

LAND REFORM

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OR

RED REVOLUTION -

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ECONOMIC SURPLUS AND THE DYNAMICS  
OF POLITICAL VIOLENCE

FRED HARRISON

*"Generally, the choice as to the content of a land reform programme is dangerously narrowed down to the two extremes: absolute individual ownership or collectivisation. Strategists who fail to open up the options are inviting political violence, both in the pre-revolutionary period (from the large mass of people in need) and in the post-revolutionary era associated with the totalitarian suppression of individual freedoms by communist regimes. We can predict that both approaches must be self-defeating."*

CENTENARY ESSAY No. 1

ECONOMIC AND SOCIAL SCIENCE

RESEARCH ASSOCIATION

TO MARK the centenary of the publication of Henry George's classic, *Progress and Poverty*, in 1880, the Association invited various authors to write essays which would relate his philosophy and economics to conditions prevailing today.

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## P R E F A C E

WHEN *PROGRESS AND POVERTY* appeared in 1880, it produced an almost immediate impact throughout the English-speaking world. This impact considerably antedated any impact of Marx or other socialists. When Marx died in 1883, there must have been dozens of English-speaking people who knew of Henry George for everyone who had even heard of Marx. Not only was Marx unknown to English readers, so also was 'socialism.' H.M. Hyndman's Social Democratic Federalism of 1883 was the first organised socialist body in Britain. Yet, in the years which followed, socialism rapidly overtook Georgeism as the dominant movement of economic and social reform throughout the world. Why? Was socialism in fact more appropriate to current problems, or based on a deeper analysis? The author of this essay does not think so. He thinks that George's analysis was throughout the intervening century, and remains to this day, an essentially accurate and valid analysis, while the views of Marx and other socialists are demonstrably wrong and inappropriate to the problems which socialists set out to solve.

February 1980

Roy Douglas

# I P O L I T I C A L V I O L E N C E

## M E T H O D S A N D G O A L S

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EVERY day we draw nearer to the fateful event when a small terrorist group will lay its hands on a nuclear weapon which will be used against millions of people. Yet there is little sign that the world's statesmen and foreign affairs analysts have begun to understand, or come to terms with, the primary causes underlying the use of force in domestic or international politics. As a result, the formulation of policies is seriously defective.

Social scientists have attempted to draw us closer to understanding the motivations of those who feel compelled to use violence to further their goals. Most theories, however, have a psychological or sociological orientation.\* But to say that individuals are "frustrated" by the system into taking aggressive action, or that society is split by "cleavages" which generate friction, does not help us to appreciate the nature of causal influences. Political science makes a contribution, through its analysis of the "openness" of a system, and its ability to reconcile conflicting demands. But even that is insufficient, for we need an account which helps us to arrive at decisions about the legitimacy of demands. After all, a stable society needs a conservative membrane, and the problem is to decide which demands for change ought to be accepted, and which ought to be resisted.

An analysis will be advanced here which combines economic theory and the ethical content of Henry George's seminal book, *Progress & Poverty*.\*\* The theory accounts for most of the seemingly gratuitous violence which daily assails us on the news bulletins; it will lead to a clearer understanding of the qualitative differences in the violence perceived in the Third World countries in contrast with that in industrial societies. The ethics are important when we come to consider the crucial problem of what to do about dealing with the conditions which nurture the seeds of death and destruction.

The first step is to establish whether the content of political violence

is uniform, whatever its geo-political location. I propose to classify political violence by using two generalized variable continua (Figure A page 3). One of them invites a consideration of the *methods* used by individuals or movements in attaining their objectives. An open society would encourage claimants with legitimate grievances to use institutional processes to advance their causes. At the other extreme, a closed society - one in which dominant elites resist change - would encourage the use of violence. The second variable focuses on *goals*: an open society would be susceptible to incremental change - reforms - while a closed society would dispose people with grievances to aim at sudden, drastic - revolutionary - transformations.

Four examples have been selected to illustrate how these two variables can be used to analyse the nature of society and the forces which shape political responses. The Sandinista guerrillas of Nicaragua are placed in quadrante I. They have a left-wing philosophy, and have promoted their aims by violence, from urban warfare against the National Guard, to kidnapping foreign businessmen. The near-total control of Nicaragua by the family of President Anastasio Somoza, and the ballot-box corruption which inhibited internal change through institutional processes, made the use of widespread violence in 1978 and 1979 attractive as the only apparent route to an improved socio-economic system.

