

LAND & LIBERTY

REAGAN AND THE
SAGEBRUSH REBELS - P.112



**ULSTER: Violence and
the land tenure system**

Photo: Keith Hammet

NOV.-DEC. 1981

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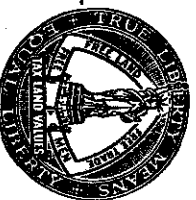
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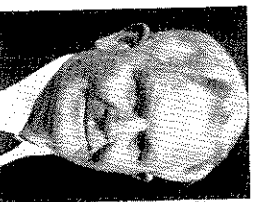
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Land Rent As Public Revenue in Australia

BY ALLAN R. HUTCHINSON

*— a quantitative evaluation of potential exchequer
revenue to be derived from land value taxation*

CENTENARY
ESSAY NO. 3

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THE AGONISING in Britain now about whether the army in Northern Ireland should be equipped with plastic instead of rubber bullets is a far cry from the thanks offered by Oliver Cromwell to God for enabling him to slaughter every man, woman and child in Drogheda, to teach the rest of the Irish the inexpediency of resisting British power.

Violence in Northern Ireland must persist and will probably worsen so long as the incomes and educational status of Catholics there rise, so long as Britain becomes increasingly democratised and reluctant to exercise repressive force, and so long as any substantial remnant of discrimination against Catholics survives.

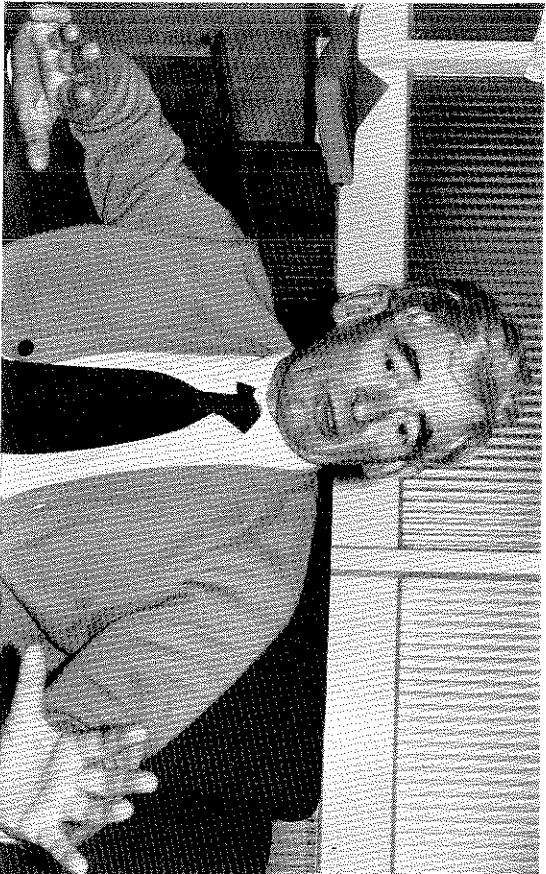
Violent sectarian conflict is explicable only in the context of a decline in opportunities that is unique in the world. The island's workforce in 1981 is less than at any time in the past 250 years. It is less than half the number who got a livelihood there 150 years ago. The number declined during the period when the number so doing in Britain increased sixfold; when the workforce of every other country in the world for which information is available was increasing; and when the population and the workforce of the world as a whole increased more than threefold. Political privilege has enabled Protestants to increase their share of the island's declining workforce from 20 per cent to 30 per cent.

It is impossible to understand all this without understanding aspects of the conquest by Britain of Ireland and the implications of that conquest for the social role of Irish land.

LAND, according to the indigenous, tribal, gaelic concept was a social asset, available for use by all members of society. It was, in practice, an economically inefficient and unproductive form of land use, but a socially integrative one. The concept of the role of land held by the Tudor, Stuart and Cromwellian conquerors of Ireland was of land as a source of profit for the individuals who succeeded in appropriating it. That concept has since been implemented in Ireland to a degree without parallel anywhere else in the world.

The implications in Ireland of using land for profit were most clearly perceived and expressed by Sir William Petty, the greatest economic philosopher prior to Adam Smith and himself a successful appropriator of extensive tracts of Irish land. Petty

Sectarian Violence & the social role of Irish land



RAYMOND CROTTY presents a new perspective on the Ulster tragedy. He argues that the initiative for a solution must come from Dublin, not Westminster – and that a change in the fiscal system as it affects land ownership is at the heart of a lasting solution.

proposed that, in order to maximise income from Irish land, the people should be cleared from it and replaced by cattle, to be reared for sale to England. Petty's proposals had in fact been implemented under the early Stuarts, but the resulting flood of cattle into England cut straight across the political and economic interests of England's ascendant landed oligarchy, so that one of the first Acts of the Restoration Parliament was to ban the entry to England of all Irish pastoral products.

With direct access to the English market barred, for Irish land to yield a profit its produce (beef, butter and bacon) had to be diverted via the triangular trade to the West Indies, where it was used to maintain the slaves on the plantations and was exchanged for the tropical produce of the slaves' labour, which was acceptable in England.

If the Irish were to be retained to work land profitably for its English appropriators, it was necessary to disarm them and to garrison the island with an armed Protestant ascendancy, most of whom were

settled in Ulster. The century following the Restoration of Charles II was a period of growth and development such as has occurred also in most other colonies – in the Caribbean, in Latin America, in Asia and in Africa – following their initial capitalist colonisation.

Matters changed in Ireland with the onset of the industrial revolution, which transformed Britain from a grain exporter to a grain importer and caused her to repeal the Cattle Acts and to welcome the Irish pastoral products. The effect was to create conditions in which profit from land was maximised by its cultivation by capital-less, coolie, Irish labourers, who subsisted on some of the potatoes they grew with their spades and fattened pigs for export with the surplus.

A unique combination of farm production, land tenure and market conditions in which beef prices were low and grain and butter prices were high, obtained in Ireland through the reign of George III, from 1760 to 1820. This brought into existence and expanded into the largest class in the

land, an agricultural proletariat such as has not existed elsewhere above 30 degrees latitude. This lasted only for the duration of George III's reign. Beef prices since then have risen threefold relative to the price of butter and fivefold relative to the price of grain. The price change has made it profitable to replace people growing grain and potatoes with cattle and sheep, and cattle exports, which had not changed from 1660 to 1820, increased tenfold within fifty years. The agricultural proletariat was obliterated by starvation, enforced celibacy and emigration during the succeeding reign of Queen Victoria.

THE PROTESTANTS of Ulster were insulated by their "ascendancy" or "garrison" status from the operation of the market forces that had created and destroyed a Catholic agricultural proletariat.

To hold Ireland for England, it was necessary to arm the Protestant settlers while disarming the hostile, Catholic Irish. Armed Protestants acquired rights to land different from those of the disarmed Catholics. The latter had no rights other than those they could win on a freely working market; the former were accorded prescriptive rights of security of tenure, fair rents, etc., that were enshrined in the "Ulster Custom".

The Protestant farmers of Ulster, insulated by the Ulster Custom, were spared from competition for land by capital-less young people. These young people were instead held, like their peers in the rest of Europe, dependent on their capital-owning parents. Ulster farmers, as a result, had both the land and the family labour to respond to the demand for cloth, that was growing in England no less rapidly than the demand for food, by expanding the relatively capital-intensive production of linen.

Farmers outside Ulster, during George III's reign, were under the dual pressure of competition for land from capital-less young people, the

emerging Irish coolie class, and from the inability to compel their own children to operate the family holding when these could achieve a modicum of social independence by acquiring their own potato patch. Farmers outside Ulster were forced by these pressures to abandon linen production; or to carry the enterprise no farther than the production and sale of linen yarn. The coolie labourers on their potato patches were forced by extreme poverty to use their resources to produce pigs, grain and straw, products that came to market vital months earlier than linen yarn.

The initial divergence between Ulster and the rest of Ireland, based firmly on the different forms of access to land, widened with time, as the agricultural proletariat of the south was being wiped out, the cottage linen industry of the north became concentrated into the linen factories of Belfast, which were duly served by Belfast's new, specialised linen engineering industry. Belfast's newly acquired factory discipline and engineering skills provided the technical base for a shipbuilding industry that was highly innovative at a time of radical change from the craft building of small timber ships to factory-scale building of large iron and steel ships.

Two nations existed in Ireland at the end of Queen Victoria's reign. The proletariat had been wiped out in the south, and there was left there a society dichotomised into an Irish Catholic grazier class with urban affiliates, and a handful of Anglo-Irish Protestant landlords. Northern society consisted of a more stable, predominantly Protestant peasantry that had escaped the worst of the holocaust that had swept the south; a large manufacturing centre in Belfast which was again predominantly Protestant and a Catholic minority, the successors of the dispossessed original occupiers of the land, who eked out a usually hazardous existence as the helots of the Protestant garrison.

THE DESTRUCTION of the agricultural proletariat in the south and the emergence of a bourgeois grazier class transformed political relationships. Though a proletariat might be created and destroyed with impunity for the profit of landlords, the graziers who, within fifty years from the death of George III, had increased annual cattle exports from 70,000 to 700,000, and of sheep from nothing to 800,000, were not for long to accept the appropriation of the economic surplus of this large, lucrative and expanding trade by a tiny group of alien Protestant landowners.

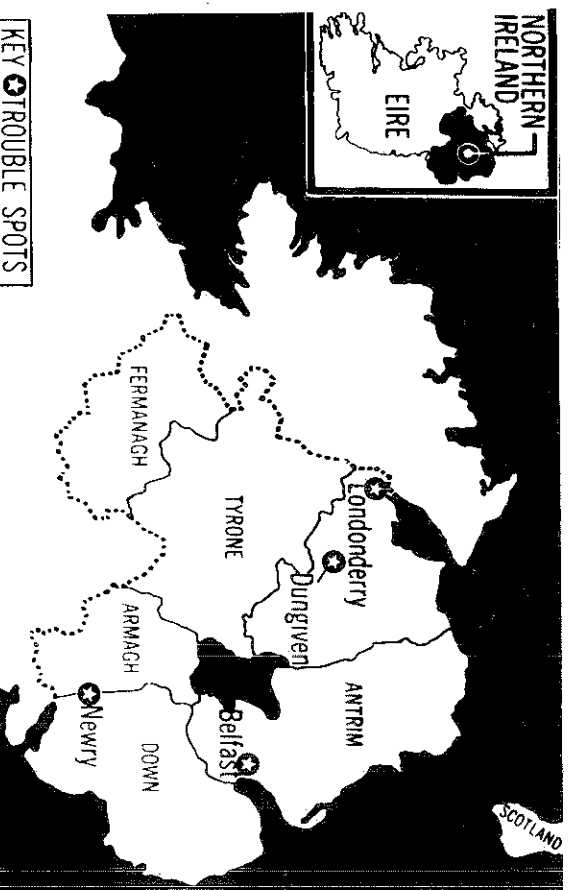
The UK government was forced, under the threat of Irish secession from the Union, to expropriate the expropriators and despite the urgings of individuals like Michael Davitt and Henry George that, through a land tax, the surplus be made available for common purposes, re-allocated the nation's land to another, somewhat larger, but still small, privileged minority, the bourgeois graziers of southern Ireland. Following "*Land reform, less than one per cent of the Irish people now own half the land and over ninety per cent own no land.*"

TO AUGUST 18, a total of 1,532 civilians had been killed and 12,992 injured in Northern Ireland; 154 policemen killed, and 1,297 injured; and 344 soldiers and 114 Ulster Defence Regiment soldiers killed, and 3,694 injured.

