

The Proposed Land Distribution in Italy

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On April 16, 1949, the Italian Government, under premiership of Signor de Gaspari, celebrated the first anniversary of its electoral victory with the issue of a manifesto in which it was declared that 1,200,000 hectares (3,000,000 acres) of Italian land were to be made available to the landless. This was to be done by methods of expropriation and sub-division of estates exceeding 300 acres of arable land or 750 acres of mountainous and forest land. It is a land purchase scheme, and Signor de Gaspari is reported to have reckoned that in landlord compensation alone it will cost the State £25,000,000 to get the scheme going.

Land & Liberty in its issue of July, 1949, expressed its misgivings about the nature of the proposal and its certain result in a worsening of the desperate state of the peasantry. May I, a Hungarian now resident in Italy, say why in my belief the project is foredoomed, knowing as I do and having witnessed what has happened in my own country with sub-divisions thus effected; that they are fraudulent, making life even more unbearable than before? Now that I am settled for the time being in Italy, I can see this unsolved land problem aggravating economic evils and the social struggle.

Today the evils are increasing. Although it is not true that Italy has an exceptionally high birth-rate—its level is midway between West and East—her population has nevertheless grown by nearly ten millions in twenty years. It is increasingly difficult for Italians to emigrate and the return of her former colonies would not solve the problem. There were only a few Italian colonists before the war and the colonies imported very little and exported next to nothing.

Thus, when other countries after the war suffered from lack of workers, Italy still suffered unemployment. As one goes further south to the more agricultural part of the country one finds increasing poverty accompanied with a higher birthrate and more unemployment. And the uneven distribution of land—which Mussolini in vain promised to alter—increases the exasperation and uncertainty. The Socialist demagogues tried to exploit this situation for their own purposes, but the American-backed government won a negative victory. It was able to prevent a hasty land-division in the East European manner of creating holdings so minute that they cannot exist alone and can therefore be forced into the kolchos system.

A realisation of the danger, together with American subsidies, helped to prevent this catastrophe; but only for a time, as shown, for example, by the harvesters' strike in June. So the government has published its land reform bill, obliging all owners of land exceeding a given size (500 to 1,500 acres) or a specified net "cadastral income" of approximately £1,000 a year to sell within a specified period (10 to 20 years) those parts of their holdings above these allowances.

As such a "reform" has many precedents in other countries we suspect the Italian government is well aware of its deficiencies. To complete the theme of this paper I may be allowed to repeat the most glaring

Deficiencies of the Proposal.

These can be tabulated as follows:—

- (a) Such a reform does nothing in itself to increase productivity or the demand for productive labour.
- (b) On technical considerations to prescribe a maximum area of land for every proprietor, is nonsense. If, as intended, not area but "cadastral income" is taken as the standard how can any such assessment average past or anticipate future fluctuations?
- (c) If the maximum is to be decided for every individual case it is obvious that arbitrary and corrupt practices would ensue.
- (d) Either of these methods must destroy land units which have proved to be productive, and create non-productive dwarf holdings.
- (e) The aim of the proposal must necessarily prohibit the new proprietors, however incapable, from selling out to others, however capable of making a success of their holdings. Moreover, all proprietors will be prevented from adjusting the size of their estates most suitably to economic conditions.
- (f) This so-called reform requires taxpayers' money to be spent in order to compensate one set of proprietors who have no just claim to it, and to endow other proprietors equally without any just claim on the vacant estates.
- (g) This sub-division of land cannot satisfy land hunger in the aggregate, and with increase of the agrarian population the situation in a few years' time will be the same as it is at present.

Some Italian emphasise these objections but with motives quite different from our own. They would maintain all private property just as at present, without any distinction. They do not desire any reform. We desire a better reform. We want to establish a just and abolish an unjust system of private property. And we must put this distinction prominently before the people.

