, a thinking.

There was an Allotments Act, 1887, & 1891. - RD 105-06. But never on the Irish scale.

11. 1880s, widespread rent strikes in Celtic areas - fear of this spreading. Ameliorations offered. By 1892, violence abated. RD, 108.

Hence, decline in b, a & b, b. But urban values grew. #7 grew. "Single Tax" slogan appeared after 1888.

12. 1890 $\pm$, U.K. set up gen. system of local govt. levying "rates".
 London & Glasgow were strong centers. - RD 112-13.
 118-19.
 (But this diverted effort from national level)
13. 1895, L.V.T. view dominated land reform.
 hard Nat. Society endorsed LVT.
 Socialists moved that way.
14. "Parish Councils" were likely dominated by farm
 labourers, but they didn't afford to travel.
 So Conservatives limited their tax power. RD 122.
15. George Wyndham, Irish Secy., 1900 -
 Bought out landlords; then sold on credit to tenants.
 Won general support. RD 129.
 LVTers & Wallace opposed p. 129
 Created conservative peasant props.
 But land got overpriced. p. 136.
16. A. R. Wallace, My Life
17. 1906, Libs win big under Campbell-Bannerman.
 LVT seems imminent.
 1908, Campbell-B. sick, Asquith replaces. Close
 Lloyd George for Exchequer.

18. $1d/\text{£} \geq .004$

$1d = \frac{1}{240} \text{ £} = .0041\bar{6}\frac{2}{3}$ 24 1906.

Now, $1d = \frac{1}{100} \text{ £}$.

19. 1909, Lloyd George, Chancellor of Exchequer, proposed rate of $\frac{1}{2} d/\text{£} = .00208\ldots$

Other taxes too, of much larger yield, but this was the sticking pt.

Lords rebelled, 2 elections followed quickly, new Parlt. Bill weakened Lords.

Free Trade also an issue; Lbs may have given it higher priority, sacrificed Land tax.

1911, Parlt. Act, ended Lord's Veto.

✓ 20. Austen Chamberlain, son of Jos., carried new "Unionist" strategy: placate land taxers at local level w. ratings reform; block any national tax. RD 149-50

21. 1955. Land Tax & Valuation passed, but valuation was to take 5 years!

22. 161 Land Nat. alive, 1912 or so.
23. 180 Land Nat. linked to tax, as a pincer.
Value too hi, tax it; too low, condemn it. Asquith.
24. L. George stalled until 1914, then deferred to end of war. Then a thrust Asquith during war, headed Coalition, mainly Tory; finally let Christen Mann. repeal. 155-179. p. 170
25. 161 Land Nat. wanted to buy land - not just for public services. (Then lease it, control it, plan it, benefit from it.) 163.
26. 1914, 4,760 men were valuing land for tax. Were quickly sent to war. RD - 169.
27. Libs. coopted into Coalition. L. George & Asquith split. Lib. party withdrew, '20s. 172-73.
28. 1926 Labour Party went for Land Nat., ff. proposal.
a. State buys ^{as} land; pays in bonds.
b. Tuts. op. "under control of" Ctg. Ag. Committees, re durable improvements.
c. Wages fixed.
d. Public use.

RD, 194-95

29. 1931, Snowden again pushed thru a land valuation. But was an election. Labour out, Conservatives in. Neville Chamberlain, Chanc. & Excheq., Chamberlain was "one of the most bitter opponents of land reform." RD 206.

Chamberlain proposed to discontinue the valuation. "Suspend" for a while. 1934, repeal. Stanley Baldwin was dominant member of coalition cab. then, nominally headed by Ramsay MacDonald.

30. Uthwatt Rpt., '41. A move toward Land Nat.
 a. Future dev. requires state permission
 b. In built up areas, "public authorities" use min. domain to get land required for planning, using '39 value. ~~Plan~~
 The Rpt. acquired mystique over public mind. Bombed areas required replanning.

31. '45, Labor wins largely.
 '47, Town & Ctry. Plan.
 Betterment charges, upon conversion of use.

32. 1 July 1948 was named "The Apptd. Day."
 Spec. values existing then were ok; after, subject to Dev. Change.
 '51, Conservatives return, H. Macmillan, Repeal, 1952.

33. For later list, see Clawson + Hall, etc.

Land nationalization. Palgrave, by F. C. Montagu

Polunin vs. H. G.

Ricardo & Mill created theoretical basis.

Land is a "mazy" bcs. quantity fixed.

In Brit. India, govt. levies on farmer a "moderate land-tax."

Dove & Spence regarded as nationalizers. a.d. Wallace

U. i. P. D.

Gossen & Walras ~~are included~~ have entries, but...
& Walras on Land nationalization is mentioned briefly. So is
Gossen.

TO THOSE who remember World War II, the Philippines are the group of islands in the Pacific where, early in 1942, the Americans suffered their first defeat at the hands of the rampaging Japanese.

There was high drama when General Douglas MacArthur, America's No. 1 soldier, made his getaway in a small patrol boat under the noses of Japanese warships, vowing "I shall return" – a promise he triumphantly fulfilled two and a half years later.

From the facts about the Philippines given by the Press at the time, the pre-war life-style of the Filipinos seemed only slightly less idyllic than the Garden of Eden – beautiful golden beaches "kissed by the warm Pacific", waving palm trees, wild flowers, butterflies and tropical fish – no wonder MacArthur was determined to return! No doubt everyone else forced to leave their Philippine paradise to escape the invading Japanese had the same long-term intention.

But as is so often the case with the earthly paradises we read about, the reality behind the facade is tragically different.

Wealthy Filipinos may well live in the style of Palm Beach or Acapulco, but for some of the less-wealthy, life could hardly be grimmer.

Indeed, according to a recent report by the Anti-Slavery Society¹ more than six million native Filipinos are today facing something close to genocide. They are the people of about fifty minority groups, or tribes, who are in danger of having what remains of their ancestral lands seized by the government of President Marcos and handed over to "big-business" in the name of economic development.

THE STORY of the Philippines, as told in the report, is the depressingly familiar one of primitive peoples, living directly from the soil, being steadily deprived of their lands, their livelihoods and their economic independence by the relentless advance of invaders from the developed world.

● First it was the Spaniards who, after the "discovery" of the islands by Magellan in 1521, established an autocratic colonial rule. The best land was commandeered, large estates (haciendas) established and tribute was exacted from the natives, many of whom, now dispossessed of their lands, were turned into ill-paid workers on the Spaniards' tobacco,

Filipinos: victims of land seizure

By Bert Brookes

sugar, hemp and indigo plantations.

