

Agrarian Reform in Greece

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OCCUPYING THE SOUTHEASTERNMOST part of Europe, the Greek people have for almost two thousand years lived under three oppressive yokes—one, of their own making, the other two imposed by alien rulers.

First, the Eastern Empire, ruling from the ancient capital of Byzantium or Constantinople, renamed Istanbul by the Turks, governed Greece for more than a thousand years (330-1456), with short intermittent incursions by Slavonic tribes (581 and 929), raids by Sicilians (1084 and 1146) and Venetians (1122), an invasion by Frankish barons (1204) and a conquest by Tsar Dushan of Serbia (1349).

With the last of the Byzantines, Emperor Constantine Palaeologue, crushed by the Osmanlis of the East, Greece was in turn subjugated by the alien rule of the Ottoman Empire, which lasted from 1456, three years after the seizure of Constantinople, until 1821, when the Greeks launched their successful but bloody war of independence. Finally, in April, 1941, Greece went down to defeat under the hammer blows of the Axis powers, which proceeded to establish over her people the third and most oppressive rule of all.

The Period of 1820-30

AT THE TURN of the nineteenth century and just before the war of independence broke out, few inhabitants of Greece could by contemporary standards be considered as comprising an upper class; they were neither small landowners nor tenants. Roughly divided into four classes, they comprised absentee landlords, merchants, traders and mariners, often being all four at once. Roaming the seas in their wooden craft in search of trade and commerce, they kept in touch

with the outside world and thus prepared for the day when they would be free again. As compared to those living in Greece, these perennial voyagers were by and large more prosperous. In addition to their lucrative trade, they were less frequently and less heavily subjected to the edicts of the Ottoman administration, which exacted from those who stayed in Greece heavy land taxes and insisted on share-cropping and imposed other oppressive restrictions; their sojourns abroad kept these Greeks beyond the reach of their tormentors.

When the War of Independence against the decadent Ottoman Empire was finally concluded in 1829, and Capodistrias was elected President of the new Greek Republic, there remained out of the ravages of the war 116 cities with a total population of 200,000; and 2,150 villages with a total population of 400,000. Including the islands, the total population of Greece aggregated about 750,000 as compared to the one million inhabitants of 1821. Of this war-torn remnant, not less than 70 per cent were peasants and farmers; for the most part, they eked out a bare subsistence from small and not-so-fertile parcels of land.

Most of the territory recognized as Free Greece was completely ruined by continuous warfare. It hardly comprised more than six and a half million stremmata (one stremma = .2471 acre) of arable land, of which one-half consisted of private farms and the other half of national lands. What was most significant, land taxation was heavy, while land operation was primitive. The former was a survival of the Turkish policy underlined by a desire to exact the lion's share of the land produce; the latter was the inevitable consequence of stringent rules of credit rendering difficult, if not impossible, the importation of adequate implements.

In an effort to help his destitute peasantry, who had suffered the most complete ruin from the war, Governor

Capodistrias was farsighted enough to introduce a number of measures. He made land-grants to communities; he brought from Ireland one Stevenson to supervise the growing of potatoes; he encouraged silk production; he imported from Belgium and Switzerland a large quantity of plows; and he founded the first agricultural school of Tirynth at Nauplia (1829-70). Yet, when King Othon succeeded him in 1833, there were still more than half a million Greek peasants who were landless and who possessed no implements to work the soil except their bare hands. Lack of foresight and the absence of any program perpetuated this unhappy situation for almost one hundred years; an agrarian policy was not adopted until the beginning of our century.

This span of more than one hundred years of Greek independence and the attendant evolution of agrarianism in Greece may conveniently be divided into four periods: namely, one, from 1830 to the ascendancy of Trikoupis in 1880; two, from 1880 to the army *coup d'état* in 1909; three, from 1909 to the establishment of the Ministry of Agriculture in 1917; and four, from 1917 to the Axis war of 1940-41.¹

The Period of 1830-80

DURING THESE FIFTY YEARS, Greece and her people were dominated by a political romanticism which completely absorbed the energies of the many governments that came and went in rapid succession with little time or thought for any consistent agrarian program.

