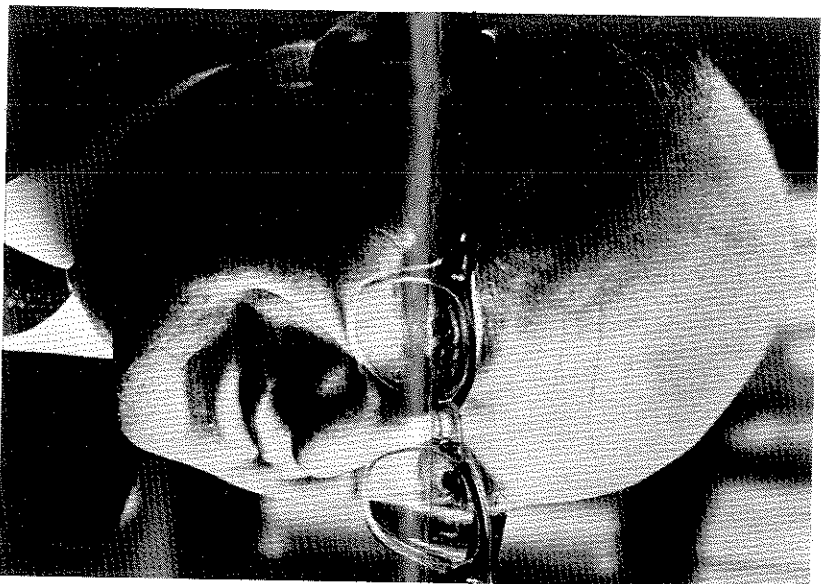


LAND &

JULY & AUGUST
1979

LIBERTY

In Defence of Wages...



The tax we can't do without

"There's a sense in which all taxes are antagonistic to free enterprise—and yet we need taxes So the question is, which are the least bad taxes? In my opinion the least bad tax is the property tax on the unimproved value of land, the Henry George argument of many, many years ago."

—economist Milton Friedman quoted in *Human Events*, Nov. 18, 1978.

IRELAND'S urban workers have now taken to the streets to protest against the tax discrimination which hammers their wages while conceding privileges to farmers. The demonstrations in Dublin disclosed a mass appreciation of what is fundamentally wrong with the fiscal system: an understanding which is all the more striking because it reveals that ordinary workers have penetrated the confusions of policy which bedevil Western economies. Their anger expresses forcibly the demand for reform. In this issue, we argue a case which may appear paradoxical: farmers ought to actively promote the need for land value taxation. Such a proposal is a possibility in Ireland (the Irish Sovereignty Movement advocated it in March), despite the landowning lobby's grip on the political system. Much, however, depends on whether trade union chiefs now provide the right leadership, mobilising their members as a driving force for change to relieve the tax burden on the owners of labour and capital, the active agencies in the wealth-creating process. **TENANTS** would not lose out. Under competitive conditions, a tax on land values cannot be passed on in higher rents. But under present monopolistic conditions, landowners can squeeze unfair rents out of their tenants. Indeed, farm rents have now become an issue among members of Britain's National Farmers' Union. About half of the UK's farmers are tenants. They are feeling the pinch on their incomes, for landlords are pressing for higher rents. In addition, a heavy tax would reduce the buying price of land by removing the speculative element—making it easier for prospective farmers to break into agriculture. As it is, farmers have to borrow heavily to lay their hands on the extra acres they need to expand their holdings. Some **LANDOWNERS** would also gain. For revenue from land value taxation would be offset by reduced levels of taxes on earned incomes and on the goods and services which they buy as consumers. If, however, they suffer a net loss—because in the past they have relied on unearned rental income—the community would enjoy a net gain through the dynamic effect. Landowners would make up their incomes by working productively—like the rest of us. And the economy would grow at an accelerated rate, thanks to the removal of the disruptive influence of speculation in land which periodically enforces a sub-optimum use of resources.

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THE MODERN secular state has failed its citizens – and is now under threat from the world's religious leaders. The Pope (above) flew to Poland, behind the Iron Curtain, and challenged the communist system with his provocative Christian ideals. The Ayatollah Khomeini, preaching the Islamic faith from a bungalow in Paris, managed to topple the Shah of Iran, one of the "free world's" staunchest supporters in the Middle East. But do these leaders, drawing on the ancient religious scriptures for their power, offer the prospect of success? In the next issue of Land & Liberty we examine the issue of –

*Church v
the State*

IT IS A daunting task to suggest that someone should back a new tax, and when that someone is a farmer and the subject of the tax is land the task becomes doubly difficult. However, the word tax is a misnomer here; land value taxation is no more a tax than the rental charge for hiring a car or a television set is a tax. In the latter two cases private firms are paid for the services they provide, in the former case the community is paid for the services which it provides. It is much more a location or situation rent than a tax.

If we look back into our history and see how our forebears tackled the land problem we find the medieval open field system where every farmer had a strip of land in each large field so that all shared equally the good and poor quality land. The system worked well. In ploughing, for instance, when a team of oxen had completed one field it ensured that everyone had part of his land ploughed at the same time, rather than having to wait, as he would have done if each held separate fields; and some would, indeed, have run the risk of not getting their fields ploughed at all if the weather broke. The Lord of the Manor carrying out the administration of the community, the soldiers protecting it, and the priest attending to its spiritual needs were all supported by the landholders in return for those services.

Perhaps only in some unrecorded golden age did such a system work perfectly, but it did provide a basis for individual independence and communal justice. The Enclosure Acts, starting with the Statute of Merton in 1236, changed all this, although the open-field system could not have continued for long beyond the moment that improved farm technology made it uneconomic. Often free-holders and villains exchanged strips so that they could consolidate them into blocks of land, and, if possible, add portions of the common pasture. The large-scale grazing of sheep demanded more land and fewer men. The sheep, as Sir Thomas More put it, "consume, distroye, and devoure whole fieldes, houses and cities."

The enclosure movement saw the end of the idea of land being held in common and allowed the rise of the individual entrepreneur. For him, enclosure made sound economic sense. Being one of a group of land monopolists, he could pick and choose who was to work for him and what wages he would pay. For the dispossessed farmer there was

WHY FARMERS SHOULD BACK THE LAND TAX

little choice but to accept a low wage or starve. The problem of the vagabonds, tramps and sturdy beggars adrift on the highways was to bedevil governments for many years to come—until the Industrial Revolution mopped them up as cheap labour. The financial and psychological consequences of depriving so many self-reliant Englishmen of the use of land are still with us. Francis Bacon complained that enclosures “bred a decay of people, and by consequence a decay of towns, churches, tithes, and the like.”

BUT once the enclosures started it became difficult for the open fields to compete. In a society that was simply seeking a rigorously fair self-sufficiency the open fields had no rival. But in a complex world where farm surpluses could be traded for town-made goods, more efficient production methods were demanded. Despite protest and active rebellion the enclosures made relentless progress. In the end the strips of land cultivated in common gave way to enclosed farms under the control of one man. Between 1700 and 1845 over six million acres were enclosed, generating one of the most extraordinary periods of unsettlement and resettlement in our history.

The enclosures fundamentally altered the relationship of men with the land, and gradually reduced the contribution that land made to the community's budget. The first Whitstable Report¹ says that for 150 years after the Norman conquest land provided 100% of the country's revenue.

For the next 150 years ... 95%.

For the next century (until

Richard III) 90%.

Until Mary I 75%.

Until the Restoration ... 50%.

Until Anne 25%.

Until mid-19th century ... 4%.

This change in the concept of land, from its being held in common to the idea that private ownership was acceptable and even desirable, happened in many countries. It went hand in hand with the rise of capitalism, and followed the European colonisers across the world. It was introduced by us into India, when we took it upon ourselves to endow the Moghul and his governors with private ownership of the land at the expense of the ancient property rights of the village communities. Previous conquerors had already damaged the old system, but our act, and the following years of interference (often with the most benevolent of intentions), helped to bring the Indian sub-continent to the sorry state that it is in today.

The same thing happened in Algeria when the French arrived. They too broke down a communal land system, taking the Arab clan lands for settlement by French colonists.

IN SIMPLE terms this change of ownership from the community into private hands meant that those who worked the land had to pay rent to others. There was now no common fund to meet communal needs and so taxation had to be applied. If there was a bad harvest the taxes and the rent still had to be paid, usually borrowed at usurious

rates from the only people who now had the opportunity to accumulate money—the new landowners.

Similar stories can be found throughout Africa and in many other parts of the world. President Julius Nyerere of Tanzania has described the situation very clearly:

“To us in Africa land was always recognised as belonging to the community. Each individual within our society had a right to the use of land, because otherwise he could not earn his living and one cannot have the right to life without also having the right to some means of maintaining life. But the African's right to land was simply the right to use it; he had no other right to it, nor did it occur to him to try and claim one.

“The foreigner introduced a completely different concept—the concept of land as a marketable commodity. According to this system, a person could claim a piece of land as his own private property whether he intended to use it or not. I could take a few square miles of land, call them ‘mine’, and then go off to the moon. All I had to do to gain a living from ‘my’ land was to charge a rent to the people who wanted to use it. If this piece of land was in an urban area I had no need to develop it at all; I could leave it to the fools who were prepared to develop all the other pieces of land surrounding ‘my’ piece, and in doing so automatically to raise the market value of mine. Then I could come down from the moon and demand these fools to pay me through their noses for the high value of ‘my’ land—a value which they themselves had created for me while I was enjoying myself on the moon! Such a system is not only foreign to us, it is completely wrong.”

