

The Land Question in History

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I

Land Problems Since Ancient Times*

"GREAT ESTATES RUINED ITALY and the provinces," said Pliny (the Younger).¹ Certainly it was one of the factors usually mentioned by historians.² The latifundia of the Roman Empire cultivated by slaves and *coloni* destroyed the vigor and self-reliance of the population long before the inundation of the Germanic tribes in the fifth and sixth centuries. Political disintegration and corruption proceeded apace with economic inequality and military despotism. Privileged nobility and bureaucratic controls replaced self-government of the municipalities, the power of the middle class and private enterprise. The real power of the government gradually passed into the hands of the great landlords during the fourth and fifth centuries. A large bulk of the formerly proud self-reliant citizenry became subservient, marginal tenant farmers in a feudalistic society supporting a dole of *panem et circenses* ("bread and circuses") for the unemployed masses.

History records many similar land problems both before and after the collapse of Rome. The details are different, but the pattern and effects are similar. The class structure and skewed distribution of wealth based on concentrated land ownership are believed to have been among the major causes of the fall of the Old Kingdom of Ancient Egypt. As in Rome, they undermined the strength of the Middle Kingdom to resist the invasions which brought it to an end in the sixteenth century B.C.³ Egypt once more rose briefly to prominence as a military State, but economic problems again weakened it internally for a succession of conquests which marked its later history.

* In recalling some of the highlights of history in which land problems figured significantly I intend to make no general "interpretation" of history. Nor do I intend to attempt to evaluate the relative impact of the land problem among all other causal forces involved in the events described. For this would require a different type of analysis than the historical. My object is merely to illustrate that the land problem was involved—and that it was very important.

¹ *Verumque confitentibus latifundia perdidere Italiam; jam vero et provincias.* Caius Plinius Caecillus Secundus, *Natural History* XVIII, 7, as quoted in G. R. Geiger, *The Theory of the Land Question* (New York: The Macmillan Co., 1936), pp. 143-44.

² Carlton J. H. Hayes *et al.*, *History of Europe* (New York: The Macmillan Co., 1949), pp. 66-95.

³ Rushton Couborn (ed.), *Feudalism in History* (Princeton: Princeton University Press, 1956), pp. 124, 128.

The Iberian Peninsula shared the culture and traditions of the Roman Empire of which it was a part. It also shared the social and economic problems attending land monopoly which have persisted to this day. The revitalization of Moorish rule for eight hundred years, the rise of town life and commerce in the Middle Ages, the influx of wealth from New World possessions, all helped to stay the ultimate effects of the land problem. Spain did not appreciably participate in the Industrial Revolution, which would have given her another respite. The land problem and ruinous wars have been central to her decline ever since. The republic which was formed after the fall of the monarchy failed to break the strangle hold of the great landowners and power groups allied with them and was defeated in civil war by 1939. The dictatorship which came to power after that war has carried on since in many of the same traditions of the old monarchy, with many of the same problems and social discontents.

Latin America inherited the culture of Spain and Portugal from her colonial days and has been burdened with similar social and economic problems, including the major source problem of concentrated private land ownership.

Land concentration in England, primarily achieved by enclosure acts, began in the sixteenth century. Common land became private land and wholesale evictions produced great unemployment while the wealth of the landed aristocracy increased. Through its effective control of the government after the restoration of Charles II, the landed aristocracy as Peers of the House of Lords shifted the old feudal dues, payable by them to the crown for holding land, to a sales tax on common beverages payable by everyone!

More common land was monopolized by the lords with their passage of the four thousand enclosure acts of the eighteenth century. High rents, progressive impoverishment of the rural population, and the creation of a proletariat were among the results.⁴ Subsistence relief laws, factory employment created by the Industrial Revolution, and emigration gradually mitigated the more prominent social problems. But the British land policy, in the words of Winston Churchill, remains "vicious and unreformed." The land policies of the United States and Canada—influenced as they were primarily by British traditions—are, except for a few areas, little different from Britain's. The land problem in these two countries, however, has not yet become recognized as acute generally, except in dense

⁴ An excellent account of this phase of British history may be found in Gilbert Slater's *The Land: The Report of the Land Enquiry Committee* (London: Hodder and Stoughton, 1913).

urban areas, because of their large land areas in relation to their populations.

