

# LAND & LIBERTY

JULY & AUGUST, 1975



*Reappraisals of  
Henry George*

*Scot Young Looks at  
Jamaica's Land Tax*

*Corrupted Capitalism*

*The Hague's Gift to  
Landlords*

*Community Land  
Bill—Critics*

*Book Reviews*

*Letters*

## Stumbling Steps to Land Reform

OVER 90 per cent of all Hondurans under the age of five suffer malnutrition. Emergency food supplies and medical teams which followed in the wake of hurricane Fifi while helpful for this devastating occasion could do nothing to alter the permanent problem of bare subsistence farming and the struggle for mere survival reports the *Financial Times* May 22.

The military regime that seized power in April have decided to give priority to land reform. The

pattern of land monopoly with a hungry and largely landless peasantry looking to an armed revolution to bring them salvation is familiar enough in this century. Equally familiar is the pattern of land reform that has followed — one that is superficially easy and superficially "just".

Almost three quarters of the rural population of Honduras owns only about one eighth of the cultivable land between them and a mere 667 families own more than one quarter of the land.

The very small holdings or *minifundios* farm their tiny plots to the point of exhaustion, reports the correspondent, while the *latifundios* the large farms, are only partially cultivated. The result is low productivity in both cases.

The Government plans to break up *latifundios* and increase the size of *minifundios* by amalgamating them. Other features of the land reform plan are: compensation to be paid to dispossessed landlords in the form of Agrarian Bonds; holding of cultivated and irrigated

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land limited to 214 acres; one and a quarter million acres distributed to about a quarter of a million families in the next five years; credit, machinery and fertiliser to be provided for the peasants.

Complicating the efforts to increase the overall productivity of the country and the general economic conditions, is the Honduras' dependence upon tax revenues from two large American banana and fruit companies whose cultivated land is exempt from expropriation. At least there is wisdom here, expropriation could mean the collapse of the industry (Cuba made this mistake) but why expropriate *any* land? And why deplete the meagre treasury with compensation?

The best way to break up large landholdings is to make it unprofitable to hold land idle or underused. The aim of maximum productivity can best be achieved by harnessing the producer's own self-interest. Rent revenues from land holders could provide for the new capital required without resorting to other disincentive methods of raising money. In short, money should be drawn from the landowners by a land tax - not given to them for releasing their land to others.

Further, the method of land distribution will set up a new class of landowners and this will sow the seeds of future discontent as land values rise to be privately appropriated. Only the land value taxation method, however adapted to suit prevailing conditions, can provide a sound basis for the future of what is at present perhaps the poorest country on the American continent.

Inadequate and unsoundly based though this measure of land reform may be, doubts have now been thrown upon its implementation by a later article in *The Guardian* (July 3) which, as we go to press, quotes reports that the new military regime is suppressing land reform and taking punitive measures against some peasant organisations and co-operatives that have been receiving assistance from Western agencies.

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