The character of a state, like that of a person, is to be judged by what it does. The achievements of the Irish state in its 60 years existence make perfectly clear its bourgeois character. The value of the property that Irish law and order protects has increased since the state's foundation by 150 times at current prices. More realistically in an age of inflation, the value of property in Ireland, which in 1921 was worth less than twice current GNP, is now worth five times current GNP. The value of property in relation to GNP is more than twice as great in Ireland as in any other country.

The Irish state has been less successful in securing a livelihood for its citizens. Birth rates have exceeded death rates by about one per cent annually. Had this natural growth of population secured a livelihood in Ireland, the Republic workforce, which was 1.3m in 1921, would be nearly 2.5m now. However, not merely did none of the natural growth of population succeed in getting a livelihood in Ireland, but the number of jobs continued to decline after the state's foundation just as it did in the preceding eighty years. The number at work is now 1m. This number would be far less but for massive deficit spending, which now requires foreign borrowing well in excess of £1 per head of population, every day of every year. Successful Irish governments have consistently sought to secure and enhance property values. *Every other consideration, including the securing of a livelihood for its citizens and the stability of the public finances, has been subordinated to that overriding objective.*

The loss in the Republic of over sixty per cent of the livelihoods that existed there in 1841; the occurrence in the Republic of ninety per cent of the island's total loss of livelihoods; the continuous loss of livelihoods in the Republic, so that fewer people now get a livelihood there than at any time in the 250 years; and the imminent collapse of the Republic's public finances, which is likely to result in the further loss of hundreds of thousands of jobs — these are the conditions that cause Northern Ireland Protestants to cling tenaciously to the privileges that have secured for them the livelihood in their own area of the country that has been denied to millions of Catholics in



the north but even more so in the south.

The pursuit of policies by the Republic's political establishment that increase the private value of Irish land at the cost of the continuing loss of livelihoods, gives rise to the situation where rational northern Protestants must fight to retain their privileges and where rational northern Catholics must fight to end those privileges.

The certainty of Catholic reaction to Protestant privilege is increased and its acrimony heightened by the regular practice of the Republic's political establishment — anxious to

ALMOST £66m. has been paid out by the Northern Ireland Office under the Criminal Injuries Compensation Order. There have been 35,728 cases settled, and there are 4,433 still outstanding; 203 cases were settled with discretionary payments.

deflect criticism from its own failure to provide a livelihood for its citizens — of ascribing that failure to the continuation of the effects of British rule under the rubric of “neo-colonialism”; or, following the established practice of incompetent regimes, of harping on the problems of neighbouring territories.

THE NUB of the problem of sectarian violence in Northern Ireland is that it is bound to continue and probably to worsen for as long as a high proportion of the people cannot get a livelihood in Ireland.

A necessary, if not a sufficient, condition for terminating sectarian violence is the ending in Ireland of the loss of livelihoods that has persisted there for 140 years, and the creation of a sustainable approach to full employment. These are tasks that need to be accomplished principally in the Republic, where ninety per cent of the loss of livelihoods since 1841 and all of the loss since 1921 have occurred.

A necessary condition for a sustainable approach to full employment is the rejection of the concept of land as a source of private profit, and the restoration of the indigenous concept of land as a social resource, appropriately adapted for modern requirements.

A tax appropriating for common purposes the economic rent from

land would achieve the required transformation in the role of land. It would also transform the economy of the Republic which, relative to its workforce has five times, and relative to its GNP has eight times, as much land as the rest of the E.E.C.

A tax appropriating for society the economic surplus from land would force its release by that high proportion of present occupiers who, by reason of age, incompetence, having excessive land, or other reasons, use land inefficiently; and who take the benefit of their valuable property rights in the form of leisure, inflexibility and conservatism, with the result that the volume of Irish agricultural production is no greater now than it was 140 years ago, although world agricultural output has meanwhile increased at least fourfold.

Such a tax would make land available to the many tens of thousands of highly competent young Irish people who have not the savings to pay the high market price of land; but who would be able to pay the recurrent taxes on land, would be glad to operate it as self-employed farmers, and, if supported by a rational agricultural credit service, would quickly double output from Irish land.

An agriculture producing twice as much as now, with virtually all of the additional output exported, would comparably expand the demand for input and for the consumer goods and services of Irish manufacturing and service industries. This would provide the employment in non-agricultural industries which it is now sought to generate by subsidising foreign manufacturers to produce in Ireland goods for export.

A greatly increased demand from an expanded agriculture would make it possible to dispense with subsidies for manufactured exports. The public exchange would simultaneously be augmented by the proceeds of a land tax likely to be in the region of twenty per cent of GNP. The combined effect of this would be to transform the Republic's public finance system and to make it possible to place it on a sound, sustainable basis. In addition, it could reverse the 140-year old decline in the number getting a livelihood in Ireland, and create a good prospect of securing full employment. *This transformation in the Republic would radically change also the situation in Northern Ireland.*

Accelerated economic growth in the Republic would cause a much increased demand in the Republic for the products of Northern Ireland, resulting in some of the benefits of economic reform in the south passing to Northern Ireland and increasing economic activity and employment there also. This would provide Northern Ireland Catholics with the convenient and congenial option of migrating to work in the Republic as an alternative to continuing to live as second class citizens in Ulster. This would reduce the hardship that now

PREMIER Dr. Gareth FitzGerald wants to remove Ireland's constitutional claim of territorial jurisdiction over Ulster, and to legalise divorce, to encourage Ulster protestants to talk about reunification. "We have created an unacceptable sectarian state," he warns.

results from discrimination against Catholics.

And soundly based economic development in the Republic would lessen, if not remove, the present compulsion on southern politicians to meddle in Northern Ireland affairs, either to distract attention from the Republic's difficulties or to ascribe these difficulties to “British neo-colonialism”.

Finally and most important: sustainable full employment in the Republic would effectively remove the significance of Protestant privilege in Northern Ireland, and it is most likely that the ending of Irish partition would cease to be an issue. In the unlikely event that it did continue to be an issue, Northern Ireland Protestants would no longer have reason to fear, as they now fear, the loss of Privileges and fewer and poorer jobs, from the political unification of the island. The establishment of conditions of sustainable full employment in the Republic would make Protestant privilege in Northern Ireland obsolete, worth neither defending nor attacking.

(To Be Continued)

This article was extracted from Raymond Crotty's *The Irish Land Question & Sectarian Violence*, Centenary Essay No. 4, now obtainable from 177 Vauxhall Bridge Road, London SW1. Price: £1.50, incl. p. & p.

FARMLAND

Timid solution would torture society

FEW TRADE UNIONS seem to concern themselves with who owns the land. This is surprising, since the rent of land is a critical factor in the profitability of industry. One union that does take an interest in the matter of land ownership is Britain's National Union of Agricultural and Allied Workers, which recently issued a short policy document entitled "Planning or Privilege". It explains how the union would deal with the problem of "the big landowner" and the evils that arise from his "dominance over our agricultural land".

The pamphlet shows that the union are well aware of the wrong perpetrated against the common people by the private monopoly of land. "The land belongs rightfully to the people," they say, and they quote, with feeling, from Edward Carpenter's *The People to Their Land*:

The ploughman ploughs, the sower sows
The reaper reaps the ear
The woodman to the forest goes
Before the day grows clear
But of our toil no fruit we see
The harvest's not for you and me
A robber band has seized the land
And we are exiles here

They also quote, with approval, the conclusion of the Labour Party's NEC that "For generations the private ownership of land has been a source of great inequalities and social injustice, it has also been an important divisive factor particularly in our rural areas."

But if this evidence of awareness of the problem leads the reader to expect radical and far-reaching proposals for solving it, he is disappointed.

Certainly the union propose that land should be taken into public ownership. But not all land, you understand, just agricultural land. And not even all agricultural land. All the NUAAW want to see, apparently, is the public ownership of "tenanted land and big holdings." Their proposal is to nationalise large estates, bringing into public ownership about 75% of *rented land*. There is a big difference, they insist, endeavouring to rationalise a strangely timorous selectivity.

Monopolists hinder sheikdom's economic development

THE OIL-RICH Middle Eastern sheikdom of Qatar is having trouble with its land monopolists, writes Ian Barron.

According to a survey of the country's economic development,* progress is being distorted by inflated prices.

"Negotiations for land sales are often slow and can hold up projects for months. Some building schemes have had to be abandoned because a landowner refuses to sell and it is common for new buildings to stand empty for long periods because a landowner objects to utilities such as sewerage, water and electricity lines."

The main town, Doha, has enough open space to satisfy needs until the end of the century. But because of the unreasonable demands from landowners, the decision was taken to reclaim Doha's West Bay. A town planner reported: "As it turned out, it cost less to reclaim West Bay than it would to have bought the equivalent area of land from private landowners."

With Doha's population expected to double by the year 2000, the town's planners are worried at the failure to existing legislation to ensure the sale of private land at reasonable prices.

*Qatar, London: Middle East Economic Digest, Aug. 1981, £3.50.

"between earning a living producing the nation's food and reaping fat profits from rent and land speculation."

Even more eyebrow-raising is the method advocated by the union to restore to the people this small portion of the land seized by the "robber band". Indeed, "restore" hardly seems to be the word since the union's proposal amounts to *buying* the land from the present holders. The precise proposal, as given in the pamphlet, is:

"One reasonable approach would be for former landowners to receive annuities for as long as they live and until their children reach school-leaving age. These payments would be based on a fair valuation of the property taken into public ownership."

Whatever credit can be given to the union for facing up to the problem, it must be said that this scheme really will not do. How, for example, can a distinction logically be made between tenanted land and land farmed by its owners? If tenanted land yields "fat profits" for the landlord, then surely owner-farmers (who combine the functions of farmer and landlord) must be getting a similar rake-off in the latter role?

And if agricultural land is a candidate for take-over by the state (because the land rightfully belongs to the people) can other land be logically excluded? What about land used for industry, for commerce, for housing, for hunting, shooting and fishing?

By BERT BROOKES

The truth, surely, is that a case can be made out for either doing nothing about land – on the grounds that present land titles have somehow become hallowed by time – or for taking it *all* into public ownership. But to argue that only *some* land should be restored to its proper owners is to make a distinction that is completely untenable.

And what can be said for the NUAAW proposal to pay compensation for land taken over? The objections to this are by now well known. To the extent that compensation is paid, whether in the form of government securities or in cash, to that extent the people at large cannot gain from the transaction. It merely gives to the landholder a claim on the wealth of society of the same value as his possession of land now gives him. For society it merely substitutes the burden of paying interest for the burden of paying land rent. It would be the same if, in restoring a stolen motor-car to its rightful owner, the police were to compensate the illegal owner by handing him a cheque to the value of the vehicle.