These examples of countries with land problems, countries which provide the landlord with what John Stuart Mill called "the unearned increment," are by no means exhaustive. But they should serve the present purpose of illustrating some of the effects, and the world scope and significance of the problem. The adverse effects are particularly apparent where agricultural land is concentrated in the hands of a few, and in large cities where the supply of land is small and the demand great, causing rents to rise at progressive rates with the intensity of cultivation and development.

II

Common Land Ownership in Prehistory and History

LAND HISTORIANS AND ANTHROPOLOGISTS have differing opinions regarding the terms under which man originally held land. Whether or not this relationship was the same among all people, and what were the course and causes of changes, is not fully agreed upon. The evidence is fragmentary and doubts may always exist. One school of thought, represented by Sir Henry S. Maine,⁵ Emile de Laveleye,⁶ George L. von Maurer,⁷ and others, found reason for thinking that land ownership originally resided in the society at large and has gradually been appropriated by individuals and groups as private property.

Others, such as Max Weber,⁸ believe that private ownership of land was the original practice in some areas, such as Germany.

Jules Toutain reached the following conclusion regarding the ownership of cultivated lands in ancient Greece: "We find private ownership and individual ownership, without being able to say that there was no family and collective ownership at all."⁹

W. Schmidt¹⁰ tells us that among nearly all primitive hunting and food-gathering peoples a kind of land ownership is exercised over their immediate area by a *Grossfamilie* or sib, composed of parents, children, and grandparents, but that any sense of land ownership virtually disappears when a stage of animal breeding and herding is entered into.

⁵ Sir Henry S. Maine, *Ancient Law* (New York: Henry Holt, 1906).

⁶ Emile de Laveleye, *Primitive Property* (London: Macmillan & Co., Ltd., 1878).

⁷ George L. von Maurer, *Einleitung Zur Geschichte Der Mark-Hof-Dorf Und Stadtverfassung* (Berlin: C. Keiser, 1854).

⁸ Max Weber, *General Economic History* (New York: Greenburg, 1927).

⁹ Jules Toutain, *The Economic Life of the Ancient World* (New York: Alfred A. Knopf, 1930), p. 17.

¹⁰ W. Schmidt, "The Position of Women with Regard to Property in Primitive Society," *American Anthropologist* (April-June, 1935), p. 244ff.

Jan St. Lewinski's¹¹ findings agree with those of Schmidt that among nomadic peoples of Asia there is no concept of property in land. He further finds that the concept of ownership in the land is generally influenced by the economic life. Communal effort applied to the land develops a communal ownership of land. Conversely, private individual enterprise develops a private ownership in land. The more intensively land is cultivated, the more strongly developed does the sense of ownership in it become. Another influence noted by St. Lewinski upon the development of land ownership claims is what he calls *Scarcity*. This influence, or cause, begins to operate when population growth reaches a stage where a scarcity—or pending scarcity—of desirable land is sensed. Individuals then are motivated to establish secure control of land in the vicinity of their abodes, to provide for their own needs and for their exclusive use, even though no labor may have yet been applied to it. Fences and landmarks begin to appear more frequently. Where a number of individuals or a whole community have designs on a given site (social scarcity), the site may be divided up by the community among the claimants, or held as common ground, often with regulations applied to all in regard to its use.

Further growth of population frequently leads to conflict between those who have land and those who do not. St. Lewinski notes that pressure for land equalization induced by population growth usually passes through three recognizable stages:

First Stage—There exists no equalization, the community merely restricts the right to free occupation.

Second Stage—The community possesses the right to transfer property from one person to another.

Third Stage—The land is periodically divided.

St. Lewinski develops this treatment of the growth of land ownership and the community in detail, and provides numerous specific accounts as examples. It is perhaps worth including here, verbatim, the last paragraph preceding his final chapter, entitled "Conclusion."

