Redistribution of Farm Land in Seven Countries
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LAND SETTLEMENT IN YUGOSLAVIA

Introduction

To a considerable extent Yugoslavia is a hilly and mountainous country although one-third of its territory is less than 700 feet above sea-level. Approximately one-quarter of the country consists of the valleys of the rivers Danube, Tisa, Drava and Sava—the Pannonian plain, mostly covering the autonomous province of Voivodina, called the granary of Yugoslavia—and of the rivers Morava, Vardar, &c. The hilly and mountainous parts are also suitable for agriculture, the first for fruit and vine-growing and for livestock rearing, and the mountains for grazing. No country has such a large karst area as Yugoslavia (9.5 per cent. of the whole), the soil being derived from porous limestone rocks. Its features are underground rivers and caves, powerful karst springs, chasms and karst plains under water for many months during winter. The karst area is mainly an elongated belt in the south-west of the country and almost half of it is unproductive.

In 1952 land utilization was as follows:

<table>
<thead>
<tr>
<th>Agricultural land</th>
<th>Forests</th>
<th>Unproductive land</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000 hectares</td>
<td>13,998</td>
<td>9,270</td>
<td>1,879</td>
</tr>
<tr>
<td>Percentage</td>
<td>55.6</td>
<td>36.9</td>
<td>7.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tillable land and vegetable gardens</th>
<th>Fruit orchards</th>
<th>Vineyards</th>
<th>Permanent meadows</th>
<th>Pastures</th>
<th>Total agricultural</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000 ha.</td>
<td>7,176</td>
<td>363</td>
<td>255</td>
<td>1,998</td>
<td>4,206</td>
</tr>
<tr>
<td>Percentage</td>
<td>51.2</td>
<td>2.6</td>
<td>1.8</td>
<td>14.6</td>
<td>29.8</td>
</tr>
</tbody>
</table>

It is worth mentioning that the land permanently in grass largely consists of poor rocky pastures and of meadows which are not very fertile.

The climate varies from the mediterranean type on the Adriatic coast and the valleys in Herzegovina and Macedonia to the continental type in the high mountains and in the north-eastern plain. The con-
ditions would be very favourable to agriculture if there were no danger of droughts, which are caused in large areas by high summer temperatures and a deficiency of rainfall. In the last hundred years there have been twenty-seven droughty seasons.

Yugoslavia is one of the countries where peasant farming predominates. Slavs have been settled there for thirteen centuries, but until 1918 they were not within the same state. All parts of Yugoslavia were under foreign rule for many centuries. The conquerors, Venice, Austria, Hungary and Turkey settled their own populations on slavonic territories. Thus in 1918, after the formation of the ‘Kingdom of Serbs, Croats and Slovenes’ (since 1930 called ‘Kingdom of Yugoslavia’), the population of some 12 millions included about 1 million Germans, 850,000 Hungarians, 200,000 Turks and Albanians and 180,000 Italians. The growth of feudalism in different parts of Yugoslavia was thus influenced by the different conquerors and also, in the eastern region of the country, by Byzantium.

In the middle of the nineteenth century Serbia achieved liberation. At that time the population consisted mainly of free peasants. Montenegro, the thinly populated mountainous country, whose main occupation was livestock rearing, was always free and never lived in a feudal system. Feudalism was abolished in Slovenia, Croatia and the province of Voivodina in 1848. Dalmatia and Istria, provinces of Croatia (Istria was in 1918 annexed to Italy), still had, even in 1945, remainders of feudalism, called colonatum, introduced by Venice in the Middle Ages. The houses for the peasants and the farm buildings were landlords’ property. In 1918, 75,000 families of villeins in Bosnia and Herzegovina looked forward to liberation from feudal charges.

The agrarian reform and land settlement and the conditions of farming in pre-revolution Yugoslavia

Because of their economic position peasant smallholders and crofters started to take possession of land by force after the collapse of Austria-Hungary. In 1919 the government was compelled to promulgate provisional regulations for agrarian reform and in May 1922 the law was enacted. All the large estates, mostly those of more than 500 ha., were to be expropriated with compensation. Crofters and smallholders were to get land, with the limit of 5·5 ha. for a total holding. Along with the agrarian reform new settlements were established but without adequate preparations.