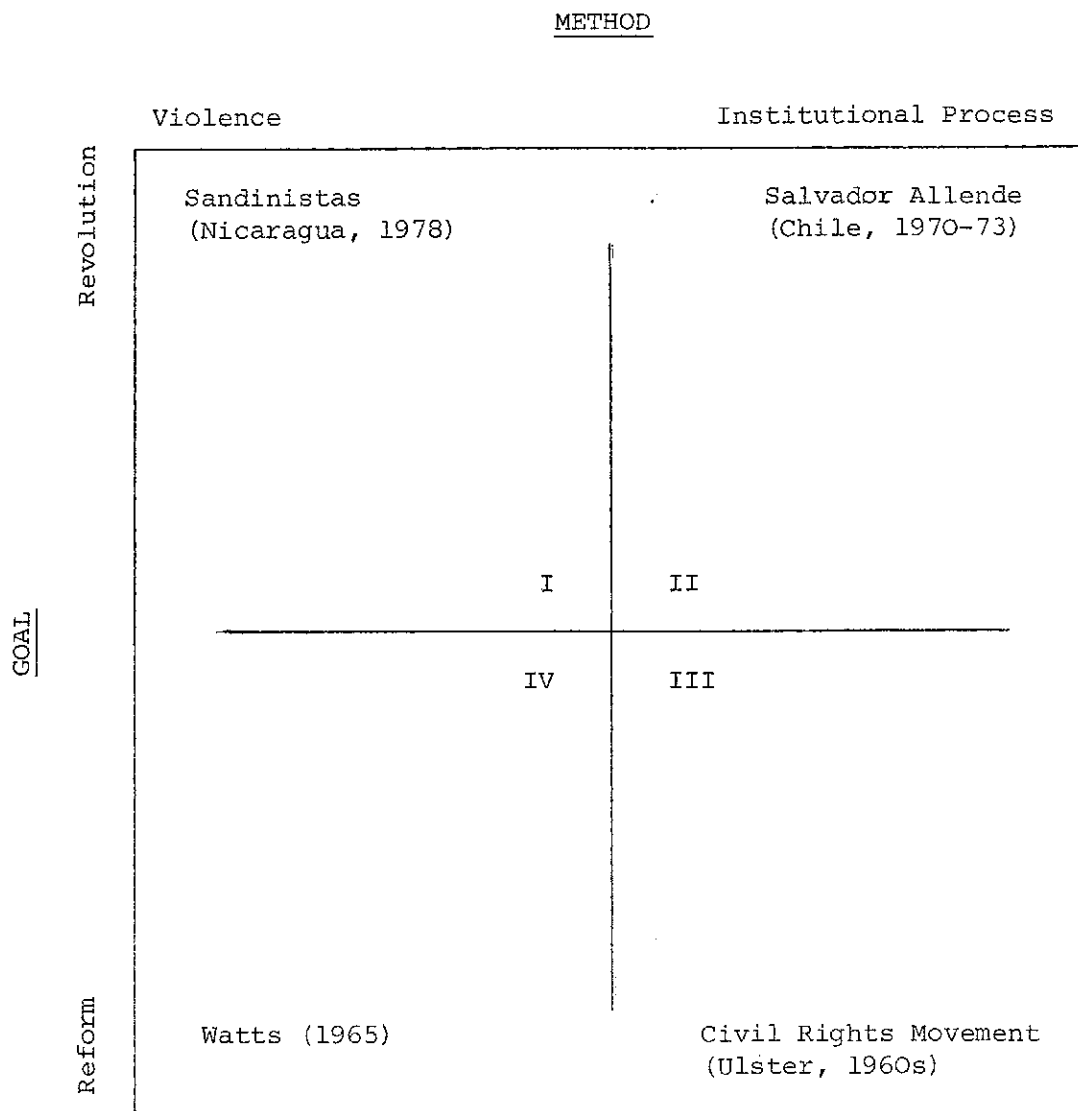
President Allende's Chile (1970-73) is placed in quadrante II, because it provides an example of an attempt by a political party to revolutionise a society through established processes. This example will be examined in greater detail below.

The Ulster civil rights movement of the late 1960s appears in quadrante III, because its sympathisers used the non-violent methods of the pressure group to express their demands. Because of the electoral system employed at the time in Northern Ireland,\* the numerically-larger Protestant population dominated regional and local politics. Thus, the Catholics were discriminated against when it came to allocating public housing and local authority jobs. (The IRA exploited the momentum of the civil rights movement, but the aims and methods of the two must not be confused. Catholic civil rights workers were seeking improved social and economic rights within the established political system.)

Finally, in quadrante IV, we can locate the urban riots (such as in the Watts district of Los Angeles, 1965) which flared in the American ghettos in the 1960s. The black population, living in the most dehumanising physical conditions and with poor employment prospects, resorted to violence to express their demands for reforms. Attempts have been made to promote the view that the black Americans were inclined to revolution. The rhetoric of groups like the Black Panthers encouraged such a view, but these were in a small minority. While it is true that the blacks in the ghettos fiercely distrusted local politicians and the police, they nonetheless approved of the federal structure - because of the existence of, and the prospects of benefiting from, anti-poverty programmes. That is, they were not seeking to subvert the system *per se*, when they took to the streets.\*\*



F I G U R E A



## II ECONOMIC IMPERATIVES

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A USEFUL starting point, because of its importance in the history of ideas, is the proposition advanced by Karl Marx that capitalist exploitation of the working class would lead to revolution and the creation of a socialist society. This appeared to be a meaningful hypothesis in the 19th century. Unfortunately for Marxists, however, the 20th century unfolded ... and nothing happened to verify the theory.

There have been events which were - in the heat of the moment - welcomed as the beginning of revolutionary change, pointing to the day when the proletariat would assume dictatorship over the means of production. The Paris riots of 1968 were one of these events. Violent though the riots were, they properly belong to quadratè IV; for they were initiated by students demanding changes in the structure of French education, and workers were remarkably reluctant to exploit the disturbances to their advantage.\* France is instructive, but not in the way a Marxist would have predicted. For the revolutionary tradition of that country, which proudly celebrates 1789, developed only in its peasant-based, pre-industrial stage. Yet it would be a mistake to ignore Marx's analysis as irrelevant, for exploitation was undoubtedly present in the 19th century industrial system. We need to know why events failed to evolve as he had predicted. Such a consideration will follow once we have explored the theoretical insights offered by the science of economics.

*Agriculture:* Using the Ricardian theory of rent, Henry George argued that the basic wage of workers was determined at the margin of cultivation.\*\* In a freely competitive system, where monopoly was prevented from distorting the market, workers would receive a wage acceptable to them; otherwise, they would employ themselves for an income which they deemed necessary. Where land was privately monopolised, however, wages would be below this minimum level; for the speculative advantage of keeping land idle or under-used would force out the margin of cultivation, thereby raising rents and reducing wages. Furthermore, this compression of wages and increase in rents would be reinforced by a restriction in the opportunities for self-employment, and result in the impoverishment of unskilled workers.

Thus, we can predict that the lowest wages will be found in the agricultural sector of industrial societies, and that the greatest prospect for revolutionary potential will be found in the mainly agrarian Third World, for the logic of an agrarian system built on land monopoly entails widespread antagonism between labourers and landowners. An increase in output would simply be creamed off in the form of rent, which is the economic surplus over and above that required to reward labourers and the owners of capital. The incentive to increase aggregate output is thus reduced, with the result that developing countries find it that much more difficult to finance fresh fixed capital formation. Economic growth, therefore, is retarded.