No, the NUAAW's proposals for doing something about the land problem will not do. And it is apparent from a letter to the press by Mr. George Curtis, a NUAAW organiser who was expressing his own views, that some of the union's members are not satisfied with its policy. "I believe", wrote Mr. Curtis, "that the advantages of private ownership of land must be combined with the justice of common ownership." He went on to advocate leaving the land in private possession, with full freedom to sell, bequeath, etc., on the one condition that those in such possession should pay on their land a tax equal to its annual economic value, irrespective of the use made of it or the improvements made to it.

Mr. Curtis is clearly on the right lines. To nationalise the land with the huge bureaucracy needed to administer it would be a clumsy and expensive way of re-asserting the people's rights. It would apply a quite unnecessary shock to present customs and practice in the field of real estate. In addition, disputes about the justice of paying compensation would torture society for a long time. A land-value tax, however, could start from small beginnings and need rise only gradually to the level required to take the whole of the annual value into the public treasury. Compensation, never justified morally, would not be needed even as an expedient, although some welfare assistance might be required by those for whom land rents had been the only source of income.

The NUAAW would do well to listen attentively to the arguments of Mr. Curtis. The union are right to be concerned about land, about who owns it and about the extent to which speculation in it is bad for the industry. But land speculation is bad for *all* industry. A comprehensive solution is required, and all reliable indicators point to that solution being a tax on land values.



Details of the 1982 International Conference to be held at the Woudschoten Conference Centre, near Utrecht, from 24 to 31 July 1982 are now being finalised.

The Centre is situated in 45 acres of private woodland not far from the larger cities.

The inclusive cost for accommodation for the week will be £150 for a single room and £110 for a twin-bedded room.

The Conference fee, which entitles participants to a full set of papers, will be £25. BUT if your registration form, accompanied by the minimum deposit of £40, is received by us in an envelope postmarked (airmail for overseas readers) before 15 December, it will be £15.

Among the subjects to be discussed on the programme will be property taxes, the land value tax as a revenue raiser, land policies in politics, UK, USA, etc, protection and free trade – current policies, land reform and the Third World.

Conference to probe land value tax as revenue raiser

Time will also be allocated for group discussions on subjects chosen by participants.

For more details, please write to:

*International Union for Land-Value Taxation
and Free Trade 177 Vauxhall Bridge Road,
London SW1V 1EU.*

HAVE YOU REGISTERED?

URGENT! The Conference Committee needs to know how many people will attend the conference, to make the appropriate arrangements for accommodation. Anybody who has not yet received a registration form should send for one as soon as possible. Write to International Union, 177 Vauxhall Bridge Road, London SW1, England, without delay.

Vic Blundell

VIC BLUNDELL is a man inspired by an ideal. That inspiration has sustained him through more than forty years of campaigning and keeps his enthusiasm as fresh and infectious today as it was in the years immediately after the war, when he first devoted himself full-time to the Georgist cause. No-one who knows him doubts that, had he chosen otherwise, his talents would have rewarded him richly in material terms. Instead, he chose to devote his life to that cause.

The story of Vic's contribution is one of conscientious professionalism. But above all, and before attempting to recount that story, it is necessary to understand the ideal which inspired him.

To Vic, land value taxation and free trade and their economic consequences were means, not ends. The real objective was social justice, and his true inspiration was a philosophy of human rights. From the postulate that each man has a right to himself, follows the propositions that each individual has a right to what he creates and the corollary that there can be no individual property rights in what has not been created by individuals. This chain of reasoning has clear implications for land tenure, but its true significance goes far wider. It is the basis of a philosophy founded upon social justice. It provides a coherent and satisfying solution to the fundamental problem of the relationship between the rights of man as an individual and his rights and duties as a member of a community.

Within this framework, the philosophy which inspired Vic Blundell was a philosophy of individual freedom. The contribution of the individual is his own and he should be free to use it or dispose of it in any way he chooses. Obstacles to free choice, whether by subsidies, tariffs or selective taxation, are infringements of individual freedom.

The basis of this philosophy is ethical, not economic, and its justification would stand whatever its economic consequences. But the economic ills of the 1920s and the 1930s were widely seen at the time as the product of social injustice. The solution favoured by many of Vic's contemporaries at the time was socialism. Vic felt intuitively that an economic system not based upon social justice would inevitably be unsound, but socialism for him lacked a coherent philosophy. He attributes to J. W. Graham Peace his first perception that there was a better answer. Encouraged by his elder brothers, he was soon reading *Progress and Poverty*. He was captivated by the clarity of its logic as well as the power of its appeal to social justice. Thus at the age of 18 Vic Blundell received the inspiration which was to be decisive in his future life.

But he soon found that he had much to learn. Addressing political meetings, he discovered that the ideas which seemed so simple and clear to him were remarkably difficult to convey to others. He came to appreciate the power of prejudice and the analogy which he developed then, and was to use later, was the need to remove weeds before a garden can be properly cultivated. Other beliefs had to be examined and their fallacies – if such they were – exposed. He became an avid student of economics and political philosophy and he developed his debating technique.

IN LIVERPOOL he learned of the existence of study groups based upon Henry George's teachings and later, in Nottingham, he started running classes himself. His drive combined with his natural gift of persuasiveness began making converts. The groundwork was being laid which in due course was to make him one of the best-informed and most influential members of the movement.

Before turning to the time when Vic formally joined the United Committee, something needs to be said about the history of the movement up to that time. Although it can scarcely be claimed that Henry

Champion of social
justice, scourge of the
half-baked orthodoxies

George's writings had captured the popular imagination, their influence among politicians had become considerable. Lloyd George's budget of 1909-10 (which provoked the famous confrontations with the House of Lords) had contained a provision for land value taxation – which, however, was never put into effect.

There were serious defects in the Lloyd George proposal, but with a great deal of help from the United Committee, the Labour Chancellor, Phillip Snowden, had introduced a well-formulated measure of land value taxation in his 1931 budget. This was not put into effect either. But neither measure had failed on its own merits; both fell victim to other political circumstances.

Thus, in the years immediately before the war, the leaders of the United Committee were understandably convinced that land value taxation in Britain was just around the corner. There were strong pressure groups working for it within both the Liberal and Labour parties. The advice and support of the United Committee was widely sought by influential Members of Parliament and it also had considerable influence among local authorities. By 1939 over 200 local councils had been induced to pass resolutions petitioning Parliament for authority to levy rates on site values. "One more push", it seemed, was all that was necessary.

Profile by NICK GARDNER

BY 1947, when Vic gave up a successful career in retail management to work for the United Committee, all of this had changed. The land values group of the Parliamentary Labour Party had dwindled from over a hundred members to a mere handful, and new members of all parties were preoccupied with the Beveridge Report on unemployment and social security and the Uthwart Report on Town and Country Planning. While the economic case for land value taxation was acknowledged to be valid by most, other problems had come to appear more pressing. The teachings of John Maynard Keynes had gained acceptance, and the key to social justice and economic progress without unemployment was thought to lie in the concept of the planned society. The task of weeding the garden had become a formidable one.

Those who had worked for the United Committee before the war viewed these developments with dismay and indignation. Former supporters had, in their view, abandoned the path of principle for a misguided pragmatism.

Half-baked proposals – such as the 'betterment levy' for dealing with the land problem – were gaining acceptance and ill-considered government regulation was being imposed on an unprecedented range of activities.

Like Vic, other members of the movement saw the need for the removal of weeds. But with their near-success in the pre-war years in mind, some were not disposed to be patient. Vitriolic attacks on the new dogma and its adherents occurred frequently in the press and in party assemblies. Whatever weeding was necessary could, they thought, be done with a flamethrower. These tactics alienated potential supporters and the influence of the United Committee was probably reduced. And the weeds flourished.

THE NEW TACTICS which Vic Blundell gradually introduced were based upon the technique which he had learned of building a case patiently from first principles, and illustrating his points by vivid analogies drawn from everyday experience.

Although an effective public speaker, he recognised that public meetings did not provide the best opportunity for applying this technique. The Henry George School provided the ideal vehicle, and at an early stage in his time with the United Committee he set about re-building it.

With the help of Wally Fox he took classes, recruited tutors and established new branches. At first he divided his time between the school and helping Arthur Madsen with *Land and Liberty* and then, for a time, he devoted himself full-time to the school, travelling the country to set up new branches until there were 21 branches handling up to a thousand students a year. The school became a vital part of the movement, constantly providing new lifeblood to its membership.

DONATIONS OF BOOKS REQUIRED

The Municipal Reform Group has recently commenced collecting books for a reference library. Books on Georgism, Voting Systems and similar subjects are required.

Any Donations may be sent to:

Hon. Secretary,
129 Forest Road
West Hobart, Tas. 7000



● VIC BLUNDELL surveys a desolate scene in the heart of London. He has spent a working lifetime exposing the social and economic costs of land held vacant by speculators.

The success of the Henry George School under Vic's leadership owed a great deal to its unusual style of tuition. From the beginning, students were encouraged to accept nothing on authority, but to think out every step for themselves. In the process, many found themselves abandoning preconceptions and discovering new viewpoints. In the classes themselves, tutors refrained from advocacy and encouraged free-ranging discussions within the broad agenda provided by the lesson sheets. Outside of the classes, over tea at the school or beer at the local pub, students and tutors would usually continue in vigorous debate on a variety of subjects.

Vic's personal contribution to all of this went far beyond that of a talented organiser. He was frequently to be found in the middle of a group of students and tutors, putting or contesting a point with infectious energy and disarming good humour. Some of the views which Vic expressed in these debates and in numerous articles in *Land and Liberty* and elsewhere seem less iconoclastic now than they did at the time. In the 1950s and 1960s, when Keynesian orthodoxy was seldom challenged, he was one of the few to attack it. He did not, like some of his predecessors, dismiss it as without foundation. But he exposed it as a palliative which would hold down unemployment only for as long as the money illusion lasted, and which would sooner or later lead through its monetary consequences to ever growing inflationary pressure. Long before orthodox economists paid any attention to the money supply, Vic was drawing attention to its rapid growth and to the consequences for inflation.

The United Committee continued in the meantime as a pressure group and a source of expert advice, particularly on site value rating. *Land and Liberty* continued its informed advocacy of land value taxation and free trade and attacked the numerous subsidies and infringements of personal freedom which were an increasing feature of the British scene. His period of full-time devotion to the school over, Vic Blundell played an increasingly important part in these activities and ultimately – after the death of Arthur Madsen – became their leading organiser.

Many of these activities were in the nature of wedding. There were plenty of weeds to attack. The over-zealous application of Keynesian policy by post-war governments; excessive deficits and irresponsible monetary expansion; subsidies to agriculture, first by UK governments

and then by the EEC; misguided attempts to restrain land speculation by development levies; all of these and others were tackled with vigour. Many of these weeds have since withered. Those responsible for post-war demand management have acknowledge their mistakes; the Egg Marketing Board – opposed by Vic and others at the time of its formation – has long since disappeared. The butter mountain remains, but with few defenders. The betterment levy, having produced the predicted absurdities, has been abandoned.