It is this unearned increment that land value taxation (LVT) seeks to take, and not the fruits of the farmer's hard work. Henry George defined it clearly and simply enough:

“The tax upon land values is the most just and equal of all taxes. It falls only upon those who receive from society a peculiar and valuable benefit and upon them in proportion to the benefit they receive. It is the taking by the community, for the use of the community, of that value which is the creation of the community. It is the application of the common property to common uses.”

We are talking about the unimproved value of the land, and in

GEOFFREY LEE explains why land taxation helps farmers

the case of farmland this will be low. However, all the speculative value will have gone. No one will pay £1,500-£2,000 an acre for good farmland—which is the average price at the moment (1979)—and much more if there is a likelihood of obtaining planning permission for building, when the farming value of the land is about £600 to £800. They will not pay it because as soon as planning permission is granted the full additional value would be turned into an annual rental value and taken by LVT. After all, the community granted the planning permission and created the value—the landlord, as President Nyerere rightly says, has created nothing.

The argument is put forward that it is unjust to the landlord, particularly to one who has just bought the land, to wipe out most of its value in this way. Sir Henry Campbell-Bannerman countered such a notion in a speech in 1903:

“Let the value of the land be assessed independently of the buildings upon it, and upon such valuation let contribution be made to those public services which create the value. This is not to disturb the balance of equity, but to redress it. There is no unfairness in it. The unfairness is in the present state of things. Why should one man reap what another man sows? We would give to the landowner all that is his, but we would prevent him taking something which belongs to other people.”

This is the key to understanding LVT. It is the taking of the added value given to the site by virtue of

W.E. FOX

We are sorry to announce the death of “Wally” Fox who died at his home in Battersea in May this year. He was 88. To our knowledge he had no living relatives.

Walter Fox joined the United Committee in 1938 and served on the executive committee for many years. He was one of the earliest tutors for the Henry George School of Social Science and did much to assist in the revival of the economic classes in 1947.

He was an officer for many years in his local Labour Party and was on the Board of Governors of the local school.

Those who knew him well will remember with affection the kindness and humour with which he tempered his no-nonsense approach to political and economic questions.

the services the community provides—roads, schools, hospitals and so on.

Governments have never felt themselves beholden to compensate for new taxes—indeed such a step would nullify the tax. Whisky duty or petrol tax is put up and the producers are left to deal with the possibility that sales may fall. Even in the case of Government stocks the State has not felt itself under any obligation to compensate for the fall in value to the holders. For example, 3½% War Loan was issued at £100 and is now worth £28, which in real terms (allowing for inflation) is a minuscule fraction of its original price! When War Loan was issued at £100 it would have bought a small house or a cottage. If sold now, at £28, it would just about pay for a meal for two at a decent restaurant.

THE TENANT farmer will be unaffected by the introduction of LVT since it is the landlord who pays, and he pays out of the rent—it cannot be passed back to the tenant as an addition to his existing rent. In bringing down the price of land it will give more opportunity to a young farmer to buy a farm of his own. At the moment he cannot do so. A Yorkshire estate agent stated in *Country Life* on January 11, 1979: “The prospects for young people interested in taking up farming as a career can only be described as remote, unless they are wealthy, when one realises that even small farms around 100 acres are fetching £200,000.”

The chances at the moment of renting a farm are nil; the security of tenure for agricultural holdings and the right of succession given by the Agriculture (Miscellaneous Provisions) Act 1976 are destroying the landlord and tenant system. The same estate agent went on to say: “Farms once vacant are rarely being re-let; they are either being sold or managed by the landlord, or let under a grazing licence for a season at a time. Few landlords are prepared to become re-involved in a full tenancy once released.”

With LVT in force farmland prices would be low, and the big institutionally-controlled estates may be broken up into medium-sized units each in the hands of individual farmers. Big is not particularly beautiful in farming, as this extract from a report by the Agricultural Economic Unit at Wye College shows: “There are no grounds to support the argument that these large farms are on average more efficient

than medium-sized farms. Indeed, among Cropping and Mixed farms there is evidence that the largest performed noticeably less well than some smaller size groups.”

The authors go on to say: “Whatever other support the protagonist for the protection of the large farm against the impact of taxation may justifiably summon, it would be misleading on the evidence available to predict a widespread fall-off in the general efficiency of the British agricultural industry as a direct result of a reduction in numbers of the very large farms, even of their total disappearance.”

The land problem is universal—once unrestricted rights are given to owners, all the temptations to speculate follow. In Nigeria, for instance, which is a country with enormous agricultural potential, there has been in recent years stagnation in the production of many crops and a marked decline in others. A *Financial Times* survey of August 30, 1978, explained it thus:

“There has been abundant evidence in recent years that land tenure has become a serious problem. Both businesses and individuals have had trouble acquiring land because rapidly rising values have encouraged customary owners and speculators to retain their holdings. Plots on the outskirts of Lagos which were available for about N400, 10 to 15 years ago increased to over N4,000 before land-owning families found they could get much more through leasehold arrangements and stopped selling . . . The communal ownership of land has broken down in many areas, being replaced by individual ownership of purchased land . . . Tenant farmers, moving from overcrowded areas, work at very unfavourable terms for absentee landlords but have no chance of acquiring the land they farm because they are ‘strangers.’”

Unfortunately the Nigerian answer to the problem has been to effectively nationalise all land, and rent it through the military governor of each state. This simply replaces the present owner with an even bigger absentee landlord, to say nothing of the bureaucracy and the possibility of the corrupt practices that can go with state control.

Pakistan is another country with vast agricultural potential. The land is fertile, and the Indus supplies enough water to irrigate it, so that there should be an over-abundance of staple crops like wheat and rice, and plentiful exports of cotton.

'Numerous merits'—but too sensible for the real world?

FINANCIAL TIMES columnist Anthony Harris declared (March 22, 1979) that "A land tax has always seemed to me an appealing idea in principle."

But despite its long tradition—extending back to Ricardo, a Royal Commission (1895) and the clash between Lloyd George and the House of Lords—only the Danish farmers succeeded in securing a land tax, "and they have farmed happily ever after."

Harris continued, in the *Lombard* column:

“The theory is wonderfully simple: in a truly competitive world, which in most parts of the world is still a reasonable description of farming, it is a tax which cannot be passed on. Land rents, taking one decade with another, are what the market will bear. The tax simply attacks the rent itself, which Ricardo identified as the purest form of surplus; in more modern terms one might see it through the eyes of the late Fred Hirsch, and describe it as a tax on positional goods. What it does, mainly, is to reduce the capital value of land—which is why the Danish small farmers actually had the

insight to demand such a tax.

In the mad non-Danish world, one of the main effects of the EEC and its farm policy has been on the price of land. It has been seen at its most dramatic in Ireland, which has been transformed in a few years from a land of poor peasants getting a subsistence out of their damp, green land into a country of immensely rich peasants.

Now what the EEC has created, the EEC surely has some poetic right to take away; and I can imagine no more appropriate way of tapping the ridiculous values created by ridiculous policies than by taxing them. The beauty of it is that wherever the policies are most ridiculous, the values will be greatest, so that the main cost of the farm policy would be borne by those getting the biggest unconvenanted benefit.

In a European context there would, it is true, be difficulties. Since a range of farm prices is administered, there could be a feedback through the farm lobby to ensure that the cost of such a tax was passed on in consumer prices, so the decision would have to be taken with a clear theoretical eye. There would be large

initial problems of valuation, because current land prices do not simply represent fertility and prospective farming revenue, but the tax-exempt status of farmland in many countries.

So much for a tax on farmland; but why stop there? The arguments for taxing land values in general are just as strong, as is well understood in such far from progressive countries as Australia and South Africa. It is a tax which falls on those best able to pay—indeed, they declare their own taxable capacity in every land deal; it is the perfect tax to balance regional problems. As a British Chancellor might well add, quietly, it has another great merit as a tax base: you can't take it with you. A land tax produces no tax exiles.

Indeed, the merits of land taxation—or site value taxation, as one variant is known—are so numerous and large that I would write about it at far greater length were I not haunted by one obstinate fact. The general principle has long been supported by our own Liberal Party. It is obviously far too sensible to stand a chance in the real world. ♀

Another *Financial Times* report (August 11, 1978) points out some of the problems. Over 11,000 tractors were imported in the past year—"But tractors have tended to go to the big landlords, who have evicted tenant farmers in order to amalgamate small plots. The new larger units of land can be more easily ploughed by tractor. This has inevitably increased the numbers of landless labourers in the countryside and created considerable hardship.

"Land reforms would do a lot to alleviate Pakistan's agricultural problems. Indeed both Ayub Khan in the early 1960s and Mr. Bhutto up to 1977 aimed to reduce the gap between the rural rich and poor by limiting landholdings. Officially, no farmer is allowed to own more than 100 acres, but enough loopholes have been left in the law to allow

most big landlords to slip through. Many argue that Mr. Bhutto fell from power because the landlords who made up his powerbase in the populous Punjab feared he planned to introduce more rigorous land reforms."

