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PROCEEDINGS OF THE
EIGHTH
INTERNATIONAL CONFERENCE
OF
AGRICULTURAL ECONOMISTS

HELD AT
KELLOGG CENTER
MICHIGAN STATE COLLEGE
U.S.A.

15-22 AUGUST 1952

GEOFFREY CUMBERLEGE
OXFORD UNIVERSITY PRESS

LONDON NEW YORK TORONTO

1953

LONG-TERM OBJECTIVES IN LAND TENURE

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HAVING entrusted this paper to a German professor, you will not be surprised to hear the subject dealt with systematically as well as historically. As to the systematic part of my task I am going to do the same as Marshall Harris did when reading a paper on 'Objectives of land tenure policy' to the Caribbean Land Tenure Symposium in 1946. Right at the beginning he said: 'We must come to an understanding as to the meaning of the term "land tenure" and of the word "objectives".' As to the meaning of the word 'objectives', I shall readily accept Mr. Harris's definition that our objectives are the ends that we seek to attain, and I also accept his appeal to distinguish between means to an end and the end itself. Frequently means may be regarded as goals for the immediate future; nevertheless, they remain means destined to achieve higher objectives that, ultimately, are shaped by philosophical, ethical, and even religious ideals.

In a controversy of the early nineteenth century Baron Stein, who took a leading part in the emancipation of the peasants in Prussia, pointed out that, for him, the main objective was religious, moral, intellectual, and political perfection of the nation. Thus he explicitly rejected the opinion of those for whom the chief goal of a State is to increase population and production of foodstuffs. Here we may state that increases in the production of foodstuffs are feasible and, perhaps, even indispensable means to the end of religious, moral, intellectual, and political perfection. To deal adequately with this larger frame, however, it would require a profound treatise on the philosophy of religious, moral, intellectual, and political perfection. So, for the moment, I must leave this point though I hope the course of this paper will let you feel that I am bearing it in mind.

Our second task is to come to an understanding as to the term 'land tenure'. Again, I am glad to follow Marshall Harris, taking the term in its broadest sense so that it includes all the rights in the productive unit—that is to say, the rights retained by society and those granted to private parties; rights held by the owner and those that are granted to the mortgagee, the tenant, the manager, the proportional profit sharer, the cropper, or the labourer. That comes quite near the meaning of our German term *Agrarverfassung*. This term, however, includes also the human relations amongst people engaged in agriculture. This

is the primary object of rural sociologists in this country. But *Agrarverfassung* investigates human relations, whether customary or contractual, particularly as far as they are determined or influenced by the rights in the productive agricultural unit, i.e. by land tenure in its proper sense. Consequently, it covers only a comparatively small part of rural sociology, and this paper, though read by a man who has been brought up in the conception of *Agrarverfassung*, can, without great difficulty, be based on the modern meaning of the term 'land tenure' as it is understood in this country and throughout the English-speaking world. Particularly, it will not differ considerably from the definition given before the International Conference of Agricultural Economists in 1947 by R. R. Renne when he said: 'Land tenure is a broad term covering all those relationships established among men which determine their varying rights in the use of land.' Though for our purposes it may be useful to follow the reverse course, which would mean that we have to investigate how the varying rights of men in the use of land determine the relationships established between them.

The broad conception formulated by Renne takes care of some relationships which Marshall Harris did not mention explicitly. In his paper of 1946 he restricts himself to tenorial relationships among individuals and between individuals and society. Here the term 'society' covers a great variety of human groups and institutions. A similar simplification was used fifty years ago, and for quite understandable reasons, by the German Professor Gustav Schmoller. He explained that the two tendencies which are met again and again throughout the history of modern land policies are: increase of free individual ownership or subordination of all private ownership to the common interest of the nation. We are reminded of the famous French slogan 'Il n'y a que l'État et l'individu'. But this phrase does not say enough for approaching land-tenure problems. For, as a matter of fact, we see the individual living and working in a family, under the rule of a clan or a tribe, in co-operation with neighbours or people practising the same profession, acting either on a voluntary basis or under coercion, and all these groupings and bindings are important apart from the society of the nation as such, apart from the State. This is a point of view which has been laid stress upon by a good many rural sociologists, particularly by John H. Kolb. It is most important in land-tenure policy.

Turning to the historical aspect, you need not be afraid that I shall draw you into the land-tenure problems of Assyria or Babylon, of the Hellenes with the Romans. For, with due reverence to the great Greek thinkers and philosophers, we cannot say that they handed down to us any clear ideas on long-term objectives in land tenure. Some of the

Roman authors, maybe, have come nearer to such a way of reasoning. But their motives and objectives are so different from ours that a detailed description would not help us in the problems of our day.

During the Middle Ages no need was felt to discuss reforms of the existing land-tenure system, as it was deeply connected with the general views determining the religious, constitutional, and economic life. Consequently there was no far-reaching movement purposefully endeavouring to define, establish, and attain long-term objectives in land tenure. Such a movement, however, is to be found during the eighteenth century in connexion with the spirit that laid the foundations for scientific treatment of all problems influencing human life, particularly of economics, of political economy as well as of economic theory.

This movement of the eighteenth century led to the emancipation of the peasants, i.e. to a new order of land tenure, in most of the continental countries of Europe. I was reminded of the old movement when during the Conference on World Land Tenure Problems which took place in October and November 1951 at Madison, Wisconsin, one of the papers suggested the formulation of a model land code. This comes quite close to the idea of one of the disciples of the physiocratic school who, expressing the view of his age, demanded that the same laws should be written for all nations. His ideas had a considerable influence on a prince in southern Germany, the Margrave Karl Friedrich of Baden, who initiated the emancipation of his peasants some time before the French Revolution of 1789. In the physiocratic conception as well as in the recent suggestion of a model land code, the fundamental conviction was that there are long-term objectives in land tenure which should be recognized as universally right, reasonable, and natural.