This political romanticism was initiated by the First Monarchy of Greece under King Othon. Sentimentally attached to a foreign policy inspired by the "Great Idea" of incorporating into the young but ambitious nation large tracts of former national territory and thus freeing from bondage all

¹ A. D. Sideris, "The Agrarian Policy of Greece During the Past Hundred Years," Athens, 1934 (in Greek), pp. 7-11, and *passim* for subsequent statements.

irredenta Greeks who still remained under the Turkish yoke, the government was in the hands of petty politicians who stubbornly persisted in wasting the limited resources of their country in endless squabbles among themselves. Being politically immature and none too scrupulous, these ephemeral statesmen little cared for constructive policies which would advance their nation's interests; they were occupied with plans by which they sought to solidify their own power.

To make matters worse, the so-called Protecting Powers, namely England, France and Russia, which had contributed to the ultimate victory of the Greek people over the Sultans of the Ottoman Empire, considered it their duty to guide the young nation in its first years of statehood; they let no opportunity slip by without actively interfering with the internal affairs of their newly-found "protégés." It is characteristic of this period that the three principal political parties of Greece, ever jockeying for a dominant position, had come to be known by the sobriquets of the English party, the French party, and the Russian party; the leaders of these parties made no major decision and planned no major campaign without first consulting the British, the French or the Russian Minister at Athens.

As a result, no government during this period showed any real interest in, or even made any attempt toward, introducing a truly national economic program. Particularly in agriculture, public policies were either experimental or temporizing, and this situation prevailed at a time when agrarian problems cried out for solution and rural populations demanded land to cultivate. The former were met with half measures; the latter had to be satisfied with empty promises.

The method of distributing national lands, for example, was underscored by favoritism and fraud. Instead of parceling directly to the landless peasantry whatever arable land there was, the government carried out a senseless policy of

disposing of great tracts of national land to the highest bidders. These were invariably wealthy city people who had the money but not the skill or the desire to operate their newly-acquired lands themselves; they conveniently employed tenants to do the job for them. This policy gave rise to a wide absentee ownership, which was fatal to the lands themselves as well as to the economy of the nation as a whole.

The Period of 1880-1909

THE ENSUING PERIOD of 30 years was dominated by the strong personality of Charilaos Trikoupis, one of the ablest statesmen of modern Greece. In and out of power for almost a quarter of a century (1875-95), Trikoupis consistently supported a policy of realism in lieu of the defunct romanticism in the conduct of foreign affairs, and strove valiantly to weed out graft and nepotism in the conduct of internal affairs through an enlightened and progressive administration. He was courageous, farsighted and highly trained. But even he failed to provide a healthy agrarian policy, which might have alleviated the desperate conditions of those who lived on the land and might have raised the excessively low standard of living of all his people.

Trikoupis' general blueprint pointed in another direction. He was primarily interested in the urbanization of the country, the expansion of industry and commerce, and the development of adequate means of communication. He was especially concerned with the mountainous terrain of Greece, which caused entire districts to remain for long stretches of time, particularly in winter, completely isolated because of inadequate roads, of washed-out wooden bridges and of limited telegraph and telephone connections.

To make matters worse, both his political adversaries, Th. Deliyannis and G. Theotokis (the latter falling heir to Trikoupis' party), were narrow-minded politicians, more in-

terested in perpetuating their own power than in initiating and prosecuting constructive and courageous policies, especially for people who had newly been freed from a long alien rule. Deliyannis was obsessed by a chauvinistic economic mindedness, which burdened the state budget with armament appropriations, incurred an adverse trade balance and resulted in excessive borrowings abroad at high rates of interest; Theotokis was distinguished for his economic dilettantism, which dared not commit the State to any new venture and could hardly cope with the increasing complexities of public administration. No wonder, then, that neither proved of any real help to the inhabitants of small towns and villages, who ultimately were compelled to solve their problems by the ready expedients either of fleeing to the few large cities of Greece or of emigrating to the New World.

The situation was further aggravated by the fact that country people enjoyed little protection and security against thieves and outlaws; peasants owning nothing but their small lands could secure no credit unless willing to pay exorbitant interest rates to private lenders; and outlying communities, entirely abandoned to their fate, wallowed in primitive conditions and lacked even elementary schools for the education of their children.

