

creased from \$6 per year to \$72,000 since the tariff against them was reduced by half at Geneva in 1949, and of china for kitchen and table use, imports of which have risen to a value of \$3.5 million since the tariff was reduced from 45 to 35 per cent.

In addition to the British memorandum the Italian Government sent a "sharp Note" to Washington, expressing resentment of American tariff restrictions imposed on cheese, almonds and hats. Six other Governments sent a joint protest to Washington against the higher American tariff on dairy products.

The Belgian Government has taken more drastic action. In "retaliation" for United States tariff increases on fur for the manufacture of hats it has withdrawn the "tariff concessions" valuable to American exporters of industrial wax (used in Belgium mainly for protecting car bodies prior to painting) which were negotiated in 1947. Holland and Luxembourg, who with Belgium form the Benelux Customs Union, will follow suit. According to the *New York Times* "a Belgian Government source confirmed that the action had been taken after due deliberation in the belief that the United States must be made to realize that it could not continue unilaterally to withdraw concessions negotiated in good faith with other contracting parties to the General Agreement on Tariffs and Trade."

Because the American must pay more for his home-produced hat, the Belgian is to be obliged to pay more for his Belgian-made car. Relations between two friendly nations are exacerbated and an industrial wax industry—in Belgium or elsewhere—will have to be established or an existing one, less efficient than the American, will receive fresh impetus to increase uneconomic production to meet the demands of the Belgian motor industry. Workers in the efficient American industrial wax exporting industry will go on short time so that the uneconomic American hat fur industry may receive its special tariff privilege, while in Belgium, or elsewhere in the world, workers will be drawn from more productive employment to make industrial wax.

If the American people were aware of the burning grievances in Europe, and their own exploitation by the subterranean activities of small, powerful pressure groups lobbying in Washington the outlook for international trade and friendship would be brighter. But instead, according to Alistaire Cooke writing in the *Manchester Guardian*, May 8, the American press generally, with the notable exception of the *New York Times*, has kept singularly quiet about the "wave of new protectionism in Congress" which has broken with a roar over Europe, and the public is ignorant of the harm which may be done in their name.

The situation is charged with irony as well as with danger. With typical trans-Atlantic generosity the American people allow themselves to be taxed as never before to pour out grants and loans to Europe. Their fear of Communism has led them to put faith in schemes to raise the living standards of the "backward areas" of the world which alone, they assert, will arrest and reverse the spread of Communism. Yet unless they restrain their tariff-mongers their own living standards will fall, rising unemployment figures in Europe will force European governments to interfere further with industry and trade, discontent will pave the way for Communist propagandists and an all-out tariff war will be difficult to avoid. P.R.S

LAND SETTLEMENTS IN ISRAEL

Information about the new villages and settlements in Israel set up through the "National Land Fund" was given in the statement by Mr. M. R. Kidron to the United Nations Second Committee on Land Reform at its meeting in Paris, January 8, 1952. We are indebted to Mr. Harry Ziadés, Press Officer, Delegation of Israel to the United Nations, 11 East 70th Street, New York, for a copy of the Press Release. The facts as related, and without comment here on our part, supply answers to many enquiries we have received.

Mr. M. R. Kidron, after general reference to the primary importance of land reform and to the intensive study being given to it under the auspices of the United Nations, goes on to describe what has been done in Israel in this connection:—

"The most usual system of land tenure which has been adopted in Israel is based on nationalisation of a unique kind. I say most usual because private ownership of land does also exist. The land under the nationalised system is not owned or administered by the State, but by a public body known as the Jewish National Fund whose rights to acquire and dispose of land are defined by statute. The Fund is financed by voluntary contributions and loans, and the land it acquires, whilst regarded as the inalienable property of the nation as a whole, is leased out on long lease to individual tenants.

"The conditions under which land is leased to the individual tenants are flexible, although based on certain fixed principles. As enumerated by Professor Alfred Bonne of the Hebrew University in Jerusalem, they include the following:—

'The first principle is the national (or public) ownership of the land itself. The principle implies a prohibition of resale of land and a right of control through the Fund if the *usufruct* passes from one tenant to another. The lease is contingent upon the annual payment of rent, which means at the same time that the National Fund retains its position as land-owner, and the tenant acknowledges his status as a tenant with all the rights and duties involved. The tenant is subject to certain obligations and restrictions; thus the land is protected against over-utilisation; if there is a rise in land values, a new evaluation may take place and lead to a higher rent being fixed. If by changes in the technique of cultivation the size of the farm proves to be too large—which happened frequently in the past with the spread of irrigation—the tenant has to consent to reduction of the area allotted to him.

'In the lease contracts the use of the land is always specified: for agricultural cultivation, for the establishment of a factory, for a house or school building, etc. These terms cannot be changed without the permission of the Fund. Likewise the tenant cannot transfer his rights to another tenant if the Fund is not agreeable. The contract is made for a period of reasonable length (49 years) in order to create a sense of confidence in the heart of the tenant and to encourage him to invest. If the tenant reaches the final year stipulated in the contract, he can ask for another 49 years' prolongation, which means that the property may be easily held in one family for generations.