When purposefully creating a new system of land tenure by the end of the eighteenth century or during the first half of the nineteenth, the Governments in continental Europe desired three things: to promote economic and technical progress in agriculture; to build up a modern State; and to realize social justice and human rights. With regard to the last point, an evaluation of the results is highly dependent on personal judgement. According to the views prevailing during the nineteenth century, considerable, though not altogether satisfactory, results were achieved. With regard to the modern State, it was characterized in A. W. Ashby's paper of 1949 when he called special attention to the growth of bureaucracy, emerging as a more and more powerful organization. To this end the feudal authorities who so far had hardly admitted the direct power of a Government over its citizens were

curbed or abolished. Feudal lords, though once having been guided by a spirit of high patrimonial responsibility based on religious commandments, were now hated as oppressors, or at any rate were regarded as having outlived their original justification. As to the first objective, the freedom which was given to the individual (if not complete at least in principle) to dispose of his abilities, his land, and his implements according to his own choice and judgement, advanced the technical and economic development beyond all expectations.

Nevertheless, since the second half of the nineteenth century, the so-called liberal reforms in land tenure have been more and more criticized. A new movement which in my country was called Agrarian Reformers stood for changing or improving the prevailing order of land tenure. Max Sering, the late Vice-President of our International Conference of Agricultural Economists, was one of their leading men. As a rule, they did justice to the successful influence of liberal land laws on the technical and economical development of agriculture. But they pointed out that in one important field the hopes that had been entertained when emancipating the peasants had been deceptive: the new economic order had not by itself brought about a beneficial, just, harmonious, and reasonable social order. Social life was threatened by severe antagonisms and controversies. Millions of people had lost the social ties that had sheltered their ancestors in the rural families and village communities.

Thus, the Agrarian Reformers, though willing to preserve the incentives of private initiative and of competition, and though condemning coercion, aimed at legislation which would be in harmony with the traditions and the feelings of the rural population, and which would help to keep the farms as running units within the rural families. They strongly advocated the co-operative movement as initiated by Raiffeisen, and other means of bringing about a good organization of agricultural credits in order to prevent over-indebtedness and speculation in rural estates. Not a few were protagonists of the small-holdings movement. Altogether, a new long-term objective in land tenure is to be seen to preserve, and to strengthen, or newly to create social ties and bonds protecting the individuals from being uprooted and atomized.

In 1938 H. C. Taylor, in his paper read to the International Conference of Agricultural Economists, pointed out that in America while the forefathers had been interested most of all in freedom, a new generation had arrived on the scene that was sore because of lack of security, that showed even a strong tendency to trade freedom for security. This important change apparently corresponds to the ideas of the

Agrarian Reformers in continental Europe. Let us see how far similar views and aspects are to be noticed all over the world.

In trying to answer this question we must notice that, since the end of World War I, there are unfortunately no longer universal ideas representing the streams of thought of the whole civilized world. In the countries dominated by Governments believing in Marxist-Stalinist communism, and in the political parties adhering to that doctrine, the problems of human life and consequently the objectives in land tenure are approached and tackled in a peculiar, dictatorial, almost esoteric way. For the moment we have to confine ourselves to the rest of the world which, however, extends to all the five continents and comprises all countries on this side of the Iron Curtain. And, apparently, even beyond that curtain we may count on innumerable human beings sharing our ideas and our desires, ardently longing to take part in our accomplishments and in our endeavours though—or perhaps because—they are not allowed to confess their opinions openly.

As to the ideas and objectives prevailing in the Western World, we are fortunate in having a recent, most valuable, and representative source of information. For we can refer to the recommendations made last year by the competent council of the United Nations which a few months later were commented on and supplemented by the Conference on World Land Tenure Problems.

In a resolution adopted by the Economic and Social Council of the United Nations in September 1951, concerning the economic development of under-developed countries and land reforms, we find first of all stress is laid on the importance of improving the conditions of agricultural workers, tenants, small and medium farmers towards economic development and rising standards of living, human dignity and freedom, and social and political stability. Particular steps recommended by this resolution are: security of tenure; opportunity for the cultivators of land to acquire ownership; organization of land holdings into farms of efficient size, preferably into family-sized holdings, either by dividing unduly large holdings or by combining fragmented units. Moreover, promotion of co-operative organizations, establishment or expansion of credit institutions, and reduction of agricultural indebtedness, prevention of exorbitant rentals, and elimination of inequitable tax loads are recommended.

It would not serve the topic of this paper to dwell at length on other recommendations, such as to diversify agricultural production, to encourage the establishment of industries in rural areas, to develop programmes of literacy and general education, to ensure adequate agricultural research and to build up extension services and model

farms. For such measures are not connected with the nature of a land-tenure system; a good many of them may be found in the U.S.A. as well as in Soviet Russia, in feudal times as well as in nineteenth-century liberalism.

But it is important to see that the resolution explicitly reminds its readers of the main conclusions of the Secretary-General's report, explaining that any measures taken to improve agrarian conditions should be related to general plans for promoting economic development. From this phrase we may conclude that not only the general economic situation but also the order and system determining the processes of economic and social life generally are to be seen in their interrelations with land tenure. To some of us this may seem to be a triviality. But it is an important point of view which has not always been borne in mind. As a matter of fact, after having been almost the guiding principle during the reforms which opened the age of liberalism, it has been neglected more and more since the middle of the nineteenth century. It means that if there are unconditional objectives of land tenure the general economic and social order must be based on the same principles, and, on the other hand, the rules and methods determining the general order of economic and social life have their bearings on the working of any land-tenure system, sometimes even much more than the juridical conception of land laws.

Which long-term objectives in land tenure have shared the contents of the resolution? We have noticed that it commends efficient family-sized holdings, operated by owners or by tenants enjoying security of tenure and not exploited by exorbitant rents or taxes, supported by co-operative organizations and by institutions for providing agricultural credit at reasonable rates of interests. These objectives, important as they are, cannot be regarded as complete. For no mention is made of the role or of the limitations of governmental or social control of the use of land. Nor do we hear what weight should be given either to individual ownership or to family ties and family traditions. Importance, no doubt, is attributed to the incentives springing from the individual interest to improve the productivity of the land. But far from trying to create a model land code, the resolution urges the point that in view of the great diversity of conditions in various parts of the world, no one special measure or group of measures can be expected to meet all situations.