In retrospect, it is difficult to say how far the United Committee – and Vic Blundell as its leading spirit – can lay claim to success in its weeding activities. Many of them were transitory and easily forgotten and few brought the satisfaction of solid achievement. But solid achievement there was. The United Committee under Vic established itself as a sober and reliable source of advice on site value rating, gaining the confidence of such professional associations as the Rating and Valuation Association. By persistent argument, it challenged the accepted dictum that, though site value rating might be effective in theory, the problems of valuation would in practice be insoluble. Finally, in conjunction with the Rating and Valuation Association a trial valuation of Whitestable was commissioned. The results are on the record as conclusive proof of the practicability of site value rating.

If, as his seventieth birthday approaches, Vic feels disposed to look back over his time with the movement, he has every reason to do so with pride and satisfaction. He can take pride in the professional standards which he has set, and in the respect which the movement has earned as a source of information and advice. But his greatest satisfaction will come from his success in serving his ideal and in passing on his inspiration to so many others.

To quote his own words:-

"It is a great joy and satisfaction to me to listen as I often do to one of my ex-students explaining a particular point or summing up our philosophy in a way which shows he is speaking from his own mind and heart; that the seed is sown, that there is an understanding and feeling in what he says far and away removed from the mere parrot-like repetition of lessons learned by rote. It is the growing joy of all to realise that he is captured, not by myself but like myself, with a Great Idea."



Professors and the Land Tax

BY FRED HARRISON

A HIGH-POWERED Californian professor flew into London to study the British land market under Mrs. Margaret Thatcher's tenure of 10 Downing Street.

George Letcoe, Professor of Law at the University of Southern California, held top-level ministerial talks in Westminster and probed the operations of such innovations as the enterprise zones.

And he gave his conclusions in an interview: "When one thinks of all the issues—local finance, declining inner cities, public housing—these are big questions to which very small answers are being given."

The British government, he said, had adopted an incremental approach which was risk-averse.

"These are very cautious public policies. Reagan has upset a good deal of American political practice by making very large changes. The Thatcher programme is incremental, a modest one that builds on the past."

He then talked about fiscal policies, and gave support for a limited form of land value taxation. "It is legitimate to tax sites to offset the cost of new infrastructure which benefits those sites. I don't understand why the concept of special benefit assessment isn't the logical late-20th century revival of Henry George."

"Once a certain number of owners lay claim to an infrastructural improvement, it is perfectly proper that they should be asked to pay for it out of the increased value of their sites. We do this with developers in California."

He opposed, however, the full capture of the annual economic rent of land as a general property tax. As an influential authority on land law, then, his views are worth scrutinising in some detail.

THE PROFESSOR believes that there is a role to be played by land speculators—and, therefore, that a serious shortcoming of the policy of taxing the economic rent of land is that it undermines the speculative function.

As Letcoe declared: "There is a justification for land speculation; speculators hold land out of use which ought not to be put to immediate use."

The argument rests on the claim that speculation maximises the allocation of resources to their best use. The reasoning goes like this. There may be a short-term use to which a site would be put if the owner were obliged to pay a tax on economic rent. But the yield would be less than the alternative use to which the land could be put in the *future*.

By compelling the owner to use his site now, the tax enforces a waste of resources.

For either

- the current investment is prematurely written off when the high-yield activity becomes viable; or

- because of the initial investment, the high-yield activity is unduly postponed, thereby reducing both long-term entrepreneurial profits and consumer satisfaction.

THE PLAUSIBILITY of this objection can be readily undermined.

One could use this argument to deter indefinitely *all* changes in land use (if we assume a dynamic, growing society). For there is nearly always a better use to which land could be put at a later date.

● George Letcoe

In other words, if you do not undertake investment in Time A, because you can get more for your money in Time B, then in Time B it follows that there will be an even higher return to be gained by deferring development until Time C—and so on.

And that, of course, is the reasoning of the speculator. Where the fiscal carrying-costs of land are low (as in the US) or zero (as in Britain) it pays the owner to defer using his land until it suits his financial arrangements to sell up and make a capital coup.

Letcoe's defence of speculation is known as the doctrine of ripening costs, which can be traced back to Richard T. Ely in the 1920s. He opposed Henry George, the American economist who popularised the concept of land value taxation.

In recent years, however, this doctrine has been systematically demolished by one of Letcoe's colleagues at the University of California, Prof. Mason Gaffney, chairman at the Department of Economics at Riverside.

THE DOCTRINE of ripening costs is classified by Gaffney as a debating ploy. He itemises some of the weaknesses of the argument:

- It looks only at one side—the benefits of deferring use—and not at the costs.
- It overlooks the interdependent nature of urban land uses, by presuming that the owner's advantage is everyone's advantage; in fact, the withholder increases his certainty by imposing uncertainty on others.
- It sidesteps the question of why, if idle land is not ripe for a new use, it has been removed from its previous use.

Most important of all, the doctrine fails to supply any criterion of ripeness. Gaffney argues that, once such a criterion is developed, the weakness of the argument is exposed.

Letcoe claims that we cannot know objectively when the correct time has arrived for a change in the use of land:

"At time zero it is the way of the world that one seldom knows in advance when it will have turned out to be the best time."

Therefore, because of this lack of omniscience, it is better not to compel people (through the fiscal system), to undertake developments which—presumably through the exercise of their intuition—they would rather not finance. Far better to allow the individual to carry the risk of making a mistake—at his expense, and

PROF. George Letcoe's objection to the *ad valorem* tax economic rent of land is a two-pronged attack.

For he also claims that the tax could cause a net loss community. His proposition goes like this:

Land value taxation cannot cope with a situation in which an improvement in the use of land by compelling an improvement in the use of land location, it reduces the value of land in another location, it produces a net loss.

The hypothetical situation is illustrated with Cases 'A', 'B' and 'C'. In the first, the introduction of land value taxation reduces values in Location II by -5, but there is room to compensate for there is a net gain of +5, as a result of the increase in values in Location I.

But what about Case 'B'? Here, there is a net loss of -10, as tax has reduced values by 10 in Location II, but the economic regime has pushed up values in Location I by 7. Was the change worthwhile? Isn't the community the overall?

THIS ARGUMENT against an annual tax on land value is unconvincing.

- Planners who establish new land use restrictions upset the existing selling prices of land, but they are required to show a net financial gain. So why should reformer be confronted with such an obligation?

- Is the assertion true? Values can come down in one while rising in another. For example, late in the 19th century the invention of refrigerated ships enabled the Australian farmers to break into European markets with beef and lamb. This forced down British farmland values, and raised Australian values. Was there a net gain? The data would not

Can the
land tax
produce
a net
loss for
society?



● Donald Shoup

not society's — by allowing him to freely decide when to put the land to a new use.

MASON GAFFNEY has developed a criterion for judging when a tract has ripened and is ready for an alternative and better use.

Ripeness, he says, arrives "when the value imputed to the site by each succeeding year's hypothetical optimal building stops rising faster than the interest rate."¹

By using this criterion, a rational judgment can be made about when to improve the use of land.

Entrepreneurs exercise such a judgement every day. Those who misjudge their decisions — or have a vested interest in avoiding investment altogether — like to shift the blame. As Gaffney put it:

"There is a tendency for people to attribute their actions to taxes in order to divert responsibility (without authority) to the broad shoulders of city hall. This may be why we hear so often that land is being developed prematurely 'because of taxes.'"

He does not deny that there is a rationale for reserving land for a higher use in the future, however. But on the whole, "this rationale is a



● Mason Gaffney

rationalisation, a less-than-half-truth blown into a whole truth. It overlooks the fact that most of the costs of waiting are borne by the public while most of the benefits go to the owners."²

ULTIMATELY, the speculator can be asked to put his money where his mouth is. Gaffney puts the argument in more scholarly terms:

"In those rare cases where it is economical to withhold land for ripening, the taxing of land values will not interfere with his doing so.

"The holder will simply invest a few years' taxes economically in reserving the site for the alleged future higher use. If it is not economical for him to do so, why, that is the evidence that the higher future use is not that much higher to justify the cost of wasting the present rents to achieve it.

"A simple way to perceive it is that the holder invests foregone current rents in order to secure higher future rents. A common way of expressing this is that he maximises the discounted cash flow over time."

Sound — in terms of economics and ethics — though this final argument is, it may not encourage people to support land value taxation. For it invites this well-worn challenge: why should people with a low income — say,

the proverbial widow living on a high-value site — be compelled to pay a market-determined land tax out of a meagre income?

An answer to such an objection can be developed from the work of another Californian professor, Donald Shoup, of the School of Architecture and Urban Planning in Los Angeles.³

Shoup proposes that greater use should be made of the right to defer property tax payments. Liability would not be eliminated, for owners would finally end up by paying precisely the same amount. But the tax liability would be met out of future cash receipts — either when the owner's income rises, through career advancement, or out of the proceeds from the sale of the property.

If the owner died, the tax authorities would have first claim on the estate. And since the deferred taxes would be subject to interest payments, the community would not have lost a penny on the deal.

Thus, the owner may argue that he would make more money in the future if he did not put the land to immediate use. The authorities could then agree to defer current taxes, which they would recover out of the future high-yield use. There would be no difficulty in establishing legal safeguards to ensure that the community did not lose out.

This modified approach would neutralise the argument that land value taxation imposed the risk of wasting resources, through investment in low-yield capital projects or through a distortion in the pattern of land use.

And by giving the option to the landowner, it would enhance the political acceptability of the land tax in the eyes of the public.

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us to answer that question, but this did not count as a reason for holding up scientific, technological and economic progress.

● Private sector decisions can destroy land values in one area and raise them in others. If Walt Disney Productions decided to move their Magic Kingdom from Orlando to Key West, the land values in central Florida would drop dramatically. Such decisions are taken regularly by individuals and firms: are they ever required to justify themselves on the basis that they will injure neighbouring land values?

● The objection assumes that there ought to be a net gain, to compensate the injured parties. This is an equity argument that depends upon one's viewpoint. Land values are socially created, so can there be a moral justification for compensating the owners of affected land? Hardly! Capital owners may suffer, however (where their investments were "lumpy" and could not be reallocated to alternative uses without a loss); and employees would incur the cost of relocating themselves in a new area of employment. These costs could be legitimately met out of public funds, and would not be conditional on a net gain in shift of values as between two specific locations. Such compensation, however, would be an innovation today; for the tax authorities are regularly imposing new forms of taxation which injure the earning capacities of capital and labour — and this is done without offering compensation.

● A net financial loss, if it actually occurred, need not represent a worsening in welfare, if the non-cash benefits (e.g., conservation of natural resources) are taken into account. Lefcoe's argument leaves these considerations aside. But a net loss to the central exchequer — which would indeed be serious for a government which relied on the Single Tax (raising revenue exclusively from the economic rent of land) — is

inconceivable. The normal trend is to higher productivity, growing populations, increasing consumer demands — the ingredients which force up land values. Can it be maintained that, under a regime of land value taxation, economic activity would regress to a lower level than has already been attained?

