

## Dig Your Own Canal

By STANLEY SINCLAIR

**A**N INTERESTING approach to the land question was made recently by the Republic of Panama.

Most of the land in this country is held by a few families, lacking the necessary capital to exploit it. These immense tracts remain idle while their owners await an opportunity to sell them with considerable profit. During this period of profitless waiting, the poor farmer leads a miserable life, unable to obtain suitable lands to work. In these words a government spokesman summed up the problem.

To cope with this condition, the government bought and expropriated some 750,000 acres of good agricultural land. Each head of a farming family is to be provided with a tract of land. The tracts are to be sufficiently large to permit the farmer to provide for his family's needs plus a marketable surplus. The farmer is then expected to sell his surplus crops through a government supervised market.

The land distributed under this system may not be sold. However, with special permission from the government, the farmer may rent his tract to a tenant for not more than a year.

That the government should have seen fit to expropriate some of this land is indeed interesting. Unfortunately there are no figures available as to how much of the 750,000 acres involved were purchased. Judging Latin American politics, one might guess that a fair amount of it was bought by the government. The question arises, of course, who paid for it.

In the case of Panama, there are factors present which might well make this situation unique. The Republic's principle asset is the canal. For this reason, the country needs merely import duties and a few direct taxes to support its government. It is highly probable, therefore, that canal revenue paid for the land. This little Republic might well be in the unique position of having an international public utility pay for its land reform.

The prime question that arises is how well will this attempted solution work.

By forbidding the new occupants to sell their land, the government may successfully prevent the land from again becoming concentrated in a few hands. Further, the small farmer is not permitted to sit back and collect rent from a tenant; thus the evil of unearned increment is avoided.

In the absence of income taxes, and with no obligation on the part of the farmer to pay rent, a profitable economy should be built, albeit on a small, agrarian scale.

This experiment will certainly bear watching. It may well point up a few lessons. Unfortunately, other communities cannot have a canal dug through their midst and pay for their land reform by means of an unearned increment. Nevertheless, in this somewhat crude crucible may soon be found some of the perplexing questions involved in the study of the land problem.