

acceptable, so long as everyone can get some land on which to work. But what happens when the land runs out? Pope Leo had the answer:

"Those who do not possess the soil, contribute their labour; so that it may be truly said that all human subsistence is derived either from labour on one's own land, or from some laborious industry which is paid for either in the produce of the land itself or in that which is exchanged for what the land brings forth."

THE SPURIOUS reasoning behind this analysis – this defence of the status quo – was exposed by Henry George in his Open Letter.⁶

He showed how the moral issue of who should control natural resources supplied by God should not be so swiftly resolved. For when a minority monopolise these resources, he noted, they have the power of life or death over the rest: hardly a happy way to provide for the development of human dignity.

George noted that the absence of an appropriate fiscal system – an *ad valorem* tax on all land values, which would secure individual possession of the soil by users but protect the rights of the landless – would prevent many workers from securing the employment which would guarantee for them the standard of living consistent with a civilized society.

The secular state, both in its communist and capitalist variants, has failed to meet the aspirations of all of its citizens.

Henry George's critique, addressed to Rome, fell on stony ground, but it will have to be disinterred from the Vatican's archives if the Catholic Church wishes to provide enlightened leadership, to guide the state away from a socio-economic system which, even today, perpetrates "the misery and wretchedness" of the large majority of the poor people of the world.

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Home-grown

HOME-GROWN farmland speculators are OK: foreign speculators need to be treated with suspicion.

That appears to be one of the conclusions reached by Lord Northfield and his colleagues who were asked by the last Labour Government to investigate the scale of land buying by foreigners and the big financial institutions.

The Committee's report¹ concluded that foreigners did not push up the price of agricultural land above levels which it would have reached anyway – averaging £3,860 a hectare in the first three months this year.

But despite this conclusion – and the discovery that foreigners own just over 1% of UK farmland, a good deal of it poor quality land in the Highlands – the Committee recommended that the Government should pass a law which would enable it to regulate such

purchases in the future, if necessary.

This recommendation is in line with a worldwide nationalistic reaction against the increase in purchase of land by Middle Eastern sheikhs, who need to invest their vast petrodollar surpluses.

The US has already passed a law which requires that foreigners should register their purchases of American land. Washington, of course, has conveniently overlooked the fact that American-owned foreign land exceeds the acreage owned by foreigners in North America!

NORTHFIELD, at his Press conference on July 10, noted that land was the "hottest political issue in our society."

I asked him why it was necessary to pass a law which would regulate the sale of UK land to aliens, if the latter were

Nicaragua: policies in conflict

THE ATTEMPT to reconstruct the Nicaraguan economy after the fall of Somoza is bedevilled by a patchwork of conflicting policies designed to please all shades of political opinion.

The single most pressing problem is the supply of food; this is linked to the distribution of land which Somoza and his cronies had formerly monopolized to plunder the wealth of the nation.¹

The ruling junta has now issued a decree which ordains that all natural resources, "including those in the soil, subsoil, atmosphere, continental platform and territorial waters, are the exclusive patrimony of the state."²

NATIONALISATION

Junta-member Alfonso Robelo hastened to explain: "This isn't a law of nationalization." It appears that, despite their left-wing bias, the junta is anxious to assure the middle class that their property rights are to be preserved intact.

So only land formerly owned by Somoza & Co. has been

expropriated, and therefore in theory more accessible to a wider group. But these holdings will not be broken up. Instead, they will be turned into major State-owned complexes.

The new system of land tenure, therefore, is a combination of private monopoly and bureaucratic control, leavened a little with the distribution of some fallow land to a few landless peasants who will be encouraged to organise production on a communal basis following the traditional Indian model.³

Since Somoza's lands will continue to produce cash crops for export – to raise the foreign exchange needed by the government – the living standards of the 2.2m. peasants in the countryside are not likely to improve in the foreseeable future.

¹See *Land & Liberty*, Nov. – Dec. 1978.

²*Wall Street Journal*, 4.9.79.