If both these countries would introduce the right reforms they would see crops being produced in abundance, and only at the expense of a few land speculators who might be left wailing on the street corners.

IN BRITAIN, LVT would stimulate better use of land, since land which was badly cultivated would pay at the same rate as a neighbouring farm that was fully productive. This would encourage the farmer to invest more in his land, and his bank manager to provide it, since no extra LVT is incurred by

increasing profits and output. Farmers would find that the reduction of their other taxes by consequence of the introduction of LVT would, in most cases, be more than their new tax. This would be because farmland would bear a lower tax per acre compared with industrial and commercial sites.

LVT would be re-assessed annually, and as the Whitstable Report of 1963 and the follow-up Research Report of the 1973 re-valuation by the Land Institute⁴ shows, the exercise is relatively simple. The Report claims that an area the size of East Kent, containing 500,000 people, could be dealt with annually by a team of eleven. Confirmation that this is not an unreasonable estimate can be found when we examine an actual case where LVT is used. According to

Ted Gwatney, in Southfields, Michigan, the annual reappraisal is done in three hours, once a year, on a computer, from data collected during the year. The computer not only re-values and prints the assessment roll, but prints letters informing each person in the city (pop: 65,000) of their new valuations.⁵

As the Valuation Office of the UK's Inland Revenue was set up in 1910 by the Liberal Party specifically to deal with land value taxation, it should be no hardship for it to revert to its original role.

One of the objections against LVT is that it would push up the price of food. The answer is "No!" LVT would come out of the rent which is already paid by the tenant farmer to the landowner (or allowed for in existing prices by the owner-occupier). LVT would push down the price of land, but would not affect the price of food. When agricultural land was de-rated in 1929 it was land values that went up rather than food prices that came down!

Another question concerns the great country houses and their estates. Would they not be bankrupted? No. Parkland open to the public would have a nil value assessment if the example set by the Liberal Party's 1909 budget was followed. The assessment on a site containing a large, historic house with a preservation order on it, and no possibility of any money-making development taking place, would probably be less than under the existing system.

The land question has always been an emotive issue, but the advocates of LVT are not seeking to change anything in the basic structure of our present system. Those who work on the land should reap the full rewards of their efforts. The community that provides the services and a market for the results of those efforts, and in so doing creates a measurable annual rental value for the sites on which they come to fruition, should in all natural justice receive its reward—and that is what we call land-value taxation.

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RICHARD CROTTY, ex-Irish farmer now at Sussex University, was asked to write a brief on land value taxation for the Transport & General Workers' Union: the biggest in Ireland. In this extract he elaborates on the process of peripheralisation, & explains what he calls The Paradox of Property

THE PARADOX of property is that the more valuable it becomes, the less efficient it is operated.

Land values that are low relative to wages and other incomes afford land-possessors little protection against competitive forces; and because of the availability of alternative opportunities, they have little incentive to retain land they cannot work efficiently. Efficient landless persons, on the other hand, with relatively high incomes can afford to acquire land at its relatively low price. Land values in less developed countries, or LDCs, that are high relative to low average incomes, protect and insulate owners against competitive forces. The landed also have a strong incentive to retain land because of the desolateness that normally characterises the condition of the landless. The low-income landless, however efficient, cannot buy high-priced land; any of it coming on the market is bought by wealthy, creditworthy persons, who are therefore probably old landowners, and incapable of using additional land efficiently.

The pattern of land allocation benefits the periphery's powerful landowners. The power of this class is frequently consolidated by "land-reform" that extends the ownership of land, while leaving most of it still in the possession of a small proportion of the population. The periphery's landless, jobless, resourceless, powerless masses, who are the principal casualties, cannot influence matters. Other centres of power either share the spoils of land-ownership – as do some, though not all, of the urban bourgeoisie – and others, including trade unionists, are out of touch with the situation and accept it.

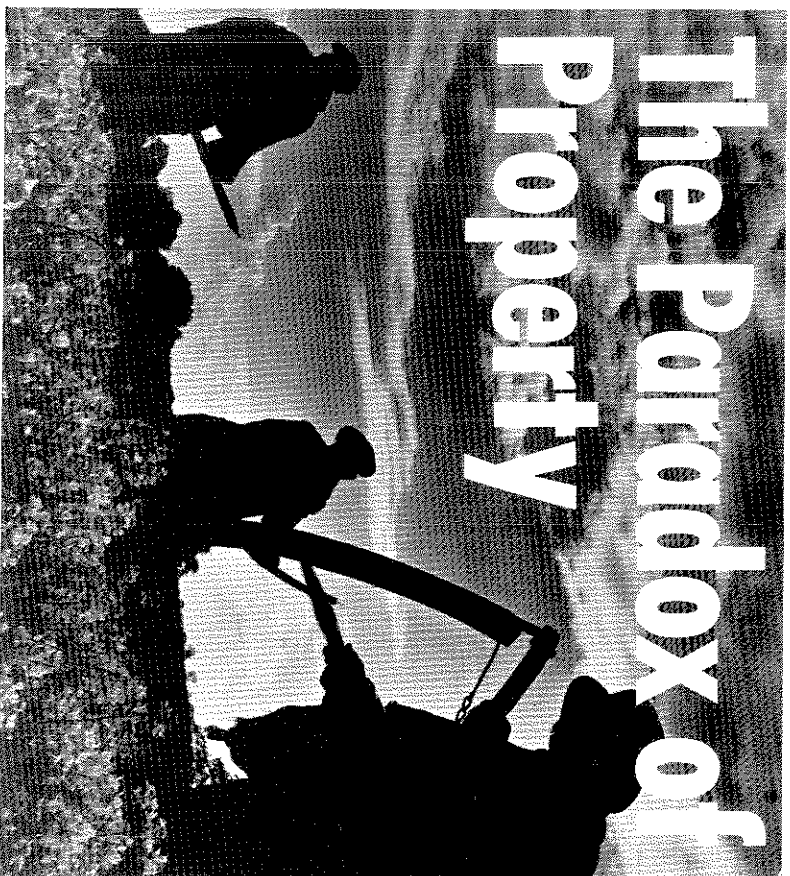
The intellectual dominance of the centre is also conducive to the inefficient allocation and use of land in the periphery. Social scientists are overwhelmingly urban born, based and biased; they hail, and derive their ideas, from developed central societies where efficient land-use is not an issue. Their concern, when they intervene, is with the equitable rather than efficient use of land, a priority that is appropriate to DCs but not to LDCs.

THE PROCESS of peripheralisation that causes development to concentrate in major centres, while depleting outlying and less developed regions, also, by the paradox of property, creates conditions at the periphery in which land is inefficiently used, so cancelling any chance the periphery, though well endowed with land, might have of offsetting the centre's advantages of scale and capital accumulation. Continuous retrogression of the undeveloped periphery in relation to, and its increasing dependence on, the developed centre are the result. Peripheral retrogression and dependence are characterised by a chronic lack of job opportunities, the growth of armies of landless, jobless persons, political extremism of the left or right, and widespread intervention by the centre in the form of gifts, loans and ultimately military force.

The Irish case. Ireland is the classic case of a peripheral, dependant economy. It was completely colonised in the sixteenth century in the first wave of capitalist colonial expansion. Retaining a residue of its indigenous culture, it has, over a longer period, been more closely integrated politically, economically and culturally than any other country, into the dominant capitalist system. Its dependent peripheral role has been clearly established over the past 150 years of factory capitalism during which its workforce, that was once three millions and half of England's, has declined to one million and one-twentieth of England's.

Irish peripheral dependence on the centre is manifested by the increasing, critical importance of exports of dairy produce of little or no commercial value, but the high value of which stems solely from a political decision of the

The Paradox of Property



THE Country Landowners' Association pitched into Britain's general election with an astonishing claim.

Arguing against the Labour Party's threat to introduce a wealth tax, the association claimed that farmers would suffer: "... it is inconceivable they could find cash to pay wealth tax on non-income yielding chattels, houses, and land."

The claim that land does not yield income came as a surprise to socialist economists advising the Labour Government.

But Labour's Chancellor of the Exchequer, Denis Healey, was already on record as stating that farmers, because land as a capital asset made them vulnerable to a wealth tax, would benefit from special relief. Despite this assurance, however, the landowners were even *more* relieved when the Tories won with a landslide on May 3!

centre that is liable to alteration without notice or redress. Dependence is also manifested by Irish borrowing from the centre that, relative to GNP, is higher than the foreign borrowing of any other country.

Land values accurately chart the evolution of Ireland's peripheral, dependent role. The Cromwellian conquest of Ireland in the 1650s was financed by land bonds sold in the London money market at a price equivalent to one-old-penny an acre of Irish land. The value of that land has since increased a millionfold, to £4,000 an acre. Land values have appreciated with hardly a set-back for over three centuries. They doubled in the quarter-century preceding the Great Famine, they have increased several hundredfold since the State's foundation, far outpacing the growth of other incomes, and quadrupling relative to current GNP.