It was an archetypal colonial take-over whose success rested largely on the co-operation of a Filipino elite (the ilustrados) with whom the Spaniards shared the spoils. At the other extreme were those native tribes who stoutly resisted the invaders and fought long and tenaciously to retain their ancestral lands. The descendants of those tribes, now numbering 6.5 million, still maintain their communities and their traditional cultures.

● In 1898, by the Treaty of Paris, the Americans took over from the Spaniards. Despite claiming to come "not as invaders or conquerors but as friends",² they brought in troops – 126,000 at one time – to quell



● President Marcos

resistance and to stamp their sovereignty over the whole country.

The Americans' task was considerably eased by the co-operation of the ilustrados who, it seems, had good reason for co-operating. Under the Treaty of Paris they were allowed to retain the haciendas and other landholdings granted to them by the Spaniards.

To the ordinary Filipino tribes, however, the Americans handed out, not welcoming handshakes but harsh body-blows.

● First, there was the Land Registration Act of 1902. To obtain title to land under the Act, the occupier was required to have formal surveys made and to carry out certain legal procedures. The surveys cost money and the procedures were difficult for the uneducated to follow.

The Act became a charter for the more educated Filipinos and American land speculators; they were able to make claims for land occupied by the poorer classes. Thus, almost all the titles granted under the Act were for large private estates.

For the natives, worse was to follow.

● The Public Land Act of 1905 declared to be "public land" any land not registered under the 1902 Act. The ancestral lands of the tribespeople became liable to take-over and exploitation by the government or its nominees.

The national minorities had become squatters on their own land.

THE TWO ACTS were the signal for the huge wave of commercial exploitation of the Philippines that was to take place in the 20th century, both before independence (1946) and after.

The protagonists were American and Japanese big-business, hand-in-hand with successive Philippine governments who did not hesitate to use the armed forces to crush opposition.

Since World War II, much of the finance has been provided by the International Monetary Fund and the World Bank.

● There has been gold-mining, the concessions for which involved whole tribes being ejected to make way for American prospectors.

● There has been large-scale logging which led to denudation and erosion and which is continuing at a rate of 170,000 hectares a year. Many concessions encroach upon or completely swallow up the lands of the minority groups.

● There is the government's electrical power generation programme

1984

UNITED STATES: After the Civil War – farm slavery still flourishes

her countries are
ed with inhuman
tation that has its
t roots in the
poly of land – in
Africa, for example.
According to Robert
"At least in the
ryside, the dom-
of the landowning
has remained
en, as has the
ession of its
ers. Into the 1980s
violence of master
t servant, and the
the legal system in
of the former, have

remained."*

In this survey, *Land and Liberty* writers spotlight a problem that has not been banished and which needs more – not less – publicity; which needs supra-national organisations to cooperate in investigating the reasons why, 150 years after the death of William Wilberforce, civilisation is still afflicted with slavery.

**Cape of Torments: Slavery and Resistance in South Africa*, Routledge and Kegan Paul, 1983.



Photo: PANA/Anti-Slavery Society

provision of loans to the uncredit-worthy and bureaucratic will.

During the 1975-77 Emergency, Prime Minister Indira Gandhi specifically outlawed debt bondage – it was already illegal under the con-

● Turn to P.13

ute force

WORLD ATTENTION is focused on involuntary servitude and debt bondage in the Far East, yet this evil system flourishes in the United States today.

The U.S. fought a civil war over slavery, which it formally banished through constitutional amendment. Human bondage, however, has not been wiped out in practice.

● The Department of Justice has secured 15 convictions arising from the violation of laws against involuntary servitude during 1980-1983.

● The criminal section of the civil rights division of Justice says it has 28 complaints now under investigation.

● The FBI has pending 33 cases of involuntary servitude, which is the condition of enforced, compulsory servitude of one to another.

By Paul Knight

Last August a Florida Federal jury convicted Willie Warren and his two sons for conspiracy to enslave. A Federal prosecutor, Susan J. King, called the evidence "a story of human bondage, despite the fact that slavery was outlawed in this country in 1865."

Migrant workers from Latin America are the targets for farmers and their heartless crew leaders.

● The landless poor can be seen trooping through Miami airport in single file during the harvesting season, on their way to the misery of hard work and little money. Or:

● They cross the border from Mexico in search of work, vulnerable to exploitation.

IT WOULD BE bad enough if this slavery was an informal system, but one reporter has now accused the Federal Government of "aiding and abetting slavery in America" by providing a brokerage service that helps crew leaders who abuse the spirit of the law.

Mimi Conway published the results of her investigation in *The Washington Post* on September 18. She wrote:

"Of course, the 13th Amendment outlawed one human being owning another. But this slavery is in some ways more insidious, since it involves, in effect, growers renting people from labor contractors. These workers are then prevented from leaving the camp by the labor contractors who control their lives through intimidation and violence. In peonage cases, the workers are forced to work in order to pay off debts that the labor contractor says they owe him for everything from the use of the mattresses they sleep on to their daily meals."

Miss Conway concluded with sentiments that most people would share.

"The Federal government's message needs to be: the era of renting slaves is over."

This is a pious wish, however, because – to put it at its simplest – free land is a pre-condition of human freedom. By "free land" we mean the abolition of the right of a minority of people to appropriate the "surplus" value of the labours of others. This value is economic rent, which is what is left over after all the capital and labour costs of production have been met.

So long as the beneficial rights of land are not shared equally among all people – which in a complex industrial society can only be accomplished through the tax system – many people will continue to exist in a state of dependence upon those who monopolise the resources of nature.

Ten thousand migrant farm workers on the eastern seaboard of the U.S. are trapped in a condition of servility, according to one estimate produced for the U.N.'s Working Group on Slavery.

This modern version of farm slavery just dramatises bondage that reaches deep into the system of wage work in the big cities. Its origins are not only to be found in Latin America, however. It is a result of a land tenure system that the West embraces as one of its crowning institutional and legal achievements.

Not until scholars and politicians review and reform the system of property rights will we be able finally to banish human bondage.

which involves the construction of forty dams over the next twenty years. Almost all will be built on the land of the minorities whose best farm land will end up under many feet of water. Over one and a half million tribespeople will be made homeless. The projects already started are causing major unrest, especially as the rural poor do not have the resources to take advantage of electrification when it comes. The main benefits of the programme will accrue to the big landowners.

● Land is progressively taken over for the commercial growing of sugarcane, coconuts and fruit. In 1978 alone nearly 500,000 hectares were commandeered. Prominent among the big-business invaders have been the multi-national fruit corporations – Del Monte, Castle & Cooke and United Fruit.

