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A Search For Land Reform

by GEOFFREY W. ESTY

Dr. Esty is president of the Board of Trustees of the New Jersey HGS at Newark. At the annual conference of the Henry George School in Montreal July 26-30, he gave a report on a land reform conference, of which the following is an abridged version.



UNDER the auspices of the United Nations Food and Agriculture Association, a World Land Reform Conference was held in June 1966 in Rome. The objective was an exchange of experience for the benefit of developing countries in their attempt to reform agrarian policies.

For two weeks there were intensive discussions twice daily, also visits to experimental agricultural and resettlement areas. The chairman concluded the conference with a warning that only effective action taken soon could alleviate the hunger and cataclysmic social disruption within and between nations.

Some 300 participants from 77 countries included official delegates and advisers from land reform agencies. Among international agencies affiliated with the FAO or the United Nations, were the World Federation of Mental Health and the International Union of Family Organizations. I represented the latter as an official observer.

The program consisted mainly of critical reviews and assessments of various land tenure systems and re-

forms, along with supporting measures such as agricultural credit, cooperation and marketing, agricultural extension, and fiscal policy. Sessions for the most part were technical, dealing with questions on how land reform programs or changes in land tenure could be implemented in the developing nations. Methods used or planned varied from expropriation without compensation (characteristic of the Soviet Union) to expropriation with varying degrees of compensation through payment with highest interest bonds. The latter was by far the most common.

The Soviet Union and its satellites used the occasion for repeated emphasis that its accomplishment of complete expropriation without compensation, together with common or state ownership of land, had the advantage or absence of speculation, as land had no market value. Such an accomplishment, they said, satisfied human justice and facilitated social planning for the good of all. No mention was made of the growing demand for incentives
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through private ownership as a means of increasing agricultural productivity. Although we know that Poland and Yugoslavia have been making progress in reestablishing private ownership of land, no formal comment was made on this by either country as far as I know. One of the Russian delegates spoke in a personal conversation, of the selective availability of long-term rental of land as providing for incentives.

The importance of incentives was often referred to, largely in connection with cooperatives or family-sized farm units and the availability of arable land. It was noted that higher incomes in rural areas mean greater incentives for the peasants to step up production. If people are given a chance to participate fully in the national production process and to benefit therefrom they respond favorably and with enthusiasm.

Decisions with respect to changes in land tenure were for the most part arbitrarily determined by governments. This was characteristic in varying degrees of both developing and established nations. Much time was expended for example in discussing whether a single farm family of X number of members should be entitled to have 25, 50, or more, hectares. Where tenants and small-holders have security in occupancy, production incentives and access to resources, it becomes much less important whether the individual or the community holds title to the land.

During these discussions I was not permitted to speak because I was officially an observer. But I talked to key delegates from Tanzania, Uganda, Sudan and Zambia, and felt that Tanzania and Uganda were seriously looking for new directions. They appreciated the fact that, as their populations increased, they too would experience slum conditions and land spec-

ulation. In Tanzania all land belongs to the state and is vested in the President on behalf of the community. It is held on leases of several types — the new form is known as a government leasehold. This is in keeping with the people's conception which knows nothing of individual ownership.

I had two or three brief meetings with Shen Shih-ko, Director of the Taiwan Provincial Land Bureau. His report included the basic requirements of land value taxation, and the accompanying reduction of farm rents were based on crop yields. Shen Shih-ko introduced these reforms in 1949 on Formosa, following the teachings of Sun Yat-sen, having previously initiated similar land tenure programs in several provinces on the mainland. The same measures supported in part by our foreign aid in Taiwan, if they had been instituted as a condition for support of South Vietnam, might have averted the subsequent war.

With the exception of the report from Taiwan there was little awareness of land or site value taxation as a means of reforming land tenure. There was even less evidence that such taxation, to be effective, must be accompanied by a lowering of taxation on improvements. There was evidence however that delegates were searching for fresh ideas. It seemed hopeful that such a search might lead to the eventual discovery that land is life and that inequality and injustice exist because of an unjust system.

The delegation from the United States dealt mostly with Puerto Rican agricultural land reforms and our forestry conservation programs. The members appeared to be unfamiliar with it. Although the sole delegate from Australia, the Officer in Charge of Land and Mineral Rights in the Department of Territories at Canberra, had never heard of land value taxation, we had a discussion about this at luncheon which was overheard by sev-

eral interested participants. Concern for urban land reform was lacking for the most part at the conference, although mention was made to the effect that where land was made available to former landless peasants or farmers, there would be less of a flight to the cities. There appeared to be no awareness that rural land tenure reform alone would not prevent the growth and continuation of slums in urban areas.

It was a delight to meet and talk with the Right Rev. Monsignor Luigi G. Ligutti, Permanent Observer of the Holy See to the FAC. It was apparent that he was popular, highly respected

and well known in Rome. In his address he traced the history of the land policies of the Holy See from Old Testament times to the present.*

Future conferences will perhaps discover that land value taxation and the untaxing of improvements can solve both rural and urban land problems, provided Georgists stand ready to present this view at every opportunity. The soil must be prepared through contact with the leaders of such international conferences.

*Monsignor Ligutti, when he was a resident of Des Moines, Iowa, wrote several articles for The Henry George News and spoke at the Henry George School in New York.

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In 1886 Henry George, the Single Taxer, ran for Mayor of New York. He lost. But to this day that particular election year in New York City history is known as the year of the "Henry George campaign." Only the most historically learned of men will recall at this date that the winner in 1886 was a man named Abram Hewitt.

The reason why George is remembered and Hewitt forgotten is that Henry George, right or wrong, stood for something.

—From The Freeman, February 1967

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No wonder we are so mixed up. We pay a luxury tax on our billfold, income tax on the money we put in it, and sales tax on what we take out. And if that's not enough, we pay a quarter to park our car so we won't be fined a dollar while spending a dime for a nickel cup of coffee.

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California Finance Director, Gordon P. Smith, noting state's number one rank in per capita tax said: "It would be wonderful to move forward by moving backward to No. 2."

—From Life Lines, a life underwriters' publication