Under these circumstances, rural towns and villages remained disunited and unrepresented in both the national parliament and the local assemblies, while their general and special problems were left to rot in the traditional Greek calends. Of these, the deterioration of agriculture in Thessaly of northern Greece, the crisis of the wine industry in Peloponnesus of southern Greece, and the accumulation of surplus farm produce for lack of markets locally or abroad, precipitated a political instability harmful to agriculture in particular and adverse to Greece's economic interests as a whole.

One worthy project of this period was the establishment in 1901 of the Greek Agricultural Society, for the purpose of improving technical services and developing agriculture in general. Subsidized by the treasury, the Society organized local branches throughout the country to operate nurseries, to encourage the use of chemical fertilizers and modern implements, to import improved livestock, to sponsor fairs and exhibitions and to prepare and distribute a great variety of popular pamphlets.

The Period of 1909-17

IT WAS DURING THIS PERIOD that general conditions began to improve and a new spirit of renaissance permeated both the political life and the social outlook of the nation. This new spirit had its genesis in a military *coup d'état* engineered in 1909 by the so-called Military League and later developed into a real revolution. The pattern had already been traced out by the Young Turks' agitation in the Ottoman Empire in 1908; it was fully expanded by the short-lived Greek Revolution in Bulgaria under the peasant leadership of Premier Stambuliski following the conclusion of World War I.

It is difficult to compress in a few paragraphs the results of the events of 1909-11. Reflecting a profound popular discontent with both the international situation and the internal conditions of Greece, the Military League, first, threw out summarily the old guard politicians, who had almost succeeded in appropriating for themselves and their cliques everything public and private. Then, having invited the Cretan statesman Eleutherios Venizelos to form a new government (on October 18, 1910), the League empowered him to proceed with new and progressive policies commensurate with the sacrifices as well as the abilities of the Greek people. It was recognized by then that public responsibility was the

apex of both social rehabilitation and economic reconstruction of the nation. This program Mr. Venizelos vigorously proceeded to carry out after receiving overwhelming public acclaim, and continued to do so for more than a quarter of a century, until his death in March, 1936. The greatest statesman of modern Greece, he identified his good fortunes and his sad failures with those of his country and left the indelible mark of his magnetic personality on everything that was contemporary.

One of the first signs of national resurgence was the creation in 1910 of a separate Ministry of Agriculture, Commerce and Industry, which was the following year renamed the Ministry of National Economy. Its terms of reference, encompassing an ambitious program, included the development of national resources, the organizing and channeling of all productive forces, and the ultimate raising of the standard of living through an increase in the national income. As regards agriculture, the steps taken in forwarding the new policies were many and varied: co-operatives of various types were established; chambers of agriculture, thirty-two in all, were organized to protect the professional interests of the peasant; a large corps of plant pathologists and agronomists were trained in special schools in Greece and abroad; and land reforms, such as the breaking up of large estates, conservation, reclamation and the like, were initiated.

It must be noted that this program had hardly advanced beyond the planning stage before it was seriously interrupted by the two Balkan Wars of 1912-13 and the First World War, which for Greece did not come to an end until September, 1922. In addition, the incessant and bitter dissensions between Royalists and Venizelists, which burst forth in 1915 and proved so catastrophic to the nation's entire economy, kept public policies in constant flux and prevented the new agrarian program from making much headway.

Nevertheless, it is claimed that this period constituted the starting point of the new economic planning and laid the foundations of whatever progress Greece was subsequently able to achieve toward an intelligent and effective solution of her land problems.

The Period of 1917-40

THE LAST PERIOD of agrarian evolution in Greece began with the consolidation of the agricultural and forestry services into an independent Ministry of Agriculture, whose sole point of departure was the study and the execution of a distinct agricultural program as an integral part of the economic life of the nation. Its initial steps, however, were halted, first, by the Revolution of Salonica in 1917, which cut the nation into two parts, one joining the Allies against the Central Powers, and the other remaining neutral, and, second, by the Asia Minor campaign of 1919-22 whose outcome brought to Greece a large number of peasant refugees from Turkey (1,100,000), from Bulgaria (50,000) and from Russia (60,000).