³A. Guillermoprieto, 'Famine threatens Nicaragua after war', *The Guardian*, 2.8.79.

speculators rule — OK?

not pushing up the price of land. His reply disclosed an inconsistent attitude towards speculation.

He said that there was "general resentment when land is bought purely as an investment by absentee foreigners who perhaps don't wish to put anything into it, want to hold it for a while for a significant capital gain or [who] come in with little sensitivity to the feelings of tenants involved."

This, he said, was what the Committee was against.

What, then, I asked the former Labour MP, was the difference between foreign and domestic speculators?

P. E. Poole reports

He replied: "This is a question of public sensitivity more than anything, I guess."

There is no evidence in the 378-page report that the Committee, in its two-year investigation, had actually asked the public if it found speculators of the domestic variety more acceptable than the foreign breed.

A ROW over the report became public even before its publication.

Mr. Alistair Sutherland, director of studies in economics at Trinity College, Cambridge, quit his role as adviser to the Committee after he discovered that his 119-page analysis of the agricultural industry was being underplayed in the final report.

His findings, he announced, had proved "completely unacceptable to the farming lobby on the Committee."²

Mr. Sutherland had produced evidence which refuted the claim by farmland owners that they had been seriously hit by capital taxes. In recent years, he noted, farmers had received increasingly generous relief from capital transfer tax.

It is not surprising that the lobby, representing the most heavily subsidised industry in the EEC, should resist Mr. Sutherland's submission.

But he was not to be gagged. On July 26 he published an article in *The Guardian* attacking, among other things, the arguments advanced by farmers for further tax relief. He pointed out:

"High land values are the result, not the cause, of high food prices. Further tax concessions would raise land prices, not lower food prices."

And contrary to the myth which is carefully cultivated by the farming lobby, agricultural income had grown at a faster rate than retail prices, average earnings and company profits!

"What the reliefs would do is to increase substantially the after tax net benefit of one group of particularly wealthy asset owners — very inequitably, and without any agricultural gain," wrote Mr. Sutherland.

The average full-time farmer is in the top 1% of wealth owners in Britain.

NORTHFIELD recognised "the possible capitalisation of tax changes into land prices" (para. 204). Nonetheless, the

report recommended tax changes favourable to the landowner.

This created a contradiction, then, for the Committee, which wished to ensure a thriving market in farming tenancies. For the level of land prices is a barrier to new entrants into the industry.

Northfield concluded that, while rejecting nationalisation of farmland, a majority supported a modest extension of State-owned land which could be offered as tenancies to new entrants.

It remains to be seen what — if anything — the new Tory Government will do with the Committee's 127 conclusions and recommendations.

Meanwhile, the National Farmers' Union is keeping up the pressure for further increases in their income,³ financed through the Exchequer and ultimately by the taxpayer.

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Palefaces & Black Hills

SIoux Indians are being asked if they will accept \$105m. in settlement for the land which was grabbed from them by the palefaces in the 1870s.

The government originally offered \$17.5m. for the Black Hills, but the US Court of Claims ruled in June that interest on the capital sum should also be paid.

The money does not impress the Indians. "The tourist industry alone will pick up the full tab in two years because in that area it gets \$44m. a year," declared Melvin Garreau, chairman of the Cheyenne River Sioux.

Besides, as Roger Turdell, chairman of the Santee Sioux explained: "That is sacred land and you can't put a value on it. The land has meaning but the little bit of money we would receive would soon be gone."

But the survivors of the eight tribes have been warned that, even if they turn down the cash deal, it's unlikely that they will get back the land itself. For it was congressional action which deprived the tribes of the Black Hills, after granting it to them in perpetuity under the Fort Laramie Treaty (1868): nine years later gold was discovered and they were forced to give up 7m. acres.

A Bureau of Indian Affairs official explained: "The moral question is one thing, but the law is quite clear. Congress could do it, but I don't think it's a very realistic prospect."

So if the Sioux turn down the deal, the money will be put into a bank for them until they change their minds. Meanwhile, the palefaces continue to exploit the sacred lands to their ever greater financial advantage