From 1919 to 1934 altogether 170,000 families obtained land in the
northern regions of the country, mostly in Voivodina. Amongst them were 13,000 settlers from other parts of the country, mainly former volunteers on the side of Serbia against the Central Powers in the war of 1914–18. They came mostly from the mountainous areas of Istria (being refugees from the environs of Trieste), Montenegro, Croatia and Herzegovina. They were given practically no equipment and the majority of them had to build their houses and farm buildings unaided. In few contemporary European countries did governments help their settlers so little, the average assistance amounting to only 4,847 dinars per family, which at pre-war exchange rates was equivalent only to some $97 (say £20).

The policy of agrarian reform often changed, gradually losing much of its radicalism. Hired labour received no benefits from the reform. The largest farms were left with an average of 750 ha. each, though 500 ha. was indicated as the maximum. Some of the families who were granted land sold their shares soon after becoming owners.

The southern regions, Macedonia and the present autonomous region of Kosovo-Metohia in southern Serbia, had been liberated from the Turks only in 1912. Feudalism was abolished there in 1931, but most of the large estates were not touched by the agrarian reform. Land settlement was carried out on territory abandoned by the Turks, but unfortunately the government settled people there from other parts of the country instead of the indigenous peasants. In this region altogether 28,500 families acquired land and it must be admitted that this measure was economically more successful than that in the north.

As a whole Yugoslavia was a country of owner-occupiers' smallholdings, the average size of farms being 5.4 ha. in 1931. The decrease in size of holdings and their increase in number (from 1,741,092 in 1921 to 1,985,825 in 1931) proceeded continually though large holdings of more than 100 ha. still existed in the most developed parts of the country. Only in Voivodina did any important proportion of the products of the peasant holdings go to market. In other regions the farmers produced only sufficient for their own wants.

The agriculture of pre-war Yugoslavia was full of traces of ancient forms dating from feudalism and even earlier. Thus in many parts of the country more than a million smallholders worked in patriarchal systems, though with the penetration of a market economy the number of ancient zadrugas was fast decreasing.¹

¹ The zadruga is a community consisting of several families descended from a common ancestor.
In 1939 76.4 per cent. of the population obtained their living from farming and the economic condition of most of them was very poor. They cultivated their land with great strain and bad equipment. Industry was hardly developed and in order to find work hundreds of thousands had to emigrate. For some this was only a temporary solution, while others settled for good in their new countries. Large groups of Yugoslav emigrants are living in U.S.A., Canada, Argentina and other countries together with their children and grandchildren born there.

Agrarian reform and colonization

After the liberation of the country in World War II it was necessary to satisfy the land hunger of the peasants. In August 1945 the Narodna Skupština F.N.R. Jugoslavije (the Parliament of the Peoples' Federated Republic Yugoslavia) enacted a law of which the principles were as follows:

1. The land was to belong to those who cultivated it.
2. Complete abolition of all remaining forms of feudalism and all large-scale private farms.
3. Dispossession of rich peasants of their surplus land, making them into working peasants.
4. Institutions and persons not engaged in agriculture were to possess only limited amounts of land.
5. Allotment of land to peasants who owned no land or who had too little.
6. Organization of some large-scale state farms for use as models of intensive large-scale farming and for supplying the peasants with good seed and good breeds of livestock as long as private smallholdings existed.

The farms of war criminals were confiscated and all farms larger than 45 ha., or with more than 25 or 30 ha. of arable land, were expropriated if formerly they had been let on lease or cultivated by hired labour. There was no compensation and no consideration as to nationality, religion, membership of any political party, or war merits. The maximum limit of land left to a proprietor was 5 ha. of arable land, a house and the necessary equipment, provided he had no source of income other than from agriculture. Also expropriated were the farms belonging to banks, joint-stock companies and the Church. Only monasteries and similar religious institutions of historical importance were allowed to keep up to 30 ha. of arable land and 30 ha. of forest.