Henry George's formulation of the economic laws governing wage determination was vigorously challenged at the time when *Progress & Poverty* was the subject of general debate.\* But the empirical evidence supports the hypothesis. In Britain, for example, male agricultural workers, at 16 per cent, are the second largest single group of workers having to rely on the state for supplementary benefits for a tolerable minimum income, just 1 per cent behind general unskilled workers.\*\* And the 1.5 billion people described by the International Labour Office as living in "grinding poverty" are concentrated in the Third World.\*\*\* The effect of land monopoly on wages has generally been neglected by economists, and so it would be worthwhile citing two exceptions. Charles Issawi noted in his study of Egypt:

"A survey of the last fifty years shows that the Ricardian analysis of rents and wages applies remarkably well to Egypt. An increase in population and wealth was accompanied by a considerable rise in the remuneration of the scarce factor, land, and by a fall in that of the abundant factor, labour. Indeed wages seem to have reached the minimum level, described by early nineteenth-century economists, below which they can hardly descend." \*\*\*\*

In case it should be suspected that this phenomenon is restricted to Europe or the Middle East, we can quote an authoritative conclusion reached by the editors of an extensive survey of Asian economies:

"As the land-man ratio has fallen, the level and share of rents has increased while the wage share, real wages and the number of days employed per person have tended to fall." \*\*\*\*\*

This process of impoverishment was

"intimately related to the degree of land concentration. A reduction in the inequality of landownership through a redistribution of landed property in favour of landless workers, tenants and small farmers would contribute directly to the alleviation of the most acute forms of poverty." \*\*\*\*\*

*Industry:* The milieu here is different. There is a mutual advantage for both labour and capital in increasing output, through improved productivity and new fixed capital formation. Neither side of industry, under competitive conditions, can dominate, because of their inter-dependence. Workers may compete with each other, and so discipline the demand for higher wages; but, likewise, capitalists compete with each other - a fact attested to by the tendency for the real rate of interest to be held down in the long run.

But this happy ideal was distorted by the existence of land monopoly. Henry George dramatised the fact that, despite the abundant wealth which could have eradicated poverty, given the modern methods of production, many people were involuntarily unemployed or on low incomes. He wrote in the light of the American experience of the 1870s, but a century earlier the British workers were participating actors - playing the role of victims - in the first act of a historical tragedy. The enclosures displaced many of them from the land. They were forced to take refuge in the big towns, particularly the cotton-spinning centres of Lancashire, where they were at the mercy of the mill-owners. As a result, the employers were able to exploit a vulnerable workforce in what was a buyer's labour market. This stimulated a reaction through the emergence of trade unions, and the scales have tipped in favour of labour. Capitalists are said to be on the defensive, and the coercion used by many unions runs the risk of putting some firms out of business. But has trade union power in the urban sector overridden the effects of land monopoly on wages, and thereby defused a potentially revolutionary situation?

A number of observers have pointed to the existence of channels for collective bargaining in the industrial sector as a mechanism for ameliorating economic discontent,\* but their importance as an explanation for the political stability of industrial systems seems dubious. Trade unions with power countervailing the might of industrialists are relatively few, and they represent a numerical minority of the working classes of industrial economies (or of the workforce employed in the industrial sector of developing countries). The fact is that, as Henry George emphasised, there is an inter-sectional influence on the wage determination process: low agricultural wages act as a brake on wages in the urban-industrial sector.\*\* This effect has been lucidly described in these terms:

"The process of migration results in the gradual elimination of the income differentials which initially provoked it. In particular, the exodus from the countryside tends to undermine income levels in the informal urban sector and reduce them to the levels prevailing in the rural areas. There is a strong presumption, of course, that the migrants benefit from migration, but the benefits are likely to be marginal. In effect, the movement of labour represents little more than a shuffling around of poverty. As long as the economic structure remains as has been described, with its income distribution and resource allocation mechanism intact, the major function of rural to urban migration is to spread the growing poverty of the countryside to the towns."\*\*\*

Thus, if trade unions fail to afford an explanation, we must search elsewhere for a solution to the problem of why industrial societies are apparently immune from revolutionary political violence.

The capitalist system enabled man to produce wealth at a rate unique in history. Yet despite the fact that this system was nurtured within a philosophical tradition which lauded the virtues of individual economic enterprise and political liberty, there was a parallel development: the growth of direct and indirect taxation in the 19th century and its metamorphosis into the form of a large and ever-expanding public sector in the 20th century.

In the 18 years following 1960, central government income in Britain rose by seven and one quarter times, and local government income rose by nearly nine times - but national income increased by under five and one half times! In the mid-1970s the ratio of tax revenue of GNP in the UK was over 35 per cent, with an average of 39.2 per cent in West European countries.\* This tax/GNP ratio is a crude measure,\*\* but if anything it grossly understates the point we are making - the scale of public appropriation of privately-created wealth for the purposes of redistribution. Ivor Pearce, Director of Research at Southampton University's Econometric Model Building Unit, has reached this conclusion:

"As long as the question is what proportion of GNP is spent or redistributed by committees the answer remains 'more than 70 per cent'.\*\*\*

A popular belief is that this avariciousness is explained by self-seeking bureaucracies enlarging their budgets and therefore their spheres of influence. This appears to be too tenuous an explanation, given the considerable reluctance with which people part with their hard-earned wages. The hypothesis advanced here is that *capitalist economies have had to buy peace*, and that the potential for doing so existed in the increasing volume of output as science and technology advanced by leaps and bounds. In effect, the imperfect system, in a struggle to maintain equilibrium, was logically forced to respond to the impoverishment arising from land monopoly by redistributing income and creating jobs through the public sector, which amounts to a compensating mechanism to offset pressures which would otherwise have destroyed the system.

### III THE GROWTH OF PUBLIC CHARITY

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THROUGHOUT most of the 19th century, private charity played the major part in seeking to alleviate suffering. As late as 1861, when the annual expenditure of private charities amounted to tens of millions of pounds, the total expenditure on public poor relief was only £5.8m.\* Riots were regular in the first two decades of the century, but slowly - painfully slowly - the philanthropists articulated ways of rescuing people, providing those who could not afford them with homes and rudimentary education.

The early public relief work was financed out of rates levied locally, under the Poor Laws. It would be a mistake, however, to assume that the switch from the Poor Laws to centralised public welfare programmes financed out of progressive income taxes was motivated by altruism. Obligations under the Poor Laws were met in part out of the pockets of landowners. They did not like it, and since they controlled Parliament they had the power to transfer the burden to those who earned their incomes. As Thorold Rogers put it:

"One of the ways in which the owners of land have striven to maintain artificial rents has been, first, by starving the peasant, next by putting the cost of his necessary maintenance on other people."\*\*

In other words, private charity and state subsidies were a way of increasing rental income. For if everyone independently earned a living wage - attainable only in a system shorn of monopoly power - the economic surplus (rent) would constitute a smaller percentage of GNP. But landowners take into account the fact that their labourers receive benefits transferred from other people's income, so the lowest wage levels were forced down and the difference absorbed by the appropriators of rent.