In order to gain a wider, if not a complete, list of the long-term objectives in land tenure which find recognition in our present world let us see what the Conference on World Land Tenure Problems had to say during their session last fall. The Report of its steering committee

states that most of the delegates are in general agreement with the recommendations of the Economic and Social Council of the U.N. The Conference started a work which all participants would like to see continued. A central committee is to be set up and one of the duties with which it is charged is to collaborate to the greatest possible extent with the International Conference of Agricultural Economists. Thus it is all the more useful to get acquainted with the views expressed by the delegates of the World Land Tenure Conference.

The report of the Steering Committee which I mentioned before, by pointing at the dual criteria of economic efficiency and social justice, gives us a good formula for long-term objectives in land tenure. It adds that there is hardly any part of the world where the prevailing tenurial pattern satisfied those criteria in a full measure. The subjects to which it pays particular attention are: maldistribution of land ownership, credit, equitable landlord-tenant relations, possibilities of co-operation in land-tenure improvement land reclamation and settlement. Moreover, one of its general remarks deserves to be quoted: 'the land tenure specialist may go wrong if he ignores the integral relations between agriculture, the rest of the economy and, indeed, the social order.'

In the publications distributed by the World Land Tenure Conference and in the papers read before it during its sessions, filling no less than five weeks, we find further welcome information.

Let us begin with the situation and the problems of the United States, although our American friends, as most generous hosts, have taken the floor only in relatively few cases. As far as I can see, one of their main problems is to develop the authority and the growing activity of the Federal Government and of the States within reasonable limits. Such activities have sprung up since the end of the twenties not merely in price-support programmes and in organizing better credit facilities, but also affecting the system of land tenure through measures for preserving the fertility of the soil, through the management of the public domain by the Federal Government, and the use of police power by the States for zoning, in order to lower the social costs of far-spread settlements on poor land. There is a remarkable general tendency for the agricultural population to become more rooted in the soil than it was during the pioneer period with its frontier spirit. Father-and-son agreements, designed to keep the farms as running and productive units within the family over the change of generations, are framed by experts in a good many colleges of agriculture. But, so far, no need seems to be felt for far-reaching legislation in this field. The same applies to the high proportion of land operated by

tenants in the mid-west and to the specific form of land tenancy in the Southern States. It looks as if the system of share-cropping may die away in a not too distant future because the children of share-croppers, with the spread of literacy and education, are no longer willing to remain in their present situation. So far remedies are sought mainly in individual or regional assistance, but not in a purposeful and, perhaps, radical change of the land-tenure system. As to the relations between landlords and tenants in the mid-west, H. C. M. Case made a series of important suggestions, based on comprehensive research work, to improve farm tenure by equitable tenancy arrangements, but he did not advocate legislative acts that would change fundamentally the relations between landlords and tenants and do away with freedom of contract. In Europe today in spite of great variety in land tenure brought about by the influences of political history and of natural, economic, and social conditions some common features may be traced. The incentives of individual initiative based on private ownership or security of tenancy are maintained and encouraged. But the rights of supervision granted to the State have been extended considerably. Countries with a high percentage of tenancy, like England, France, and the Netherlands are following this line in their protective tenancy legislation and have essentially limited the freedom of contract. Other countries, like Belgium and Italy, have not gone so far. On the other hand, in western Germany where only 12 per cent. of the farm land is operated by tenants, a recent law (June 25, 1952) is loosening somewhat the protection hitherto given to tenants in order to encourage the renting of land. Partly, this step has been taken in order to give some of the refugees a better chance to become farmers again, or at least part-time farmers. The high number of refugees in some countries has led to land-reform laws providing for expropriation of larger or even medium-sized estates, as in western Germany and in Finland, while in Italy land reform is applied mainly to the underdeveloped, poverty-stricken regions of the south. In these countries, in the case of expropriation, the principle of equitable compensation is observed.

In England, in order to meet the war needs of agricultural production, great powers to control the use of land were given to Agricultural Executive Committees acting as agents of the Ministry of Agriculture. They were retained as permanent institutions in the post-war legislation of the Labour Government. In Sweden where the recent land-tenure policy was also shaped by a Socialist Government we find the same noticeable tendency to extend governmental control over the use of land in order to secure good husbandry, combined with a system

of parity prices. Yet, since the Social Democratic parties all over western Europe have abandoned the orthodox Marxist doctrine and, as far as agriculture is concerned, stand for private initiative and, on the Continent, particularly for family-sized owner-operated holdings, no radical changes have been attempted.

A problem that remains to be resolved for large parts of the continental countries of Europe is land consolidation. Its objective no doubt is to promote the technical efficiency of agriculture. But it has its bearings on land tenure. Where the fragmentation of agricultural holdings was more or less completely abolished one or two hundred years ago, as in England, in Denmark, or in north-eastern Germany, it was done when the numerous small holders were not in the legal position of freeholders. In some countries they lost their land which was incorporated into larger farms. In others they got full land ownership only after the consolidation work had been completed in the course of the emancipation of the peasants combined with the subdivision of the commons. Wherever the peasants had become owners of fragmented land a subsequent consolidation met, and still meets, with great difficulties. As general approval cannot be found easily, the dissenting proportion of the landowners has to be brought into the schemes contrary to its wishes. This raises the problem as to what degree of coercion may be applied in favour of technical efficiency, in the interest of more progressive neighbours, without endangering an order of land tenure based on private ownership.

Turning to the less developed countries, we see that in Latin America the main land-tenure problems are connected with the existence of a numerous Indian population. In their interest better ways of working and using the land are to be found than under a *hacienda* system, with the object of incorporating the Indians into a society which, originally, had been shaped by conquerors and their offspring. In some of the Latin American countries a sizable public domain will be of considerable help if the capital necessary for the reclamation and settlement of land can be secured. For large-scale production a most interesting approach has been found in the profit-sharing farms of Puerto Rico. Since 1915 a most drastic land reform has been under way in Mexico. Here, the *Ejidos* give an example of co-operative land ownership.