Ireland departs from the general pattern of peripheral dependency in having, so far, a relatively small landless-jobless class. This has been due to the starvation or emigration throughout the past 150 years of that half of the population for which the economy failed to provide a livelihood. Loss of labour through emigration has revolutionised the relative factor endowment. Ireland, relative to its labour, has twelve times the agricultural land of continental Europe. Emigration has also relieved the tensions that, in other peripheral—dependant countries, result in political polarisation. It has not, however, precluded sectarian strife, resulting from competition between catholics and protestants in an island where, for 150 years, protestants have secured an increasing proportion of a declining total of jobs.

I argued the case for taxing land in *Irish Agricultural Production* (Cork University Press, 1966). There has been adequate opportunity since to appreciate the entrenched position of the 20,000 people who own half the country's land. There has also been opportunity to become aware of the urban origin, base and bias of most Irish social scientists and their lack of understanding of agricultural matters. The career prospects of those few Irish social scientists with a rural background are heavily dependent

on the goodwill of the landed interest and they are understandably reticent on the issue of farmer taxation.

Income-tax applies to monetary, but not to other, forms of income. An income tax will therefore reinforce existing inducements to landowners to take their income in alternative, non-monetary forms. It will make it attractive to slow or reverse the trend to the specialisation and efficiency of a market economy, and to revert towards a subsistence economy, with farmers producing a wider range of products but a smaller total amount, of which they and their families would consume a larger proportion. Irish farmers until quite recently consumed one-third of their total output. A reversal to that position would depress output and reduce the marketed surplus that feeds the urban population, is the raw material for industry, and is the principal earner of foreign exchange. A return to self-sufficiency would also reduce the revenue from a tax on farmers' incomes.

Irish farmers, through selection by inheritance and the market, are, as a whole, probably the least competent group in the country to operate its land. They have a high preference for leisure, security and stability. They are unable or unwilling to exercise the industry, skill and innovation required to generate the very large money incomes now possible from Irish land. A tax on farmers' money incomes would increase the relative attractiveness of leisure, security and stability and reduce that of industry, innovation and risk-taking to earn money. A tax on farmers' money incomes would widen further the wide gap that exists between what could be profitably produced and what is produced from Irish farms.

A tax on farmers' incomes would penalise those who are using the nation's land in the socially most beneficial way of maximising net output valued at market prices. It would leave untouched that major share of landowners' income accounted for by the appreciation of land values, amounting now to at least £100 per acre annually.

Finally, and most important, an income-tax on farmers would not affect the allocation of land. Irish land, for reasons dealt with above and in my *Irish Agricultural*

Production, is now in the hands of that section of the population probably least competent to use it. An income-tax will have little effect on inefficient farmers with small monetary incomes, and will not put pressure on them to release land. It will, on the contrary, by having a generally adverse effect on the economy, exacerbate the maldistribution of land.

An income tax on farmers would be counter-productive. Evasion, avoidance and its inability to improve the present misallocation of land are defects of an income tax on farmers that are likely to cause its imposition to have detrimental equity and economic effects. The poor results that would accrue from a tax on farmers' incomes, by refusing the proponents and corroborating the opponents, of farmer taxation, will make difficult further efforts to tax farmers. It would be tragic if a tax on income, that is entirely inappropriate to the circumstances of Irish farmers, were accepted as a substitute for a land tax that is equitable, efficient and appropriate to the circumstances of Irish farmers.

THE EQUITY case for taxing land has been eloquently stated by James Fintin Lator: "The principle I state and mean to stand upon is that the land of Ireland, up to the sky and down to the centre, belongs of right to the entire people of Ireland." The principle reflects the view of land as a social asset freely available for use by all members of a society—a view that was an integral part of pre-Elizabethan Ireland, as of most societies and ages other than capitalist colonialist societies. The right of free and equal access to land, as to water and air, ought to be self-evident and need not be laboured in an age of universal adult suffrage. This right, like other fundamental rights, cannot be abrogated or alienated.

It is clearly impractical, especially in an age of extreme

specialisation, for every member of society to possess an equal share of the nation's land. Conceivably the State, on behalf of its citizens, might operate the land and share the surplus with its citizens. Though State operation may be feasible for great enterprises that realise important economies of scale, it would have little prospect of success in farming, especially in Ireland's predominantly livestock farming, where economies of scale are unimportant but where flexibility and attention to detail by livestock-tenders are paramount. It is, instead, expedient for the State to allocate the land within its domain to those competent to use it, recovering on behalf of all its citizens the land's surplus or rental value. Maximising that surplus is the necessary and sufficient condition for efficient land use. Appropriating the surplus for social use through a land-tax accords with the equity consideration that land, as a social asset, should be used to benefit equally all the members of society.

But a land-tax directly assails the landed interest, the most powerful in the country. Its appropriateness is neither immediately nor clearly evident in a predominantly urbanised society, where taxes on income and expenditure are the principal source of public revenue on current account. The opposition of the landed interest to, and the indifferent support of urban interests for, a land-tax make other methods of taxing the farmer custodians of the nation's land appear expedient. Specifically, the case for taxing the incomes rather than the land of farmers merits consideration.

Farmers can easily evade or avoid an income-tax. Farmers can evade income tax by selling produce through informal channels, especially through small farmers and others not liable to tax. Costs can be inflated by buying inputs like fertilizers and feed in excess of own-farm needs and selling the surplus through tax-exempt producers.

The pre-condition for more jobs and wage restraint

TRADER-UNION members can expect to share with other citizens the common benefits of a land-tax: a greater domestic demand for the products of the non-agricultural sectors; stimulation of the building industry as under-utilised and hoarded land is forced onto the market; lower taxes on incomes and expenditure simultaneous with no deterioration, or an improvement in public services; and more rapid, secure and sustained growth, writes *Richard Crotty*.

A land tax is almost certainly a necessary condition for increasing employment in Ireland. A land tax that reduced the selling price of land to zero is probably almost a sufficient condition for full employment in Ireland. Ireland's declining employment opportunities and the resulting chronic surplus of labour have bedevilled the trade union movement since its foundation. The

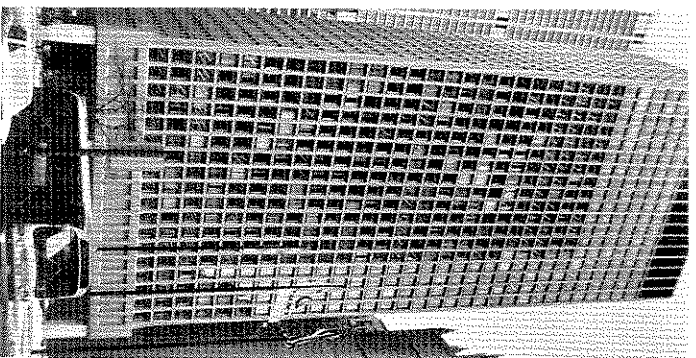
presence of a large army of unemployed and underemployed rural workers and the danger of forcing their own members into the ranks of the unemployed have weakened the bargaining power of trade unions and compelled them to modify their demands on their members' behalf. A land tax that ended rural-urban migration and that gave rise to full employment would remove the overhang of surplus labour that has weakened the Irish trade union movement for 150 years.

A land tax should rationally be a prior condition for a policy of wage constraint by the trade union movement. Wage restraint cannot offset the structural weaknesses of the Irish economy, especially the small scale of the local market. The Irish workforce, and especially that part of it engaged in manufacturing industry, declined most rapidly during the decade of the Great Famine when wages

were restrained to the point of starvation. Any short-run increase in competitiveness from wage restraint is offset by the further contraction of demand and further decline in the size of the local market that results from lower income and that has been the bane of the Irish economy. But wage restraint, though unable to save jobs, reduces some prices, especially of services, and, to that extent, increases farming profits and the price of land; which in turn depresses agricultural output.

A land tax would prevent any rise in the price of land and decline in agricultural output as a result of wage restraint. It would also claw back for society as a whole, through higher tax revenues, the benefits of any restraint on wages. A land tax would seem, for these reasons, to be a reasonable pre-condition for consideration of wage restraint by the trade union movement.

The Great Chicago Rip-off!



TENS OF MILLIONS of dollars were switched into the pockets of Chicago's landowners during the postwar years in one of the most audacious manipulations of property tax laws in the US, writes *Fred Harrison*. At the centre of the racket was P. J. Cullerton, the Cook County assessor.

Landowners paid as little as one-third of what they would normally have had to pay. So there was a massive transfer of the tax burden onto homeowners. When the scandal was exposed in 1970, just before the elections, the real estate tycoons did not conceal the fact that they backed Cullerton's bid for re-election: he was **THEIR** man!

The "tax breaks" were justified by Cullerton and his officials on the ground that these were needed to encourage development. The process can be illustrated by the Brunswick building (right).

The 36-floor skyscraper was built in 1963-5. The property tax assessment was reduced by two-thirds. Reason: the building had a "reduced net income" - arising because its owners had given "artificially low rents" to two major tenants. Other tenants paid market rents.

Not content, the owners appealed to the Circuit Court under a then little-known device called Objection I. The appeal - which Cullerton did not oppose - was successful: the tax liability was further cut in half!

Brunswick was given a partial assessment "condition factor" (based on a variety of criteria) of 30%, in 1963. By 1965, fully occupied, the "condition factor" ought to have gone up to the top rate. It remained at 30%, until Objection I reduced it to 18%. The owners saved \$2m. in the first five years. In 1969, for example, the property tax was \$479,295 (\$268,539 charged on the building, the rest on the land). If, however, the normal 88% "condition factor" had been used, if the assessor's own guidelines had been adhered to, the property tax would have been over \$1m. Gain to owners: \$540,849.