British farm workers illustrate this point. A substantial number of them receive rent and rate rebates, family income supplement, child benefits, free school meals for their children and other benefits which are related to their low incomes. They are part of what is termed the "poverty trap": an increase in wages results in a reduction in the benefits transferred through the state apparatus, leaving them no better off! But while an increase in wages results in reduced benefits, it does not follow that if

benefits were reduced landowners would have to increase wages. While some farm employers might like to raise wages, such increases could not come out of the returns to their capital: price competition ensures that interest received on capital is held down to a common level, thereby precluding those farmers who would like to do so, from significantly increasing the level of wages paid to their workers.\* The only source from which increased farm wages could be met would be rental income. But the monopoly power exercised by landowners enables them to resist the pressure for wage increases for a longer period than the labourers could subsist without state subsidies. So as to avoid the rick-burning protests which were characteristic of the 19th century, the state has had to step in and subsidise the pitiful wages of farm labourers, out of income earned by other workers.

And so the need for revolution is deferred until the political and economic elites fail to provide public subsidies as substitutes for the private wealth which the imperfect market system prevents so many people acquiring directly for themselves. People in need can turn to the established holders of power and, by exercising ingenuity in the promotion of their case, compete for a share-out with other groups with similar claims on the public purse.

The growth of taxation and social services, then, was a structural development, a logical response to the deficiencies in the system. Marx, because of his ideological commitments, failed to appreciate how the system would resiliently preserve itself. This could be done only by reducing real wages and profits for many people, a result which has been accepted for various reasons ranging from humanitarianism to self-interest.

Similarly, the growth of the public sector in industry can be seen as a response to the business crises which have periodically resulted in depressions. Henry George's analysis, which revealed that cyclical depressions were largely a function of bouts of land speculation, has been ignored. The policy options for dealing with depressions, therefore, have been fatally narrowed. The dominant rationale is that if entrepreneurs cannot remove unemployment (because of the "anarchy" presumed by socialist critics to rule the market), then the politicians and civil servants have to step in with public controls, economic planning and subsidies. The absurd position was reached in late 1978 whereby the government contemplated financing job-saving schemes which compelled Sir Douglas Wass, Permanent Secretary to the Treasury, to state in a confidential memorandum:

"The startling and disturbing conclusion is that we have been accumulating prospective losses of real resources at a rate faster than the growth of national income." \*\*

If the foregoing analysis is correct, it would seem that conservative politicians who have promised to reduce taxation and the size of the public sector *without appropriate structural adjustments* - of the sort which would free people to create their own employment - are misleading the people. For, once in power, they are bound by the internal dynamics of the industrial system as it is at present constituted to buy social and economic stability through income transfers. As an example, we regularly receive reminders of such words as were enunciated by Jack Boddy, General Secretary of the National Union of Agricultural and Allied Workers

at the Tolpuddle Martyrs' Memorial Rally in 1978:

"It will seem incredible to many people that in 1978 many of the people whose work keeps the nation fed cannot afford to keep their families fed."\*

A pessimistic conclusion follows from our analysis of economic theory: no matter how much is transferred to low income earners, poverty will not be eradicated (since the benefits actually end up, ultimately, in the pockets of the landowners). This pessimism is warranted by the empirical facts. For example, Prof. Dennis Lees concluded that

"... there seems very little likelihood of the problem of family poverty (however defined) being overcome by increased family allowances. Nevertheless, the cost in monetary and real terms will inevitably rise if present trends continue, increasing the tax burden on childless couples and single persons without necessarily reducing the difference in living standards between them and poor families."\*\*

A growing population, therefore, entails an inevitable continuation of the process of income redistribution.



#### IV THE REVOLUTIONARY THREAT

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THE three great revolutions in modern history - France, Russia and China - have taken place in peasant societies. The autocrats did not have the "surplus" wealth to redistribute in a way that would diffuse the discontent. So the political systems were not able to accommodate the legitimate demands of hungry peasants who sought a more equitable means of sharing out material wealth. The seeds of revolutionary potential were thus sown by those who held the power to reshape man's destiny ... discontent smouldered until it ignited into mass fury.

In France the peasants took to the streets in a straightforward demand for bread - and the outcome was bloodshed and land re-allocation on a massive scale. Before that great event, there was little systematic use of the tactical terror which was to be employed in Russia in the 19th century.\*

All the 20th century revolutions (such as in Cuba and Vietnam) have been in pre-industrial systems.\*\* Dramatic transformation of the dominant ideology has occurred in those systems which are agricultural, where there is an unjust distribution of landed resources, where the tax burden has finally proved to be intolerable, and where the only solution has turned out to be a resort to violent destruction of the *status quo*.

Huntington, in his exhaustive cross-cultural study of political disorders, has pointed out how violence by urban groups has led only to the overthrow of existing ruling elites - not the subversion, the transformation, of the system itself.

"By themselves, in short, the opposition groups within the city can unseat governments but they cannot create a revolution. That requires the active participation of rural groups." \*\*\*

Rural groups, however, exercise what Huntington calls "the crucial 'swing' role." Thus, control over land - the natural resources on which society relies for its existence - is the ace.

"In traditional society and during the early phases of modernisation, stability rests on the dominance of the rural land-owning elite over both countryside and city. As modernisation

progresses, the middle class and other groups in the city emerge as political actors challenging the existing system. Their successful overthrow of the system, however, depends upon their ability to win rural allies, that is, to win the support of the peasants against the traditional oligarchy."\*

Marx, despite the critical emphasis he placed on the role of capital in his theoretical scenario, appears to have glimpsed the truth of the fact that land was the key variable when it came to social change. In reviewing the prospects for an upheaval in England, the first of industrial societies, he concluded that all depended upon subverting the landed aristocracy, and the battleground was not the Manchester factory but the Irish estates owned by the absentee landlords.\*\*

The problem, then, for those wishing to prevent the adoption of communism resolves itself into either of these two options:

- 1) reinforce the power of landowning elites so that they can repress the changes desired by the peasants, who constitute the largest group of workers in the world today; or
- 2) direct the transformations in such a way as to remove the apparent attractions of violence and communism.