THE ENCOURAGEMENT of big-business and the forcible dispossession of the minorities increased to a new level of intensity during the eight years of martial law (1972-81) imposed by President Marcos.

Violence, intimidation, torture and murder were used to put down resistance. Trade union activity was curbed by decree and strikes were outlawed.

These conditions, plus the fact that workers' wages were low and that there was a large pool of unemployed, were all advertised abroad as inducements to foreign investment.

As the Marcos policy proceeds, so the national minorities are squeezed further and further into their dwindling ancestral lands or are forcibly uprooted and "rehabilitated" in reservations far from their original homelands. Today, there are few viable areas to which the minorities can fall back. Four tribes – the Tagakaolos, Mandayas, Bukidnons and Manobos – have already exhausted all possible areas for retreat and have now settled for impoverished lives as plantation workers and tenant farmers. Inevitably, other tribes will follow before long.

In 1972, in a bid to spike the guns of the growing anti-Marcos nationalist movements, the President announced a plan for land reform. This required all lands planted to rice and corn with an area of seven hectares or more to be taken over and divided among tenants, each of whom was to get at least three hectares. Landlords were to be compensated by the tenant with the value of two and a half times the average harvest over three years.

For a number of obvious reasons, the reform proved a complete flop.

● It applied only to land growing rice and corn, and landlords were able to dodge the provisions of the reform by switching to export crops.

● It did nothing for the 200,000 to 250,000 tenant families working sugar and coconut land.

● It did nothing for the three million landless peasants.

● The stipulated compensation was more than most tenants were prepared to hand over, and many abandoned their claims.

The result has been that, up to 1977, only one-third of one per cent of the land covered by the reform had actually been transferred.

WHO IS to blame for the shameful treatment of the Philippine minorities and for the bitterness and burning resentment that grips those 6.5 million people to-day?

In the Anti-Slavery Society's report, President Marcos is cast as the villain of the piece, but his defenders would, no doubt, claim that his programme of developing the country's natural resources is positive and progressive and that, in any event, he has merely been continuing the policies of successive governments since 1898.

Perhaps the year 1898 is the key to the moral turpitude that has darkened the Philippine social landscape during the 20th century. Perhaps the American government at that time has much to answer for. By 1898 the revelations of Henry George in *Progress and Poverty* were common knowledge. The government of his own country could not have been ignorant of the injustice generated by the private ownership of land – or, more precisely, the private appropriation of land rent.

In taking over the Philippines from the Spaniards, the Americans could have proved that they came "as friends" by introducing, not their grossly one-sided Land Acts of 1902 and 1905, but measures designed to establish the right of all Filipinos to share in the benefits of their country's natural wealth.

Had the taxation of land values been introduced into the Philippines then, the unseemly land-grabbing of the 20th century, with all its monstrous consequences for man's inhumanity to man, would surely never have occurred.

REFERENCES

1. *The Philippines – Authoritarian government, multinationals and ancestral lands.* The Anti-Slavery Society for the Protection of Human Rights, London SW9.
2. Proclamation by President McKinley, 21 December 1898.

INDIA

● From P.11

stitution and for the period 1978 to 1983, Rs 250 million were allocated for the rehabilitation of bonded labourers. To-date, only about Rs 5,000,000, have actually been used.

India's urban growth during the last two decades created a demand for building materials and this demand was increased by the ASIAD Games held in Delhi last winter.

The capital's brick kilns grew from 150 to 400 in a single year; construction work had to be completed by the Prime Minister's birthday and the time element led to abuses.

Debt bondage appeared on the construction sites of the capital and increased in the brick kilns.

The Bonded Liberation Front has for some years been rescuing bonded labourers from brick kilns – where armed guards are the norm – and runs its own schemes in an effort to provide work for those it helps to escape.

Bonded labourers in the kilns usually work as a family, not as individuals, and they may be sold by one kiln owner to another. The going rate in part of Haryana, where much of the brick industry is found, is between Rs 2,500 and Rs 7,500.

LAST YEAR the Anti-Slavery Society told the Working Group on Slavery about Ravi. He was 13 when his father, Ditta, bonded him to a rich farmer for a year for a loan of Rs 500.

Ravi starts work at 5 a.m. every day, never has any time off and his "wages" are two meals a day and some clothes.

Ditta said: "We had nothing, only our labour. This is the sixth year of the drought. So there's little work. No food. No money".

Ditta was conscious that in order to redeem Ravi at the end of the twelve months "somebody else will have to be bonded ... maybe I have to go into bondage myself".

Swami Agnivesh has personal knowledge of people being bonded for six or seven generations – for an original loan of as little as £5.

*Supplementary Convention of the abolition of slavery, the slave trade and institutions and practices similar to slavery, 1956.

Economics the Political Science

A study of the Corruption of Economic Concepts

by V. H. Blundell

ESSRA Discussion Paper No. 3
available from 177 Vauxhall Bridge Road,
London SW1, £1.75 (p. & p. included)

Nations cannot prosper if land monopoly survives

I FAILED to think of anything that could be compared with the grasping hand of the land monopolist.

I then had to decide whether it was necessary to accept the whole of Henry George's idea.

I began to think again of my half-acre, and of how the scheme for handing over to the community the rent I could get for it would affect me.

It was obvious that its selling value would practically vanish. In that sense I should certainly be a loser. I should also have to pay £25 a year to the community for the privilege of being able to call my half-acre my own.

‘I do not dispute the claim that land value belongs to the community’

I was anxious to see how Henry George would meet this case. This is how he deals with it:—

“Take now the case of the homestead owner – the mechanic, storekeeper, or professional man who has secured himself a house or lot, where he lives, and which he contemplates with satisfaction as a place from which his family cannot be ejected in case of his death.

“He will not be injured; on the contrary, he will be the gainer.

“The selling value of his lot will diminish – theoretically it will entirely disappear. But its usefulness to him will not disappear. It will serve its purpose as well as ever. While, as the value of all other lots will diminish, or disappear in the same ratio, he retains the same security of always having a lot that he had before.”

You see how ingenious he can be! And he goes on:—

“He is a loser only as the man who has bought himself a pair of boots may be said to be a loser by a subsequent fall in the price of boots. His boots will be just as useful to him, and the next pair of boots he can get cheaper.

“Other things considered, he will be much the gainer. For although he

IN 1930 a distinguished British journalist decided to investigate the reason why so many people devoted time and effort to advance an idea – the taxation of land values.

He approached his enquiry as a sceptic, but became increasingly convinced that he had stumbled on a solution to so many of the bleak economic problems that confronted the world of his day.