● Even if the argument were true as between two identifiable locations, the nation-wide benefits would override the local loss. For under the present fiscal system, society loses more by not having land value taxation. Given the enormous waste of natural resources arising from conscience-less speculation, the extra costs imposed on household budgets due to urban sprawl, the aesthetic impoverishment of the social environment — the list is a long one — little force can be attributed to this particular argument advanced by Prof. Lefcoe.

CASE 'A'

Location I	Location II
Time a 35	35
Time b 45	30
—	—
+10	-5
—	—

CASE 'B'

Time a	Time b
35	35
42	25
—	—
+7	-10
—	—



PRESIDENT RONALD REAGAN has backed the demand that the Federal Government hand over control of millions of acres of land to State governments and private interests. The men charged with the job of carrying out this latest phase in America's historical alienation of the public domain is James Watt, the 43-year-old Interior Secretary and born-again Christian, who declares: "My responsibility is to follow the Scriptures, which call upon us to occupy the land until Jesus returns." Watt is wasting no time. For, he informed startled Congressmen: "We don't know how many generations we can count on before Jesus returns." He is not impressed by the need to balance exploitation against ecological preservation: "People are provided for until the Lord's return."

THE SAGEBRUSH REBELLION has been called the "most widespread outbreak of sectionalism since the Civil War." The situation of the thirteen Western states of the US is also being compared by Sagebrush Rebels to the original thirteen colonies oppressed by a distant tyranny.

"You want to know what the Sagebrush Rebellion is all about?" asks Dean Rhoads, Nevada rancher. "I can tell you in one sentence — the people resent Washington, DC comin' out here with a packet of regulations and policies

tellin' us what to do." Uncle Sam has also been referred to as "that perfidious absentee landlord on the Potomac."

Says Nevada Senator Paul Laxalt, Pres. Reagan's former campaign chairman: "We are seeking nothing more than control over our own destinies." And indeed in the minds and passions of many, the Sagebrush Rebellion has assumed the proportion of a "Second American Revolution".

Fomenting this new land struggle in America is the fact that the national government still controls a huge proportion of the West. Here are the figures: California, 45%; Nevada, 87%; Alaska, 95%; Utah, 66%; Idaho, 66%; Oregon, 52%; Wyoming, 48%; Arizona, 45%; Colorado, 36%; New Mexico, 34%; Montana, 30%; Washington, 29%. In comparison, the Feds own no more than 10% of any state outside the West.

However, the percentages are somewhat misleading. The Western states are far from poor in nonfederal land. The average Western state is so large that a comparison of land area reveals that the nonfederal land area of the typical Western state is bigger than the typical Eastern state.

YET SAGEBRUSH Rebellion flames are being fanned by several bold and brazen legislation steps which have been taken by various Western states towards appropriating vast amounts of federal lands for state control. The first bill was Nevada AB 413. Under its terms Nevada unilaterally appropriates 49 million acres of public lands. Following Nevada's lead, five other Western states — Arizona, New Mexico, Utah, Washington, and Wyoming — have passed laws laying claim to the federal lands within their boundaries.

California's proposal AB 2302 is more modest. It appropriates \$25,000 to develop a masterplan of all state and federal lands in California. The study is to address questions concerning the legal basis for the state assuming ownership and jurisdiction of Bureau of Land Management (BLM) and Department of the Interior lands, as well as to survey the costs, economic impacts, and financial implications of such a move. If such legal action is deemed necessary and serves the best interests of the people of California the Attorney General shall take such action.

A group of Western senators have introduced legislation in Congress that would confirm state titles. Introduced into the House of Representatives, HR 7837, entitled the *Western Lands Distribution and Regional Equalization Act of 1980*, its intent is to provide for the cession and conveyance to the states of federally owned unreserved and unappropriated lands and to establish policy, methods, procedures, schedules, and criteria for such transfers. The state land grab would confiscate 544 million acres. Excluded from the takeover would be national parks, monuments, wildlife and bird refuges, wilderness areas, wild and scenic rivers, military bases and land set aside for dams.

Such legislation has a good chance of passing. During a campaign speech to Utah Republicans in Salt Lake City Ronald Reagan declared: "I happen to be one who cheers and supports the Sagebrush Rebellion. Count me in as a Rebel."

Yet exactly how these lands would be managed under state control would vary from state to state. Some would no doubt advocate selling some of the land to private owners. There could be considerable variation from state to state in terms of conservation versus development issues. For example, Idaho laws would dictate sale of much of this land to companies that would quickly turn it into an ecological nightmare — with huge amounts of

REAGAN and the Sagebrush REBELS

minerals, fuels, etc. quickly being drained. In contrast, the general land ethic of the California State Lands Commission is much more of a stewardship approach.

The Rebels themselves catalogue a long list of specific grievances against the feds — cattlemen, miners, and timber companies swear they are being regulated right out of business. City developers say the BLM is holding on to land that western towns need for growth. Complaints include everything from the BLM's wildhorse adoption programme to the Pentagon's grand plan to install the MX missile system in the deserts of Nevada and Utah. The preservation of wilderness areas is also under attack, with environmentalists sometimes referred to as the "cult of toadstool worshippers".

THE REBELLION is supported by thousands of ranchers, miners, truck drivers, teachers, and county employees. Business interests and politicians have capitalized on it. In California many rebels are motorcyclists disgusted with recent federal rules designed to preserve some of the Mojave Desert from their machines. Real estate speculators, miners, oil and gas developers are among the backers elsewhere in the West.

The Western Coalition Clearinghouse in Nevada lists among the groups supporting the rebellion the Western Council of State Governments, the National Association of Counties, the Western State Lands Commissioners, the Western Association of Attorneys General, and the National Cattlemen's Association.

It is interesting to look at some of the underlying economic motivations of one of the leading spokesmen, cattle rancher Dean Rhoads. In 1967 a federal range survey showed that his grazing privilege on federal lands should be reduced 54% in order to conform to the land's carrying capacity. Subsequently, the ranch went through an adjudication procedure in which the grazing privilege was reduced by 30%. The practical financial effect of such a cut is twofold.

● It becomes harder to make a profit because less range means fewer cattle to sell.

● The grazing privilege has a value in the market place. When a rancher sells his spread, he sells not just the "base" property but the grazing privileges to the federal land attached to it. Thus a reduction in the rancher's grazing privilege directly reduces the sales value of his ranch.

According to Rhoads, the forage right for a single cow on the public range now sells for anywhere from \$1,500 to \$3,000 in the Elko area — so the 1967 cut represented a hole in the Rhoads family pocket of around \$700,000 to \$1.4 million in resale rights.

Since his grazing privilege should have been reduced a full 54%, mr. Rhoads has an especially good reason to object to the new federally ordered environmental impact statement process which is due to reach his valley in 1983. If the same conclusion is reached, Dean Rhoads's estate stands to be diminished by another million dollars or so. Multiply that expectation by several hundred ranchers and you end up with a lot of angry constituents.

FEARL SANDVIG, forest service range manager, sheds no tears over what he regards as a paper loss. "The rancher did nothing to earn that grazing privilege," he says. "That was a gift from the American people. Today these permits are closed to you and me. If you want to graze your cattle on public land you've got to go to some guy and buy his land and his permit privilege." Sandvig argues in favour of a competitive bid process, modelled after public timber sales. "The average American doesn't have the wildest idea what's goin' on," he contends. "We've given the permittee everything but a title in fee simple to the land."

Such a competitive bid process as Sandvig suggests may very well show that grazing is not the highest and best use of the western range. In the grand scheme of things, public lands produce enough forage for only about 4% of the nation's cattle. The real cattle-raising states — Nebraska, Missouri, Kansas, Iowa — do so in feedlots. Nevada's annual beef production was 37th in the nation in 1979 — about on par with Vermont.

There was no active Sagebrush Rebellion before the Federal Land Policy and Management Act (FLPMA) was passed in 1976. The act spelled out the BLM's legislative mandate for the first time. It embodied important environmental concerns and declared that it is the national government's policy to keep its land in perpetuity. This marked the official end of an era of do-nothing federal management.

Through most of that era, ranchers, miners, oil companies and prospectors had such free rein that the land seemed to be their own personal property. Progress meant development of all possible natural resources.

In large part, rebels want the transfer so that environmental safeguards can be removed. The anti-environmental backlash is clearly a central force in the rebellion. According to Utah Attorney General Hansen: "If those lands are owned by the state or private interests, they're going to maximize their economic usefulness." He added: "The federal government has been very substantially dominated in recent years by environmental interests."

Idaho Senator Steven D. Symms has a different slant towards the energy development issue: "The same government that didn't allow companies to explore for minerals was willing to draft our sons to send them to Africa to fight over chrome and cobalt. Rather than let companies drill for oil in Idaho or Wyoming or Utah or Colorado, that government was willing to send our boys to the Persian Gulf to keep the sea lands open. And out of this frustration has come the Sagebrush Rebellion."

ALANNA HERTZOG
reports from San Francisco

We've locked up strategic minerals, oil and gas, uranium and coal. Seventy per cent of the federally owned land in the US has been set aside so you can't explore it or extract minerals. I'd rather have my 19-year-old son working on a drill rig in Alaska than carrying a rifle in the Persian Gulf."

SECRETARY of Interior Watt has moved to open wilderness areas for mineral and energy development, protect large corporate farms from losing cheap federal irrigation water, end further national park acquisitions and abolish the Heritage Conservation and Recreation Service.

For now, the pro-development voices of the West are in full cry. But in the view of some resources analysts, this could change with devastating political results for those who fail to gauge accurately the West's changing conditions – particularly the pressures of population growth and energy development on the area's limited supplies of water for drinking and farming and relatively clean air.

The West's critical natural resource issue of the future is water. Its arid regions are fast running out of new sources. Its subsurface aquifers are being depleted. Yet there is little inclination in Washington now to pay for grandiose water projects of any type.

Such circumstances cut to the heart of the West's growing water dilemma. And though most sagebrush rebels apparently haven't realized it yet, the federal government's reluctance to finance any new water projects while pushing for more energy development could throw Reagan right out of the sagebrush saddle.

"If you are going to develop the West's energy resources, you've got to have water," said Helen M. Ingram, a University of Arizona political science professor, "and if you are not going to develop any new sources of water, then you will have to take the water from the present users. And these are primarily farmers."

In addition, the population boom is continuing to put more pressure on the region's static water supplies. Since the shift to the south-west is predominantly urban, cities have grown largely at the expense of irrigated agriculture.

The Administration's announced policy to expand energy, and mineral development in the West's federal lands, therefore, will aggravate what already is becoming an increasingly cruel competition for the region's limited water supply. According to Ingram: "If one includes both projected and planned energy development, the total projected demand for water may well exceed surface supply in a decade."

She predicts that when the West has to accommodate energy and mineral development by giving up water for farming and domestic needs, the Rebellion will undergo an abrupt metamorphosis. Once the energy-water-environmental trade-offs become clear, state governments will opt against energy and mineral development. They will not want to sacrifice their constituent vital water uses for the uncertain economic gains from oil shale projects and more coal-fired power plants, particularly if the major benefits end up in the East or in Southern California.