In other words, land reform in the Third World becomes the major political issue. The response to this question determines the general socio-political status of a society. One of the well-documented facts about the peasant is his conservatism. Both Lenin and Mao Tse-Tung noted that *with* land, peasants resisted social change, but *without* land they constituted the most volatile force for generating a total transformation of the system. Lenin, for example, was alarmed at the success of Stolypin's land distribution programme. Lenin saw this as a threat to the Russian revolution for which he prayed. For without the peasants, the urban workers would not be able to mobilize the necessary force to overthrow the Tsarist regime.\*\*\*

Since these practitioners of revolution recorded their observations, scholars have arrived at similar conclusions.\*\*\*\* Gerrit Huizer, who has studied and worked among the peasants in Latin America, arrived at the conclusion that "Once the peasants receive land through agrarian reform, they seem to lose interest in promoting further revolutionary change in society as a whole."\*\*\*\*\* But on the basis of the evidence at present available, it is clear that, strategically, the content of a land reform is as important as having a programme in the first place. Before defining the elements of an ideal land reform, we need to consider the political willingness to institute *any* change in the distribution of rights to natural resources.

It is a notorious fact that land monopolists are reluctant in the extreme to abandon their rights in favour of others: hence the rarity with which we come across examples in which these legal rights have been voluntarily relinquished, as a reform instituted through peaceful, democratic processes.

Reforms have usually come about when an autocratic ruler perceives that his interests lie in a change in that direction, even though this might erode some of the loyalty of the landowning class (e.g., the reforms instituted by the Shah of Iran in the early 1960s, in the face of strong opposition from the landlords). Or the reforms have followed the rise to power - by coup or ballot box - of a strong military leader (as with Gen. Ayub Khan in Pakistan).

Parliaments, because their composition favours the landlord class, have been

singularly ill-equipped to institute what is clearly an important political as well as economic reform.\* Egypt is illuminating as an example of the fateful costs of not acting fast enough in the interests of the people who toil on the soil.

For 50 years the *fellahs* laboured under a system in which most land was owned by a few people.\*\* Landowners dominated Parliament, and the king was the largest owner of them all. Not even the Communist Party bothered to articulate the grievances of the *fellahs*\*\*\* Then, in 1951, a number of rebellions broke out for the first time in modern Egyptian history: there were land invasions and violence, and Col. Nasser (espousing socialism) came to power in a coup in July 1952. The first land reform law was enacted two months later, by which time Farouk had sought solace at the gaming tables of Monte Carlo, a king without a kingdom.

The great powers, although they could exercise influence over the policy orientations of the Third World countries, have refused to advocate land reform unless this was compatible with their national interests. The USA under President John F. Kennedy did advocate certain reforms\*\*\*\* But given the fact that the model of proprietorial rights dominant in Third World countries was imported from European culture, little radical effort was made to re-arrange the obligations of existing landowners. And the Kennedy influence was in any event short-lived. As a result of his assassination, Texas cattle rancher Lyndon B. Johnson moved into the White House and shifted policy in favour of the landlords\*\*\*\*\* Huizer summarizes the position with respect to American foreign policy:

"US aid to peasant organisations is generally channelled only for those movements that do not strongly emphasize the need for radical land reform. In some cases, however, such as Venezuela in the early sixties, land reform and peasant organisation was strongly supported because it helped to prevent what was called 'Castro's attempts at insurgency'."\*\*\*\*\*

Cynically, the US shapes its attitudes according to its own interests (the need for regional "stability" within which the multi-national corporations can operate unhindered) rather than the social cohesion and economic prosperity of its neighbours in America. Rather than helping these countries to foster self-sufficiency by developing their economies, the US has been willing to "buy peace" - this time on an international scale - by pouring out billions of dollars in foreign aid. A large slice of this "aid" takes the form of armaments with which to suppress the legitimate demands of the oppressed. Washington ought not to be under any illusion as to its culpability for creating a favourable climate for communism and inducing crimes of violence. Rural banditry has been a traditional method of expressing psychological frustration and economic need.\*\*\*\*\* This was recognised by the Survey of the Alliance for Progress, *Insurgency in Latin America*, which states:

"There exists an ideologically unfocussed quasi-insurgency of peasant uprisings as one aspect of the violence that is an endemic feature of political life in many Latin American countries. Usually these have sought a remedy for a specific grievance or have been the attempt of land squatters to protect their claims against the government forces. This shades into rural banditry. Peasant-connected incidents of this type are not insurgency but can develop into it. Legitimate guerrillas

often utilise peasant unrests or incorporate rural bandits into their ranks."\*

While the landless may respond with individual acts of violence, to be transformed into a mass force for change they need an ideology and organisational discipline; communism provides both of these. Of the former, McBride captured the prospects in his discussion of the Chilean inquilino:

"The inquilino, in common with the labouring class of the cities, the mines, and the nitrate grounds, has no property and virtually no experience as a land-holder. He has developed no devotion to any land of his own. It would seem to be an easy step from his present landless condition into a concept of community ownership and a communistically organised society."\*\*

In addition, the Marxist emphasis on collective behaviour facilitates the organisational needs of initially ill-organised and ill-equipped people. Mao Tse-tung drew on the experiences of the Red Army when he wrote a resolution for the Ninth Party Congress (Dec. 1929) in which he criticized "The tendency towards individualism in the Red Army Party organisation" as "a corrosive which weakens the organisation and its fighting capacity".\*\*\* In order to build the Red Army on Marxist-Leninist lines, he declared: "The method of correction is primarily to strengthen education so as to rectify individualism ideologically".\*\*\*\* The expression of individual eccentricities, while permissible in a liberal society, has little value for those seeking to mobilize opposition to an exploitative system where the economic and political divisions can apparently be surmounted only through the use of force.

We can conclude that there is (a) the need for land reform in the Third World, where land is grossly maldistributed, (b) that the failure to take effective remedial action disposes opponents towards a communist-inspired revolutionary solution to their plight, and that (c) the industrial countries, through trade and foreign aid, are inextricably linked with - and can, for better or worse, help to shape the destinies of - the affairs of developing countries.

## V L A N D R E F O R M

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IS there any one model of rights to land which would best serve the interests not only of the rural sector but also the infant industrial sectors which many developing countries are trying to nurture? The demand for land reform is almost exclusively articulated in terms of *ownership*, following the European model of fee simple. This requires the physical re-allocation of land to new owners. There are three fatal defects with this.

*The spatial problem:* The ratio of land to those who wish to work it is an obvious constraint. This does not present such a critical difficulty in most parts of Latin America and Africa, where population densities are relatively low; so, if land redistribution was regarded as the economically sound strategy for the individual and the economy, there would be scope for incorporating the physical re-allocation of land as part of a programme of reform, although it would somehow have to take into account the varying values of land (fertility, location) in order to be just to all. The situation is totally different in Asia,\* where the size of populations has ensured insufficient land to go round any significant number of people.