In most of the Middle Eastern countries we see widespread landlordism which, so far, owing to the political influence and power of the landlords, has not been overcome. In Iran the Shah has started a great programme of handing over his domain land to the peasants. In many cases, however, irrigation needs raise special problems as to the

transfer of individual ownership. Even without such needs it is sometimes a question whether the small peasants, who for many generations have led a poor existence as tenants or share-croppers, are prepared to make good use of ownership or of security of tenure immediately. This question, by the way, is not confined to the Middle East. Moreover, the cadastral work of creating reliable land registers, or at least clear boundaries, is an indispensable condition for a land-tenure system granting individual ownership, a condition which it is most difficult to fulfil where more-or-less nomadic tribes are claiming the use of the land. In Israel the various types of land tenure are based to a considerable extent on the ideas of Henry George. Apart from that, co-operative farms have been developed and even genuine communist units including production and household consumption on voluntary lines. They have won high esteem, though some doubts as to their future vitality are felt. Anyhow, they are not considered suitable for generalization.

The countries of Asia, ranging from Pakistan all the way up to Japan and down to Indonesia, are living under most diverse economic and social conditions affecting land tenure. Some of them, like Thailand, are feeling no population pressure, and their farmers enjoy the conditions of family-sized operating ownership. Others, like India and Japan, are on the way to overcome feudal landlordism, while in Malaya or Indonesia the peasants' family farms are competing with plantations growing rubber, sugar, tea, and other export products on a large scale with hired labour. Exorbitant rentals have been exacted from the tenant peasants or share-croppers mainly in overpopulated regions. Generally speaking, the efforts in Asia point in the direction of keeping or making the tiller the owner of his land. In many cases, as in Japan or India, the landlords had to be expropriated. Here the problem of compensation arose, and where compensation took the form of government bonds which lost their value in inflation, the former landlords suffered great hardship. In India and Pakistan hopes for a new system of land tenure are based on co-operative pooling of the resources of small peasants in order to bring about efficient productive units. They are planned to come into existence with some incentives and supposed to work with assistance from the Government, but on voluntary lines. Co-operatives for credit facilities, marketing and such-like activities have been developed in a good many countries, apparently with good results in Japan and in Thailand, less successfully in Burma and the Philippines.

Most of the areas under colonial or trusteeship administration are situated in Africa, south of the Sahara. Here, cultures, races, and social

traditions vary considerably, I dare say not less than in Europe. As a common feature in land tenure, as a rule we find only something negative, namely the lack of private-property concepts. The rights in land are vested either in the family or in the tribe, and the nature of the family, e.g. whether monogamic or polygamic, whether with succession to the father's or to the mother's relations, as well as the constitution of a tribe and particularly the position of its chief, make innumerable and important differences in the actual land tenure. In some parts of Africa, particularly in coastal regions, the old customs have been exposed to decomposition mainly by the influence of market relations, wherever commercial farming comes up. In such a situation individual holdings of the natives are to be found, though in many cases not yet as clearly defined by law as the property rights of white settlers.

But even under their old tribe-bound and family-bound systems of land tenure African negroes have shown a remarkable degree of psychological resilience and adaptability which manifests itself in the widespread introduction of new crops like Indian corn. The growth of population, however, requires technical and economic progress at an accelerated pace. In not a few cases the influence of the chiefs has been helpful for introducing new and better methods of using the land. But for the future, private ownership seems to be one of the goals, but it should not be created abruptly, and the old ties should be preserved as far and as long as they are compatible with economic needs.

Now, after this concise review of land-tenure policies and objectives in the countries which are free, or which desire to be free, in the Western understanding of this term, we have to look at Soviet Russia, her allies, and her satellites. We do it not out of a pedantic desire for completeness, but rather because it will help us to define and to recommend long-term objectives in land tenure in a satisfactory way.

The land policies in Soviet Russia since 1917 have gone through a number of more or less rapid and radical changes. The first attempt to nationalize all of the soil was not realized. On the contrary, small landowners, landless peasants, or other poor people in the villages were encouraged to take over the land of large estates for individual exploitation. The Agrarian Code of 1922 legalized what they had occupied and gave hereditary rights to the tillers of the soil. Since 1928, however, apart from the Sovkhozy, the large State farms, all of the land, so far operated by family-sized peasant farms, was taken over by collective units, each of which, as a rule, covered the area of a village. They have been described in a most instructive way by well qualified

scholars and experts, such as Naum Jasny and Lazar Volin in this country. So I shall confine myself to reminding you that though seemingly living under democratic rules, actually they are held under the most rigid controls of the commissars appointed by the Communist party and by the machine tractor stations which are under public administration which in its turn is subordinated to the party officials.

Keeping this state of affairs in mind, we shall not fail to see the primary objective of Soviet-Russian collectivization: to ensure the political control over the rural population. Therefore, collectivization is bound to be brought about sooner or later under any communist régime. All of us will agree with Mr. Tseng Hsiao, Director of the Chinese Research Institute of Land Economics, who, after having explained the manifold changes in the land policies of Chinese Communists—from land nationalization to farmer ownership and then to private ownership, from confiscation of all land to the confiscation of landlords' land only and then to permitting each landlord to keep an equal share of land, from 'refusing rent and interest payments' to 'due payment of rents and interest'—comes to the conclusion: the ultimate goal of the communist land reform will inevitably be that of land nationalization and collectivization. We shall also share the view of James O. Howard explaining as a general pattern the three-step formula developed in Russia and now being applied in eastern Europe: (i) to divide up the big holdings and give the land to those who work it; (ii) to develop so-called co-operative farms; and (iii) to develop collective farms.

The dividing up of the big holdings has been effected without any compensation of the owners. In eastern Germany and in Hungary, where more than one-third of the agricultural land has been operated in large units, their breaking up changed abruptly the land tenure in large parts of the country. But, apparently, no permanent stable land-tenure system was intended. For the new holdings were, according to all experience, too small to afford a decent living. Their uneconomic sizes seem to have been chosen deliberately.