Craftsmen, merchants and employees were left with up to 3 ha. of
land, the excess quantity being expropriated with compensation to the value of one year’s produce. In principle, up to March 1953 the approved maximum for property in land was from 20 to 35 ha.

Agrarian reform affected altogether 162,170 holdings and brought into the land fund 1,566,030 ha., that is about 15 per cent. of the total agricultural area of the country. It is interesting to compare this amount with that of the agrarian reform of 1919 to 1934 during which only 575,000 ha. were expropriated.

The classification of holdings affected by expropriation is as follows:

<table>
<thead>
<tr>
<th>Number of farms</th>
<th>Land area involved: hectares</th>
<th>Percentage of the total area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large-scale private farms</td>
<td>2,653</td>
<td>235,037</td>
</tr>
<tr>
<td>Holdings of banks, &amp;c.</td>
<td>837</td>
<td>77,988</td>
</tr>
<tr>
<td>Holdings of the Church, of monasteries, &amp;c.</td>
<td>2,625</td>
<td>163,685</td>
</tr>
<tr>
<td>Peasant farms with surplus land</td>
<td>8,636</td>
<td>122,021</td>
</tr>
<tr>
<td>Holdings of non-agriculturists</td>
<td>14,131</td>
<td>109,419</td>
</tr>
<tr>
<td>Holdings of persons who disappeared during the war</td>
<td>4,831</td>
<td>32,070</td>
</tr>
<tr>
<td>Farms of Germans who abandoned their holdings after the defeat of Germany</td>
<td>96,874</td>
<td>636,847</td>
</tr>
<tr>
<td>Other holdings</td>
<td>31,584</td>
<td>188,963</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>162,171</strong></td>
<td><strong>1,566,030</strong></td>
</tr>
</tbody>
</table>

The economically more advanced republics and provinces had more large-scale farms, so they contributed more land for the agrarian reform (Fig. 1). Voivodina provided 655,000 ha. or 42 per cent. of all the expropriated land in Yugoslavia, Croatia 22 per cent. (mostly in the eastern lowlands), and Slovenia 17 per cent. It was in Voivodina too that the greatest amount of surplus land was taken from wealthy peasant farmers.

Of the total, 797,357 ha. or 52 per cent. were distributed to peasants, 287,715 ha. or 19 per cent. were allotted for the organizing of large-scale state farms, 3 per cent. to collective peasant farms, 25 per cent. to forests and 1 per cent. to other institutions.

Four categories of peasants benefited from the distributed land:

<table>
<thead>
<tr>
<th>Number of peasants granted land</th>
<th>Average land area given per family: hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local peasants, crofters and smallholders</td>
<td>179,961</td>
</tr>
<tr>
<td>Local peasants, landless</td>
<td>70,701</td>
</tr>
<tr>
<td>Internal colonists</td>
<td>23,166</td>
</tr>
<tr>
<td>Federal colonists</td>
<td>42,587</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>316,415</strong></td>
</tr>
</tbody>
</table>
EXPROPRIATED LAND in 1945

FIG. 1.
The first two groups were granted land in their own villages while the so-called internal colonists settled within the boundaries of their own republics. The fourth group, the so-called federal colonists, contained peasants settled under the auspices of the federal government, mostly in the lowlands of Voivodina. These were former participants in the National Liberation War, invalids and members of war victims' families. They came mainly from mountainous villages which were destroyed during the war.

In the settlement of the federal colonists preference was given to poorer peasants. At the same level of poverty the rank of priority was as follows: first, the National Liberation War participants, then those disabled in the wars 1912–3, 1914–8 and in the short war of the Kingdom of Yugoslavia against Germany in April 1941, then the families of victims of the fascist terror.

The peasants got the land without charge. Moreover, they were given, free, 72,158 houses, 58,445 farm buildings, 67,731 horses and cattle, 111,930 pigs and sheep, 54,411 large implements (threshing machines, sowers, mowers, other harvesters, cars, ploughs, &c.), and 129,503 small agricultural implements. They also received furniture and food.