The Brunswick site cost the developers \$2.6m. in 1957. Its value in 1978 was \$9.6m. Net appreciation in 20 years: \$7m.

Because of Press publicity, Cullerton announced before the elections that if re-elected, he would introduce departmental reforms. He was returned to office, and Richard Daley, the Chicago political boss, appointed one of his old friends to survey the operations of the assessor's office.

The economic effects of under-assessment are twofold. 1. It boosts the residual value of land, thus increasing the net income stream received by the landowner. So other landowners adjust their rental expectations upwards. 2. Because of the higher ensuing land prices, it takes longer to find buyers at these inflated levels; developments which would otherwise have taken place are deferred or lost: precisely the opposite effect allegedly sought by Cullerton's supporters!

PORT BY HENRY TIDEMAN

JULY & AUGUST, 1979

BEFORE we give undue credit or blame for the Objection No. 1 process to P. J. Cullerton, the Cook County assessor who took the rap when these murky doings were delved into and the data laid before the electorate during the 1970 political campaign through some fine investigative reporting by the staff of the *Chicago Daily News*, we should know whether it was really his own brilliant idea.

There are two major political entities in metropolitan Chicago: the City itself and Cook County, in which the city is located. The personnel of both are housed in the same single structure, split down the middle by an interior wall, City Hall on one side, County Building on the other. With the growth of the city and the fact that the more affluent seceded to the suburbs, the County Board in recent times is constituted of ten members elected from areas predominantly in the city (Democratic) and only six from areas predominantly in the suburbs (Republican). This means that the same Democratic political machine controls both the city and the county and has control of the patronage of both units.

Jobs are typically filled by political nominees and advancement is through political recommendation. One must know the right people (and have the right racial and ethnic antecedents) to be a working fireman. Advancement, even to lieutenant in the fire department, requires a political patron, known as a "sponsor." Just what is the quid that goes for the quo depends upon the individuals and is regarded as a private matter between the contracting parties involved. William Hale Thompson, a former mayor (Republican) died with several million dollars in cash in his personal safety deposit box at his bank.

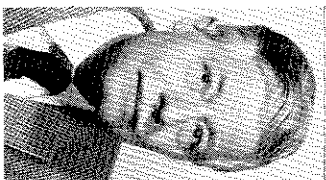
But such an army of payrollers requires a general who will direct the division of the spoils and whose word will quell internecine squabbles which could result in damaging disclosures. After the death of former mayor Cernak in an abortive Miami attempt to assassinate former President Franklin D. Roosevelt, Edward Kelly became the mayor of record in 1933 and controlled what became known as the Kelly-Nash, or sometimes the Kelly-Nash-Arvey, machine. When the improprieties had grown by 1947 to the point where it was considered possible that the electorate might revolt and instal a Republican mayor, the Democrats tipped Martin Kennedy, a reputable Chicago businessman, as a successful blue-ribbon mayoral candidate.

Kennelly's honesty created severe problems for the machine. He insisted on holding genuine periodic civil service examinations which provided lists of qualified people from which city jobs were filled, displacing temporary political appointees. The political hierarchy, from the precinct captains up, seeing their incomes and their influence slowly fading away, declined to lie down and roll over, and they revolted under the leadership of Democratic County Clerk Richard J. Daley, who was elected mayor in 1955.

Why does all this matter? Because while he is an elected official performing what is in this jurisdiction a county function, the assessor operates as a part of the single political operation called "the Chicago machine." And at the first County election after Daley was elected mayor, the organization dropped Frank Keenan and brought in



**RICHARD
DALEY (left)
AND
CHICAGO
ARCHITECT
HENRY
TIDEMAN**



his own choice, P. J. (Paddy) Cullerton as county assessor. His staff—almost to a man political appointees—were also expected to follow orders. Cullerton is quoted as having said, for example, that if he discovered that any of his staff had joined the International Association of Assessing Officers, a professional organization devoted to improving assessment practices, he would automatically discharge him on the spot.

Could Cullerton have initiated the use in his department of the “Objection No. 1” process, as a policy designed to rebuild central Chicago? He is not known as an abstract thinker. Would Cullerton have moved that far in so major a matter without direction from the boss?

Those of us concerned with its inner workings know that among the many Chicago businessmen was real estate man Arthur Rubloff, the developer who promoted the Brunswick building, the first in recent history to be publicly known as having been accorded the advantages of the Objection No. 1 process. Rubloff had learned something.

The Brunswick building rises on part of the south side of a large open square which is fronted on the west by the City-County Building and on the north by a recently constructed muscular steel public court and office building now known as the Richard J. Daley Center. On the open square itself, on axis with the Brunswick building, stands Picasso’s silent steel sphinx, a showpiece of the city.

The new court building, the underground office area below the square, and their connections to each other and to the City-County Building, were conceived at the same time as the Brunswick building was being designed. The architects saw a chance for a major urban advance, a system of underground weather-protected pedestrian walkways which could connect not only these four areas but would reach well beyond them in the present and could be extended still further in the loop in the future; a brilliant innovation.

The Brunswick building plan would then put the usual shops and restaurants not in the first storey but instead place them down in the basement where they would—hopefully—draw business from the as yet non-existent throng using these walkways in inclement Chicago weather. This arrangement would then make of the first storey only a large handsome travertine marble lobby, uncluttered by neon signs and goods delivery areas, with a dignity appropriate to its location opposite the city-county government complex, an arrangement reputed to have been much appreciated by, shall we say, the municipal authorities.

But with the basement full of shops and passageways, where would the boiler room and its accessory areas go? All these mechanical areas were lifted bodily to the second floor, which then not only required more rigid framing, but became unrentable space. Many pieces of loop land have made their way with only street level shops. Here income from both the first and second floors was sacrificed, with

the hope that the as yet untested conception of basement shops on the underground pedestrian walkway would prove to be publicly acceptable.

All this was at the time merely a dream. How could it be realized? How could Mr. Rubloff, his reputation and his own and his backers’ money on the line, be justified in this daring—and, generally, as it turns out, successful—experiment? There is no doubt that those involved had Daley’s ear when Rubloff needed assurances that he would not lose his shirt with so handsomely conceived—and financially risky—a building. The Objection No. 1 process was called into use to protect him from losses; construction proceeded. The precedent had been established. Why not carry on with the Objection No. 1 process elsewhere?

The politicians saw no need to inquire into the principles of taxing land or buildings, no need to educate themselves or the public in those matters, no need to inquire as to whether this process was privilege rampant for the benefit of the charmed circle. It worked, let us get on with it.

Yet neither should the contributory influence of the Chicago financial institutions, known locally as “La Salle Street,” be discounted too much. If the latent tax reduction offered by the promise of the Objection No. 1 process was an effort to guarantee a 12% return on the developer’s equity money, it automatically guaranteed the interest on the borrowed money, a prior claim, a step which is of major benefit to the financial institutions lending the money with which to build!

The assessor’s office, during Cullerton’s four four-year terms, was reputed to be a major source of party campaign funds. His former assistant and then elected successor, Thomas Tully, retired at the time of the first election after Daley’s death with what the newspapers suggest was a campaign fund of half-a-million dollars with which to re-enter the political fray at a future time of his own choosing. If he indeed received and then declined to share these “campaign funds” with others in the party of Mayor Bilandic, who succeeded Daley, it is not surprising that he “retired.” But all that is really certain is that if the Chicago machine has something it considers to be worth selling, it will sell it; and that if the Chicago businessmen think that the politicians have something that they consider worth buying they will buy it. Beyond that lies terra incognita.

But since life is process, that is not the end of the matter. True, the possibility of invoking the Objection No. 1 arrangement (now called only Certificate of Error) tends to insure the investment of the developer and his backers and so encourages building at this time. But that encouragement to building in general then becomes tomorrow just one more advantage of the location of the land, and of course other and future landholders and developers making their arrangements for future land selling and buying recognize that the land is now more valuable because the landholder now has an additional potential advantage to sell, for which the developer must now expect to pay. Local central land values must and rapidly do rise to swallow the advantage of possible recourse to the Certificate of Error process.

We are here treated to a classic specimen demonstration of the fact that to minimize the penalty on construction in this fashion automatically makes the land more valuable. In technical terms, the value of the land has risen in proportion to the value of marginal land. If land were now taxed proportionately more to make up for the tax not collected on the buildings, the city could have both the additional construction *and* the tax income. But that requires wholesale, not retail, thought.

POLICIES & URBAN GROWTH

WITH THE enormous increase in recent years of public policy planning and an equally vigorous output of urban planning literature, it is perhaps surprising that there have been very few good books for students on land policy and urban growth—a fundamental study area for those aspiring to a better understanding of the factors which influence the development of towns and cities. A welcome recent publication helps to fill the gap.¹

Dr. Darin-Drabkin, Director of the Institute for Land Resources Planning in Tel Aviv, has produced a readable planning primer to introduce students to the varied approaches to land policy throughout the free world. The 444-page book opens with a brief survey of the contemporary urbanisation phenomenon and follows with a fascinating chapter on future land needs for urban growth. Dr. Darin-Drabkin has calculated that, should the world's urban population increase by 2 billion—as expected before A.D. 2000—the land requirement would be only 10 per cent larger than the area of France or 7 per cent of the surface area of the USA. He quotes Marion Clawson's estimate that it might be possible to settle 50-100 million additional people in the north-eastern urban complex of the USA just by using vacant land, without converting agricultural land to urban use. The problem of finding land for future needs is therefore not a quantitative one, although there are extreme demand pressures in particular locations.