So far, Watts does not appear to be taking the evolving dynamics of the West's water politics very seriously. In a recent interview he repeatedly stressed his belief that "the market place" would achieve all the Administration's goals. "There is no national water policy that will work," says Watt. "There will need to be state and regional water policies and programmes. The federal role should be restricted to helping states come together to develop policies that will assure water quantity and quality that are essential."

Western concerns over farming, population growth, fishing and the environment may also have to contend with the national security issue. Before the House Interior and Insular Affairs Subcommittee on Mines and Mining, Sec. of State Alexander Haig, Jr. warned of an impending "resource war" with the Soviet Union over control of such strategic minerals as cobalt, titanium, chromite and zinc. To forestall the potential calamity of Russian interference with our foreign suppliers, he urged that the government allow US mining companies "to seek our domestic deposits of the strategic minerals we need."

OIL AND MINERAL interests have raised the issue of the lock-up of federal lands through wilderness studies and fish and wildlife refuges. But just how much of the 823 million acres of federally owned land – a third of the country – is actually off limits to mineral and energy development is not clear.

Ironically, 43% of the federal land withdrawn in five states and estimated to have energy potential is managed by the Defence Department. The Bureau of Land Management, the second biggest owner, controls only 17%. The 11.1 million acres located in Colorado, Mississippi, Nevada, New Mexico and Wyoming represent 55% of the total federal acreage withdrawn from mineral leasing in those states.

Sagebrush Rebellion or no, however, the debate between stewardship ethics and longterm production vs. development for immediate gain promises to be tense and drawn out on local, state, federal and indeed global levels. After all, no matter what level of political and bureaucratic reality we are dealing with, actions taken will reflect certain constellations of human needs and greeds, values and understandings. The pendulum promises to swing dramatically between the development and conservation ethics for some time to come.

The best purpose that can be served by the Sagebrush Rebellion may well be in raising questions rather than in supplying answers. There is a real consciousness-raising task here in terms of asking "Who owns the Earth? How much is it worth? Who benefits and who loses?"

LAND GRAB CREATES CULTURE CRISIS

ILLEGAL LAND-GRABBING is destroying the culture of South America's Indians, according to a report submitted to the International Non-Governmental Organisations Conference on Indigenous Peoples and the Land, held in Geneva in September.

"From the Mayan-populated highlands of Guatemala in the north, down to the Mapuche reservations of Chile in its southernmost tip, governments have used both extremes of violence and repressive legislation to break up Indian communities and organisations, and thus prevent them from regaining or retaining those land areas which are rightfully theirs by law," declared the London-based Anti-Slavery Society.

Indians have mobilised themselves into defensive groups, but this has intensified State repression. Tension has grown, leading to murder – by both sides – in the fight for land.

"World opinion must realise that the protection and recognition of Indian land rights is no longer a charitable or humanitarian act. It is becoming a precondition for peace and stability in Latin America," warns the Society.

The Billion Dollar Disgrace

Time to lift veil of Ignorance over US land tenure

THE MOST fundamental reason for needing more information about land tenure in the United States is the near absolute lack of such information. We need to know more because, quite simply, we know so little. Compared to what we know about the mating habits of turtles, we know nothing about the distribution of control over our land and natural resources. This is said not to denigrate the usefulness of knowledge about turtles but to emphasize the limited data on land ownership. And we surely have as much of a right — as much of a duty — to know something after a decade and a half in which the U.S. has experienced a widespread revolution in the public consciousness about, and governmental edict over, land use, as we have the right and duty to know how a turtle makes love.

We know enough to suggest that it has been a decade and a half of revolution in a vacuum. Fifteen years of land regulation proliferation without addressing the question of land-ownership. We should be enthused about seeking knowledge for its own sake. That alone should be sufficient reason to pursue the study. But in this case we already know enough about land, about natural resources, about progress, and about poverty to suggest that our ignorance about land tenure is a national disgrace. Our billion dollar land use laws exist in a data vacuum.

PETER MEYER

reports from New York

Someone once suggested that the modern environmental epoch really opened with the first satellite photograph of the earth. It was at that moment, the picture flashed instantaneously through space to the earthlings below, that man confronted for the first time in graphic detail the finitude of his globe, experienced an overwhelming sensation that his home was a mere dot floating in the abyss of space, a lonely, fragile, and temporal spaceship earth.

It is impossible, of course, to measure exactly the impact of that single image on the consciousness of Americans. But almost contemporaneously with that photo, almost overnight, concern about the preservation of our natural resources, our environment, changed from an aesthetic exercise of the idle elite to a nationwide crisis call to protect civilization itself, save our children and our children's children. Environmental groups sprouted like cherry blossoms in the spring. They began lobbying every legislative body in the country. They carried their briefs for salvation to Washington, D.C., the cherry blossom capital, the home of the Great Society, the headquarters for the war on poverty, home of the most powerful organization in the world — the U.S. government. Washington has been home to environmentalists and public interest groups ever since.

Whatever the complaints about the quality and substance of federal actions have been, there are no arguments about the incredible quantity of actions as Congress began passing law after law regulating the use of land. In 1978 someone counted more than 100 different federal periodicals that reported on the environment. Congressman Morris Udall said that almost 140 separate federal programmes were dipping into the land use bucket. By the time that Gerald Ford assumed the presidency, he could claim that there was a "consensus that the unrestrained private use of land is not consistent with the public good." But by that time Ford's claim was more a statement of history than an outline for future policy. Already an Interior Dept. study was reporting that more than 12% of the entire \$324 billion federal budget was being earmarked to affect private land. The federal government already owned outright one-third of America, but it now appeared to be galloping like a herd of wild mustangs over the one billion acres still left in private hands.

Though there have been, and continue to be, many serious problems with this bureaucratization of the land — including debates about the usurpation of local and private decision-making powers, the bureaucracy's inability to adjust to subtle — even major — changes in the terrain, and its time-consuming, money-draining penchant for self-perpetuation irrespective of real accomplishments — the most significant defect has been the near-total information vacuum within which the federal steamroller has worked. (And we can include any regulating body or public interest lobbying group in the vacuum.)

Despite the thousands of laws and programmes and reports and regulations, which touch millions of land and natural resource owners and the million more who depend on them, governments have succeeded quite well in remaining ignorant of the names and interests of those owners, how their interests affect the use of land, the distribution of wealth, the social fabric and the political process itself.

The country has somehow managed to leap from a *laissez-faire* land ethic to a proliferation of concern and control without once touching on the significant relationship between the ownership of land and the distribution of economic and political power. It has preferred ignorance to information and has been left with the slapdash and haphazard bandaid approach adopted by both government and conservationists.

IT WAS NOT idle romanticizing that prompted Henry George to call land "the storehouse upon which (man) must draw for all his needs." The Bolivian farmer understands this as much as the American shopping for groceries or waiting in gas lines.

But not only should we know more about ownership because we know nothing and be concerned about ownership because land is the storehouse of our needs, but because the way in which that storehouse is held and its goods distributed strikes at the heart of an American

political and economic tradition perhaps more broad and profound than either the simple quest for knowledge or the mere appreciation of the land's wealth. It was not a breach of logic for George to conclude that "the ownership of land is the great fundamental fact which ultimately determines the social, the political and consequently the intellectual and moral condition of a people." The power of the belief in private property and the tenaciousness with which Americans still hold to that belief is testament alone to George's claim.

No matter what kind of consensus President Ford thought he saw in 1975, it is more than apparent that regulation has not been enthusiastically or even passively accepted. Why? Because ownership for many people is precious.

Numerous times in the last several years far-ranging federal land use schemes, championed by big business, public interest groups and environmentalists, have gone down to defeat. In 1977 the federal government faced \$500 million worth of claims against it for allegedly "taking" private property. Last year the Justice Dept. was swamped with 900 different suits about the use and abuse of land. And earlier this year President Carter dropped his plans for a new Natural Resources Department, meant to "consolidate all public and private land and land-related resource functions in a single agency," because it was a political bombshell.

The proponents of these proposals have often blamed the so-called "conservative backlash" or apathy about the destruction of the land for their failures. But I think that they miss the point. I believe that their failure is due to their ignorance of the importance of land ownership, and their inability to appreciate the rugged durability of the private property ethic. They have written it off as simplistic and continued on their merry regulating way.

George didn't originate the idea of ownership as "the great fundamental fact," nor did the idea die with him. Ownership was almost written into the Declaration of Independence as a right when the Founding Fathers considered including private property as an inalienable prerogative. Just a few years ago, in a survey of small midwestern landowners, two Kent State professors discovered that while people were still very much concerned about the abuse of the land, to the surprise of some conservationists they were even more concerned about government regulatory intrusion on their rights as private property owners.

More recently Frank Popper, an urban planner and consultant to the Environmental Law Institute, drew the same conclusion when he wrote about some Pennsylvania planners who were shocked to have their environmentally sound and advantageous proposals for controlling development rejected by the people they were designed to help. Popper quoted one of the small farmers who resisted the land use regulations: "If a man's home is his castle," reasoned the farmer, "then his land is his fertility. To take away his rights in the land is nothing less than castration."

THE BELIEF in the sacredness of private ownership is an important tradition, one which regulators, hell-bent on enforcing the elusive public interest, fail to appreciate or understand. And they will never understand unless they study and analyze the patterns and matrices of ownership. Beyond that, the regulators' insensitivity and ignorance also means that they will not understand the power and impact of that tradition when only a small minority actually enjoy its benefits. Even Senator Henry Jackson, one of the most outspoken advocates of public control over the land and

its resources, has said that rational land use planning is "impossible without knowledge of patterns of landownership." If the Senator is right, we must conclude that the last decade of billion-dollar land use planning schemes has been entirely irrational; not once has there been a survey of ownership patterns. If he had been speaking about the ownership of a few five-and-dime widgets, we could easily understand why nothing has been done. Unfortunately, he was not.

Senator Jackson was speaking about something which has made Exxon and Shell and Mobil the most powerful businesses in the world. He was talking about — excuse the term — a commodity which helps generate for the real estate sector of the economy some \$87 billion of income each year. He was talking about 15% of the nation's total wealth (in land alone); about the \$21 billion which just nineteen banks have out in real estate loans; and about hundreds of thousands of tillers of tradition who continue to toil over the nation's breadbasket.

The environmental movement, to take one example, may have helped open an era of consciousness about the ultimate importance of man's symbiotic relationship with his non-human surroundings; but unfortunately, it has not yet ushered in any new and enlightened rush to find out how control over the land and its resources affects our relationships with one another. If it had, we would surely know who owns the land.

In a way, Americans have come full circle. After a period of flagrant forgetfulness, they are now experiencing something of a bottom line sensation of their ultimate and fragile dependence on natural resources. Based on some of the doomsday calls, it would seem that the U.S. is headed precipitously toward the industrialized world's equivalent of crop failure and famine in Biafra. Yet despite the fact that the dependence is ultimately the same — on land and its riches — the U.S. has no World Bank, no Land Tenure Centre, and no international human rights group breathing down its neck, studying its land ownership concentration levels and pressuring it for land reforms. The assumption about the so-called developing countries is that reforms in the patterns of land ownership will mean changes in the distribution of wealth; that there is a direct relationship between the mechanisms of control over the land and how people live — or die — and how much money they earn, how their leaders are elected or their dictators installed, how much education they receive, how many times they see a doctor.