After the war the last remains of feudalism in Dalmatia and Istria (the so-called colonatum) were finally abolished. A majority of the 1945–6 colonists were allotted land for collective farming (in so-called Seljačka radna zadruga or Peasant Work Co-operatives) or they themselves organized co-operatives of this kind after gaining possession of the land. Thus in 1946 there were in Voivodina 248 collective farms, 222 of which had been organized by settlers and this number increased to 232 in 1948. Censuses in following years no longer enumerated the farms of colonists separately but it is known that the majority of colonists became members of such co-operatives.

By means of agrarian reform and colonization the pre-war poverty of agricultural labourers, crofters and smallholders was considerably reduced. For example, before the agrarian reform the smallholders of Voivodina province owned only 53,500 ha. and now they were granted 197,000 ha. more. They are able agriculturists but are handicapped by a lack of draught-power, implements and manure.

**Land tenure and the position of agriculture at the present time**

A policy of agrarian reform and land settlement could not of itself lead quickly to favourable results in a country of limited agricultural

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1 The six republics in Yugoslavia are: Serbia, Croatia, Slovenia, Macedonia, Bosnia and Herzegovina, and Montenegro.
land with agricultural over-population and under-developed industry. Moreover, the population is increasing rapidly in spite of the loss of every ninth inhabitant during World War II, that is to say of 1,900,000 people.

As a consequence of industrialization the proportion of the agricultural population to the whole is decreasing, although small-scale farming is still a feature of the country.

<table>
<thead>
<tr>
<th>Year of census</th>
<th>Total population (of the territory covered by the census)</th>
<th>Agricultural population</th>
<th>Agricultural population as percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1921</td>
<td>11,684,767</td>
<td>9,191,232</td>
<td>78.7</td>
</tr>
<tr>
<td>1931</td>
<td>13,934,938</td>
<td>10,643,764</td>
<td>76.2</td>
</tr>
<tr>
<td>1948</td>
<td>15,772,098</td>
<td>11,114,839</td>
<td>70.2</td>
</tr>
<tr>
<td>1953</td>
<td>16,927,275</td>
<td>10,800,000²</td>
<td>approx. 64²</td>
</tr>
</tbody>
</table>

¹ In 1948 and 1953 the liberated territory, after the treaty of peace with Italy, is included.
² The methods of the 1953 Census were different from those of previous censuses. Actually active population in agriculture includes only 10,105,320 people or 59.7 per cent. In order to compare this year's figure with those of the previous years Milenko Ban, in the Statistical Review of Yugoslavia, 1953, No. 4, considers as agricultural population approx. 10,800,000 inhabitants, about 64 per cent.

The classification of farms according to the livestock census of January 1953, compared with 1931, was:

<table>
<thead>
<tr>
<th></th>
<th>1931</th>
<th></th>
<th>1953</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of farms</td>
<td>Percentage</td>
<td>No. of farms</td>
<td>Percentage</td>
</tr>
<tr>
<td>Holdings up to 2 ha.</td>
<td>671,965</td>
<td>33.8</td>
<td>581,329</td>
<td>29</td>
</tr>
<tr>
<td>„ „ from 2 to 5 ha.</td>
<td>676,284</td>
<td>34.1</td>
<td>796,430</td>
<td>40</td>
</tr>
<tr>
<td>„ „ 5 to 10 ha.</td>
<td>407,237</td>
<td>20.5</td>
<td>430,933</td>
<td>21.5</td>
</tr>
<tr>
<td>„ „ 10 to 20 ha.</td>
<td>174,058</td>
<td>8.8</td>
<td>152,624</td>
<td>7.5</td>
</tr>
<tr>
<td>„ „ with more than 20 ha.</td>
<td>56,271</td>
<td>2.8</td>
<td>36,837²</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>1,985,825²</td>
<td>100</td>
<td>1,998,153³</td>
<td>100</td>
</tr>
</tbody>
</table>

¹ Includes all farms from twenty to more than 500 ha.
² In 1954 there are no more farms over 20 ha. and the collective farms are not included in this number. According to the recent regulations the maximum area allowed to individual farmers is 10 ha., exceptionally 15 ha.
³ There were no collective farms in 1931. Thus the total in 1931 contains all farms, but the total in 1953 does not include the number of households of collective farms, i.e. 331,000 families (at that moment), nor households with land less than 0.06 ha.