*The temporal problem:* Even if a society's man:land ratio was such that everyone could benefit from a re-allocation of rights to specific plots, this happy solution would apply only for the present time. What of the next generation - and the one after that? The division of farms can take place only up to a point, beyond which it becomes uneconomic ... and future generations would find themselves in an identical situation as exists at present. The difficulty is illustrated by Mexico, where after the revolution in 1910, many peasants enjoyed the benefits from large-scale land distribution. Unfortunately, however, the number of landless peasants today is greater than at the time of the revolution. In 1930 the figure of agricultural workers was 3,626,000 and landless peasants 2,479,000 and in 1960 numbers had increased as follows - agricultural workers 6,144,000 and landless peasants 3,300,000.\*\* The landless peasants decreased as a proportion of the total, but that is no comfort for the 800,000 extra landless workers who followed the early rounds of land distribution. So an ideal reform ought to incorporate a solution to the intergenerational problem.

*Unemployed urban workers:* If it is impossible to allocate an economically-viable piece of land to everyone, can urban workers be disregarded as irrelevant to a programme of land reform? Superficially, this would appear to be the case - if we restrict our considerations to one of physical relationships. But the latter solution is offensive to justice, and is seen as such by the unemployed urban workers who usually end up in the tin shacks of Sao Paulo and Karachi because the rural sector which spawned them spurned them. Do they not have an equal right to land? This is a moral problem, and we have to address ourselves to the question of whether it can be resolved within the context of a complex, multi-sector economy. Can a programme be devised which accommodated the rights of urban citizens while simultaneously encouraging the creation of economically viable farms which put scarce resources to their best use?

Generally, the choice as to the content of a land reform programme is dangerously narrowed down to the two extremes: absolute individual ownership or collectivisation. Strategists who fail to open up the options are inviting political violence, both in the pre-revolutionary period (from the large mass of people in need) and in the post-revolutionary era associated with the totalitarian suppression of individual freedoms by communist regimes. We can predict that both approaches must be self-defeating.

The political preference for the western model of proprietorial rights is encouraged by the declarations of "human rights" promoted by international agencies like the UN and the European Convention. These are either ambiguous - asserting the general right to property, without confronting the problem of how property can be effectively enjoyed by everyone - or they explicitly promote the notion of absolute individual ownership. Since land is in fixed supply, this effectively means arrogating monopoly power to a minority. This prescription offends social justice, but is defended on the basis of the mistaken belief that absolute ownership is a necessary condition of economic growth.\* In fact, the necessary prerequisite to economic growth based on individual enterprise is *secure possession* of land, which does not necessarily require ownership.

Allocating land with the right of absolute ownership may succeed in enlarging the class which fortuitously benefits, but it does not deal with the out-group - those who have no stake (directly or indirectly) in the natural resources of their community. Social friction might be reduced for a time, but not eliminated.

The dogmatic insistence on absolute rights of ownership necessarily creates a reaction among members of society who do not share in the gifts of nature. This reaction may be mute at first, but - depending on local conditions - eventually explodes in violence. The communist ideology, in such conditions, is bound to gain recruits.\*\* Academics, politicians and the bureaucrats from the international aid and development agencies who encourage absolute ownership rights are actually turning developing countries into hostages of fortune, for by commending the free market model with the built-in defect - land monopoly - they invite false comparisons which appear as revealing evidence in favour of the communist alternative. One of these is a study by Kathleen Gough.\*\*\*

Gough compared two rural areas on either side of the ideological divide. One was the Thanjavur district in southeast India, the other Thi Binh

province in North Vietnam. She found that, despite the Green Revolution - the introduction of high-yield crops - and land distribution in the post-independence period, many Indian smallholders had suffered. In fact, their number decreased from 30 per cent in 1951 to under 20 per cent of the population today, while absentee ownership increased and constituted 58 per cent and 75 per cent of the land respectively in two villages which she studied. Agricultural labourers increased from 40 per cent to over 60 per cent and up to 75 per cent in some of the densely populated coastal villages, with a deterioration in real wages and food supply for most of them since 1961.

"The underlying reason for this situation lies in the fact that, despite its 'socialist' rhetoric, India is following a path of dependent state-capitalist development. The properties groups who control the government have been unwilling to make the sacrifices necessary for independent capital investment."\*

Not surprisingly, this volatile situation gave rise to Communist Party-led struggles among Thanjavur's poor peasants and landless labourers for 30 years, and the Emergency in 1975-76 is traced by Gough to economic stagnation, corruption and speculation.

By contrast, in Vietnam, although Thai Binh's population density was nearly three times greater than Thanjavur's, its villagers were more cheerful and prosperous. Communism had banished the landlords along with the French colonialists. The land was progressively amalgamated into fewer and fewer collectives until, in 1961, these were united into a single cooperative enterprise run by 4,000 people. The root cause of the contrast Gough attributed to the fact that "Thanjavur's peasants and labourers produce for private profit, usually for someone else, while those of Vu Thang produce for their own and for the national welfare."\*\* The principles guiding the transformation of the Vietnamese situation were said to be planning, egalitarianism and the retention of wealth within the cooperatives. Ergo, nirvana lay the communist way:

"I have tried to show that the living standards, as well as the usefulness, hope, and well-being of Thai Binh's rural people are much higher than in the villages of Thanjavur, in spite of 34 years of intermittent warfare and 10 years of extraordinary devastation in Vietnam. The main reasons are that the distribution of wealth is relatively egalitarian in Vietnam, and that there is also more to distribute, since the produce per hectare is larger and there has been no 'drain' on the villagers' surplus to absentee landlords, money-lenders, nor, as far as I know, to foreign companies or governments. The product is greater because cooperation, full employment, and planning allow much greater labour efficiency and creativity, yet without overwork, starvation, or oppression for anyone. The removal of profit as the main motive for production leads to less interest in and reliance on foreign models, to cheaper and more useful machines, and to full use of local materials. The problem of 'lack of demand,' which is so crippling for Indian industry, disappears in a planned and cooperative economy; the only problem, then, is how to produce enough things to serve the people."\*\*\*

Thus we are invited to conclude that the humane alternative to the present exploitative system favoured by the west is the communist model, a view

which, however, is based on the spurious belief that there is no third course available.