The U.S. is in no position to press for reforms at home because it has not yet recognized the relationship between ownership and the social order. And it is a long way from formulating any policy about land use — or it should be — because it has yet to gather any data about the patterns of ownership which will, in effect determine — as they have already determined — what those policies are or will be.

If the dearth of ownership data means anything, it means that the U.S. has yet to admit that land ownership — whether considered as a right or a privilege, whether partial or complete, however large or small the claim, be it a capitalist or socialist system — is a crucial factor in the social and economic organization of a nation.

IF, HOWEVER, man's ultimate dependence on the land, his consequent dependence on the way the resources of the land are distributed, and the power and wealth inherent in the control over those resources are not sufficient reasons for wanting to know who owns the land, how it is owned, and to what effect, then the social costs of ignorance must be mentioned — if only in the form of questions.

First: what have been the costs in misdirected resources? How many billions of dollars of public money



ENVIRONMENT Minister Michael Heseltine (left) is to order all of Britain's local authorities to compile registers of their vacant land.

In a pilot project, 32 registers were compiled which revealed details of over 20,000 acres of underused land.

Mr. Heseltine says that he personally used the Liverpool register – during his visit to Merseyside to investigate the summer

riots – “to get vacant sites moving.”

Now he is ordering all local authorities to compile registers. “There is a treasure trove of opportunities to be exploited,” he told the Countryside Commission conference in September.

“When details of a site have been included in a register I have power to direct owners to dispose of it. I hope it will not be necessary for me to use

my powers. Because the real value in registers lies in their exposure of public sector land holdings to effective scrutiny. They provide a focus for developers, local authorities and other public bodies to join together in a constructive debate about the real opportunities offered by this vast resource of unused land.”

P. E. POOLE

has been spent leading and pushing the land use horse to water and failing to induce it to drink? We have only to look at the decade long, billion dollar war on poverty for an example of misguided resources. The government has spent billions of dollars humbling hundreds of thousands of lives by hand-outs instead of invigorating them with opportunities, with the result that more people are on the dole after the war than before. How many billions of dollars could the government have saved, how many acres of land spared from the bulldozer, how many lives enriched, if the government had bothered to discover the patterns of land tenure and measure their impact?

Secondly: what kinds of incentives, tax measures, could have been devised had politicians been forced to confront data on land ownership and admit to the political power of the landed interests? A Dept. of Agriculture official once showed me a letter that had been forwarded to him by the White House. It was a “dear-president-Carter” letter from a woman in the midwest who was madder than hell that the government was buying up valuable farmland in her area. The official then showed me his reply to the woman, a courteous note in which he explained that the government doesn't go around buying up valuable farmland and in fact owned no land in her region. When I looked up from the letters I saw the Ag. man smile. “You know something,” he said. “that lady is really right. We are in effect buying her neighbour's land. But her letter shouldn't have been forwarded to me; it should have gone to Internal Revenue Service. They're the ones who are giving the wealthy non-farmer the tax breaks for investing in land.” But politicians are under no compunction to write more equitable tax laws because the people who vote with ballots instead of money are kept in the dark about the power of land ownership.

A third cost of our ignorance is also related to money. The real estate industry spends \$8 billion a year just in transferring parcels of land from one party to the next. Many of those transfer costs arise in determining who owns the land, and that cost is added to the value of the property. What other kinds of costs are added to the market price of land because of the confused and ineffective manner in which title data is registered? And how is the price of land affecting the use of land? We don't know.

Finally, what do patterns of ownership take from the social fabric? In 1944 Walter Goldschmidt studied and compared two small farming towns in California's San Joaquin Valley, Dinuba and Arvin, to analyze the effects of large scale ownership concentration on the character of the social order. The two towns were similar in all respects except farm size, and in 1972 Goldschmidt summarized his findings in testimony before a senate committee:

“The small farm community, Dinuba, had more institutions for democratic decision-making and a much broader participation in such activities by its citizenry.

The small farms supported about 20% more people and at a measurably higher level of living. The majority of the small farm community population were independent entrepreneurs, as against less than 20% in the large farm community, where nearly two-thirds were agricultural wage labourers. The small farm community in all instances had better community facilities: more schools, more parks, more newspapers, more civic organizations, and more churches....”

“In the quarter century since the publication of that study, corporate farming has spread to other parts of the country.... This development has.... been assumed to be natural, inevitable and progressive, and little attention has been paid to the costs that have been incurred. I do not mean the costs in money, or in subventions inequitably distributed to large farmers. I mean the costs in the traditions of our society and its rural institutions. If the production of agricultural goods is to become increasingly large-scale and corporation-dominated, rural communities as we have known them will cease to exist....”

VERY LITTLE, if any, empirical research similar to Goldsmidt's small but informative study has been conducted since 1944, more than 30 years ago, and nothing on a national scale. We can only wonder vainly whether it would have made any difference.

The more one explores the issue of land ownership the more one realizes that the reasons – or excuses – for not having data are really arguments in favour of having more information. Anyone who has ever dipped his toe into the pool of ownership research quickly realizes how murky and cold the waters are. The problems are practical, conceptual, political, and economic, and they all suggest that we need more information, not less.

Current data bases are practically useless. The only information of any value on any kind of national scale is scattered around more than 3,000 county courthouses across the country. And even if someone succeeded in scrabbling through the rubble, he wouldn't find much of any value for comparison since many of the records are incomplete, misleading, and contain outright deceptions. The records may not, for example, give the names of all the parties with interest in the land or won't show the proportion of interests pertaining to each party. The usefulness of the data is also jeopardized by the common practice of concealing the beneficial owners of property with strawmen, trusts, nominees, and corporate layering. Other problems arise because some localities will differentiate between different interests on the same parcel of land – e.g., mineral rights, water rights, air rights, even solar rights – while others do not.

But these inconsistencies are not simply a plague of

disparate reporting procedures but also signs of the basic problem of defining the nature of ownership. I quote from my *Harper's* magazine article: "Asking who owns American land . . . is not at all like asking the height of Mt. Shasta. *Owning* a parcel of land is laying claim to a bundle of rights to the land, and those rights may be divided up in a number of ways, given to (sold to, taken by) any number of individuals. One person may hold the title to a plot of land – strictly speaking, the owner – another may lease it, another may have the sole right to mine it, another to harvest its timber, another to graze cattle on it, another to use its water, another to build a highway or sewer line or waterway or utility line through it; another (government) to tax it or condemn it or zone it or annex it."

Practical and conceptual problems aside, perhaps the major reason why nothing has been done to find out who owns the land and how it is owned is that those in a position to subsidize the investigation have vested interests in ignorance. It is Catch 22. The politicians and the privileged are the only ones with the means of financing or legislating such a survey, but because of the economic and political power which landownership has in some way already bestowed upon them, they have no desire to shake their castles by exposing the foundations which give it support.

In conducting my own mini-survey of ownership in the U.S., I asked numerous corporations and institutions and individuals how much land they owned. The reactions were fairly similar. If the spokesman didn't immediately tell me to stick my head in a bucket, he usually found a way of not responding. An official at Yale University told me it was none of my business, good-bye. Harvard, America's prestigious disseminator of information and knowledge, claimed it *didn't know* how much land it owned. Exxon admitted knowing what its holdings were, but told me I'd have to find out on my own.

A real estate executive described to me the manner in which his former employer, a large New Jersey firm, once surreptitiously gained title to 17,000 contiguous acres of valuable development land by concealing his true identity. He never used the same name twice in purchasing hundreds of different parcels of farmland. The man also told me, however, that if I leaked his name as the source of this information, he would personally break my back. Secrecy is the name of the game in the land speculation business – in any business for that matter – and it is obvious that broadcasting the names of landowners would affect corporate profits.

And if the government bodies don't demand more data from landowners, it is because politicians' interests frequently coincide with the interests of other large land-owners, at least in their reticence to study patterns of ownership.

Walter Goldschmidt's study 30 years ago stands as a lonely example of government's lack of enthusiasm for the undertaking.

IN 1974 CONGRESS passed the Real Estate and Procedures Act which mandated HUD to establish a uniform national system of land records. That part of the Act was considered a political hot potato, and no money was given for implementing it until 1978. Then in 1974 the Interior Department's three-year-old Office of Land Use and Water Planning conducted a study in which it attempted to quantify all federal money which affected the use of private land. The results, in the words of an Interior spokesman, "touched too many sensitive nerves," and the Senate Appropriations Committee simply eliminated the Office by cutting off its funds.

More recently the USDA has completed a survey of 568 large American corporations to determine what kinds

of landownership information could be gleaned from readily available public data sources. But, perhaps, more because the study reveals that those companies alone control 23% of all land in private hands – more than 300 million acres – than because of its conclusions about the appalling inadequacy of information bases, USDA has decided not to release the report.

There is just one last point I would like to make. It doesn't speak so much to the significance of knowing who owns the land, but to the rights to that knowledge. Perhaps I call it a right because of my journalistic prejudices against most forms of secrecy, but it seems important to point out that land ownership information must be public. In fact, it is public almost by definition.

Whether land itself should or should not be publicly owned may be debated endlessly; whether information about land ownership should or should not be public is not debatable. No land is *owned* in a vacuum unless there is an infinite supply or unless there are no other owners. My boundary ends where another person's begins. A man "stakes" his "claim" to a gold mine for one basic reason: to announce to the public his right to possession of the gold over and above anyone else's right. Unless he asserted his right, he would, in effect, have no more right than anyone else. He could not be recognized as the owner of the gold mine unless he declared in some way his intention of appropriating it for his own use, unless he made his claim public. To hold his claim in "secret," so to speak, is something like the man who jostles his way through a crowd of cocktail party goers wearing a sandwich board which reads "I'm invisible."

The same holds true, it seems, for nations. Their territorial claims can be considered no more secret than Hitler's blitzkreig through western Europe can be called secret. Unannounced in advance, perhaps, but a bomb dropped on a city is hardly a secret claim to land.

We may have passed the point – in theory, at least – where such claims are settled with guns and bombs, but we have yet to reach the point – logically – of double-speak where a *claim* to land can be considered a private affair.

In summary then, we may not realize what exactly is the significance of knowing who owns the land; but there are plenty of important reasons why we *must* know.

- The fact that we know nothing is ample reason to know more.
- The fact that billions of dollars of public money is spent affecting the use of land, and therefore the nature of ownership, should lead us to ask what exactly it is that we are changing.
- The fact that land is so valuable, that fortunes are founded on it, lives lost working over it, and much of our political and economic tradition based on our ability to expropriate it for private use and profit, is sufficient reason for trying to find out who are the winners, who the losers.
- The social costs of our ignorance are demonstrable, but only partially so, because we don't yet know how much power is vested in the knowledge of tenure patterns.
- A journalist's instinct is to pay attention to what our interviewee doesn't want to say, because what is trying to be hidden is more important than what is willingly revealed. In the case of land ownership I would say that this information is necessary because so many people try to cover it up.
- In the end, land ownership information is public information – whatever else is said, Americans have the right to know who owns America.

