

survive when the spirit of hatred, injustice, class rule and exploitation will long be dead.

But these Jewish settlers are human, and no human being can persist in living brotherly and honestly on the fruit of his toil if his neighbour gains sudden riches from land speculation without doing any work at all. As long as there is wild land speculation in the cities of Palestine by buying and selling a plot, the intelligent communal worker might be seduced to leave the Kibbutz and make money the same way. Land Value Taxation will destroy this possibility and this temptation, so it will save these co-operative settlements and preserve them as models for a better world. Their preservation is more important than the so-called struggle between the local politicians—and, by the way, there is no struggle at all between Jews and Arabs in Palestine—only between their politicians and journalists.

## RENT IN RUSSIA

BOTH "CAPITALIST" and "Soviet" societies are based upon the denial of the right of the individual to apply his labour to land on equal terms with his neighbour. In the latter it is, in theory, only by permission of the State that any use may be made of the vast resources of the country or a building of any sort may be put up; it is only as a member of a Kolhoz that a man may cultivate the soil. In practice, of course, this silly idea has had to be abandoned in all directions, yet it remains substantially true that no large-scale undertaking can be begun outside the "National Plan."

Thus Rent appears in Russia first and foremost as an enormous bunching up of power in the hands of the bureaucracy and of the inner circle of the Communist Party. The evidence that these men are also feathering their own nests is substantial, but the point is comparatively unimportant. It would be odd if Russians were any more able than the rest of mankind to resist the temptations of power; power corrupts, and the power to say "yes" or "no" to the productive initiative of 200 million people doubtless corrupts very greatly.

There are, however, other forms taken by Rent in Russia. Nature is no more uniform there than elsewhere, and the population is no more evenly distributed. It is thus easier to produce in one place than in another, and the difference (which is rent or community income) is, in the absence of any corrective legislation, left in the hands of those more fortunately placed. That the "rentiers" are often themselves collective persons—trades unions, co-operatives, factories or farms—in no way restores the lost balance.

A clear example can be seen by those with eyes to see in the organisation of the collective farms. By a decree of February 18, 1935, houses with the land they are built on, kitchen gardens and allotments, were made individual property. The produce of these small-holdings will vary in the usual manner, apart from variations due to the different level of industry and intelligence brought to bear on them. But they are all small, and the Soviet policy has normally been hostile to them. Much more important, therefore, is another decree published about the same time, stating that the limits of the domain of each collective farm cannot be reduced. "This," says Sir Bernard Pares (*Russia*, Penguin series, p. 196), "the peasants regarded as satisfying their claim that the given holding belonged to these and to no other peasants—the principle which they had always maintained." For our purposes it should be regarded as a guarantee that the advantages of site and fertility enjoyed by certain collectives will never be taken from them.

We have the evidence of Trotsky that this collective landlordism has led to the hiring of labour by the so-called "millionaire" collectives and the renting of land to less

favourably placed collectives. (See *The Revolution Betrayed*, pp. 128 and 130. The whole passage—"Social Contradictions in the Collective Village" is a running commentary on the ineluctable law of rent all the more striking since the author is, himself, blissfully unaware of the fact.) Perhaps Trotsky overdraws the dependence of the Soviet state upon the favoured few—that is his political line. For our purposes it is sufficient to note that the inequality occurs.

Further "collective inequality" can be seen in what Sir Bernard Pares describes as "the economic domination of the Motor Tractor Station" (loc. cit. p. 166). These are a State-made monopoly which, according to Sir John Maynard, absorb 18 per cent. of the output of the collective farms, and which are, by law, immune from any outside competition.

Thus deeply embedded in the structure of Soviet agriculture we find pure economic rent and State-made monopoly profit going to private ("collective") hands. A similar analysis could be made in industry.

The distortions which result when the laws of political economy are ignored by society are many and various. They fall into two broad categories—monopolistic and Socialistic. In England, where these laws were once known and were made the basis of the policy of a great political party (now defunct) we stagger along under an exasperating combination of both types of distortion. Time will probably show that they are substantially identical. The monopolist in Socialist Russia and the Socialist in monopolised England approximate more and more in their standards of behaviour every day.

J. R. M. S.

## GOLD RUSH AND LAND BOOM

SPEAKING IN the debate on the Finance Bill, May 16, Mr. R. R. STOKES, M.P., referred to the gold rush in South Africa as a good example of what happens as a result of natural resources being discovered and of population desiring to go to a particular place. He quoted from *The Times*, May 13:

"Main attention at Odendaalsrust is shifting gradually away from share speculation and is concentrated on the buying of property. Plots and stands have risen spectacularly in price. The record price of £12,000 has been paid for a small building plot in the centre of Odendaalsrust which 14 days earlier changed hands at £2,700. An offer of £7,000 has been rejected for a building plot formerly worth less than £100. One sold 10 years ago for £52 is priced £5,000 to-day."

"And so it goes on," Mr. Stokes said; "this is because they are expecting population to flow there." He gave a number of examples of land prices in this country to illustrate the anomaly and inequity of the present rating system. "Tax buildings and improvements and you immediately hinder all development. Tax commerce and you at once hinder it. The purchase tax is obviously hindering people from buying. But taxing land according to its value, whether used or not, will force the owners to make use of it in the interests of the community. We need to stimulate the wealth of the country by bringing in a thoroughgoing system of the taxation of site values."

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