

PALESTINE

IN AN article contributed to *The Freeman* (New York), March, 1943, Judge Bernard A. Rosenblatt, President of the Palestine Foundation Fund (Keren Hayesod) of the U.S.A. utters a grave warning against the growth of land speculation in Palestine. In parentheses he says that the latest information from Palestine seems to indicate that land values have already risen substantially since Rommel's defeat in Libya. But with the increasing immigration after the war, which can certainly be premised, the limited area of Palestine must necessarily increase immensely in price. The present landlords both Arab and Jewish will reap a harvest which must operate as an increasing tax upon every newcomer in the country. The Jewish National Fund is vitally affected for it would be unable to purchase land at an increasing tempo to meet the demands of the new immigration while land values continue to forge upwards with every shipload of immigrants; the Fund may in fact be forced into the awkward position of becoming virtually a collecting agency for Palestine landlords.

It is well that a leading authority like Judge Rosenblatt teaches this lesson and that he so fully appreciates how the question of land values dominates in all that relates to land settlement. But does not this realisation come rather late in the day? The land-buying operations of the Jewish Fund have long ago boosted land prices

sky-high and the wicked trail of land speculation lies across the whole scene. That the Fund becomes a collecting agency for Palestine landlords speaks not of the future merely but of what has happened as well. Judge Rosenblatt offers as a specific that which will not avail as a remedy—a tax to appropriate all increment in land values arising from and after 1st September, 1939, which incidentally would require the almost impossible task of ascertaining what was the value of each piece of land at that date, and if that could be accomplished the proposed tax would take only the increased values since that date. It would leave the already swollen land values, enhanced to the limit before 1st September, 1939, in the hands of private interests whereby labour is deprived of its just earnings and the community loses its natural revenue. The situation requires in Palestine, as in all countries, the straightforward and uniform levy of taxation on the value of all land whether used or not with the corresponding remission of taxes on trade and industry, making no such discrimination as would depend upon the value of land having risen more in one spot since a given date than in another spot. And the general tax on land values falling as it would also on the value of unused land would break up the speculation in land prices which has always brought frustration and distress in its train.

JOHN ANDERSON OF MONTREAL

IT WAS sad tidings to hear of the passing on 4th April of John Anderson, of Montreal, the leader of our movement in that city. He was of the finest type of the followers of Henry George, never yielding in his faith, always helping others to follow his example of doing something for the cause. The help and encouragement he gave to the formation of classes in Montreal must have spread the light to hundreds of young Canadians. In his last letter to me some months ago he said, "Customs' tariffs, quotas, etc., are the damndest racket ever invented to keep the masses in subjection." No one thought of John as old, I was surprised to know he was over 80. His lovable serene character kept him always young; it is a privilege to have had his friendship.

ASHLEY MITCHELL.

ESSAY COMPETITION

Pressure of other work and interruptions due to war-time conditions have prevented the adjudicators from completing their examination in time for announcing their awards in this month's issue of *Land & Liberty*. They regret the postponement, which has been unavoidable. The results will be reported next month and it is expected that during the month each competitor will be acquainted with the results by post.

SOCIAL SECURITY AND THE LAND QUESTION

A CONDITION is possible in which there would be a fair distribution of wealth, where there would be no undeserved poverty, where employment would be steady and remunerative with the menace of recurrent industrial depressions removed and "insecurity" without fault no longer to be feared. Among the causes that prevent such a condition from obtaining is a false and wrong land tenure which enables landlords to monopolize the value of land, they taking in rent wealth that others produce; and to them a price has to be paid for access to raw materials and to the standing ground without which none could live or gain his sustenance. We are foolish enough to permit some people to regard the rent of land as their private property, surrendering to them a public revenue that belongs to all of us in common since it is we, the people, who by our congregation create it. When the payment demanded in rent or price for land is more than the would-be users can afford to pay if their undertaking is to succeed, the land lies idle; its excessive price is a barrier against use, stopping the production of what could be produced there, causing scarcity and disemployment just in that measure. We suffer that to take place and deliberately aggravate the evil by erecting further barriers in the form of taxes imposed on houses and other buildings, on the results of any work done, on transport and commerce and on enterprise wherever it appears. By these our own stupid laws operating everywhere, the social injury done reaches gigantic proportions. It is not from actions in the past, but from our own act day by day in the present that we have this most unnatural and inexcusable poverty and unemployment in our midst. To indulge in talk about "landlord rapacity" or in denunciation of other demons is to forget that in our legislation as a democratic State we are ourselves responsible for a situation that could be remedied here and now and made good for the future.

Land Value Taxation and Free Trade provides the remedy, obtaining for the community the rent of land which is of right the

property of the community, making possible the remission of taxation and production and exchange, encouraging the best use of land and ensuring "full employment" in the real sense because accompanied by "full wages" and the just distribution of wealth.

We who are convinced that this policy has all ethical and economic argument behind it, that it is fundamental, urgent, practical and efficacious can have little confidence in policies however well intentioned which can do no more than alleviate misfortune and which quite obviously accept the inevitability of poverty in the structure of human society. In criticizing or rejecting them we can take the risk of being called obturate. These policies are not remedies; they are only palliatives. Their outlook seems to be that the present dead-level of wages cannot be raised and that the only way to lift above it those who are below "bare subsistence level" is to subsidize wages or give help in kind at the general expense. It is the "money for social reform" school of thought, apparently closed to the idea that there is any land question at all or that rent and taxation have any bearing whatever on the problem. State or municipal expenditure serving a needful purpose is all sufficient; how the revenue is obtained and with what repercussions seems to be of little or no consequence.

An example of this trend of social and political thought is the hope entertained in the Beveridge Report on Social Insurance and the Allied Services that by such means want may be abolished, the commendable hope and what we are all working for. But again, means and methods are to be questioned. Little is to be expected from attempts to mitigate poverty or give help in distress by the use of tax revenue obtained in a way which by its restrictive, obstructive and penalizing effects, is an actual cause of unemployment. Those who are calling for the "implementation" of the plan have to realize what the "implementation" involves. The necessary revenue has to be got before the benefits can be dis-

pensed; it means the imposition of greatly increased taxation right away and in one swoop—not only an increase in general taxation but also the additional and extended contributions which in the Report itself are rightly called poll taxes, implicitly if not explicitly admitted to be at the limit of what many can easily pay.

The plan is first and foremost a tax plan involving in the contributions alone an extra sum of £179,000,000 a year. True, these include the contributions of employers; but the advocates of the proposals are now as busy as any giving testimony that the charge will not rest there. The greater probability is that it will be passed on to consumers in higher prices becoming in fact an indirect tax, so that in that way besides by their personal contributions the beneficiaries will be paying for the benefits.

Worse still and perhaps more sinister is the hint in the Report that working people will become reconciled to the income tax on wages when they realise that such payment is returned to them in the "social security" it would help to provide. But presently this attempt to earmark revenue for a given purpose will be lost sight of, just as happened with the allocation of the motor vehicle duty and petrol tax to the Road Fund. The Chancellor of the Exchequer would have one more net to spread for any and every purpose and the whole fiscal machinery would be set for a grand shift of taxation on wages, trade and industry. So much for the suggestions in the Report on how to "widen the basis of taxation."

It is an unacceptable idea that the proposals will achieve a "redistribution of the national income." It is clear that the main purpose is a redivision of wages among wage-earners themselves, or it will work out largely that way. The fact is that wages in the bulk are already reduced by the twin exaction of rent and taxes; and wages in the bulk as well as the general level of wages cannot be raised unless we tackle and deal with the primary wrong that the rent of land is now being privately appropriated and access to land is at a premium.