Such in broad outline, is the history of the development of the village community. No idealistic principles guided its evolution according to the postulates of any theory, but the necessities of daily life determined the path of this primitive economic policy. With the growth of the number of those who are not satisfied with the old order of things, the measure tending to abolish them becomes more and more radical. This evolution, characterized by a transition from a *laissez-faire* policy to a developed system of social intervention, is not simultaneous on all lands. According to

¹¹ Jan St. Lewinski, *The Origin of Property* (London: Constable & Co., Ltd., 1913).

the degree of need which makes an equalization necessary, and according to the difficulties encountered by such policy, it originates at different times and advances at different rates.¹²

St. Lewinski's observations were made in Asia. We cannot, of course, generalize from them that all people, particularly those in less acquisitive, individualistic, or competitive cultures, *e.g.*, the Zuni or Hopi Indian tribes, would react to the conditions described in the same manner.

The similarity of St. Lewinski's findings (that property claims grow out of the investment of labor) with Locke's philosophy is striking. Possibly St. Lewinski could have linked the two principles of labor and scarcity more explicitly to a deeper common motive, that of survival. In any case, one comment especially should be made on his thesis which has particular bearing on this study. In regard to his observation of property claims in land growing out of the labor invested in it, it should be noted that land so improved is by strict economic classification no longer land—to the extent that it has been improved—but wealth. If the site is used for production it is capital, again only to the extent of its improvement. A determination as to what extent an improved site remains land and to what extent it becomes wealth may be difficult. But there is a distinction and it is invariably recognized in land reforms (and real estate tax systems) to one degree or another, as St. Lewinski himself points out.

Although it is true that improvements decay and return to the land and became part of the common heritage, while they are active in the economy and identified as belonging to particular persons they are classified as wealth. The point of distinction is an important one.

It seems clear that common equity in land can be achieved by only a few major alternative arrangements, or some variation or combination use of them.

Dividing the total land area among the population requires redistribution in line with population changes if equity is to be maintained. Such changes preclude secure individual tenure conducive to substantial improvement and development of the community. Land division and redistribution is a crude solution to the land problem. But it is used frequently enough in agrarian societies to warrant treatment as a separate brief topic later.

Common use of all land would require general agreement on its use, the nature and extent of improvement, etc., and this agreement would usually extend into a pooling of labor and joint ownership of wealth produced. In line with St. Lewinski's observations that communal work effort

¹² *Ibid.*, p. 56.

leads to common ownership of the land, the reverse of the process would usually bring about the same condition—a communal way of life. Whatever the advantages of this kind of system, it limits economic development by individual enterprise and the variations in tangible productions which could occur if individuals had freer latitude to follow their own inclinations. It accommodates people to the problem, rather than accommodating the problem to the people. Experiments in this kind of living by various groups on a voluntary basis have generally failed to produce outstanding development of a community or a satisfying way of life for a large population.

Collective farming and other collective uses of land in Russia and in her satellite colonies (where not only land but capital and labor are treated as common property) seem to provide insufficient work incentive to solve the perennial food production problems there, to say nothing of the sacrifice of life and suppression of individual freedom involved in the establishment of that kind of communism.¹³

Individual holding and use of land with a common sharing of that part of the produce of land which is attributable to the unimproved land itself, or an equivalent rental value based on the productive capacity of the land, represents a more parsimonious solution to the land problem. This approach, most fully developed in principle by Henry George, has special merits, particularly for a society built on private land ownership and plagued with the problems attending private land ownership.¹⁴ The approach has been favorably tried in varying degrees and in enough places to deserve extended consideration of the theory and the experience. I shall go into it and other fiscal control measures in a separate article.

III

Land Division and Redistribution in Modern Times

IN LATIN AMERICA, Egypt, Iran, Italy and elsewhere, the primary land tenure reform method is to break up huge estates and to redistribute land more widely. Mexico led this movement in Latin America beginning in 1915, after the revolution. At the time less than 5 per cent of the population owned Mexico's rural lands.¹⁵ Government has since been taking

¹³ See, for example, William J. Miller, Henry L. Roberts, and Marshall D. Shulman, *The Meaning of Communism* (Morristown, N.J.: Silver Burdett Co., 1963).