'The annual rent depends on the value of the estate. In the case of agricultural land it is

usually two per cent. For urban land the vote is 4 per cent. . . .

'If there are no cogent reasons against it, the tenant may, with the approval of the Fund, transfer his rights to someone else, either by sale or by sub-lease; he may likewise mortgage rights on the land or dispose of them in favour of his heirs. This form of lease approximates, therefore, to the rights of disposal exerted by an owner of land proper.'

'A little over 80 per cent. of Jewish villages in Israel are established on National Fund Land. This system of nationalisation has thus become the basic form of land ownership in the country. The results of the development are that settlers have security of tenure and are interested in the improvement of their holdings; sizes of farms—about 2½ hectares for irrigated farms and 10 to 12 for unirrigated—are more or less equal; the use of the land is controlled; and the accumulation of land into big estates is impossible.

'The nationalised form of tenure in Israel finds its expression in the social organisation of the new villages and settlements in Israel (when I speak of new, I mean the development over the past 40 to 50 years). The social organisation is again an original device to cope with a particular problem: the settlement of an essentially urban people, lacking in capital, skill or experience in agriculture, on a land which had wasted from neglect. The forms of settlement chosen on National Fund land were all of a collective or co-operative type. These settlements range from the commune in its simplest form, that is, the *Kibbutz* in which the means of production are commonly owned and where there is a common household, to the *Moshav* type of settlement in which buying, marketing and agricultural machinery only are co-operatively organised.

'In some types hired labour is barred, in others it is allowed. The basic factor common to all, however, is the existence of co-operative forms of organisation to a greater or lesser degree.

'These various forms of settlement are all, of course, of a voluntary nature—the State has no rights of ownership or control in them. Many are still, to some extent, in a flexible stage—while the broad lines are laid down, there is a constant creative experimentation towards new and perfected forms of social organisation in agriculture.'

SQUATTERS IN MALAYA

Responding to questions put by Mr. Stephen Martin, the following information has been supplied by Mr. Peter Monkhouse of the *Manchester Guardian* staff. It is based on a memorandum received from their correspondent in Malaya:

The policy of the Government of Malaya is to grant land-titles to all Chinese "squatters", who at present have no legal right to the land they have settled on. Some idea of the dimensions of this problem can be deduced from the fact that in Malaya about 500,000 Chinese "squatters" have either been resettled or are scheduled to be resettled—in order to group them together, so as to make it possible to afford them better police protection.

To give an idea of the factors governing the provision of land under "squatter" resettlement schemes I give below the data connected with land allocation to resettle squatters in the Johore State:—

(1) The bulk of the resettled Chinese "squatters" are not at present agriculturists in the sense that they depend economically on agricultural holdings. Most of them are rubber tappers who work on estates. This situation would, however, change greatly if the demand for Malaya's rubber should decline very considerably, and there would then be a greatly increased demand for agricultural land on the part of these "squatters".

(2) The land for their houses, and sometimes for small "kitchen garden" plots, is provided by the Government either by the alienation of Government land or by the Government acquiring land compulsorily for this purpose from private owners. The number of "house lots" for which leases will probably be granted in Johore State is 22,500.

(3) The Government's intention is to grant 21 year leases for the land allocated, but as the formalities for granting leases occupy a long time (in some cases up to one or two years) the procedure now in practice in Johore is the issuing of "Temporary Occupation Licenses" (TOLs) which are documents conferring legal right to the land but which can be revoked at very short notice. These "TOLs" are valid pending the conferment of the leases.

(4) The land rents payable for these TOLs—and presumably ultimately also for the leases—in Johore are fairly low, and are as follows:—

A Shophouse lot (*i.e.* big enough for the erection of a shophouse)—13 to 20 (Straits) dollars a year.

A House lot—5 to 10 dollars a year.

A Vacant Plot (presumably for garden)—2 to 5 dollars a year.

(5) In regard to the provision of *agricultural* land to resettled Chinese squatters in Johore State the problem has, as stated above, arisen only in comparatively few cases as yet. The conditions under which the Land Office of the Government allocates such land are, at present, as follows: Premium payable is ½ per cent of the capital value of the land for every year of the lease. Annual Rent is 3 per cent of the capital value of the land. Survey fees are 37 to 50 dollars for a plot up to 5 acres. More for larger plots. Charge for preparation of leases is 6 dollars. Agricultural leases are issued subject to good husbandry.

On Singapore Island the market site value of land increased by 30 to 40 per cent between 1949 and April, 1952. The increase between 1949 and Autumn, 1951, was more probably about 50 per cent. The fall in the price of rubber during the early part of 1952 has had its repercussions on land values which have since fallen.

The Operation of Land Value Rating in Various Countries. Being Paper No. 15 presented at the Seventh International Conference (1949) of the International Union for Land Value Taxation and Free Trade. 1s.

Rating and Taxation in the Housing Scene. By F. C. R. Douglas, M.A. 6d.

Land Value Rating. Theory and practice; a handbook for all interested in municipal finance and the rating question. By F. C. R. Douglas, M.A. 2s. 6d.