While struggling to resist the central thesis, which was expounded in Henry George's *Progress & Poverty*, he nonetheless decided to itemise on paper a list of what appeared to be the injustices of the existing system. One of these was:

That there should be over 2,000,000 unemployed while many thousands of acres are going out of cultivation largely because the prices and rents of land are too high, and because landowners can keep sites vacant and land idle, or make it an exclusive pleasure-ground, and pay nothing or only a trivial sum in taxation.

The results of his enquiry were published anonymously in London as a six-penny pamphlet. It was called *Light On The Land Question*. We publish an extract as a reminder of the parallels between the 1930s and the 1980s.

will have more taxes to pay on his land, he will be released from taxes on his house and improvements, on his furniture and personal property, on all that he and his family eat, drink, and wear, while his earnings will be largely increased by the rise of wages, the constant employment, and the increased briskness of trade.

“His only loss will be if he wants to sell his lot without getting another, and this will be a small loss, compared with a greater gain.”

Was I convinced? Was I as completely convinced, I asked myself, of the justice of this proposal as of the injustices of which I had made a list?

I could not dispute the claim that land value belongs to the community, nor the view that it is wrong to tax houses or anything else produced by labour; but how about the idea that land values would provide all the revenue necessary for public purposes?

‘Free the country from the throttling grip of land monopoly and we would at once breathe more freely’

I DOUBTED if Henry George, if he were living now, would insist, as he did in 1879 and till his death in 1897, that the whole of the expenditure of this country, both local and national, could be met by land value taxation.

At the time he wrote, the world was a comparatively reasonable place.

- It had not slaughtered ten million men or blown thousands of millions of capital into the air.

- It had not piled up huge national debts.

- There were no expensive unemployment insurance schemes or old age pensions.

- Armies and navies were comparatively cheap. No country had to raise a national revenue, as we have to, of over £800,000,000 – to say nothing of another £180,000,000 of local revenue.

His world was quite a different one, and I found it difficult to believe that he would have suggested raising the whole of this revenue by land value taxation alone.

No doubt the value of the land of this country has increased considerably since he wrote – but has it increased enough?

To make it possible to raise the whole of the revenue by merely taking the annual value of the land, the true economic rent would have to be £1000,000,000. Is it so much?

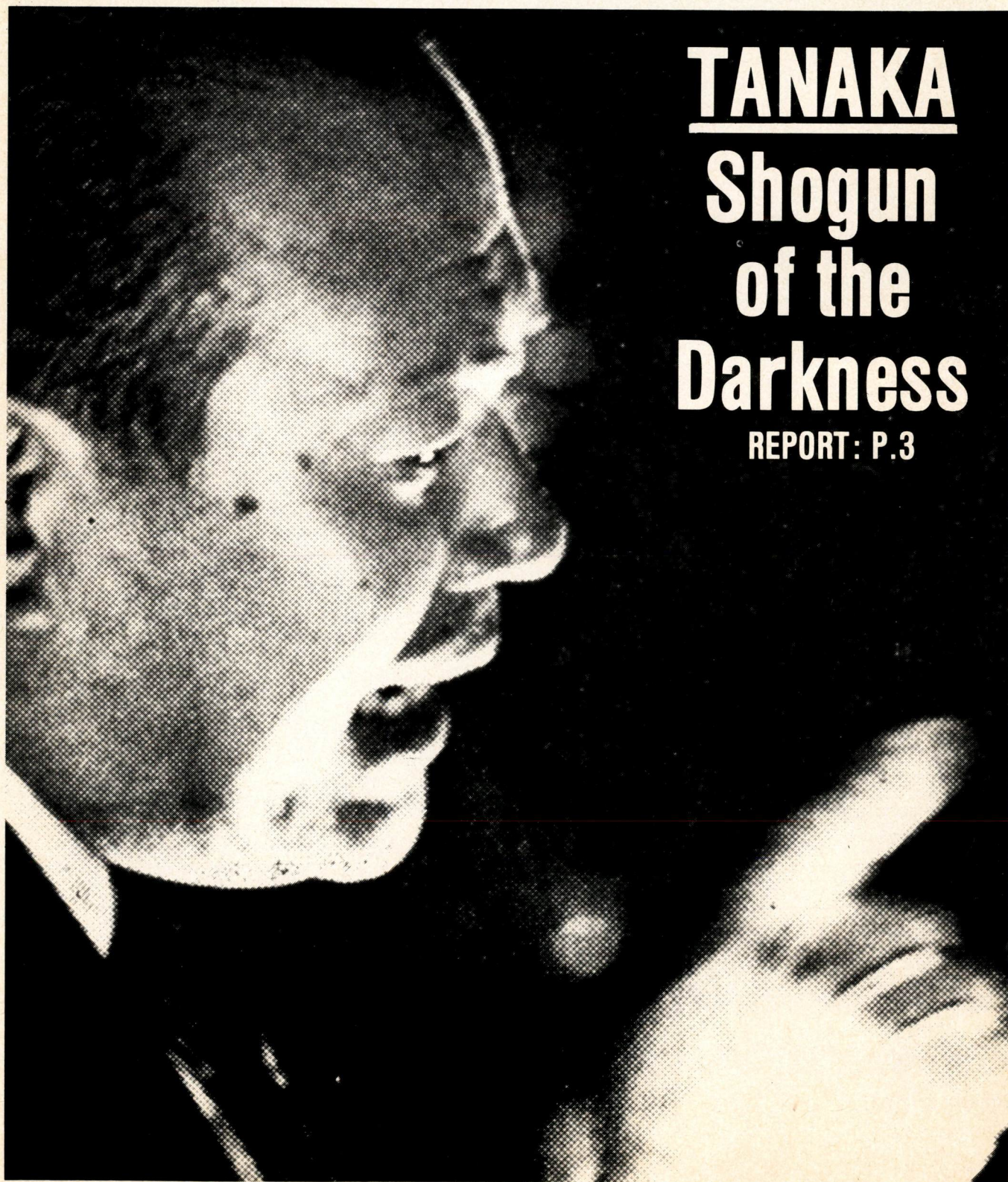
‘Tax the land, not trade and industry’

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TANAKA Shogun of the Darkness

REPORT: P. 3

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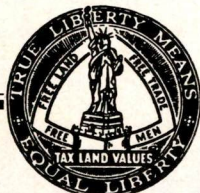
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177 Vauxhall Bridge Road,
London SW1V 1EU
Tel: 01-834-4266

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New York, N.Y. 10017
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Japan's sunset?

THE JAPANESE economy is at a dangerous turning point.

Prospects look good for a climb out of the recession, but Prime Minister Yasuhiro Nakasone's attempt to fight protectionism in international trade may rebound on him.

