



## Evasions Of "Land Reform"

By E. P. MIDDLETON

*Principles of Land Consolidation Legislation*, compiled by Pedro Moral-Lopez in collaboration with Erich H. Jacoby (H.M.S.O.) 1962.

AMONG the recent publications of the Food and Agricultural Organisation of the United Nations Organisation (FAO) is *Principles of Land Consolidation Legislation* (1962). This is an excellent survey of legislation in thirty-two countries dealing with aspects of the problem of the fragmentation of rural properties and the consolidation of farming areas for economic and social benefit.

The countries whose legislation is here examined by no means exhaust the total. Almost every country in the world shares this problem to a greater or less extent. So true is this that it is a matter for astonishment that its universality has not stirred the minds of serious thinkers to a recognition of its significance and the inference that there must surely be a basic common cause operating wherever the problem is to be found. Instead, where attention is paid to causes, it is given to the more obvious secondary reasons, such as religious and social customs. Undoubtedly these have operated for centuries, particularly in Asia and throughout the Moslem world, and still do, where legislation has not checked them, and have thus been accepted, unquestioned, as the prime cause of the poverty of rural communities in those countries. That there is a single fundamental cause for this universal problem should by now have become clear. That cause is, of course, poverty itself, a consequence of the universal system of the private ownership of land—dramatically demonstrated in a recent reprint issued by the United Committee for the Taxation of Land Values, entitled "An Experiment in India."

The general trend of all the legislation examined in this FAO survey is along two main lines: the prevention of further fragmentation of rural holdings, and the more positive purpose of consolidating properties for their more efficient use. In most countries there is now laid down a minimum area, consistent with location, fertility and other considerations, judged adequate to support a farming family. Where the fragmentation process has gone too far, the law now provides for regrouping of such properties or the addition of other land to make a unit capable of producing a satisfactory profit. In other cases, more particularly in certain European countries, the next step is taken of further regrouping and enlarging properties so as to provide more economically viable units capable of taking advantage of modern farming techniques including a high degree of mechanisation.

The lines along which this reorganisation proceeds,

varies little from country to country. Disputes over inheritances—where more than one claimant to a fragmented property exists—are dealt with by appropriate courts or tribunals, a settlement usually involving compensation by the successful claimant to his unsuccessful relatives. Almost invariably the successful heir is not financially equipped to bear the cost of bringing his property to the required minimum area or condition of fitness, involving in most cases the purchase of additional land, and the State comes to his assistance, with subsidies, low-interest loans and tax concessions.

In some of the countries under review it is worthy of note that schemes of reorganisation of farm pattern and grouping of properties for more efficient production are often closely associated with road improvement schemes and irrigation projects, and that provision is frequently made in such cases for the costs of such improvements to be borne by the benefiting farms on the basis of the recognition of their increased land values. But that's as far as it goes.

In chapter 8 of their book *Agricultural, Economic and Social Aspects of Land Consolidation* the authors pose the essential features of this great problem without, unfortunately, evincing a glimmering of understanding of its true nature.

"Among the various aspects of land consolidation the most important ones are the improvement of the farm size pattern and of the pattern of settlement, both to be achieved by proper consolidation operations and by enlargement of undersized farms. Construction work, like land reclamation and soil improvement often provides the background for successful agrarian reconstruction. It might be useful in this context to summarise the disadvantages of both too small and too large farm sizes.

"(1) Undersized holdings do not provide adequate income and full-time employment of the farming families; they originate from the sub-division of the land among heirs, from indebtedness and speculation, or from the establishment of supplementary farms which were supposed to support families in part-time non-agricultural occupations. Today, these farms constitute the so-called smallholder problem, which dominates the agricultural policy of many regions, particularly in Europe and the Islamic countries of the Near East, where the coincidence of undersized farms and large

estates has resulted in considerable social problems. Conditions are particularly unfavourable wherever the problem of inadequate farm sizes is aggravated by other structural deficiencies, e.g., fragmentation of land, irregular water supply, etc.

"(2)The predominance of big estates (either as large-scale farming units operated by hired managers and dependent upon hired labour, or as concentration of landed property in a few hands but farmed by tenants) hampers the economic development of farmers and has contributed frequently to the growth of social tension. In some Mediterranean countries large estates are still prevalent, while others have introduced comprehensive land reform projects. In most land reform areas, the family farm is considered as the model unit to be adopted for the establishment of a better agrarian structure. This view, however, is not so much based on the conception that the family farm gives the best revenue, but rather on social reasons and general considerations of policy."

Of the financial consequences of all this reforming legislation we are given no concrete idea by the authors of this survey; it is, of course, outside the scope of their work. It would, nonetheless, be of considerable interest to have some figures, but as it is one is left to exercise one's imagination. And it does not need much imagination to visualise the millions involved in the currencies of the countries concerned. The authors are careful, in the opening pages of the book, to proclaim their impartiality as observers only and to make clear that they offer neither criticism nor opinion of the legislation reviewed. They come as near as they dare, however, to offering advice in a later part of the chapter just quoted from, under the heading "Financing Land Consolidation":

## OF CABBAGES AND KINGS

By Paul Knight

IN THESE days of the veneration of statistics, the Department of Agricultural Economics of Wye College (University of London) continues to make a very solid contribution to the swelling libraries of reports and surveys with which Britain, in common with most civilised communities, is becoming cluttered.

A selection of the Department's publications during the past eight years comprises the following: *Land Requirements for the Production of Human Food*, (1954); *The Garden Controversy*, (1956); *The Recession in Farm Profits in South East England* (1958); *The Major Land Uses of Great Britain*, (1959); and *The Potato Crop: Policy and Practices*, (1962). Each of these works, ranging in size from 30 to over 100 pages, is beautifully produced and is the result of intensive research and com-

"European countries finance consolidation operations fully or at least to a considerable part because they are well aware that farmers are not in the economic or financial position to pay the full expenditure associated with reconstruction work. The participants, however, have to contribute to the costs of projects of common interest be it by work or cash payment. The examination of the present methods for financing land consolidation indicates the need for new approaches to the problem. Difficulties in financing arise particularly where governments' contributions are relatively low. In such cases, measures of the following kind can be considered:

- establishment of a consolidation fund by the community,
- advance payments by the participating owners,
- construction credit at a low interest rate (use of public funds),
- sufficient time for amortization, to allow the owners to pay off their debts. The right combination of subsidies with loans is very important; governmental credit guarantees for loans at a subsidised interest rate could contribute substantially to the success of the schemes. In the interest of smooth financing of consolidation schemes, serious attention should also be given to the various methods of levying a rate on landowners some years in advance of land consolidation."

This is the sort of advice that might be expected to be offered by people whose chief pre-occupation is with purely legal concerns, in whom knowledge of economics is not to be expected. The operation of the Law of Rent is obviously a matter outside their comprehension — unless one may detect a slight gesture of recognition in their obscure reference to "levying a rate on landowners."



position by experts in their subjects. They are, no doubt, of inestimable value to somebody or other; though, whether their influence on major economic concerns will be permanent or even important, is a matter open to considerable doubt.

*Land Requirements for the Production of Human Food*, (1954) is frankly limited in scope to the subject of feeding Britain in time of war, and reflects the not unnatural pre-occupation of a country only a few years away from the most dangerous emergency in its history since the Conquest. As such it is a highly commendable piece of investigation aimed, successfully, at showing just how much food of the right calorific value could be produced to support the existing population under a tightly organised system of controlled production and