The book includes well-researched chapters on the development of land prices in industrialised countries, the impact of the land factor on urban growth in the developing countries, international price level comparisons and the peculiar nature of the land market. These chapters provide the background for the main case studies of price formation in the Copenhagen region 1956-69, land acquisition in Sweden and the Stockholm experience, and the advance land acquisition policy in the Netherlands. From these, and other studies, Dr. Darin-Drabkin concludes that with the advance of urbanisation, what is required is a new concept of land ownership. What is the writer's main thesis?

Book review by PETER HUDSON

After citing many case histories of the large rewards realised by the owners of land on the urban fringe which is subsequently converted to urban use, Dr. Darin-Drabkin finally concludes that the advance acquisition of such land by the public authorities is the best way of achieving planned development and equity between land owners and land users. "The purpose of urban land reform," he argues, "is not to reduce the rights of the individual to use his own land space, the private market has already done this through high prices. On the contrary, community land ownership will guarantee that each individual has an adequate space in a pleasant environment and with accessibility to jobs and services The public ownership of land needed for future urban development will insure the proper planning of the city region as a whole."

From this it can be seen that he is concerned not only with the financial returns stemming from the community's requirements, but also with the rational use of land within a preconceived planning system. This thesis, of course, is not new and has been advocated by writers from Ebenezer Howard onwards. Indeed,

HUGH O'Shaughnessy, in a story filed to *The Observer* (15.4.79) from Mexico, reports:

"The Government points to the vast fortunes which have been made, and are being made still, by land speculators. 'As the peasants still stream into this city, all the land speculator has to do is to keep his land idle and he's assured of making a fortune,' a social worker said. 'But,' he added, 'when the Government tries to tax real estate the Governor is called a Communist and is accused of undermining the free enterprise system.'"

the rationale behind this concept has been embodied in the British new towns and expanded towns legislation, as well as in other European countries. But there is more than one way of securing the economic rent for the community within a planning framework. It is interesting therefore to note that although Dr. Darin-Drabkin has usefully examined the application of land-based taxes in various countries, and appears to be inclined to favour such taxes as a means to stimulate urban renewal and the use of vacant land within developed towns and cities, he finally opts for the municipalisation of land as his preferred policy. Enthused, no doubt, by the methods of advance land acquisition used notably by the Netherlands and Sweden, Dr. Darin-Drabkin has elected to support a method of agricultural land conversion to urban uses which involves the payment of compensation to existing landowners. The arising financial burden (albeit a smaller burden than full compensation at urban use value) still has to be financed from tax receipts until the land becomes higher revenue-earning after its conversion to urban use. I have argued elsewhere² that the same results—the conversion of land to urban uses according to programmed land use planning and at reasonable prices—can be achieved through land taxation measures without imposing a mortgage on the taxpayer. This is where the author and I part company.

However, although we may not all agree with his thesis, we all have much to gain from his systematic and well-researched approach to what is a fundamental problem of economic development in the Western world. Dr. Darin-Drabkin has meticulously worked his way through the relevant literature and undertaken original and valuable research in a neglected field. His book is to be highly commended as essential reading to all students of land policy. We shall hear the arguments more frequently as this century draws to its close.

1. *Land Policy and Urban Growth*—H. Darin-Drabkin, Pergamon Press (Urban and Regional Planning Series, Volume 16).
2. *Administrative Implications of Site Value Rating*—P. R. Hudson, Land & Liberty Press.

THE LAND

ARCHER TORREY is the Director of Jesus Abbey, a mission located 200 miles from Seoul in Korea.

Two questions were raised when he studied the Bible's teachings on land: Why is the land question so central? What can be done in the 20th century to remedy the injustices created by the corruption of the principles embodied in the Bible?

"The land question is central because land is space, on which man has to live and work. The Hebrew word 'maqom' for 'place' means 'standing room'. Nothing can take place – farming, manufacturing, commerce or just living – without space.

"The two facts of life are land and labour or space and man, and these are the two facts with which the Bible deals. To avoid this issue is to render theology irrelevant and the interpretation of Scripture dangerously lop-sided. War is the most consuming preoccupation of the world, and armaments is the largest industry in the world. And what is war about? Who controls space! No effort to bring about peace can have any lasting effect without confronting this issue. The choice that faces the human race is justice in the allotment of space – or bloodshed."

It was the worship of Baal which corrupted the Mosaic laws, and Mr. Torrey has grappled with the practical problem of working out a modern solution to the present chaotic state of land tenure systems. He concludes that there are two relevant solutions.

● The first he calls the "Mother Earth-Communitarian" solution. Jesus Abbey is an example (see *Land & Liberty*, July-Aug., 1978). "It has many practitioners and is in line with the New Testament solution: not waiting for civil government action, but by ones and twos and groups returning to the land and demonstrating on a small scale the proper use and redistribution of land. This includes both the group farming experiments and the new homestead experiments. All, consciously or unconsciously, operate from the premise that 'the land is mine and you are guests on it'."

● The second is the redistribution of land values through the fiscal system. This, says Mr. Torrey, "leaves the fruit of man's labour unencumbered but takes the rental value of the land for the public authority which provides the services which help to make the space worth occupying. This technique prevents land speculation and creates employment or leaves land available for resettlement, a sort of on-going land reform which is working in many places."

THIS PAPER will attempt to present the teaching of the Bible with regard to land as well as the evidence given with regard to historical practices. We will take the Biblical account at face value without considering the various "critical theories" with regard to the dating of the various documents. Some people would regard such a study to be vitiated by treating later documents as if they were earlier, but the internal evidence strongly indicates that the so-called "later documents" correctly reflect earlier principles.

We shall begin with the clear-cut and well-known legislation on the subject contained in the Pentateuch, and then examine the evidence for actual practice in Israel from the time of Genesis to Nehemiah. The teaching of the prophets will be dealt with in the context of their historical setting.

The laws are stated clearly enough. The basic law is contained in Leviticus 25, and the key principle enunciated is in verse 23: "Land must not be sold in perpetuity, for the land belongs to me and you are only strangers and guests. You will allow a right of redemption on all your landed property". (Note: Scriptural quotations will usually be from the Jerusalem Bible or the more traditional King James version, but will occasionally be the author's own paraphrase). This concept underlies all the Bible teaching on land. No other teaching is indicated prior to the time of Moses, nor is the teaching anywhere repeated. It is repeated and reinforced by the prophetic teachings.

What makes this study imperative is that where Karl Marx was mistaken in his prophecies, the prophecies of the Bible have been fulfilled.

Underlying the actual legislation in Leviticus is the fact of Israel's invasion of the land of Canaan and the division of the land by lot, as a heritage from the Lord to be passed on to future generations.

The modern word "lot" as used for a piece of real estate derives directly from this concept. The Greek word usually translated "inheritance" in the Bible means a division made by casting lots. The countless references in the Bible to "inheritance", "lot", "line", "possession", etc., are all against this background: that the lot expresses the will of God who divides equally to all his people.

Once the land has been divided and allotted, however, each portion is to remain within the family or clan that has received it and it may never be alienated. The land never belongs to an individual, but to all future generations of the current possessor's descendants. Therefore, he is not free to give the title of the land to anyone else. Nor is he able, however he may covet his neighbours' land, to accumulate a large estate for himself except very temporarily.

According to Lev. 25 when a possessor of land wishes to sell it, all he can do is offer a leasehold up until the year of jubilee. There is no special word in the Bible translated either "lease" or "rent", because this is what is meant by the word "sell".* The concept of selling land as held in most "civilised" lands today does not exist in the Bible except as a crime. There are three exceptions, where a perpetual title was acquired by purchase, and these will be examined.

* In this paper the modern word "lease" will normally be used to translate the Hebrew "make" usually rendered "sell".

& BIBLICAL ECONOMICS



By The Reverend ARCHER TORREY

Under the normal law, when a piece of land is sold (leased), the seller has a right to redeem the land at any time by refunding the balance of the lease. If the seller is unable to redeem the land himself, his next-of-kin may do so. The maximum lease is for 50 years, but all leases expire in the same year, the Year of Jubilee, or the Year of Liberty, or the Year of the Trumpet. The Hebrew word "yobel" is translated both "trumpet" and "jubilee", depending on the context.

The year of the Trumpet is the year after the seventh in a series of sabbatical years. The sabbatical years are referred to in Ex. 23, Lev. 25, and Deut. 15. In the sabbatical year the land was to lie fallow, debts (including mortgages) were to be cancelled, and slaves and bond-servants were to be set free. When land is under mortgage, the mortgage is cancelled in the sabbatical year, but if it has been sold in good faith, it does not return until the jubilee unless redeemed by the payment of the remaining rent.

In the year of the Trumpet, the "shofar" or ram's horn is to be sounded on the 10th day of the 7th month, the Day of Atonement. This gives everyone five days to travel back to his ancestral land to keep the great feast of Tabernacles on the 15th day, when the Jubilee begins. It also gives the previous lessor of the land time to harvest his last crop before returning the land to the original family.