The development of State farms and machine tractor stations paralleling these steps shows that political control is not the only objective of communist land policies. They are also aiming at technical progress. In this field, the collectivization no doubt may boast of some remarkable performances, such as almost perfect land consolidation, the compulsory introduction of better seeds, new plants, machines, or fertilizers, perhaps also of a successful expansion of arable land. But so far it has done more good to the enforced industrialization of Soviet Russia than to agriculture, from which millions of hands are being

drawn, and deliveries of a large proportion of the products are being exacted at low prices to the benefit of the State budget and of all sorts of administrative bodies including the machine tractor stations. On average the total sum of such deliveries amounts to more than half, perhaps even to two-thirds of the production. But collectivized farming has not shown that it can increase production per acre in a diversified agriculture as well as is usual with the family farm. And just when it lags behind expectations, a new tendency to intensify controls may arise. The recent merger of collective farms leading to 'agro-cities' instead of villages, thus curbing the possibility of individual and family work in household gardens, is understandable primarily as a means of strengthening the control exercised by the Communist party.

In the Bolshevik doctrine, however, collectivization and proletarian dictatorship are not ultimate goals. They have to serve the future realization of a perfect communism in a classless society where everybody will work according to his abilities and will receive according to his needs. How far the belief in the coming of this bright future, which in the eyes of its disciples justifies the sacrifice of whole generations under a régime of atrocities, is still guiding the leading communist politicians, or whether they are deliberately developing an imperialistic dictatorship meant to be everlasting—we cannot say. Anyhow, whether we regard them as sincere believers or remorseless cynics, their primary long-term objectives in land tenure are of a political character; they deny the ideals of the democratic world and utterly refuse to recognize that all human responsibilities including political activities are under God and His commandments.

As to the democratic world, let us try now to come to a conclusion, to define the universally acknowledged or generally commendable long-term objectives in land tenure. I am pretty certain none of us will reject the ultimate goal advocated by Baron Stein, i.e. the religious, moral, intellectual, and political perfection of men and nations. But I do not see any universally accepted creed or philosophy that would give us a concrete picture of what religious, moral, intellectual, and political perfection should mean; the land policies of the past have been directed to such ultimate goals only in a barely perceptible way. For the future, we have to act as the Samaritan of the Gospel. He, we may assume, was well aware that a man's ultimate goal should be the salvation of his soul. But he tried to help the man who had been wounded by taking care of his body, not knowing whether and how that would be salutary to his soul. He also found out a decent landlord for his patient. We may go a farther one or two steps by choosing as objectives (i) the bringing of the agricultural population under laws

and conditions which will allow them, and indeed encourage them, to work in the best way for their bodies and for their standard of living, and (ii) the maintenance or promotion of social and human relations for a satisfactory and dignified life.

This distinction comes close to the double criteria which I mentioned earlier, of economic efficiency and social justice. The difficulty is not only to combine or to reconcile these two objectives, but also to design concrete and unequivocal implications of social justice itself even though we have good grounds on which to base our reasoning.

So long ago as 1936, our late friend John Maxton told us that differences of opinion as to modern systems of organization in farming are not due to an opposition between economic and social attitudes, but are due to different attitudes to social conditions. As the social order is affected by all spheres of the cultural life, such a difference of attitudes is not surprising. Out of the eight objectives of land-tenure policy distinguished by Marshall Harris, two are derived almost entirely from the sphere of economic efficiency, namely, conservation and development of physical resources, and highly efficient utilization of productive resources. On the other hand, four are determined by the ideal of social justice, namely, equitable distribution of income, equitable distribution of rights of property, equality, and dignity for all tenure groups, and, as the most generalizing point of all, well-integrated community life. The two further objectives which Mr. Harris names in the first and in the third places are responsible freedom of personal action, and secure possession of rights of land. They may be regarded as coming up to the requirements of both criteria, economic efficiency as well as social justice. These two objectives particularly have been developed through a long process within the western world, and it remains to be seen whether they may be used immediately, and without considerable reservations, for rural populations who have been living for many generations under quite different traditions, customs, and laws.

The suggestions, demands, and programmes we hear from all parts of the democratic world show that one of their long-term objectives in land tenure is to have self-operating owners not overburdened by debts, or, at least, tenants enjoying security of tenancy and not oppressed by exorbitant rents. Moreover, family-sized farms are advocated, and where, along with them or in their place, large units employ hired labour, there is a demand for satisfactory wages, or even profit sharing, and stable social conditions. These objectives, along with security from excessive private exactions, from oppressing landlords or usurers, are meant to serve the existence of open societies and demo-

cratic institutions. On the other hand, security from arbitrary acts of an all-powerful party or Government should be guaranteed by the democratic nature of a State.

A political constitution, however, does not of itself make such a guarantee unconditionally safe. We have seen before that for the working of a land-tenure system the whole economic order is much more important than the letter of the law. If you give a self-operating owner the most perfect right in his land and the highest imaginable protection from his private creditors, that will not help him at all if he is ruined by exorbitant taxes or by suffocating deliveries, or when the Government, without changing the laws of land tenure, lays down so many regulations for agriculture that the farmers cannot attain to all of them, and by their defection become liable to lose their property and their personal freedom by the verdicts of criminal courts.

An important condition of desirable land-tenure systems and of democratic life altogether is that the general economic order be based primarily on the principle of co-ordination, not of subordination. Consequently, public control and governmental supervision must be chosen deliberately and purposefully so that they serve the principle of co-ordination and avoid the dangers of a rule characterized by subordination. Subordination, if applied without due discrimination, may easily bring about a totalitarian régime. Such a régime may give absolute security from the demands of powerful landlords or of exacting creditors. But this relief, though desirable and important for the less well-to-do parts of the agricultural population, is heavily outweighed by the lack of security from political rulers who can do what they like from moment to moment and without warning. In such a régime co-operative societies or trade unions, though preserving their names, are bound to become the agencies of all-planning and all-powerful political authorities. They become valueless for the protection of individual farmers and agricultural labourers. Then the situation of working men may become far worse even than under the old-fashioned slavery; for a commissar has no material interest in the well-being of the people under his command, while the owner of slaves suffers losses if he treats them more harshly than he treats his beasts.