This inordinately excessive influx of peasants was suddenly poured on the shores of an already over-crowded nation endowed with a very limited area of arable land and possessed of an impoverished national treasury, as a result of ten years' continuous fighting (1912-22). But the settlement of the refugees had to be done and the miracle happened (two loans totaling £13 millions were contracted abroad under the auspices of the League of Nations). The well-to-do landowners and craftsmen of yesterday, now lacking even adequate clothing, were finally re-established and with their collective productivity contributed toward further progress and development. Joining with the old inhabitants of Greece in a mighty effort, which, figuratively speaking, pulled up the small and none-too-prosperous nation by her

bootstraps, these refugees helped solve the century-old agrarian problem. Their influence in reorganizing and invigorating the economic life of the nation was greater still—until in 1940 World War II came to destroy everything that was built with so much effort, with so much blood and sweat and tears.

It is of interest to note that this refugee settlement was successfully carried out in Greece at a time when elsewhere economic liberalism was being elbowed out by fiscal Statism; when liberal cosmopolitanism was being ousted by an intense nationalism; when territorial expansion was being aided and abetted by theories of a new mercantilism whose hallmark was national autarchy and whose implement was State dynamism.

The refugee settlement was preceded by the Agrarian Reform Law of 1917, whereby large tracts of State and church land were expropriated and distributed to landless farmers. Of this land, State ownership comprised 53,700 hectares (one hectare = 2.471 acres), while church holdings comprised 48,000 hectares. After the exchange of populations, a second law passed in 1927 expropriated additional land of an aggregate area of 1,142,000 hectares, of which 592,130 hectares with 63,886 houses were vacated by the Turks and Bulgarians leaving the country; the remainder came from State, community, church and private land holdings. The total area of land distributed to the refugees was 839,044 hectares, of which 503,537 hectares were arable.²

By the end of this period, the list of accomplishments, of which Greece might justly be proud, was considerable. It may be summarized under four headings: (a) an increase in educational facilities for the training of agriculturists and agronomists, headed by the Superior School of Agriculture,

²O. S. Morgan, Ed., "Agricultural Systems of Middle Europe," New York, 1933, p. 153.

which was established in Athens in 1920; (b) an extension of bank credit to individual farmers and to organizations, such as co-operatives, autonomous agencies and the like; (c) the marketing of farm products locally and abroad; and (d) the organization of farmers in co-operatives and chambers of agriculture for mutual assistance and other benefits.

In originating and carrying out the last three policies, the Ministry of Agriculture was ably assisted by the Agricultural Bank of Greece, which was established by a special convention signed on June 27, 1929, between the government and the National Bank of Greece, and began operations in 1930. This bank has been a tremendous success. With branches throughout Greece, it acts as an autonomous public banking institution and is intimately connected with all policies of the State having to do with the advancement of agriculture in Greece.

General Data

As of 1939, the territory of Greece comprised 50,146 square miles or 12,987,980 hectares. The average cultivated area (arable land, tree and bush crops) during the years from 1933 to 1937 comprised only 2,473,000 hectares or 19 per cent of the total territory. In 1935, the population of Greece did not exceed seven millions; of that, 20.8 per cent were gainfully employed in agriculture, representing 60.29 per cent of all gainfully employed people as against 53.8 per cent in 1928. In 1938, the national income of Greece amounted to 50 billion drachmas, or approximately \$444 millions (one dollar = Drs. 112.62), of which 45.3 per cent, representing Drs. 22.6 billions or \$201 millions, was accounted for by agriculture.