HOUSES in walled towns are exceptions. The right of redemption is limited to one year, except in the case of Levites, who have no landed property other than the pasture lands attached to their towns. Levites have an unlimited right of redemption and, if there are unable to redeem a house, it returns in the year of liberty.

Leviticus 27 elaborates the law with regard to property donated to God (i.e. for the use of the Temple). Its value is computed according to the number of years until the jubilee. However, if the owner, instead of exercising his right of redemption, should transfer it to another party, when the jubilee comes it will return not to him but to the Temple. If a man dedicates a leased field to the Lord, it returns to the original owner (or his heirs) in the jubilee.

Deuteronomy adds nothing to Leviticus, but stresses the sabbatical year and the cancellation of debts, along with a solemn command not to covet another's fields (5:21). In time, the coveting of other men's lands and the seizing of them by foreclosing of mortgages became a serious abuse which would only be justified by appealing from the laws of the Bible to the laws of Baal. There are further references to the sanctity of boundary markers and subsidiary issues. Deuteronomy, however, allows a number of exceptions in dealing with non-Israelites, and the three cases, referred to above, of land being bought in perpetuity happen all to involve purchase from non-Israelites. In each case, however, it was not a private transaction but involved the approval of the entire tribe from whom the title was obtained.

All other titles were obtained directly from the Lord by the casting of lots on land taken in war under the divine mandate to possess and divide the land of Canaan.

The three exceptions are as follows. Gen. 23: Abraham buys a burial place for a perpetual possession from the Hittites. Presumably this was a valid sale under Hittite law. The ruling-body-of-the-Hittite-people-witnessed the transaction and approved. Gen. 33: Jacob buys a lot on which to build an altar, from the Shechemites. This transaction is referred to again in Josh. 24:32 and John 4:5. It was purchased from the whole tribe, not from any private individual. Finally, in 2 Samuel 24 and in 1 Chr. 21, we have the account of David buying a threshing floor from the chief (Araunah, or Ornan appears to be a title, not a man's name) of the Jebusites.

A fourth case is that of Omri (1 Kg 16) buying the hill of Samaria from a private individual. But, as we shall see, Omri was the revolutionary or usurper who introduced the Baal land-laws into Israel, and it is recorded of him that "he did what is displeasing to the Lord."

WE COME NOW to the question: Were these laws enforced? If not, what other laws were accepted? In the absence of specific references to the jubilee, the trumpet or the year of liberty, it has been supposed by many that some other system was in force. Even this argument from silence, weak as it is, breaks down when we recall that the expression "proclaim liberty" is used.

Actually, very few of the many laws in the Pentateuch are referred to again in detail, but we are told frequently whether the "the laws of the Lord", or the "covenant of the Lord" was kept or violated. We are not told that the laws were ever repealed or other laws enacted prior to the time of Omri, except for the specific case of "the sin of Jeroboam the son of Nebat", which consisted in making golden calves in Bethel and Dan, thus leading the people into idolatry and schism and weakening the authority of the Lord so that the way was paved for the introduction of Baalism and the total rejection of the laws of the Lord.

There is no evidence that Jereboam repealed the civil system and, if he did, there are no clues to indicate what system he substituted.

The prophets of Israel (the Northern Kingdom), Elijah, Elisha, Amos, and Hosea all assume that Israel is still under the Lord. They see the problem not simply as that of the golden calves but the total abandonment of the Lord for the landlords' god, Baal, introduced by Omri and Ahab. It was this constitutional change under Omri that gave rise to the great prophetic movement which provides the bulk of the material in the Bible.

With this in mind, let us go through the Bible and find the references to land laws and see what they indicate with regard to the validity of the actual legislation set forth in the Books of Moses. The very first reference is in the book of Numbers. It deals with a case where a man had only daughters and his fellow clansmen were afraid that the land would pass to their husbands' clans in the year of liberty (Num. 36). Moses ruled that the girls must marry within their father's tribe and that the inheritance could not be allowed to pass to another tribe. This case is referred to also in chapter 27, but the specific reference to the jubilee is in 36.

Within the same year, the people crossed the Jordan and entered the promised land. The first fruits of the conquest was the city of Jericho, and it was ceremonially dedicated to the Lord. Joshua 6 contains the account, which is significant for its use of the word "Yobel". There are two words translated "trumpet" in the English. The word "shofar", for the ram's horn, is used 13 times in the account, and the word "yobel" five times. This was the first jubilee, the liberating of the land from the Canaanites and the beginning of its distribution to the Israelites.

Judges 11:2: Jephthah, an illegitimate son, is prevented by action of the entire clan from receiving any portion of the clan's inheritance. This supports the picture of the division of land into clan allotments as referred to frequently in Numbers and Joshua.

Judges 21:24: "The people returned each to his own inheritance." It appears that after the elapse of some 250 years, no significant alienation of land occurred, or, if it had, that the jubilees had been declared and enforced. This is the language of Lev. 25:10.

The story of Ruth takes place in the time of the Judges, two generations before the time of Samuel. Here a land inheritance plays a key role in the romance. Apparently, before Elimelech left Bethlehem for Moab, he sold (leased) his famine-stricken acres for whatever he could get. Ten years later his wife Naomi returns to Bethlehem with her daughter-in-law Ruth, but husband and sons are dead. If she lives long enough, Naomi will get the land back in the jubilee or, if she dies and Ruth has married within the tribe of Judah, Ruth's heirs will be able to claim it. The only right Naomi can exercise prior to the jubilee is the right of redemption. Since, due to her extreme poverty, it is not in her power to redeem the land, she offers to "sell" it (that is, to transfer the lease) to the next-of-kin, who has the right of redemption. But she makes a condition: she will not give this right of redemption to the next-of-kin unless he is also willing to act as the brother of the deceased and marry the widow to raise up progeny for him. Thus the land will revert, in the jubilee, to the eldest son of Ruth and her husband, who will be counted as the grandson of Elimelech. The conditions Naomi lays down are unacceptable to the next-of-kin and he transfers his right to Boaz, who is next in line and cheerfully ready to redeem the property and marry Ruth. The entire affair is premised on the legal code of Leviticus.

The next specific reference to land is in I Sam. 8:10ff.

Here the prophet Samuel, a bitter opponent of the monarchy, warns the people of what will happen if they insist on having a king. He says that "this will be the manner of the king", and goes on to predict land seizures in the style of the neighbouring countries. The word "manner" translates the Hebrew "mispat", which may also be rendered "rights", or "customs" as well as its more usual translation "judgment". It is used equally of customs established by Israelite (divine) law and the "customs of the heathen", which is what is in view here; the people have demanded of Samuel, "Give us a king to rule over us like the other nations", and the Lord replies to Samuel: "they have rejected me from ruling over them . . . only you must warn them solemnly and instruct them in the customs of the king who is to rule over them."

Samuel closes his warning against the violation of the ancient land laws which the monarchy will certainly introduce with the words: "When that day comes you will cry out on account of the king you have chosen for yourselves, but on that day God will not answer you." The prophetic writer adds: "The people refused to listen to the words of Samuel. They said, 'No! We want a king . . . like the other nations.'"

The "rights", then, that the king will claim, following the custom of other nations, will include: "He will take the best of your fields, of your vineyards and olive groves and give them to his officials." There is nothing in the record, however, to indicate that Saul, the king then elected, did anything of this sort, but we have the following interesting words of Saul, himself, in I Sam. 22: "Listen, men of Benjamin . . . is the son of Jesse ready to give you all fields and vineyards . . . that you all conspire against me?" This suggests that, although Saul has not followed the pagan custom, he suspects Ben-Jesse of bribing support with such promises. It is not clear, however, whether the fields and vineyards are to be seized from citizens of Israel and given to his officials, as Samuel had threatened, or whether they are going to be from land taken in war.

IN THE WARS of Saul and, later, David, land was taken from the Philistines, Amalekites, and other Canaanites. This land had been given to Israel by God, but the Israelites had not made good their claim and it had never been included in the original allotments, as is seen from the accounts in Joshua and Judges. If at a later time these lands were conquered, the title might well pass to the crown and, by assignment to various officials. In this way, both Saul and David undoubtedly acquired considerable holdings. David's many wars, indeed, would provide sufficient opportunity to amass legitimately considerable land. "Legitimately", in this case, refers to the divine mandate enunciated in Num. 13:1: "this land of Canaan which I am giving to the sons of Israel", described in v. 21 as "from the Wilderness of Zin to Rehob, the Pass of Hamath".

Actually, David's conquests extended beyond these limits, and much of what he seized would come under the law for booty of war, as given in Numbers 31: half to those who fight and half to the rest of the community. In I Sam. 30 we find David enunciating a variant on the same principle and establishing it as law: "As the share is of him who goes down to battle, so is the share of him who stays by the baggage." It was on this same occasion that David sent proportionate shares of the booty to the elders of Judah in the towns of the Negeb where the raiding and fighting had been taking place.

At least one considerable estate came to David by way of the old law of inheritance. When one of the Calebites

named Nabal (who owned 3,000 sheep and 1,000 goats) died without heirs, David married his widow, and the inheritance passed to him under the legislation that was made for Zelophehad's daughters, referred to in Num. 36. Since the clan of Caleb, to which Nabal belonged, was also of the tribe of Judah, his land could be transferred to David's clan through his widow and their children.