The urgency for change in man's relationship with natural resources, however, seems to command a considerable measure of agreement. Huntington's conclusion that "the alternatives of revolution or land reform are very real ones for many political systems"\* is a realistic one. We can illuminate the choice by examining the case of Chile, which illustrates all the conflicts of interests (based on past injustices) and dilemmas for policy making.

Chile is important because it has a predominantly industrial economy: only about 25 per cent of the population lives in the countryside. Yet the conflict over landownership proved to be decisive in the destiny of the political experiment attempted by Salvador Allende, the Communist President.

The colonial history of Chile followed the familiar pattern: expropriation of the indigenous Indians and the creation of a rich landowning class which exploited the workers.\*\* By 1966 the *latifundistas* comprised two per cent of the population but received 36.7 per cent of income.\*\*\* An Agrarian Reform Law was passed in 1967 by the Frei Government. It fell well short of the target redistribution of land to 100,000 peasants. The *latifundistas*, in fact, were not hostile to the law: they were, after all, to be paid for the land which they lost. They used their political and judicial influence to shape events to their advantage.\*\*\*\* Even so, although the right-wing parties had formed an electoral bloc behind Frei's candidacy to prevent Allende winning office in the 1964 presidential elections, Jorge Alessandri's National Party broke with Frei over the land reform programme. It was this weakening of forces on the right which proved to be crucial to the result in the 1970 election.

The number of illegal occupations of land by peasants accelerated in the late 1960s.\*\*\*\*\* In 1970, Salvador Allende was elected in his fourth bid for the presidency. As was to be expected, the programme of land reform accelerated dramatically. But this did not take the radical form of wholesale dispossession without compensation which one might have expected from a Communist. On the contrary, as Steenland noted, Allende's multiparty Popular Unity "pushed a traditional, progressive land reform to its ultimate consequences within the context of capitalism",\*\*\*\*\* following a pattern basically similar to that used by reformist parties throughout Latin America. It is important to emphasise that Allende was attacked by the extreme left-wing for failing to institute a revolutionary Marxist programme;\*\*\*\*\* the logic of the ballot box, and the willingness to evolve reforms in sympathy with the wishes of the majority, placed practical constraints on Allende's ideological commitments.

But the big landowners struck back. They still controlled the judiciary, the Senate and the military, and while they went unpunished for the murder of peasants, many a peasant was unceremoniously locked up without good cause. The trump card used by the *latifundistas* was to sabotage food production. Output increased in 1972 due to increased productivity per acre and increased area under cultivation in the reformed sector. But in 1973 output decreased by 15 per cent because of (a) the prevention of seed and fertiliser distribution during the planting season, and (b) the cut-back in area under cultivation. This forced up food prices, creating a crisis for the poor who found themselves unable to pay black market prices. The military then effected the *coup de gr ce* in September 1973. "Despite all the criticism of Allende's agrarian reform, we must remember that because of it tens of thousands of Chilean peasants took control of their own lives for the first time. Even



Even if only for a brief moment, the agrarian reform righted many wrongs that had oppressed the peasants for centuries."\*

By 1975, 23 per cent of the land in the reformed sector had been returned to previous owners, and the government busily divided up the cooperatives into individual plots in the certain knowledge that these would sooner or later be bought back by the *latifundistas*. The peasants have been denied the right to organise themselves, whereas the landlords have had this right confirmed for them. Since the coup, there has been a drastic reduction in the food grown and imported into Chile, with the result that "malnutrition, severe enough to cause mental damage, is more widespread than it has ever been among working-class children in Chile".\*\* The aspiration of the peasants who just wanted the freedom to prosper by labouring on modest holdings was crushed by a brutal repression well-documented in the world's media. Five years after the fall of Allende, the authoritarian power exercised by President Augusto Pinochet, one of the military leaders of the coup, proved unpalatable even for Gen. Gustavo Leigh, commander of the Air Force. He was obliged to resign after failing to press his view that there ought to be a clear timetable for the restoration of democratic processes in Chile. \*\*\* His departure from the junta left Pinochet in absolute control of the country.

President Richard Nixon and his administration must take a considerable share of the blame for the demise of the Allende government. The socialist bias of the Chilean government immediately resulted in a powerful configuration of financial policies which played an important part in dislocating the growth of the industrial sector of the Chilean economy. The US attack took the form of a three-pronged assault aimed at discrediting Allende and his policies:

- (i) a financial blockade, led by the refusal of the US Government agencies and corporations to extend credit;
- (ii) development of the view that Allende's administration "lacked creditworthiness"; and
- (iii) through the consequential disruption of industry, promotion of the allegation that economic instability was identified with Allende's policies rather than external influences on the economy. \*\*\*\*

After two years under Allende's presidency, Chile was enjoying full employment and a respectable rate of economic growth; by 1973 the international financial squeeze began to have its desired effect, fomenting internal disorder and diminishing the attractiveness of Allende's socialist approach.

Landowners were prominent in helping to train fascist para-military groups in a manner reminiscent of their creation of a powerful military organisation in the 1930s which was designed to oppose land reform.\*\*\*\*\* Thus, right-wing forces and US pressure finally terminated Allende's constitutional attempt at instituting change in favour of the masses. As a result, those responsible have narrowed the options open to Chileans, compelling people with grievances to move from quadrante II (in Figure A) to quadrante I, to express their alienated political and economic condition through organised warfare. We cannot predict, in particular cases, when people will resort to violence; this would be determined by specific geo-political and historical facts, and future developments unforeseeable at present. People can be subjected for centuries to seemingly intolerable oppression, before they rise up against tyrants. For example, in the circumstances of present-day Chile, the topography affords little protection for guerrilla groups; forest cover is restricted to the south, but this is rendered vulnerable by strategically-

located army camps. In addition, US support for the junta will shape the time-table for change.\* Nonetheless, it would be foolish of the Chilean right-wing to assume that the people will not eventually react. There has been a tradition of "radical doctrines ... reaching the labouring classes, penetrating even the haciendas,"\*\* going back to the start of the century. If and when the masses rise in the way that they have done in many other parts of the world, the logic of their situation will be such that the new leaders will necessarily adopt extremist solutions rather than the reformist policies attempted by Allende.

It is this prospect upon which the policy-makers in Washington should be reflecting. For example, would South Vietnam have fallen to Hanoi if the peasants had benefited from enlightened land reform? For without the willing aid of the peasants, the communist forces in the field could not have successfully waged their guerrilla warfare against the might of US military technology for so long.

