

# IDEOLOGY AND AGRARIAN REFORM

ANTHONY HARRIS commented on the FAO-sponsored World Conference on Agrarian Reform and Rural Development (WCARRD) staged in Rome:

Agrarian reform means land for people; and that land at present often belongs to outsiders – individual or corporate. So land nationalisation is likely to play a part in agrarian reform; and that in turn tends to mean a row over compensation. It may be almost inevitable, but it is also unnecessary and confusing.

The confusion was beautifully sorted out by one of the smallest countries at WCARRD, the Seychelles; but it was promptly reconfused by everyone else, because for one reason or another they actually want the issue confused. Russia wanted to talk about capitalist exploitation, Guinea wanted to talk about colonial exploitation, and the developed countries wanted to use WCARRD to grind their old axe about compensation for foreign-owned industries.

These are all legitimate talking points, but have very little to do with agrarian reform. Guinea brought out one of the only important points.

Historical left-overs are one thing, and can be eliminated according to taste. But freely-entered contracts are quite another matter, and should be honoured.

That really disposes of the industry issues. Most developed countries would settle for the sanctity of contract, apart from the awkward question of what happens after a change of political regime – much too awkward for settlement here.

So much for the law. But the real issue is economic:

and here only the Seychelles had anything important to say. Its central points were two.

First, some external owners neglect their land holdings and do not develop them. They hardly deserve the same compensation as an energetic cultivator and employers.

Second, land values may not be created by the owner. In the Seychelles, the building of an airport and some hotels has multiplied the value of adjacent land without the owners stirring in their sleep.

The Seychelles has just passed a law which solves both these problems.

Compensation value for land depends on the income the previous owner was generating. Simple, isn't it?

If nationalisation were the only issue, this would be the complete answer, in terms of economic justice, if not of politics.

There is an even more direct way to realise the use value of land. It was proposed by Marx's predecessor, David Ricardo, and has been preached for years at conferences like WCARRD

by the great French agronomist, Rene Dumont.

It is an annual land tax.

This is a penalty for failing to cultivate land. It is a tax which doesn't raise other prices. [The Danes, about the most efficient farmers in the world, have had a land tax since 1926 – and it was the small farmers' party which insisted on it.]

It is a way of getting back socially-created values. That is why the Australians imposed a land tax after building the Sydney Harbour Bridge.

It is a tax which can be excused for smallholders, encouraging peasant agriculture.

It is a tax which reduces land prices, including compensation values, because a tax liability has a negative value.

And it is a tax which the rich countries can't object to. No country in the world allows outsiders a say in its tax policies, or pays compensation for new taxes.

It ought to be mentioned in the WCARRD documentation. Dumont would even make it a central proposal. But it isn't there at all.

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