1 Chr. 17.25 lists David's crown estates, or rather, the estate managers, but leaves unanswered the question as to their exact locations or how they were acquired. He had cattle in pasture at Sharon, but this is not to say that he owned land in Sharon, which he belonged to Manasseh, not Judah. There is nothing to indicate that he acquired any of his land by speculation, mortgage, or other sharp practice forbidden by the law. It remained for some of his successors to introduce such violations of the law of the Lord.

After the death of Saul, the question of what to do with his clan heritage arose. Pagan custom would decree the wiping out of his descendants as potential claimants to the throne, and the confiscating of their estates, but in 2 Sam. 9 we find the account of how David restored all the land of Saul to his one remaining descendant, Meribael, and kept the latter at the palace while a steward. Ziba, managed the estate. Later, Ziba accused Meribael of plotting to regain the crown. David, deceived by what was a very unlikely story, gave the estate to Ziba. When, later, David found that he had been deceived, he dared not renege on his oath, so compromised by dividing the estate between Meribael and Ziba. There is no record of the extent of this estate or whether it included, besides the clan holdings (all but one of the adult males of the clan had been wiped out in the last disastrous battle and the subsequent struggle for the crown), any lands seized as booty of war.

During the reign of David one land case is recorded as coming to the king's attention (2 Sam. 14). A woman of Tekoa comes before the king and explains that her husband is dead and one of her two sons killed the other in a brawl. Now the clan members are demanding the execution of the living son, which will leave her husband without an heir. She is, actually, more concerned, in this case, with preserving the name and posterity (she uses the word "remnant") of her husband than with the title to the land. The king rules in her favour.

Solomon, of course, was famous for his great wealth, but it seems to have been derived from tribute paid by areas conquered by his father, David, and from various forms of trade, including the munitions trade (chariots and horses). There is no indication that he seized anyone's land, as Samuel had predicted, and the rebellion under Rehoboam seems to be directed more against burdensome taxation and forced labour on grandiose construction projects than with any injustices with regard to land (1 Kg 12, 2 Chr 10). On the other hand, we are told (1 Kg 4.25) "Judah and Israel lived in security, each man under his vine and his fig tree", a common phrase for one's own inheritance.

IT WAS FOR another king, the notorious Ahab, to fulfil the dire warnings of Samuel and revise the laws, earning for himself the reputation of being the worst king in the history of the country.

Before Ahab's time, a succession of fairly decent kings had managed to keep the laws of the Lord and enforce them. Solomon's dedication of the Temple in the 12th year of his reign, 52 years after David's accession to the throne of Judah in Hebron and possibly just 50 years after David's acknowledgment by the men of Israel, has all the

marks of a jubilee. It is kept on the feast of Tabernacles and ends with the people being sent back to their homes with the king's blessing, "joyful and glad of heart for all the goodness that the Lord had done for David his servant, and for Israel his people"; (1 Kg 8.66). The Chronicler notes: "Solomon kept the feast seven days, and all Israel with him, a very great congregation, from the entering in of Hamath unto the river of Egypt." The Temple had actually been completed 11 months earlier, but Solomon delayed the dedication to make it coincide with the celebration of the feast of Tabernacles.

The next jubilee would have been during the reign of Asa, and although we are told nothing very complimentary about his father and grandfather, we are told that Asa renewed the covenant, urging the people of Judah to observe the law and commandment (2 Chr. 14 and 15), and that they pledged their oath, after a series of reforms, "with shouts to the sound of trumpet and horn." Asa had a very long reign, as did his son, Jehoshaphat, and the next jubilee would have been due in Jehoshaphat's reign, which came in Judah after Omri and Ahab had begun their work of introducing Baalism and wiping out the religion and laws of the Lord in the Northern Kingdom. We find that Jehoshaphat, under the influence of the prophet Elijah, is consistently opposed to Baalism and sent officials around the towns of Judah to teach the laws of the Lord (2 Chr 17) and, later, (2 Chr 19) reformed the judicial system. 2 Kings 3 makes it clear that he was influenced by and had the approval of the prophet Elisha. There is no reason to suppose that he failed to proclaim either sabbatical years or jubilees as they fell due, especially in view of his concern for law and judgment.

As for the Northern Kingdom, Israel, sabbatical years and jubilees and the entire Mosaic system were now abolished and the Phoenician system, sanctified by the worship of Baal, was instituted. The changes were first introduced by Omri, who seized the throne of Israel in the thirty-first year of Asa's reign in Judah. But it was the daughter of Omri's ally, the Phoenician, Ithbaal, who married Omri's son, Ahab, who seriously set about not merely introducing the Phoenician system but wiping out every trace of the Mosaic system.

Of Ahab we are told (1 Kg 16): "Ahab, son of Omri, did what is displeasing to the Lord, and was worse than all of his predecessors." The least that he did was to follow the sinful example of Jereboam the son of Nebat (idolatry and schism). He married Jezebel, the daughter of Ithbaal, king of the Sidonians, and then proceeded to serve Baal and worship him . . . and committed other crimes as well, provoking the anger of the Lord, the God of Israel, more than all the kings of Israel who were his predecessors. (The Jerusalem Bible adds this footnote: "Ithbaal was a priest of Astarte who seized power in Tyre at the same time as Omri in Israel; the two usurpers came to terms and sealed their alliance by a family marriage. The effects on the religion of Israel were to be increasingly felt throughout the reign of Ahab.")

It was Ithbaal's immediate successors who established the colony of Carthage in North Africa. It was from Carthage, after the Punic Wars, that the Phoenician (Baaisitic) land laws were eventually adopted by Rome whence they spread to Europe, Britain, and the western world. Actually, the Phoenician system did not originate with Ithbaal but is as old as the religion of Baal, according to the Bible. It is the same system which so polluted the land of Canaan that God ordered the Israelites to wipe it out (2 Kg 17.8, Jer. 2.7f, Ex 23.24, Deut. 9.5, 18.12, Hos. 11.1f, etc.).

TO BE CONTINUED

THE Greater London Council owns over £1,000m. worth of land and buildings which it classifies as "surplus."

This is the damaging admission from Horace Cutler, the GLC Tory leader who now wants to sell off this property to finance some pet projects.

Under the austerity programme implemented by the incoming Tory Government, at Westminster, Mr. Cutler knew that the GLC would not be able to borrow money to finance capital spending.

So he turned his eyes on their property: and found that they were sitting on a vast treasure which, if sold off, would pay for things like the Jubilee Line underground extension.

But what looks like sound handling of its affairs began last October with a scandal, when the **Evening Standard** exposed the GLC's speculative hoarding of land.

REPORTER Peter Hounam turned up examples of curious land deals which failed to relate in any rational way to the functions of the GLC.

Beansheaf Farm. The 8.3-acre site in Berkshire was bought—and the farmer's cows allowed to graze upon it for seven years for nothing. Cost to London rate-payers: £3m., including £1m. in debt charges incurred while the cows munched away....

The rugby ground. In 1972 the council bought the rugby ground in Minehead, 180 miles away from London. Cost: £250,000. Six years later, half the ground was still being used to graze sheep.

The Medway acres. Over £4m. was paid for 85 acres in Kent: an extra £2m. in debt charges have since been incurred. The land remained fallow, and is now being quietly disposed of.

As a result of an enquiry, at least 200 acres were identified in nine counties. GLC housing chief George Tremlett admitted that debt charges of over £4.5m. had been wastefully incurred.¹

And now it emerges that the

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HORACE CUTLER, GLC leader who was knighted in last month's Queen's Birthday Honours List, on a piece of publicly-owned land he wants brought back into use: but does he have the right ideas? Fred Harrison reports.

The £1,000m. public property scandal

council owns £150m. of surplus property outside the capital, most of it bought at prices at the top end of the market when speculators were gazumping each other in the years of the land boom in the early 1970s.

THE PROPOSAL that publicly-owned land could be sold off to pay for public spending was promoted during the general election in May.

Michael Heseltine—now Minister of the Environment—used the example of land sales to explain how, if installed in power in Westminster, they would cut taxes and public sector borrowing while maintaining the present level of spending on things like the Health Service.

The idea was attractive to Mr. Cutler, who was sitting in his office across the river in County Hall. The GLC's investigation had revealed £1,000m. worth of property within the capital's boundaries which was surplus to requirements.

"I'm staggered at the amount of land and buildings we have

accumulated over the years," said Mr. Cutler.² "It's been squibbled away, and the figure of over £1,000m. applies to the GLC's holding only."

"How much more is owned by other public authorities such as the Gas Boards and British Rail? We've got to get down to using this land so I'm hoping the Government will take it up and begin its own survey."

But the scandalous waste of taxpayers' money and natural resources provoked no public outrage. Governments—both Labour and Tory—are responsible for the wasteful accumulation of land into public ownership over the decades, and a full-scale investigation would only injure political reputations.

The sale of land would bring in a once-for-all bonanza, but would fail to yield the continuing benefit to the exchequer which would result from a switch to a rational fiscal system based on land value taxation.

1. *Evening Standard*, 10.10.78.

2. *Ibid.*, 15.5.79.