The comparison is a little confusing perhaps, as there were no collective farms in 1931, and it is impossible to discover the size of holdings of the individual farmers who became members of the collective farms after the war. In any case, such a size distribution cannot
be a good basis for higher productivity in farming. Apart from the small size of farms there were many difficulties, even in 1953, such as insufficient equipment (almost half of the holdings had no draught horses nor oxen, and tractors also were scarce, with an average of one tractor to approx. 200 ha. of arable land). Moreover, transport facilities were scarce and not properly used and marketing was unsatisfactorily organized. Also, in many parts of the country knowledge of production methods was lacking and agricultural improvement had not reached a desirable level.

It is not surprising that in Yugoslavia, in the fruitful season of 1951, the average income of every person maintained by farming was only $73.5 while for a similar season, 1949, the corresponding figure for the United Kingdom was $702.65 and for the U.S.A. $726.25.

In 1945 it was planned that large-scale farming should be promoted by means of collective farming in Peasants’ Work Co-operatives. Their numbers were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of collective farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>1,318</td>
</tr>
<tr>
<td>1949</td>
<td>6,626</td>
</tr>
<tr>
<td>1950</td>
<td>6,964</td>
</tr>
<tr>
<td>1951</td>
<td>6,797</td>
</tr>
<tr>
<td>1952</td>
<td>4,679</td>
</tr>
<tr>
<td>1953</td>
<td>1,258</td>
</tr>
</tbody>
</table>

Apart from the colonists, a great many other peasants, crofters and smallholders joined in. The maximum number of members ever included was 429,784 families (in 1951), i.e. a quarter of all peasant families. The maximum land area covered was 2,329,112 ha. or about 17 per cent. of the agricultural land.

The Peasants’ Work Co-operatives rarely became rationally managed large-scale farms. This was due to the scattered land patches, insufficient mechanization, the prevailing natural economy with insufficient marketing (showing nearly the same features as the individual smallholdings), the inelastic form of organization of work which applied the same pattern in regions with different types of farming and to all collective farms whether of more than 3,000.

In 1950, after the abandonment of methods introduced under Russian influence, the use of the earlier rigid methods of managing the economy stopped. The industrial population was increasing rapidly and the new economic system, which is still being worked out, put much more emphasis upon profitability. Special benefits and subsidies for the collective farms were abolished and some of them dissolved as they had not the means required for profitable large-scale farm management. This was especially so in mountainous regions.
A new regulation was enacted by the ‘Federal Executive Council of P.F.R. Yugoslavia’ (the government) on 28 March 1953 regulating the relations between the members and the collective farms in the spirit of the new liberal economic system. Emphasis is especially put upon the voluntariness of joining or leaving the co-operatives.

After this change in collective-farm policy at the end of 1953 only 1,258 collective farms were left (18 per cent. of the highest number). Mostly peasants of the middle and higher classes left the co-operatives. The area of the remainder decreased to 13 per cent. of the area cultivated at the end of 1952. Altogether the collective farms had, at the end of 1953, not more than 2·39 per cent. of the total agricultural area.

It is of note that the highest percentage of co-operatives which remained active (448, or about 65 per cent. of the previous number) were in Voivodina, the region with the best conditions for agriculture. Here the well-organized co-operatives could show their advantages over individual small-scale production. Similarly the advantages of collective farms over smallholdings have been proved in some other advanced parts of Yugoslavia, as in Slovenia (where 37 per cent. of the previous number of co-operatives kept working) and in Croatia (with 21·8 per cent. of the previous number of collective farms) but in other republics the percentage is lower, e.g. Bosnia and Herzegovina 15·8 per cent., Macedonia 10·1 per cent. and Montenegro 9·9 per cent.