One of our objectives in a democratic world must be that all limitations and reductions of private ownership in favour of the State should be confined to those fields where the activities of autonomous individuals cannot be expected to correspond with the lasting good of a nation and where the influence of smaller organizations, such as families or village communities or co-operative societies, would not do. This general rule is not difficult to define. Moreover, shortcomings

of individual independence are most likely to arise where long-term objectives are at stake, such as soil conservation or an equitable distribution of the land. But the right course for a concrete land-tenure policy can be found only by paying attention to the characteristic features of each particular situation. For instance, Senator Medici of Italy, in 1947, gave us a good picture of radically different types of landlords. Wherever they are helpful to their tenants or *metayers* in promoting technical and economic efficiency, the State legislation should not be the same as in countries where it sees a rotten class of landowners, assisted perhaps by ruthless middlemen, ruining the peasants by excessive rents and hampering agricultural progress.

Another point which makes great differences is the actual freedom of movement. The Americans, as Dean Young put it in this Conference's discussion five years ago, are born with wheels on. In other countries rural people, though having legal freedom and actual chances of movement, will not leave their homes and the soil inherited from their ancestors. In many parts of the world, a growing agricultural population does not get enough opportunities to move. Most of all, in such a stage of over-population rural people are exposed to exploitation and oppression. Thus, prevailing mobility of men will have beneficial influences on landlord-tenant relations and on the level of rents. On the other hand, it may increase the tendency to exhaust the soil for the sake of short-term profits, while the State may leave the care of soil fertility to those families whose members are accustomed to regard their land as having been entrusted to them by their parents to be handed over to the next generation in the best possible condition.

In view of such a variety of traits in land tenure, uniformity cannot be an adequate objective in land-tenure policies. Nobody should try to change the American farmer into a Scandinavian or German peasant, nor would it be salutary to continental Europe if her peasants were turned into American farmers. Both types should stay as they are and both sides can learn a good deal from each other.

But there is one point in land tenure which wants a firm and stable observance on an international level. In our days nationalistic ardour and retaliations at a rate of ten human lives for one eye have exposed millions of people to expulsion and poverty, merely on account of their nationality, their language and race. The point of view of land tenure is not the least important in supporting the great objective that the devilish consequences of a self-adoring nationalism and the vicious circle of crimes and retaliations be overcome.

One more word should be said on co-operative societies. It is well

known that with able and responsible men, these have been very successful in organizing credit and in marketing, by assisting individual producers without interfering with their independence. In not a few cases they have also overcome the far greater difficulties which are met with when some farm operations, such as tilling, sowing, mowing, threshing, or even stock raising, are handled co-operatively.

But if they are to be responsible for total production while keeping the voluntary nature of genuine co-operation, an exceptionally strong spirit of community or even religious enthusiasm is necessary which cannot be expected in the average rural population, and therefore should not usually be an objective of land-tenure policies.

But what about countries, like Africa, where the majority of the rural population does not know private ownership, nor even family ownership in land, but uses the land under the rule of communities of a more or less co-operative or authoritative character? As we have seen before, we may share the view of many economists that in the long run a land-tenure system based on private ownership will be the best way to meet the needs of a growing population and develop a better standard of living. But it is a long way to that end and it may take generations to reach it.

In the meantime, the points of view of anthropologists have to be respected. In order to avoid an abrupt atomization of the people with all its moral and social dangers, an idea presents itself for making use of their traditional communities, if it were feasible, for objectives which, in commercial farming, are being attained by co-operative societies. According to the opinion of notable experts, the spirit and the abilities necessary for modern co-operative societies can hardly be expected to spring from the old communities which have been developed in periods of self-sufficient farming. Most of us will not be able to judge whether, actually and cogently, individual ownership is a stage to be passed through before efficient modern co-operatives could be built up, but it is a problem to be borne in mind. It raises the questions how to preserve beneficial old ties and to adapt them as far as possible to new tasks, and which safeguards can prevent family traditions and social life from disintegration when individual rights are growing in importance.

We have reviewed a long series of objectives and even of long-term objectives of land tenure. We see that we are neither able nor willing to compile a model land code, nor a rigid formula for land reform. But I think we should not be discouraged by the great variety of ends and of means we have to deal with. This variety is a great asset and it is an essential trait of the democratic world. It will not embarrass or

frighten us so long as we are guided by adequate and feasible criteria for judging the objectives. As we have seen, we cannot derive absolutely fixed rules from the ultimate goals in which we believe. We have to strive after the ends-in-view, namely: economic efficiency and social justice in a well-integrated community life. They give us guidance and enlightenment in land-tenure systems all over the world. That means that a great amount of unbiased and unprejudiced research work remains to be done.

A good deal of such work has already been done or is under way, encouraged by the meetings of this Conference. In the presidential address opening the meeting of 1949 the question was raised, whether co-operation, which was born in order to save a measure of freedom and independence for the small man in the face of big business operations, will live on to be one of the means of securing the independence of the small man against a powerful State. In 1947 the President pointed out that the 'philosophy each country has woven around the land is a product of time, place, and history'. In 1938, he professed that we cannot refuse to accept the 'challenge to attempt a better synthesis with the sociologist, to adopt gentler, broader, more scientific, more sensitive, more psychological attitudes in relating our economic programmes to rural society'. The same line of thought was to be found in the Conference on World Land Tenure Problems. I could not have imagined more apt suggestions and preparations for approaching the problems of long-term objectives in land tenure.

C. L. STEWART, *University of Illinois, Urbana, Ill., U.S.A.*

On the coverage Dr. von Dietze has given us and on what land-tenure policy may mean in the life of a country, I have two small points. The first is to get practical agreement upon the goals we seek from a tenure system. 'Economic efficiency and social justice', says von Dietze. This is not too divergent from the views reached by one of the several regional land-tenure research committees in this country. These have been working under the auspices of the Farm Foundation. I refer here to the North Central Committee which produced the study entitled, 'Improving Land Tenure in the Mid-west'. This committee emphasized three goals: income, security, and opportunity.

Incomes earned by farm-family members may wisely be kept as high, comparably, as those which their kinsmen are gaining by the exercise of similar skill and devotion in a general range of non-farm pursuits.

Security, while usually gained at some cost in income, has in-

creasing importance in an age in which many who follow non-farm activities have increased security of reward.

Opportunity is to be kept open, if possible. There must be opportunity to enter farming, to progress in it, to leave it.

