

Land Speculation in Israel

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Your editorial in the January, 1996, Hadassah Magazine referred to the tremendous rise in land values in Israel. You commented on Neil Sandler's report on the rise in property values and gave, as an example, Mr. Sandler's assertion that a three bedroom apartment in the Gan Hair project sold recently for \$1.5 million, while a similar apartment in Manhattan's Trump Tower sells for \$800,000.

You stated that the Bible was "surprisingly silent on real estate booms and busts in ancient Israel," pondering that we could only speculate whether this spurt represented "a new future or a recycled past."

While the Bible did not specifically refer to real estate booms and busts, it did outline proposals to prevent the concentration of land ownership that creates booms and busts. Numbers, Ch. 26, refers to division of the land by lot, according to family size. Leviticus, Ch. 25, quotes the Lord as making a commandment to Israel: "The land shall not be sold forever, for the land is mine; for ye are all strangers and sojourners with me." Leviticus then sets out the Lord's direction that there should be a right of redemption of the land.

Isiah, Ch. 5, quotes the prophet as saying: "Woe to them that join house to house, that lay field to field, till there be no place, that they may be placed alone in the midst of the earth"! In the King James Bible, Ecclesiastes, it is stated that "the profit of the earth is for all." However, for reasons I do not understand, this statement is not found in the Jewish or Catholic bibles.

Tribes surrounding Israel worshipped Baal, a word which referred both to their God and their landlord. The ancient Israelites tried to set up an alternative to the land concentration of the other nations.

Similarly, modern Israel was created under the principle, as stated in its Constitution, that the land should belong to all of the people of Israel. To prevent land monopoly, the Jewish National Fund decided to lease, for 50 years, rather than sell its land.

But not only has there been tremendous land speculation in Israel (as Mr. Sandler so clearly documented), but it also has impacted Jewish National Fund land, because of the great increases in value occurring within 50 years. As a result, Israel will face the same boom and bust real estate cycles that have brought about unemployment, lack of affordable housing, and poverty that has infected every nation whose economic policies have allowed land speculation to flourish.

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Some Jewish leaders, like Rabbi Stephen Wise proposed that Israel lay a heavy tax on land, eliminating other taxes, so as to discourage land concentration and stimulate business and construction. This idea was widely expounded by the great American economist, Henry George, in the last part of the 19th century. However, this idea was first suggested by Baruch Spinoza about 1670. Colonel Josiah Wedgwood, leader of the struggle in the British Parliament for a Jewish state in the early 19th century, was a strong supporter of applying the ideas of Henry George in Israel (as well as in Britain.)

Land speculation affects every piece of land, whether it is used for residential, commercial or industrial purposes. Eventually, it pushes land prices so high that labor and capital cannot afford it, and we have the busts to which you referred, bringing along with it poverty, unemployment, housing shortages, and internal strife.

This process is manifesting itself all over the near east. The promise of peace has been reported to have greatly increased

land prices in Lebanon, the Gaza strip, and the West Bank, particularly Ramallah. It has also been reported that the Grand Rabbi of Syria has suggested to that nation's exploited Jews that they remain in Syria, because peace would bring a great increase in the value of their land which they now hold, but are not allowed to transfer.

You and Mr. Sandler are doing a public service in bringing this crucial problem to the attention of the Jewish people.

Common Ground-USA, of which I am an active member, is a worldwide organization devoted to teaching and expounding the principles laid down by Henry George (and by Spinoza) that the land (including natural resources) is the common heritage of all the people, and that this principle should be effectuated by recouping for each nation up to 90% of the rental value of its land (exempting buildings and improvements) and eliminating all other taxes. Israel could not only solve its own economic and social problems by implementing this principle, but it could show the world the way to peace and prosperity for all. I am interested in ascertaining what you think of this principle, and whether you would like to receive significant literature on this subject.