The Government has decided to dismantle all controls on foreign investment in Japanese real estate. This is intended to appease the industrial countries that have been flooded with Nikon cameras and Toyota cars.

Officials in Tokyo believe that there is a pent-up demand for Japanese property, but that a significant inflow of foreign money would not harm the domestic economy.

They are wrong!

The property market can inflict extensive damage on the rest of the economy when get-rich-quick operations in the land market get out of hand.

European entrepreneurs and their employees discovered this when British speculators took their cash into Brussels and all points north and east in the early 1970s. They made some quick fortunes before the fever took over and sent continental economies into a tail-spin.

Land speculation sumps activity away from productive sectors and has the ultimate effect of reducing both consumption and investment, evidence for which we need look no further than the testimony of that now-infamous former prime minister, Mr. Kakuei Tanaka (see page 3).

The end result is a cut in employment and living standards.

● This happened in Japan in 1972 and 1973, ordaining the biggest crash in the post-war years irrespective of the OPEC oil producers' decision to force up their prices.

● It happened again in 1978 and 1979, consequently terminating the recovery that was well on the way.

The performance of the housing industry foreshadows

what happens to the rest of the economy.

In 1981, land prices rose by 11.4 per cent over the previous year. Investment and employment in the housing sector came down sharply (see table, page 4).

The rate of increase in land prices slowed up in 1982 (8.3 per cent), and early in 1983, price increases moved towards relative stability (5.1 per cent).

This augurs well for Japan. As the OECD's Paris-based secretariat observed: "... the recent decline in construction material prices, and deceleration in the rise of land prices, should continue to stimulate residential construction in the months ahead."*

An upward trend in the construction sector pulls the vast number of ancillary industries up with it, thereby generating new investment and consumption to the point of heavily determining general prosperity.

So movements in land prices are crucial, a fact which, in the macro-economic context, is ignored by the economic forecasters and the politicians who shape policies.

By itself, the liberalisation of foreign investment in Japanese real estate will not be a significant problem in the next few years: at the present time, European investors are too preoccupied with real estate in the U.S.

But the nationality of the land speculator is irrelevant. Domestically-generated speculation was sufficiently intense to distort the Japanese economy in 1974 and 1979.

Unless Mr. Nakasone moves quickly to limit home-grown speculation, the labour market will continue to weaken, and the fragile three-quarter per cent increase in GNP that is predicted for this year (above last year's 3 per cent) will not materialise.

The sun, as the Japanese have now found to their cost, can set on the miracle economy.

*Japan, Paris: OECD, July 1983, p.33.

Tanaka: 'Shogun of the Darkness'

THE JUDGES knocked a year off Kakuei Tanaka's gaol sentence as a mark of their esteem for his services to Japan.

So he was given a 4-year term for accepting a 500m yen bribe from the Lockheed aircraft corporation.

Mr. Tanaka is no ordinary politician: he is known as the "shogun of the darkness" in Tokyo's corridors of power.

Prime Minister Yasuhiro Nakasone held his office by courtesy of Tanaka, who controlled the largest faction in the ruling Liberal Democratic Party. Tanaka refused to resign from the Diet (Parliament). The Opposition withdrew cooperation and forced Nakasone to call the election on Dec. 18.

Kakuei Tanaka's major service to his country – and maybe the world – has been a perverse one: he simultaneously exposed – in theory and practice – the corrupting influence of land speculation on the industrial economy.

No man was better qualified to attack the impact of rapidly rising land prices on consumption, investment and people's living standards, than the crook who was himself stripped of the Prime Minister's role because of his shady land deals.

TANAKA was destined for great things in Japan's political system because he knew how to make – and spend – the "big bucks".

The son of a bankrupt horse-dealer, he married a landlord's daughter and headed his first construction company at the age of 28.

He entered politics by standing in his home constituency, Niigata, a poverty-stricken end of the country known as "the backside of the nation." Some of his constituents, however, were to share in the spoils that he was able to direct their way, thanks to his expertise at pulling political strings.

And so began a lifetime's work of dealing in land and power. The one thing that made his reputation, and clinched the Prime Ministerial job, was the publication of a book in 1972. *Building A New Japan*¹ was nothing less than a blueprint for remodelling the archipelago.

Tanaka produced statistics to show

By Fred Harrison

that the conurbations were overcrowded, that land was in short supply, and that it was necessary to establish new urban centres far from the pollution of Tokyo and Hiroshima.

Tanaka's evidence was the product of a theoretical approach that directed blame for urban problems on to the conventional Aunt Sallys like over-population.

This thesis – too many people on too little land – has now been exposed by Professor Yuzuru Hanayama in an unpublished MS.²

TANAKA'S DEALS



KAKUEI Tanaka found that land speculation dove-tailed neatly with his interest in politics, as illustrated by some of his deals.

- As leader of the Liberal Democratic Party, he arranged for the release of public land to his friends at bargain prices.

- A large slice of his fortune was made in selling his land to his government at inflated prices, giving him a 2,000 to 3,000 per cent profit – and then securing the building contract for one of his companies.

- A group of farmers were told by Tanaka – who at the time was Finance Minister – that it was not possible to build an embankment around their land to stop flooding. So the farmers sold their land to one of Tanaka's companies for £160,000. A year later, the government built the embankment and the price of the land rocketed.

- A Tanaka property company bought 40,000 sq. metres of a stony river bed for 15p per square metre. Three months later the government announced plans to build an atomic power reactor on the site, and paid Tanaka £3.90 a sq. metre.

By carefully challenging the assumptions and the statistics, Hanayama demonstrates that Tokyo is *not* short of land – a conclusion, of course, which removes the justification for resettling people on the peripheral edges of Japanese society.

Hanayama's work is a trenchant critique of conventional wisdom as it relates to economics and urban policy. He identifies Tanaka as one of the culprits in the war of misinformation, and adds:

"But people understand now that they do not fabricate a policy to solve the problems but to accumulate their own fortune."

He analyses the official reports on which Tanaka drew for his policy prescriptions, and attacks the use of statistics as "tricks".

Japanese families suffer from the worst housing conditions in the industrial world, cramped into tiny accommodation for want of the ability to buy land. The suffering is unnecessary, however. Hanayama concludes:

"Now, it is clear that what lies behind the housing land difficulty is not a shortage of housing land in terms of absolute space, but the fact that its distribution is not fair."

By reinforcing orthodox views about a shortage of land for development, Tanaka was able to promote his view on what ought to be done about it. In Hanayama's words, this "resulted in limiting the range of policy options".