In many of our countries we do well to examine our areas one by one to see whether our land-tenure systems, our agrarian structures, are strong enough and flexible enough to keep these goals attainable by those who put forth the effort.

Some who have looked at developments in the corn belt have wondered whether our land-tenure system may not be hardening towards a pattern somewhat like that of England. In east-central Illinois, for example, there are counties in which over 75 per cent. of the farm area is rented. In 1945 there were two such counties and in 1950 there were seven. Champaign County, into which the tour that precedes the American Farm Economic Association meeting will take you, is one of these high-tenancy counties. And there are numerous other smaller areas in which from 75 to 80 per cent. of the farm-land is rented.

How does it come about that the 1950 census can show fewer tenants and yet more tenancy in a segment of the corn belt? In a sea of subsidence in tenant numbers, how do we come to have a reef of land-leasing at its historic high point?

In the counties mentioned tenant numbers have decreased, as in much of the country, but something else has happened. Each tenant on the average operates an enlarged farm. Each full owner-operator has a smaller farm, smaller than the tenant, smaller than the full owner-operator of forty years ago. Also, we have seen rising to prominence a hybrid kind of operator, who is both owner and tenant. These part owners have become more tenants than owners, 53 per cent. of their land being leased from others. 'Owners additional' they have been called in the past. They may now be called appropriately 'tenants plus'. Anyway, in Illinois the aggregate of their rented land is two-thirds as large as the aggregate of all the land that the pure tenants operate. The total effect for Illinois as a whole is that 58 per cent. of the land is rented. The concentration of full tenants and 'tenants plus' (or part owners) on the highest priced land means that in a considerable area of the best corn-belt land, about \$80 of each \$100 worth is rented. Apart from the Scully, Sibley, and a few other sizable estates, the landlord is not often the owner of more than one or two rented farms. The picture of the British landlord of two generations ago that so many of us have carried in our minds does not fit either the England or the Mid-west of today.

Landlords in this hard core of tenancy in the central corn belt have come largely from active farming careers, many of them being widows of former farmers. Some of the landlords are professional and business men from the villages and the nearby cities. They have their need for further education, it is true, but on the whole they are concerned to get high productivity from their land. One reason for this is that they rent all their crop-land on shares. The rate of return they want on their farm real-estate inventory is not less than they seek from other ventures. They do not bid against one another for farms to a point where only a 2 or 3 per cent. return can be expected. In the depression of the late twenties and early thirties land was sold at greatly reduced prices by comparison with those of the 1920 peak, but the effect of the reduction was to get returns back towards the 6 per cent. level after a few years in which lower rates had threatened to prevail. Most landlords expect their land to be owned in due course by persons of farming experience. They seldom try to entail their land so as to preserve it for distant descendants.

In 1919 someone introduced a bill into the Illinois General Assembly to provide compensation to tenants for unexhausted improvements on farm-land. British legislation was not forgotten. Hearings were called. A trial run was made of the good-neighbour policy. Benjamin Hibbard of the University of Wisconsin was invited to testify. He brought from Madison his economic insight, his wit and humour. He must have brought also a toboggan. Hearings were held and unexhausted compensation legislation went down the slide. But more and more farm leases are carrying clauses providing for adjustment of unexhausted improvements. Compensation for disturbance has not been much of an issue. The alarmist has been largely out of luck in this picture. Henry George, who was excited about tenants in 1880, would not have too much to disturb him today.

So the final point is this. Let us make sure that more and more of our people, especially our young people, are soundly trained in farm management and financial principles. Through father-son and other early business experience on the farm, let us help them to measure their abilities against their opportunities, as these opportunities arise from inheritance, from the settlement of estates that put land into other families, and from the generally free market for farm-land available to rent and to buy. Let us encourage bankers, church leaders, and others to support the hopes and aspirations of these young couples by adding to the farm ownership loan provisions which the central and other Governments may find it practical to foster. If

many of these young couples choose to rent land from others as full tenants on a scale as large as they can stretch their equipment over, if some of them buy a tract and still keep their scale large by renting considerable other land, and even if they continue to fail to be full owner-operators until well along toward the retiring stage, let us not criticize them. If they can be content with owner-operation alone, because they have acquired enough, well and good. Maintaining a large enough scale of farm business may be, for most of them, wiser than insistence upon owning all that they operate. This presupposes an outflow from each farming community of its surplus population, either because the farm families are kept small or because the indraft of the urban centres keeps on at a high rate. That country and that decade may be fortunate in which such conditions prevail.

Y. LOWE, *Embassy of Israel, Washington, D.C., U.S.A.*

When Professor von Dietze referred to the land-tenure system in Israel he remarked that it did not allow of any generalization. He pointed to the fact that on the land of the Jewish National Fund co-operative and collective settlements have been established. He also stressed in this context that, in sharp contrast to what has been done in the Soviet Union, these collectives were not forced upon the settlers from above but rather were voluntarily established by themselves. I agree with Professor von Dietze that the establishment of these special forms of village may not be suitable for other countries. I disagree with him with respect to the land-tenure system as such. This land-tenure system, by the way, goes back not merely to Henry George but right to the Bible. I would like to stress that in Israel a considerable percentage of the land is privately owned just as in the United States or in Europe. Yet the land held by the Jewish National Fund belongs to the people as a whole and can be leased only on a hereditary basis, usually for forty-nine years. After the termination of this period the lease can be renewed. It is leased at the very low annual rent of two per cent., based upon the value of the land according to its natural fertility. The tenant is free to use the land as if it were his own and he enjoys the full fruit of his efforts. He is, however, obliged to farm it himself and cannot transfer his tenancy rights to someone else without consent from the Fund. All these principles, it seems to me, can be applied in other countries as well. For instance, on the vast government-owned lands now existing in many Middle-Eastern countries it would not be difficult to lease the land to tenants on exactly the same easy terms.