The structure of farming in Greece is predominantly based upon small owner-operated farms. Before the Agrarian Reform Law of 1917, there were 2,259 large land holdings of 200 to 2,000 hectares in size. By 1929, there existed a

total of 953,400 holdings, of which 950,600 were owned by private individuals; of the latter, 757,700, or 79.5 per cent were farmed by the owners themselves. There were also 31,861 share-croppers, 11,427 long-term tenants and 55,949 short-term tenants.⁸ The size of farms varied from one hectare in gardening and tobacco regions to as much as 12 hectares in regions where the land is of poor quality. On the whole, two-thirds of the farms were less than 3 hectares (7.5 acres). As a result, the average farm income in Greece is comparatively the lowest in Europe, namely, 13,300 drachmas or about \$123 in 1936. Often confronted by crop failures or sluggish markets, Greek farmers face starvation; to save themselves, they resort to loans, which, if contracted with private money lenders, involve relatively high rates of interest, as much as 25 per cent. The National Bank of Greece alone in 1929 granted loans in general of Drs. 1,642 millions and through co-operatives of Drs. 1,165 millions, or a total of Drs. 2,807 millions, at an average rate of interest ranging from 5 to 9 per cent.

Of all products and goods exported from Greece during the years 1933-37, tobacco comprised an average of 43.59 per cent, dried raisins 19.40 per cent, olive oil 4.19 per cent, olives, 3.42 per cent and wines 2.92 per cent, or a total of agricultural products of 73.52 per cent. On the other hand, imports during the same period consisted of an average of 19.59 per cent of cereals, of 8.97 per cent of other foodstuffs, 3.83 per cent of livestock, and 4.19 per cent of raw textiles and fibers, or a total of 36.58 per cent of agricultural products and implements. A heavy importer of wheat, Greece imported an average of 45 per cent of her total consumption; this average represented 427,000 metric tons (one metric ton = 2,204.6 pounds) a year.

Greece is the most densely populated country in that part

⁸ *Annuaire Statistique de la Grèce, 1939.*

of the world, as the following statistics show (per square kilometer of cultivated land) :

Greece	336	inhabitants	in	1931
Yugoslavia	183	"	"	1930
Hungary	147	"	"	1931
Bulgaria	140	"	"	1927
Rumania	128	"	"	1931

In 1930, there were 5,754 agricultural co-operatives in Greece, of which 4,351 were credit co-operatives, 430 sales, 270 processing and 515 miscellaneous. After the establishment of the Agricultural Bank of Greece in that year, the number of co-operatives began to decline, reaching in 1936 a low of 3,761, of which 3,021 were credit co-operatives, 21 consumer, 348 marketing, 249 production and 122 miscellaneous. They claimed a membership of 264,000 with a total of 420,000 shares (the aggregate capital is not available). The following year there was a marked increase in credit co-operatives, which totaled 4,414, comparing very favorably with those operating in neighboring countries, as the following statistics show:

Greece	4,414	in	1937
Bulgaria	1,703	"	1935
Hungary	6,050	"	1936
Rumania	4,269	"	1936
Yugoslavia	4,567	"	1936
Turkey	663	"	1937

The Tax Structure

TAXATION IN GREECE is relatively high; direct and many indirect taxes consume about 25 per cent of the national income. During the agricultural crisis of the early 1930's a five-year moratorium on agricultural debts was declared, but taxes direct, indirect and special, were collected just the same.

Direct taxation on farm land amounts to 12 per cent and

on animal husbandry to 10 per cent, thus imposing a heavy burden especially on people engaged in a combined crop-animal type of farming. Some of the special taxes levied on gross returns are 5.25 per cent on olive oil, 17.6 per cent on tobacco, 3 per cent on cocoons and 7 per cent on currants. Heavy indirect taxes are collected on purchases of salt, matches, kerosene, gasoline and other necessary items. Finally, local taxes or taxes for the benefit of certain institutions are collected on almost all products; these reach from 50 per cent to even 100 per cent of the principal taxes. Specifically for 1930-31, agricultural taxes, exclusive of production, inheritance and real estate transfer taxes, constituted about 30 per cent of all direct taxes collected or Drs. 1,723 millions; indirect taxes amounted to Drs. 511 millions.

All authorities agree that this system of taxation, for the most part a carry-over from the long period of Turkish rule, is defective, unjust, and unwise from the point of view of national welfare. Taxes are collected on gross rather than net income; they are lacking in unity, each farm commodity being taxed at a different rate which is not even uniform for all parts of the country; and indirect taxes work a great hardship on producers. The next phase of agrarian reform in Greece, along with her economic rehabilitation and reconstruction after four years' looting and pillage by the Axis, must begin with the reorganization of her entire tax structure.

Washington, D. C.