Clancy: cont. from P.120

of Independence include "Life, liberty and *property*" as natural rights, Jefferson argued that property was not an inherent right but an arrangement made by society (in Thomist language it is of the *bene esse* rather than the *esse* of human dignity).

While the teachings of the social encyclicals have improved since the days of Leo XIII, they have the same defect in that "property" is not defined. When it is defined correctly, it can be seen that the right kind of property does derive from inherent rights. The later encyclicals (perhaps Jefferson too!) need the same answer that Henry George gave to Leo:

"The right of property, originating in the right of the individual to himself, is the only full and complete right of property. It attaches to things produced by labour, but cannot attach to things created by God."

If I were to elaborate on this, I might as well give you the whole of George's argument; so I can only recommend that you read (or reread) *The Condition of Labour* to get the full beauty of his thesis.

Land hunger – the threat to Mugabe

LAND was the rallying cry for the rebels who fought the war of independence against Ian Smith's illegal regime in Rhodesia.

But independence following the Lancaster House settlement has left many black Africans landless, writes Ian Barton.

Robert Mugabe's socialist government plans to resettle 35,000 families over the next three years. But that still leaves at least 185,000 families – about 1m people – without the land to which they believe they are entitled.

Under the peace agreement, white farmers – they monopolise most of the best land, which was grabbed from the African tribes during the early colonial period – are entitled to full compensation.

At present, the government is being offered more land than it can buy at market prices.

About £60m is available for the three-year resettlement programme.

The government is also confronted with an ideological problem. It favours the communal living/cooperative farming model.

But the peasants are demanding land which they can farm as individuals, the model so far adopted by 1,200 families.

Impudent squatters have started taking over farms, and government officials fear that unless the resettlement programme is speeded up, rural unrest could undermine the stability of Zimbabwe's first independent government.

● A House of Commons foreign affairs select committee has urged that Britain should increase her contribution to the land resettlement programme, and that European land held for speculation should be reallocated to black farmers.



Pope John Paul II

'Exploitation by landlords'

IN HIS latest encyclical, *Laborem Exercens*, Pope John Paul II states:

"In certain developing countries, millions of people are forced to cultivate the land belonging to others and are exploited by the big landowners, without any hope of ever being able to gain possession of even a small piece of land of their own.

"There is a lack of forms of legal protection for the agricultural workers themselves and for their families in case of old age, sickness or unemployment. Long days of hard physical work are paid miserably.

"Land which could be cultivated is left abandoned by the owners. Legal titles to possession of a small portion of land that someone has personally cultivated for years are disregarded or left defenceless against the 'land hunger' of more powerful individuals or groups.

"In many situations radical and urgent changes are therefore needed in order to restore to agriculture – and to rural people – their just value as the basis for a healthy economy, within the social community's development as a whole."

Although the Pope identifies a major problem in the global economy, he fails to identify the countries to which he alludes – or to explain why he exempts the rest; nor does he specify the mechanisms for a practical solution, beyond insisting that private property should not be regarded as sacred.

The constitution of fiscal policy

Monopoly in Money and Inflation, by Geoffrey Brennan and James M. Buchanan, Hobart Paper 88, London: The Institute of Economic Affairs, £1.50.

EVEN THE strongest advocates of free enterprise usually concede that the currency is the business of the state. Partly this is because the medium of exchange does not seem to lend itself to competitive provision, but acceptance of a monopoly in the issue of money is also founded on a belief in government benevolence. The authors of *Monopoly in Money and Inflation* not only challenge this belief but assert its antithesis, that governments will always act to maximize their revenue, even if this entails breaking promises.

The case is overstated – and in a theoretical and at times rather technical manner – but the authors succeed in making their point that the issue of the currency should be subject to constitutional restraint. To maintain the value of the currency it is essential to control the money supply, but the will to do so is undermined by the persistent temptation – lasting far beyond the life of any government – to enjoy the benefits that inflation confers through lower real interest liabilities and higher real tax revenues. Thus it is not enough to seek changes in immediate policy; it is necessary to regulate the monetary power itself.

The paper lists four ways in which this could be done: by establishing a completely free market in money, with no government participation; by permitting government issue of money but authorizing private issue as well; by linking the value of paper currency to a commodity such as gold; and by retaining the government monopoly but applying restrictions on the amount of money to be issued. The authors commit themselves to none of these alternatives. They plead only for the adoption of some form of monetary constitution.

This is an important perspective to the problem, but the argument can be taken a great deal further. The tendency for governments to maximize their revenue is to be seen throughout history. It is not confined to debasement of the currency, common though that has been, but appears also in burgeoning taxation and in the resort to borrowing which leads on to inflation. Once the legitimacy of the state's power to raise revenue as it likes is acknowledged, all else follows, and the attempt to impose constraints at any stage – to make taxes fair, to limit borrowing, to keep inflation down to a modest level – does not reach to the root of the trouble.

The fundamental constitutional restraint on government should be that it spends no more than its income. Its proper income is the revenue from the rent of land. It should not inflate, for inflation, in addition to its direct economic effects, is a major destabilizing force in society. Nor should government itself borrow (though publicly owned industries may do so). It should not even tax, for taxation is the expropriation of private property.

This is to preach an ideal, of course, an ideal that demands for its fulfilment a world of peace, of prosperity, and of freedom from past debts. The remoteness of that ideal need not and should not prevent us from proclaiming it.

Tony Carter

IN THE U.S., the minority calling itself "Moral Majority", under Rev. Jerry Falwell, has shown that it has political clout. It has been instrumental in the election of President Reagan and conservative candidates along with the defeat of liberals, and it is pushing to gain still further influence.

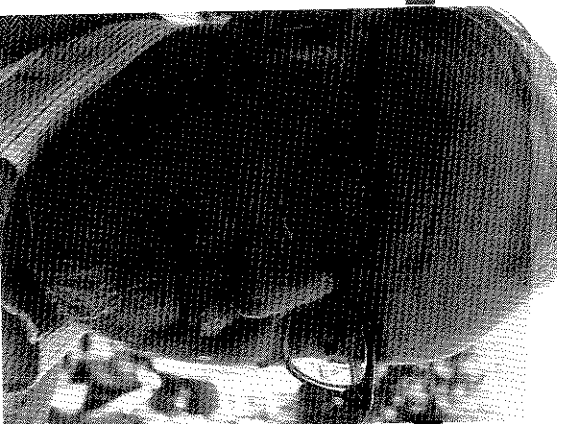
The Moral Majority wants to return to what it considers Biblical morality, family, anti-abortion laws, anti-"permissiveness", law and order, punishment or exile of deviants, the death sentence and a strong military. This narrow and severe interpretation goes along with a condemnation of what it calls "secular humanism". Moral Majority and other fundamentalist groups have succeeded in some cases in stopping evolution from being taught in schools and in banning "humanist" books from school libraries.

Appeals to the Bible can run a wide range. Not long ago, liberal Christians promulgated "the social gospel" and found Biblical support for what has become the welfare state — which is of course opposed by Biblical conservatives.

With so many diverse groups finding support in the Bible, do not be surprised that the supporters of Henry George have done likewise. Indeed, a Georgist interpretation of the Bible is solidly grounded. Numerous authors, taking a close look at Scriptures and their historical background, have uncovered some interesting things. Henry George himself, in his lecture on Moses, showed the great Hebrew leader to be sensitive to the idea of justice and liberty.

An early Georgist book on the subject was *My Neighbour's Landmark* by Frederick Verinder (Andrew Melrose, London, 1911). Verinder established that the Hebrew interpretation was that the land belonged to God, that his people were but tenants, and that the land laws were designed to protect the people's rights to land.

Another pioneer work in Biblical interpretation was *Sociological Study of the Bible* by Louis Wallis (University of Chicago Press, 1912). Wallis showed that the god Baal was the god of the landlords and that the struggle for justice launched by the prophets was basically a struggle against landlordism. Wallis's work was very influential among



BOB CLANCY writes from NEW YORK

'Moral Majority', Economic Justice And The Bible

scholars of the "higher criticism" of the Bible, and he went on to write other books, such as *God and the Social Process* and *The Bible is Human*.

Francis Neilson in *The Eleventh Commandment* (C. C. Nelson, Appleton, Wisconsin, 1944) concluded that "thou shalt not remove thy neighbor's landmark" had the force of the first ten commandments. Neilson went on to write a monumental study of the Bible, *From Ur to Nazareth* (Robert Schalkenbach Foundation, 1959), which was "an economic inquiry into the religious and political history of Israel." This book traced the struggle for justice and showed how important was the land question.

Perhaps the most recent Georgist survey of the Bible was 'The Land and Biblical Economics' by Rev. Archer Torrey, a series of articles in *Land and Liberty* from July & August to November & December 1979 (and reprinted as a pamphlet by the Henry George Institute). Here too Mr. Torrey shows the central importance of Mishpat (justice) and the land question.

This past year having been a Jubilee year in the Jewish calendar, it is worth recalling that the Jubilee in ancient Israel was a method of preventing alienation of rights in land.

Looked at from the standpoint of the quest for justice, we will find more of the essence of the Bible in the Georgist interpretation than in the narrow-minded trumpetings of the Moral Majority — and than in some other sectarian groups.

ANOTHER anniversary year was 1981 in the religious calendar. In Catholic circles it was celebrated as the 90th anniversary of *Rerum Novarum* (the encyclical of Pope Leo XIII on social questions), the 50th anniversary of *Quadragesimo Anno* (Pius XI's encyclical), the 20th of *Mater et Magistra* (Pope John XXIII's), and the 10th of *Octogesima Adveniens* (Pope Paul VI's).

A convocation on this occasion was held in Washington, D.C. on May 14. Jesuit Father John Coleman surveyed the various encyclicals and discussed their social teachings. Interestingly, he brought out that "the encyclicals ... do not ... entirely square with one another." He tells us that different scholars, often representing conflicting schools of thought, write the various encyclicals.

The first in the series, Leo XIII's *Rerum Novarum*, is of special interest, as Henry George wrote a reply to it, *The Condition of Labour*. This encyclical, says Father Coleman, represents the "mistaken notion that property is a direct natural right inherent in persons." "This," he comments, "is a far cry from the strong insistence of John XXIII in *Mater et Magistra* that the common good and the needs of humans take priority over any right to private property, or Paul VI's remark in *Populorum Progressio* that private property indeed is no right at all when others are in need, or John Paul II's celebrated phrase about a 'social mortgage' on all property."

Father Coleman considers that Leo XIII's teaching is "un-Thomist", that his ideas (and those of his writer, Father d'Azeilio) were based on John Locke; and he credits Pius XI in *Quadragesimo Anno* with turning it around and restoring the views of Thomas Aquinas. Another Thomas, Jefferson (no Catholic) was influenced by Locke, but made statements that sound more like those of the later popes. When it was proposed that the Declaration

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