The citizens of Japan were shocked, in 1974, to learn that much of the land on which their Prime Minister proposed to build their new towns was owned by his own companies.

PERVERSELY, however, Tanaka deployed arguments which destroy both the moral and economic justification for private ownership of the beneficial rights in land.

Noting the accelerating increase in land prices in the 1960s, Tanaka clinically examined the economic consequences: high land prices dislocated the growth of urban centres like Tokyo, priced decent homes out of the reach of wage-

like Roy Bakely he can see sprawl

earners, deterred the creation of new factories, distorted the locational pattern of industries, and inhibited the development of agriculture.

The growth of Japan's cities, wrote Tanaka, "has been without direction or planning. Land prices have been the dominant factor." This forced urban sprawl on to cheaper land in outlying districts.

"Consequently, homes get farther and farther away from places of work, business efficiency is reduced, and the socio-economic costs of the cities go up."

Tanaka drew on experience in New York, where the Housing Authority bought and cleared slums and sold the land to developers. The developers, he noted "build high-rise apartments to rent at very low rates. This is possible because the Authority sells the land to private developers at a low enough price, calculated on future rents, that they will find it still a paying proposition.

"The New York experiment also suggests bold new approaches applicable in Japan where rising land prices have forced even public housing projects to charge such high rents that some have been left unoccupied."

If Tanaka's view on the shortage of land can be challenged, his account of land prices is correct. Over the last 20 years, they have risen on the average by 15 per cent per annum.

Two Japanese authors have recently corroborated Tanaka's account of the economic impact of

JAPANESE CONSTRUCTION INDUSTRY							
	<i>Private residential investment (1975 prices)</i>						
% share in GNP: 1981	<i>Average annual</i>			<i>% change from previous year</i>			
	1967-73	1973-78	1978-82	1979	1980	1981	1982
5.9	14.7	1.1	-3.6	-1.0	-9.4	-2.6	-1.0
	<i>Construction: employment trends (% change , annual rates)</i>						
% share in total employment: 1982	1960-73	1973-82					
9.6	4.8	1.6		3.1	2.2	-0.7	-0.6

SOURCE: *Japan*, Paris: OECD, July 1983.

SOURCE: Japan, Paris: OECD, July 1983.

rising land prices. Masahiko Honjo of the International Development Center and Tokunosuke Hasegawa of the Japan Sewerage Projects Agency wrote:

"... as long as the rate of increase in land prices is high and it is more profitable to keep land than to invest money in something else, there will be no incentive to sell land. Thus the supply of developed land lags behind demand and further increases land prices."

It is this vicious circle that the policy-makers of Japan - and the rest of the Western world - have failed to break, not least because politicians like Tanaka would have too much to lose.

OTHERS have benefitted from the Tanaka style of politics, of course - mainly those in his constituency.



● Ken Hanayama

land, which was their life, they would take away my life by stopping my brain."

The death threats continued for a month, and were made to both his home and office. The experience shook the youthful professor, and he is now cautious about openly challenging the vested interests.

Prof. Hanayama stumbled on to the solution to imperfections in the land market when he came across a copy of a book by Yoshisaburo Yamazaki called *Henry George no Tochi Seido Kaikaku* (Henry George and Land Reform), published by Izumiya Book Store in 1961.

Death threats to professor

DEATH THREATS flew thick and fast when Yuzuru ("Call me Ken") Hanayama went on TV to propose that land values ought to be taxed.

The drama began after he appeared on a talk-show with farm representatives.

The 39-year-old professor of economics at Tokyo's Institute of Technology had made a careful study of the land market.

And he concluded that Japan needed a 2.4 per cent tax on the capital value of land, which is equivalent to 40 per cent of the annual income from land (assuming a 6 per cent rate of return).

"Immediately after the TV show, my wife and I started receiving death threats," Prof. Hanayama told *Land & Liberty*.

Pointing to his head, he recalled: "They said that if I took away their

● A "bullet train" track was laid from Tokyo to Niigata City, which loses millions of pounds a day because nobody wants to ride on it. Why did Tanaka have it built? Farmers in his constituency made fortunes out of selling land to the National Railways.

● Every year, Tanaka sent his head butler round the constituency with officials from the Construction Ministry (since 1972, Construction Ministers have been members of the Tanaka faction). The butler asked the constituents what they wanted, and the ministry provided the new roads, bridges and pavements.

By judiciously bank-rolling the politicians, Tanaka built himself into the most powerful kingmaker in Japan since the Meiji Restoration in the 1870s.

But even by the standards of Japanese democratic politics, the conviction for bribery was too much for the Diet (Parliament). Business was frozen as the opposition parties demanded his resignation, leaving Prime Minister Nakasone in a cleft stick.

He had to either defend a convicted bribe-taker, or offend his patron.

Tanaka refused to go quietly, and he has now appealed against his conviction. But whatever happens to the errant *shogun*, economists undoubtedly owe him a debt of gratitude.

He proved to the world, by deed and word, that land speculation can stop progress and prosperity in its tracks.

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TO THOSE of us who observe the Northern Ireland tragedy from this side of the Larne-Stranraer ferry, the grimdest disappointment for a long time was contained in the results of the recent General Election.

Having watched, for more than a decade, an instalment of Irish "troubles" far bloodier than any that have gone before, it was to be hoped that the end would soon be in sight.

Sadly, the election indicated that enthusiasm in Ulster for the men of violence, far from being on the wane, is probably as strong and defiant today as it has been at any time these past fourteen years.

It is true that the election of Sinn Fein's Mr. Gerry Adams in Belfast was achieved on a split vote under an electoral system that, were it used by a trade union to elect an Arthur Scargill, would have the government calling "foul" on all four TV channels at once.

But the facts are there: in taking 53 per cent of the nationalist vote in the four Belfast constituencies, Sinn Fein demonstrated that, certainly in the Ulster capital, support for the men who come with "an Armalite in one hand and a vote in the other" is surprisingly, and disturbingly, strong.

Just what there is in the policies of Sinn Fein that enables it to hold so many northern Catholics in thrall is far from clear. A united Ireland; rule from Dublin instead of from London or Stormont; these things tug more at the heart than the head. The achievement of national identity is a powerful human aspiration, but alone it will not provide the groceries. Many an Irishman, in the past, has exchanged it for the greater personal freedom, the lower level of taxes or the higher standards of living on offer in other countries.

So the question inevitably arises: what practical benefits would northern Catholics gain from union with the South?