Reorganized co-operatives are becoming attractive examples to individual peasants. In 1953 a number of new collective farms were formed, e.g. sixty-three in Serbia.

A consequence of the low productivity of agriculture is that the nutrition of the population is unsatisfactory and is much inferior to the nutrition levels in the West. Before the war, exports of food from Yugoslavia were much higher than at present, but at the expense of the nutrition of a considerable number of inhabitants. For instance, from 1947 to 1952 the average volume of exports was 38 per cent. of the 1931 to 1939 exports. It is true that during this period there were two bad droughts (1946 and 1950) when the country had to import food, especially wheat and fat, and this in even greater quantities after the terrible drought of 1952. As a consequence of the decline of agricultural production, the manufacturing of its produce also decreased. For example, in 1952 the plants were working at only half capacity. Many of the large-scale state farms are well-organized enterprises but as they do not cover more than 2½ per cent. of the agricultural area they cannot seriously influence the market in competition with the peasants’ farms.
The programme for the future

The ten-year programme of agricultural improvement takes into account that the rapidly increasing population of the country will amount to about 19½ millions in 1962. For the anticipated development of industry, transport, trade, social institutions, education and tourism there will be a need for about 2 million more actively employed people. Consequently the non-agricultural population will have to increase to 11 million. The natural growth of the present town population will probably not exceed 1·3 million. About 3·1 million people will leave the villages. Only about 8·5 million or 43 per cent. of the population will practise agriculture as their main occupation. It is well known that one of the more important conditions for the economic progress of a country is a fall in the proportion of people engaged in agriculture. The time is coming when in Yugoslavia too a much smaller number of people engaged in agriculture than now will produce much more than at present.

In the ten-year programme of agricultural improvement a much higher food consumption per person is expected: an increase of 20 per cent. for grain, 60 per cent. for sugar, 25 per cent. for fat, 10 per cent. for meat, 55 per cent. for milk, 65 per cent. for eggs, 90 per cent. for fruit and 50 per cent. for vegetables. Even with these increases, however, nutrition levels will still be a little below those of the West. Some food will be exported. The processing of agricultural produce will increase in existing plants and in some which still have to be built.

The main aim of the agricultural policy is increased production. A ten-year programme has been drawn up and is already in operation based on a type-of-farming concept. In fact the approach has been made more on geophysical than on economic features, because the latter have not yet been sufficiently examined, especially as regards the economics of individual farms. The anticipated type-of-farming areas (see Fig. 2) are as follows:

1. Area of cropping in the north-eastern plain, producing mostly grain, especially maize; thereafter crops for manufacturing, especially sugar-beet, hemp and oil-bearing crops, also intensive livestock production.

2. Area of fruit and vine-growing and livestock on hilly land. Its features are production of fruit, grapes, different livestock products, and not much grain (except maize).

1 See, for example, Ojala, Agriculture and Economic Progress, Oxford, 1952.
IRRIGATION PROGRAMME
for 1952-1962

TYPES of FARMING AREAS

1. CROPPING, DAIRY (1)
2. FRUIT-AND VINE-GROWING, STOCK (2)
3. REARING AND FEEDING, DAIRY
4. GRAZING, STOCK REARING (3)
5. FEEDING
6. ORCHARDS, VEGETABLE-GARDENS, FISHERY (4)
7. SUBTROPICAL PLANTS (5)

FIG. 2.
3. Mountainous area in the centre of the country, with prevailing grazing. Its features are livestock rearing, produce of livestock for breeding, then meat, some other livestock products (mainly wool), potatoes and to a certain extent fruit.

4. Area of mediterranean climate along the Adriatic coast. Its features are the production of southern fruit, early vegetables, grapes, honey and fish.

5. Part of Macedonia, mainly in the Vardar valley, producing subtropical crops: cotton, tobacco, 'afion' (poppy sap), peanuts, sesame, &c., early vegetables, grapes and fruit.