In contrast to the impracticable, unjust and corruption-breeding land system proposed by the Italian government, there is a reform which automatically reduces rent; makes land avail-

able for the landless, ensures that land is put to its best use, allows every holding to attain the size most suitable for economic production, and instead of demanding contributions from the community brings revenue to the public purse. And examples in other countries of only a partial and imperfect application of this reform give us every encouragement to extend it. If one asks why this reform was not considered by Italian legislators one might also ask why in England the present Labour Government ignores the 1931 law to establish this reform, enacted by a previous Labour Government and repealed by its opponents.

What will happen after the Redistribution?

Apart from the general principles of the proposed Italian land reform many practical details concerning its financial aspects remain unanswered; whether, for instance, £25 or £40 millions are to be allocated to buying, improving and equipping millions of acres—which would obviously require several hundred million pounds.

Every Italian party admits that the greatest obstacle to all Italian recovery is the lack of capital. For this the Communists have at least a logical remedy. The government and the non-Marxist parties have none. Capital can be obtained by borrowing from foreign governments, or foreign investors, or by saving within the country. Today the only source of foreign capital is the United States Government, whose motives are political. From this source Italy receives useful but not sufficient supplies—which are likely to cease as the American crisis develops. Foreign capitalists are not likely to lend to countries, which under the influence of nationalism, socialism, fascism and communism blame capitalism for every misfortune. In fact, so far from exploiting the people, foreigners have lost innumerable millions of dollars invested in countries from Calais to Vladivostok. Thus, even apart from the menace of war and Communism, foreigners would not invest money in Europe and assist to balance the world economy, as in the past.

Internally, Italy has done something to remedy matters. Inflation has been arrested, currency stabilised, the standard of life raised, and the deficits in the Budget and foreign trade reduced. But owing to the Communist menace Italian capitalists are frightened—even more than foreigners—to invest. The political parties, competing for popularity, cannot take any unpopular but salutary steps. Neither redundant workers nor officials can be dismissed, and the inflated State and municipal expenses must be covered by increased taxes and tariffs. As house rents are restricted to nominal pre-war levels—only a fraction of their real value—new building stagnates and tenants exploit sub-tenants. The Communist-organised strikes of State officials and municipal workers compel the poorest to pay in taxes and tariffs the higher salaries and wages. Thus neither individuals nor companies can save sufficiently or feel sufficient confidence in investing enough to modernise industrial equipment.

The Communist Technique

In such a situation as this, Bolshevik or other dictatorships have an advantage. Unhampered by political opposition they can employ the most ruthless methods to stabilise the currency and balance the budget and foreign trade. By suppressing the freedom of trade unions, and monopolising the Press and propaganda they can lower the standard of life to such an extent that ample sums become available for capital investment. As the government cannot be changed by an election it can plan for years ahead, while democratic governments, through fear of unpopularity with the masses, can neither enforce such plans nor remove the fetters from industry.

In the sphere of land tenure also the Communist dictators can be more positive and consistent. Their rigid political and police control enables them to ignore the lowering of production which follows subdividing the land into the smallest possible units. This, with their command of propaganda, enables them to obtain the support of many of the peasants and these poverty-stricken dwarf holders can then be forced into the State-controlled kolchos system. Such has been, without exception or variation, the process in every Soviet controlled country. Famine in itself can be used as an instrument to reduce the people to even greater dependence on a State when it is the sole employer of labour and sole distributor of food.

Conclusion

We have tried to explain why the Italian Government did not choose a more rational and radical method of land reform. Although only a third of the voters in the last election favoured Marxists the remainder equally believe that the solution of the social question lies in mechanical re-distribution of wealth by State officials whose duty it is to regulate all the affairs of private life. After twenty years of Fascism it is not surprising that they failed to learn that political and economic freedom are inseparable. Governments in such countries try in vain to find a middle way between State omnipotence and freedom, individual and State production, right and wrong.

This so-called land reform will not bring the desired results, although it may bring hope to many of the people. It may have some influence in lessening the inequality of wealth, especially among landowners. But we must seize every opportunity to expound our conviction that the only solution is to prevent the unjust accumulation of wealth at its source, by making just distinction between private property and public property, scrupulously respecting each and giving every person an equal right to land. We must make the earth free for the people.