There seems no easy answer to this question. Indeed, the fact that the Republic's workers periodically take to the streets to protest at the crushing weight of taxation¹ hardly suggests that rule from Dublin would, at a stroke, transform Ulster into a sub-branch of the new Jerusalem. On the contrary, it indicates that the Ulster Catholics would be better off keeping out of the Republic rather than using the violence of the IRA as a battering ram to force their way in.

MR. GERRY Adams would no doubt retort that the policies of neither Garret Fitzgerald nor Charles Haughey are those of Sinn Fein. Sinn Fein is a socialist party. In

Sinn Fein and the land of Ireland



By Bert Brookes
in London

power in a united Ireland, the party would claim, it would so order the affairs of the new State, so comprehensively apply the principles of socialism, as to make it a Mecca to which Irishmen everywhere would strive to return.

But good intentions do not necessarily produce success in government as Labour politicians in Britain have discovered in the years since 1945. Sinn Fein's ideals and intentions would need to be backed by policies for action, practical enough to convince the people that their quality of life can, and will, be sensibly improved.

So what are Sinn Fein's policies, apart from getting shot of the British?

In one sphere of government, a sphere which profoundly affects the condition of the working people, Sinn Fein has long since declared its hand. This is in its policy towards land. The party's ideas were laid bare in a pamphlet "The Land for the People"² in 1981.

In 58 pages of narrative, the pamphlet surveys the history of Ireland's peasantry from feudal times to the present, recalling the Stuart and Cromwell "plantations" and the Great Famine of 1845-49.

Its lip noticeably curls when it mentions the present system of land tenure with its "capitalist landowners", speculators and absentee landlords.

Those who inherit property, it asserts, "feel that they are marked out by Providence; that they can use what was grabbed by their forefathers to exploit their neighbours to-day."

It continues: "The land of Ireland belongs to all the people of Ireland... to factory workers in Ballyfermot and office workers in Tralee."

Unfortunately, after these promising beginnings, it falls into the elementary error of equating "land" with "agriculture". ("The land of Ireland is clearly a resource that feeds our people.") But worse, it puts forward proposals that are mutually incompatible.

● In Chapter 8 it undertakes to "bring all land in Ireland into public ownership."

● In Chapter 11, after quoting Henry George ("Those who thus hold land shall pay to the community a fair rent for the exclusive privilege they enjoy") it proposes to tax it.

SINCE the task of nationalising the land and organising its use would require an administering bureaucracy so costly as to render the whole process uneconomic in any society this side of the Iron Curtain, we can, perhaps, ignore that hackneyed nostrum and concentrate on the proposed land tax.

Here, however, it seems that the ability to quote Henry George is no guarantee of having understood him. The kind of land tax advocated in the pamphlet would not be a tax on land value but a flat-rate tax per acre which would be levied mainly on the 100,000 "farmers" who control 12 million acres. Lamely, the authors insist that "this tax must not be passed on to the consumer", being apparently quite unaware that a tax at a flat rate per acre is exactly the type of land tax that can, and certainly would, be passed on.

Regrettably, we must conclude that Sinn Fein's policy in the basic sphere of land holds out no hope for northern Catholics that a United Ireland, in the image conceived by the party, would provide enough of a Utopia to make the past 14 years of turmoil worth while.

● The land would still be in the hands of private owners, whether they be Irish "capitalists" or English "colonialists".

● These owners would continue to take, as land rent, the lion's share of the wealth produced in Ireland, whether it be produced on the land or in the factories.

● The amount left to capital and

● Turn to P.19

Don't speak too soon!

Sir: The incipient euphoria evident in the editorial and the 'Insite' analysis (Sept.-Oct. 1983 issue) brought on by Mrs. Thatcher's reported breaking of the landowners' grip is surely a wee bit premature.

Certainly nothing is more urgent than a complete change of heart where the land is concerned. I live on an island where the abuse and circumscription and dereliction of thousands of acres of land is morally criminal – but care must be taken not to be misled, literally. Any change of heart in the current political elite of any party must be treated with the utmost caution.

There are two extremes of assessment of modern politics. It might be argued, sympathetically, that our democratically-elected leaders are doing the best they can for the welfare of British citizens but are hampered by world recession not of their own making. Or, cynically, you might believe that politicians are in it for the money – mere instruments of the commercial system. There is some evidence for the latter view.

It might be hypothesized that modern government is the science of monetary delinquency – the process of becoming liquid.

It first gets money into the exchequer, mainly by taxation, and then gets it out, legally, and disburses it in ways which some thinking people find difficult to understand – agricultural subsidies, nuclear power and armaments,

LETTERS TO THE EDITOR

motorway building, compensation under the Wildlife and Countryside Act, etc – but which inevitably results in someone becoming very rich.

If you accept this latter, admittedly cynical, assessment as providing the "worst case scenario", do you also feel that these people who have come to power via the existing tortuous electoral channels and the supra-histrionic arts of Messrs Saatchi and Saatchi and their ilk, are the best, the desirable, even the likely people to lead us all into the sort of land reform that is probably our only chance of true civilisation? There is at least the possibility that any government move toward reform of taxation in any way is merely an attempt to increase the level of exchequer revenue.

I feel that there is some way to go yet before some form of 'land value taxation' becomes even a popular ideal. We must beware of squandering what credibility we have in endorsing the misleading and discrediting policies of the wrong leaders.

Donald Boardman
Islay, Argyll,
Scotland

A relief against inflation

Sir: Professor Cord's article (*Land & Liberty*, May-June 1983) presented six ways of protecting homeowners when land value taxation is introduced. I would add a seventh: *Inflation Allowance*.

One reason why Proposition 13 passed in California was that inflation had made taxes go up faster than pensions. Therefore when a homeowner has lost 40 per cent or more of his buying power through inflation, he should qualify for land-tax relief equal to half his inflationary rate of loss. Thus if his pension or other income rose only 20 per cent while taxes rose 80 per cent, he would pay only 50 per cent more, not 80 per cent.

Tertius Chandler
Berkeley, California

SINN FEIN

● From back page

It's nothing personal . . .

Sir: One has to be careful about the use of the word "speculation". Strictly, it should not be used in a personal sense.

It is derived from the term "speculative rent". This describes the situation when landowners have seen their land increasing in value as the community progresses.

Say a landowner had held his land for 8 years. Assume too – as would most likely be the case – that there had been steady increase in prices over the years. Then, in the present – year 8 – the question of disposal arises. The natural value reflecting present demand, etc., would be represented by £x. In the present knowledge of the near certainty of future increase, he would not part with the land at £x – he would want £x plus 2 or more years' increase. Thus he takes from current production not only economic rent but the speculative 2 years, leaving even less for labour and capital by way of wages and interest respectively, making it difficult, if not impossible, for those elements to prosper.