Actually in Israel today much less than half the total land held by

the Fund is in the hands of collective settlements. I agree that the forming of collective settlements could hardly be imitated by people who are not under the influence of a strong idealistic movement. But far more than half is in the hands of so-called Moshve Ovdim which are villages in which every peasant works his own land just as in Europe or in America. Incidentally, these settlers form co-operatives for the sale of their produce and the purchase of their supplies just as is done, for instance, in Denmark. There is no real difference at all between such a peasant and one who owns his land. The tenant system has naturally a large advantage in the respect that it cuts down the capital investment in land and thereby opens up opportunities for many more people to become independent farmers than would be possible if the land had to be bought. It has the disadvantage that the land cannot be mortgaged. This disadvantage has to be overcome by other means and it would lead me too far if I were to go into the methods we applied in order to open credit facilities for tenant farmers. But I maintain that the land-tenure system as such, which has done so well in Israel, could easily be adapted to other countries.

A. MILTHERS, *Royal Veterinary and Agricultural College, Copenhagen, Denmark*

In our discussion of the economic aspects of food and agriculture it was necessary that the problem of land tenure should be brought to the forefront as otherwise our work would be incomplete. Professor von Dietze described the end in view as economic efficiency and social justice in a well-integrated community life, and he made it clear that we cannot hope for economic efficiency in large areas of the world unless there can also be reforms in land tenure. The dominating idea in his paper, as I understand it, is that the individual should enjoy the right of the free disposal of his property, and I think we should all agree that there should be as little intervention by Government as possible. But there may be cases where intervention would be justified in the light of Professor von Dietze's aim of economic efficiency and social justice.

What particularly concerns me is the lack of efficiency which results from the uneconomic size of holdings. If it is true that millions of small holdings of anything from perhaps two to five acres cannot develop farming methods which would enable them to compete with the larger farmers of Europe, then a policy aimed at increasing the size of small farms would naturally have to be evolved. I know all the difficulties arising from land policy on these lines, but I should like to refer to an example from my own country. There are

proportionately fewer very small holdings in Denmark than there are in other Western countries, except Great Britain, but we have some holdings which are too small to secure efficient use of the family labour. These holdings need more land but their owners have little opportunity of buying it in the open market. Recently, as in some other countries, the Government has taken steps to provide some of them with more land, not by expropriation, but by acquiring farms when they are for sale. That kind of government control of property is no new policy in Denmark. Since the seventeenth century we have had controls which aimed at the preservation of those holdings which we call middle-sized holdings, and at protecting them against the tendency towards amalgamation into big units on the one hand and, most carefully, against uncontrolled fragmentation on the other. The middle-sized farms mean much to us in Denmark and they are largely the result of long-term policy in land tenure. The point I want to make is that it should not be thought impossible to find ways of carrying out land reform where, because of inefficient and very small holdings, it is most badly needed.

U. SORBI, *University of Florence, Italy*

Recent experience in the working of land reform in Italy is of special interest because, in the main, the problems to be confronted there are not so much technical as social and psychological, arising to a large extent from the fact that we have to distribute a relatively small area of agricultural land among a very large number of applicants. I have had the opportunity to study at first hand these problems as they occurred in applying the land-reform plan in an under-developed region of Ente Maremma. The particular plan covered was the reclamation of Lake Fucino, east of Rome.

The agricultural problem itself would have been relatively simple had it been merely concerned with creating medium sized farms on which a progressive farming system could be practised. But the real problem was not agricultural, it was demographic. The pressure of population and the absence of any prospect of migration imposed severe restrictions on the *tempo* of development. Many agricultural areas with under-developed economies do not have this kind of population pressure to contend with, and technical development can proceed much more quickly. It is important to bear this in mind, for different methods are called for in countries which have differing 'demographic equivalents'.

In under-developed agricultural areas with no population pressure the first stage in land reform can and should be limited to a considera-

tion of agricultural economic aspects only. The social aspects of the problem constitute the second stage. But in densely populated regions, even if they are close to the so-called under-developed areas, it is generally necessary to consider both the economic and the social aspects from the very start. Indeed, experience has shown that in such areas social considerations are more important than economic and agricultural considerations in any development scheme which departs from the traditional pattern. Schemes like that of Lake Fucino extend beyond agriculture and must take industrial development as well as immigration policies into account. In this way the work of reclamation assumes a wider significance and also requires greater financial commitments. It is a great advantage to co-ordinate development in an area with development in surrounding areas, because the construction of public works, such as roads and afforestation, provide new opportunities for farms located in the areas adjacent to the area which is being developed. It is also important to bear in mind the development of the crafts and industries which are complementary to agriculture. The whole development should instil new life into the rural industries and crafts of the surrounding villages. Furthermore, attention must also be given to the provision of adequate transport, commercial and public services, and to the need for their proper integration. And finally, the possibility of arranging the transfer of families from one area to another should be examined.

The cost of developing heavily populated areas can be divided into two categories. The first are the 'direct' or 'economic' costs. These include the expense of settlement, of replanning the hydraulic, agricultural, and forest systems, of building primary and secondary roads, of land levelling, of irrigation (when this is possible), and of the construction of buildings, windbreaks, &c. Under direct costs we can also include the expenditure incurred in developing crafts, and in setting up commercial and trading facilities.

The second category of cost includes the 'social costs'. These are the costs which result from the upheaval of the demographic pattern of the area which affects costs in two ways: it adds to the direct economic costs, and it adds to the costs by the limitations which it imposes on the results which can be obtained.

It follows that the cost of land reform will be much higher for those under-developed areas which have demographic problems to solve, and it follows also that direct costs only should be taken into account in comparing the costs of agricultural improvements between areas with and without demographic problems. If the indirect costs are brought into the picture, allowance should be made for the social

benefits. But the social benefits are not easy to express in money values, though they may well be the greatest justification for the reform.

C. VON DIETZE (*in reply*)

Dr. Lowe agreed with me that collectivized settlements, on a voluntary basis, are not suitable for generalization. As to the entire land system in Israel I am not willing to express an opinion on the possibilities of its generalization. But I am somewhat doubtful if this system which has been operated by the Jewish National Fund could easily be adapted to all other countries, or many of them, in spite of its merits for its own country. Anyhow, it requires a wise, clean, sober, and effective Government, and I am not sure if that would be found in all the countries we have in view.

As to the other remarks, I only have to thank you for some supplementary points and for the kind criticism I have had.