¹⁴ For definitive exposition of this and related topics, read Henry George, *Progress and Poverty* (New York: Robert Schalkenbach Foundation, 1960). For a more recent treatment of this topic with emphasis on its application to underdeveloped areas, see Haskell P. Wald, *Taxation of Agricultural Land in Underdeveloped Economies* (Cambridge, Mass.: Harvard University Press, 1959).

¹⁵ George McCutcheon McBride, *The Land Systems of Mexico* (New York: American Geographical Society, 1923), p. 154.

land from the large landowners. Usually compensation is given. The land is then allotted to landless peasants for individual or, more often, cooperative group cultivation. Public land, formerly uncultivated, is also being used. This program is accompanied with technical help, financial credit, improved irrigation, transportation improvements for better marketing, etc. The results of Mexico's agrarian reform program to date have been generally successful. The standard of living, the culture and social position of the farmers thus far affected by the reforms have improved, as has the general economic development and political contentment of the country as a whole. However, this general economic improvement is by no means entirely attributable to land reform.

Many of the Central and South American countries are making some progress along the same lines as Mexico. Far-reaching social and economic reforms are needed throughout all of Latin America, along with the reform of land tenure, but land tenure reforms are a central issue in bringing them about.¹⁶

The land distribution carried out on Taiwan by Chiang Kai-shek is considered very successful. It is important to note, however, that the carrying out of the more radical land reforms advocated by his predecessor, Sun Yat-sen, might have been important in saving the mainland from the communist movement.¹⁷

Breaking up and redistributing large land holdings is a very old measure and the natural tendency toward concentration inevitably reasserts itself. It is also questionable from an economic efficiency standpoint. Small farms do not warrant the employment of large capitals and the large-scale farm methods which mean lower unit costs of production.

One of the earliest and most significant land division reforms of which we have records occurred in ancient Greece during the closing years of the seventh century, under the leadership of Solon and Peisistratus. These reforms are generally credited with changing the condition of Attica from one of impending revolt, such as resulted in the practical downfall of Megara, to one of agrarian and commercial prosperity. Athenians of later generations considered these reforms instrumental to the founding of their famous democracy. The change in the form of government was not an

¹⁶ For an excellent review of the land problem in Latin America, see Haskell P. Wald, "Taxation of Agriculture in Latin America," *Tax Policy*, Vol. XXIX, No. 12 (December, 1962).

¹⁷ For a perceptive report on recent Chinese history through World War II, including the failures of the Kuomintang and the growth of communist support, see Theodore H. White and Annalee Jacoby, *Thunder Out of China* (New York: William Sloan Associates, Inc., 1946).

intended, but an unintended, by-product, which makes the incident especially instructive as well as fortunate.¹⁸

Perfect equality of opportunity cannot be achieved by dividing up land, and any attempt to keep the division current with population would provide such insecure tenure as to undermine incentive for improvement. Land division is, of course, for these reasons, limited to agrarian society. But the problem is equally pressing in urban societies. Land division and redistribution do not seem to be the definitive answer to the land problem, though it may be the best solution that can be arrived at in some situations. It may, of course, be used as the first stage in a program.

By dealing with rent, however, rather than the land itself, we can satisfy both the criterion of equity and the criterion of economic allocation of land at the same time. Subsidiary advantages are also gained. This approach requires little or no direct interference with the existing pattern or rights of holdings. Nor does it require a change in the system by which rights or holdings are transferred. Decisions on actual land holdings and allocation may be left to the people themselves within the market system. The rent of land can be assessed, collected, and used as a general revenue source, or it could even be redistributed directly among all the people. The rent approach to the land problem is equally appropriate for both urban and rural areas and is at least no more difficult to administer than a system of direct substitution of public for private allocation of land.

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¹⁸ For a more complete account of this period of ancient Greek history, see W. J. Woodhouse, *Solon the Liberator* (London: Oxford University Press, 1938).

The Man Who is Free

THE MAN WHO IS fully free is one who lives in a country which is independent; in a State which is democratic; in a society where the laws are equal and restrictions are at a minimum; in an economic system in which he has the latitude of a secure livelihood and assured comfort, and full opportunity to rise by merit. [From the Royal Bank of Canada *Monthly Letter*.]