Speculative rent has been defined as "demanding a part of tomorrow's output today", which puts it rather well.

Sometimes this process has been lost sight of when one speaks of "a speculator" as one who buys land today and tries to sell it later – possibly, in these days, organising planning permission in the process.

In a long legal career I have seen as many casualties as successes, for usually the speculators borrow to buy and then have to wait (without income in the meantime to meet the high loan interest) to put a development scheme together and effect a sale. Many of them failed. Fringe banks were caught in this way and huge losses were suffered with resulting bankruptcies of the speculators and failure of the banks too.

In one sense, the "speculators" were providing a public service by bringing into use land that had been held out of use while seeking the increased price. The parasite was the traditional, usually large landowner who sold land at the speculative price. He was away with the spoils without any risk, and with no publicity or acrimony directed towards him.

Edgar Buck,
Cardiff, Wales

labour – to those who provide the capital equipment and the human muscle and brain of farming and industry – would be no greater than it is today.

So where do Sinn Fein supporters go from here? Do they continue to support a mean and furtive armed struggle which, after more than a decade, can clearly never succeed and which, even if it did, would yield no spoils of war worth having? Do they continue to condemn innocent people, of all religions and of none, to maiming or slaughter while the Six Counties slide steadily down the road to impoverishment?

All rational signals point to the wisdom of calling a halt to the killing and the bombing; of turning back to the arena of peaceful politics and adopting policies – such as taking the rent of land into the public treasury – which, while not needing the gun to implement them, would do more for the workers of Ireland than all the violence of the past 14 years.

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Howard: Re Human's article on bias.

3040 Tyler St
Riverside, CA 92503

6 Oct 84

Dear Ed:

John Flynn did call and I gave him some names: Jim Earley, Bob Pollin (whom you know), and a couple of Republicans who might still be concerned about rights of trustors. I sympathize with your exhaustion. After a while one feels like Sir Wilfred of Ivanhoe who had to challenge all the Norman knights.

I will try to understand, and therefore forgive Lissner, who had to survive to accomplish whatever good he has. He has at least moved in the right direction. Life is a nice balance between doing right and doing well, with some of the latter required to support the former. Most of us, of course, err widely in the direction of doing well. One of my childhood idols, Henry Demarest Lloyd, retired to a huge house on Sheridan Road in my home town of Winnetka. The only sign there of his ideals was an anomalous statue he had commissioned showing a vagrant seated dejected on a park bench. Lloyd had a hugely successful law practise it seems. He also had the satisfaction of a radical son, but not a very effective one, who was best known in town for not mowing his yard.

Thanks for the "institutionalization of bias" which I enjoyed hugely. It contains several quotable quotes. You are the first one I have seen in print identifying the (obvious?) outrage of the Bell Journal, and its eager acceptance by most of our mercenary colleagues.

You remark that the central paradigm of economists before 1930 assumed full employment as one of its givens. I never fully appreciated the truth of that until invited to lecture at Missouri on the economics of Harry Gunnison Brown. I scanned all his works in preparation, and not once found the word "unemployment". The nearest he came was "periods of slack business". This from a man considered dangerously radical because he was the foremost proponent of some ideas of Henry George in the 20s. Whatever one may think of George, his mind was focused on full employment.

Brown did not welcome the Keynesian refocus on important matters, but fought it with the same bitterness he had previously heaped on conservatives. Little wonder there are few Georgists or Brownians today.

F: Land Nationalism

p.278, Rogin may have unknowingly miscast Walras, by using the Bowdlerized translation of Jaffe. In the original French, *Theorie d'Economie Sociale* is a bitter attack on Bastiat as a mercenary. You could have cited Walras extensively on your side in the present article. Walras complains that he was ostracized in France for his advocacy of land nationalization, and forced to take refuge in Switzerland. Walras styled himself as a disciple of Quesnay and a carrier of the tradition, which did have its radical side. Walras was remolded by Jaffe, just as George was by Brown, and Jesus by Falwell. Posthumous cooptation is hard for the deceased to refute, and a vital aspect of institutionalization of bias. It must be a bitter disappointment for the departed spirits counting the stars in their crowns.

I wonder about your allegation that competition is notably powerful in "financial and raw materials markets". I would have thought that vertical integration had done a number on many markets in raw materials. Only in the last two years has there developed an organized market in crude petroleum. Every pulp mill in British Columbia is a monopsonist; etc.

As to financial markets they have evolved rapidly in recent years, it is true. But that may be a pent-up flood after decades of resistance. Banking is extremely hierarchical, it seems to me, and therefore inherently not in the competitive model. I am no one to preach to the author of *Corporate Control*, but Sen. Metcalf and staff pulled together some pretty good stuff on control of large airlines and railroads by banks.

Can you direct me to any work on a topic of my interest w.r.t. banking expansion and contraction as related to collateral values? I find this topic treated incidentally here and there in many works -- the enclosed list which I did for a grad student gives a sample. But how is it possible that so vital a topic has not been addressed head-on? Friedman rescued capitalism from its most devastating weakness by alleging that the banking collapse of the Great Crash was exogenous to the system, being caused by a few wrong calls by the Board of Govs. Before that it was fairly clear to many historians that banking collapses were triggered by collapses in collateral values. Veblen, in *Theory of Business Enterprise*, adumbrated a vague theory along those lines, no vaguer I would say than his other theories.

But where is the definitive work? Of all the people who have written on banking and business cycles, has no one picked up on this bare, enormous fact? If you can direct me to the writer I would be most grateful.

I wonder about one statement, p.280, that economists before 1930 were independent professionals. It seems out of tune with the rest of the paragraph and you evidently don't mean it the way it sounds out of context, but in case you do, Upton Sinclair, in *The Goose Step*, a study of higher education in America, should be consulted. Also Veblen, *The Higher Learning*. Also, if you can find it, a diatribe by Emil Jorgenson levelled at Richard T. Ely. The debates in which John B. Clark and E.R.A. Seligman took on Henry George, and Seligman's long later role in New York politics putting down the strong political movement that George left behind, also make an interesting study.

I had a great uncle, John T. Clarke, who taught geology at Smith at the same time as John B. Clark taught economics. Uncle John was forced by President Seeley to leave because he taught evolution. You can imagine the pressures that could be brought on economists. JB Clark finally left for Columbia after Seligman heard him defend landed property in a debate with George. Seligman, as you may know, inherited a large banking fortune.

I hope that your rest and recuperation proceed well, and you will keep in touch. Dave Felix, by the way, is speaking here next week but one.

Regards,

~~Re~~ Land Nat.

Newman says include Walrus, etc. (Grouse).