

to live with, and more difficult to squelch, with each passing day . . . The hunger after political power is insatiable, each gulp but an appetizer for the next. And the more government regulates and controls, the more it demands to cover costs and losses. The greater the federal deficits, the more urge to inflate the currency; and the sharper the inflation, the greater the temptation for individuals as well as governments at all levels to invest recklessly in all sorts of uneconomic ventures."

What started this train of thought in the mind of the writer of the article was the announcement that the State of Alabama had authorised the city of Mobile to float a \$12 million bond issue (exempt from tax) to build a sugar refinery. "Who knows," he asks, "the web of prior socialisation that actually lies behind and leads up to this latest venture in socialised sugar at Mobile?"

"The American people," he continues, "are running away from their own revolution. Actually we as a people are now returning to the very political omnipotence from which our forefathers escaped." And he calls for a "revival of the revolutionary concept set forth in the Declaration of Independence — that men's rights are endowments of the Creator. We either accept this or we must submit to the only possible alternative, namely, the absurd fallacy that men derive their rights from some man-concocted arrangement — a collective, in practical fact, the state!"

## A Lesson from India



By P. MIDDLETON

Behind the U.S. policy of aid to South American countries, behind the whole preoccupation of Western nations with aid for the under-developed economies, is the concern for "land reform." The results of India's twelve years' experience of "land reform" present a salutary lesson on the failure of this method of attacking the basic evils it is designed to cure.

"THE main object of land reform in India," says Dr. B. N. Ganguli, writing in *The Times* supplement on India, "has been to remove the barriers to agricultural development that were implanted in the agrarian system, like the effects of the high incidence of rent, insecurity of tenure and the exploitation of tenants and sharecroppers by landowners." Dr. Ganguli's article, "Social Tensions

Created by Land Reform," is a clear indictment of the Government's policy, which has failed to achieve these admirable intentions.

"The principle," says Dr. Ganguli, "was not 'land to the tiller,' but to assure equality of opportunity to own land through purchase of ownership rights. Drastic redistribution of land in a country with such a large surplus agricultural population, even if it was politically feasible, would have meant redistribution of poverty with serious dislocation in a precariously poised agricultural economy. Besides, so long as urban land and other forms of urban wealth were not redistributed, the redistribution of agricultural land did not make any sense to the substantial owner-cultivators who have always been a power to reckon with in the Indian countryside."

### HOPELESSLY DIFFICULT TASK

The first task attempted was the abolition of the intermediary tenures, like the Zamindari tenures, accounting for 40 per cent. of the land of India. Even this proved a hopelessly difficult task, involving as it did all the resources of the survey and legal services, with the result that "records of right are so much in arrears that barely 25 per cent. of compensation plus interest due to the landlords has been paid so far, mainly in the form of bonds." Nor is this all: "State governments have taken over private forests and local irrigation works that used to be maintained by landlords. Local irrigation works are not always in a proper state of repair. Nor is forest management always up to the mark. These lapses are due principally to the lack of initiative as well as the lack of adequately trained administrative personnel at the field level." Similarly, with the provision by which landowners were permitted to retain certain acreages for "personal cultivation": "The area to be resumed has not been declared, nor has it been demarcated in advance. It is not certain that the tenant of the land to be resumed for personal cultivation by the landowner will be left with a minimum area of land. The uncertain situation has been exploited to eject tenants from their lands on a large scale . . . Both the complexity of the law and the failure of the administration to enforce it have conspired to make the poor tenants' position extremely insecure . . . The criteria of personal cultivation are such as to favour the class of substantial landowners . . . Regulating the maximum rent by law is not as effective as one would expect . . . The law regarding resumption of land for personal cultivation favours, as it should, the small owners; but the medium-sized owners have transferred their lands to their kinsmen and others in order to be treated as small owners. The loophole in the law has been plugged in many cases, but one wonders whether it is not too late."

The "redistribution" idea "found expression in the plan for a ceiling on agricultural holding," says Dr. Ganguli;

but "this is opposed by the prosperous class of peasant proprietors, who have consolidated their economic position in spite of land reform. This class is the backbone of the political parties in the countryside, and the State legislatures reflect its influence and authority . . . By the time the states have framed ceiling legislation, land has been transferred on a large scale to defeat its purpose."

"A principal aim of land reform," Dr. Ganguli goes on, "has been the conferment of ownership rights on as large a number of tenants as possible, subject to payment by them of compensation in instalments. Arrears of instalments, like arrears of land revenue, pose a problem for small farmers. If the disadvantages of tenancy status are minimised by proper measures of land reform, a tenant may very well wonder whether the game of securing ownership rights is really worth the candle. As stated in the Third Five-Year Plan, 'exact information regarding the extent to which ownership rights have been conferred on tenants is not available.' The fact seems to be that vast numbers of the tillers of the soil have not secured adequate tenancy rights, not to speak of ownership rights."

#### BACK TO CHARITY

Dr. Ganguli then discusses the "Land Gift" philosophy of Vinoba Bhave, and despairingly expresses the view that in the fact of the obvious difficulties which the land reform policy has failed to overcome "the only rational course is to induce the richer landowner to make a gift of his surplus land to the community for use by the poorest section of the rural society." Yet he admits that "while Bhave has secured large land gifts, his patient crusade has failed to create the necessary psychological atmosphere for the success of even moderate land-reform measures designed to safeguard the interests of the under-privileged classes."

#### THE WASTED YEARS

The whole sorry story adds up, of course, to the old adage about using a steam hammer to crack a nut. One sees the Indian Government as a well-meaning but blundering Gulliver, entrapped by the overwhelming forces of Lilliput wielding economic laws to which he has no key.

What could not this great country, teeming with potential wealth, have done in twelve years with the comparatively simple machinery of land-value taxation, towards the rehabilitation of its people! The wasted effort, the millions lost in continually rising land values, to say nothing of the shame of a great nation playing the mendicant at the treasury gates of the Western Powers for

#### FALSE PATHS TO HIGHER WAGES

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"aid," add up to one of the saddest sagas in history, made sadder by the fact that India's mistakes are being repeated all over the world—in Persia, in South America, in Egypt and all over Africa.

## A Road to Serfdom

A DEPUTATION of councillors, an alderman and the town clerk from Christchurch, Hants., called on the Board of Trade last month to express concern at the unemployment likely to arise from the closure of the De Havilland aircraft factory. The government were asked to find new tenants for the premises so as to maintain continuity of employment for the men.

It seems to us a little undignified that men must rely upon a central authority to provide them with work. But this is an age where one is taught to look to government for many things that were once regarded as the proper business of the individual. It is understandable. Until governments remove the artificial barriers to employment i.e. immobility of labour (the housing shortage), impediments to trade and production and land monopoly, people will continue to look for extensions to state paternalism to solve their employment problems.



"How would you boys like to be taken for a ride?"  
["NEDDY," National Economic Development Council, comprised of representatives of the Government, employers and employees, has been set up to help solve our economic problems.]