Certainly this rough type-of-farming classification does not mean that there will not be many farms of quite different types within each area. The eventual goal is to change from a self-sufficient mixed farming system and to increase the marketing of agricultural produce.

From the point of view of increasing the efficiency of farming it is necessary to strive towards socialist large-scale farming. Under the influence of Russian ideas opinions were expressed that the existing peasant farms could be the starting-point for a return to capitalism. The President of the Republic, Tito, in his speech of 28 April 1954, pointed out, however, that there was no danger in the existing farming structure to the further building up of socialism. On 10 ha. (which, except for certain cases where up to 15 ha. are permitted, as for instance on soil of bad quality, is the maximum area of land allowed to private owners) it is not possible to organize production with hired labour. Very soon the basic (heavy) industries will be completely organized and working. Rapid development in the manufacturing of consumption goods is proceeding. As only prosperous peasants can consume this production it is necessary to aid peasants with credit and other facilities. This, we may expect, will help to blend their progress with the trend of growth of industrial production.

Credit allowances are being given not only to state and collective farms but also to individual peasants. By the new regulations income-tax is being abolished. Experience showed that income-tax retarded production. Now tax will be paid in accordance with the quality of the land and the profit which can reasonably be expected from it. Thus a skilled producer is given an incentive to improve his farm management. This is the reason why recently, in May 1954, in the Federal Parliament a draft bill concerning a free land market has been worked out. An able farmer will have the possibility of buying additional land (provided he does not exceed the legal maximum) in
order to make better use of his farm buildings, implements, livestock, &c., and thus to farm more intensively.

Much reclamation work remains to be done in Yugoslavia. Three million ha. have to be irrigated. But in the ten-year programme the irrigation of only 510,000 ha. has been provided for (Fig. 2). In the first type-of-farming area, i.e. in the main part of the lowlands, 241,000 ha. are to be irrigated, in the second hilly area 79,000 ha., in the mountainous area 76,000 ha. (mostly the karst plains), in the mediterranean 50,000 ha. and in the Vardar valley in Macedonia 62,000 ha. In the fourth and fifth areas it will be possible, after irrigation has been established, to have two good crops yearly. Nevertheless, the main stress will be put upon the irrigation of the first area. The plan is to construct a channel from the Danube to the Tisa and then again to the Danube (Fig. 2). The whole project should be finished in eighteen years, when about half a million ha. should be covered.

Not much gain of new land can be expected as a result of this reclamation, only an important improvement in the existing cultivated area. Except for a few families in the reclaimed lowlands and karst fields, therefore, there will not be much new land settlement.

**Conclusion**

The first colonization in Yugoslavia slowly accomplished through fourteen years between the two wars was performed chiefly for political reasons. Its economic aim was to appease the dangerous land-hunger, but it failed of its purpose.

The second land settlement programme took place in 1945 and 1946. Not enough time has passed to yield a complete picture of the consequences of such a far-reaching measure which concerns such a multitude of people—nearly every sixth family in the country. Only some features of this second land settlement programme can be considered. The total area allotted to the peasants was twice as big as that given to them after World War I in the then Yugoslavia. To a considerable degree the land poverty of a great part of the population has been abolished, and the settling and installing of new farms has not taken much time. Furthermore, it has been carried out from a consistent social point of view, e.g. giving preference to the poorer sections of the population. In Macedonia, malaria, with which the peasants were greatly troubled, has been abolished. There is already some evidence that the settlers, mostly industrious people, have shown more
success in farming than the others, and especially so in the remaining collective farms.

Considering all the difficulties of agricultural improvement in Yugoslavia one ought to agree with Andrew W. Ashby (this *Journal*, September 1953, vol. i, no. 5.) that land settlement is only a palliative and not a cure for an economy with a considerable surplus agricultural population. But from the experiences of the last few years it appears that in Yugoslavia many other measures—co-operation for example—can also contribute much to the successful development of agriculture.

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