The communists, in conditions of maldistribution of land, have the propaganda edge in the ideological war: they can promise land in return for help administered to the Red Army. The peasants, of course, are initially shielded from the emphasis placed on collective ownership, which requires total confiscation of all land in the first place. Mao Tse-tung, for example, quickly learnt that "confiscate all the land" was not a winning slogan, so it was changed (April 1929) into "confiscate the public land and the land of the landlord class".\*\* Lured by the prospect of land, peasants throughout the world have flirted with Marxist ideas, and have provided the food and intelligence which is vital to a guerrilla army.

Yet the Marxist victory in South Vietnam has not proved to be any more acceptable to its people than the landlord-dominated elites who were bolstered by the US. This is proved by the thousands of people who have fled Vietnam years after the fall of Saigon, even at the risk of drowning in the South China seas in their flimsy craft. Somewhere in the middle, between the two extremes of monopoly power (private and collectivist) there must be a socio-economic system which would be the ideal for everyone. It is towards this that we should be working.

## VI THE REMEDY

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NINETEENTH century agrarian socialists advocated that land - but not the capital created by identifiable individuals - should be distributed equally among all, so that any ensuing inequalities of income would be a function of differences in the toil of labourers rather than as a result of the control over natural resources. Attempts had been made to apply the agrarian principle to modern societies, but "The secret of achieving it in practice has not been found," according to Bertrand de Jouvenel in a lecture delivered at the University of Oxford in 1949.\* The "secret" of how to accomplish this ideal had in fact been energetically promoted by Henry George in the 1880s; he took his solution from San Francisco to New York, across the ocean to London, up to Scotland and down to Australia.

George knew that crude schemes to redistribute land could not work,\*\* and he proposed a fiscal solution: a tax on the value of all land.\*\*\* Present owners need not be dispossessed: they could continue to *possess* the land so long as they paid the tax, which was levied on the annual rental value which is determined by the market. The virtues of a charge on the economic surplus (rent), in relation to our present problem, can be summarised as follows:

(1) Data on the quality of land is generally poor or non-existent. This creates an obvious difficulty for the proposal to physically allocate land: how can two peasants be treated equitably if the tracts assigned to them were not comparable in terms of their income-generating potential? And how can those charged with assigning land know, accurately, the quality and quantity of land available for an equitable distribution? Countries like Brazil have terrain ranging from lush grasslands to Amazon forests and arid deserts, a mixture which poses problems when it comes to deciding who should have what. The land value approach, however, avoids this problem. It levies a charge on the value of the land, which is determined by fertility, location and the demand arising for the products and services of the land. Everyone associated with the agricultural sector benefits through the public expenditure financed by taxes on land values and from a more prosperous agriculture. All this is achieved, then, through the mechanism of redistributing values, not land *per se*.

(II) Variations in the man:land ratio do not present an obstacle. A

market free of monopolistic encumbrances, in conjunction with the enterprise of the land users, would determine the optimum sizes of farms and the number of people employed upon them. A charge on land values forces possessors to make optimum use of the land; failure to do so results in their inability to meet their fiscal obligations, and so compels them to relinquish holdings to more competent farmers. This encourages the division of inefficiently farmed *latifundia* in Latin America, and encourages the amalgamation (rather than further fragmentation) of farms in Asia.

(III) The process outlined in (II) pressurises the rural sector towards efficient commercialisation of farms. One consequence of this modernisation process would be the displacement of landworkers who were, in productivity terms - redundant. This would create an even larger pool of "landless" workers, a serious effect only if they could not be absorbed in the urban-industrial sector. But land-value taxation accelerates the general rate of economic growth:

(i) By placing the fiscal burden on land values - which cannot be passed onto consumers through higher prices - taxes can be reduced on wages and on the interest received on capital. This would expand the domestic consumer market, which is a crucial limitation on the development of industry in Third World countries; and encourages fresh fixed capital formation - all of which amounts to a rise in living standards and the creation of new jobs.

(ii) Land-value taxation removes the deleterious effects of speculation. The growth of industrial economies has been seriously hindered by the shortage of funds which have been attracted into land speculation. The dislocations arising from speculation have been serious: land in desirable locations has been held idle by owners in the confident expectation of higher capital values in the future; this has pushed up the rents of land in use, forced the sub-optimum use of land arising from urban sprawl, and generated higher costs (such as in transportation). A 100 per cent tax on land values smites the dead hand of the speculator and removes these obstacles to development.

(iii) One of the major problems to industrialisation in Third World countries is the inadequate infrastructural services - roads, water, power, and so on. These "lumpy" capital investments have been undertaken by the public sector, because they often prove to be unattractive to private investors; returns tend to be low and spread over a very long period. Rent is an attractive source of revenue for such investments.\* The land tax is suitable for financing such developments, for, unlike taxes on wages and interest, it complements - rather than deters - capital formation in the private sector.

(iv) Social justice is an integral part of a cohesive socio-political system. Without it, the economic side of life suffers. We have seen how latent discontent can explode into revolutionary turmoil. Land-value taxation is an instrument for justice as well as economic progress. It shares out, through the exchequer, the value created not by individual effort but by the presence and activities of the whole community. The highest values are concentrated in the urban centres; through land-value taxation, these can be enjoyed by farmhands on the poorest of soil on the margins of the economy. The mineral wealth in far-flung places can be shared by the small entrepreneurs and workers in the urban conurbations. As economic growth accelerates, so land values

rise: everyone shares in the spoils. As children are born, so they stake their claims to the resources of nature irrespective of whether their parents work as office clerks or possess 10,000-acre farms.

The implications of all this for uniting class-divided societies into symbiotic systems are patently clear. But it may be objected that, given the rich variety of traditional land tenure systems which have been developed to equip human societies to deal with specific local conditions, it is wrong to propose just one alternative model. Most of these systems, however, have already been destroyed during the colonial era. Nonetheless, it is true that there are indigenous societies which, left alone, would prefer to continue to exist according to tribal customs. Most societies, however, have consciously adopted a programme of modernisation, wishing to be integrated into the world economy. The land-tax model is without exception suitable for these societies. In advocating it, I do not deny the right of surviving tribal systems - the sort still found deep in the heart of Latin America and in Oceania - to continue outside the cash economy, free from market influences, if this is their choice.

But the failure to incorporate land-value taxation into the initial agrarian reforms of developing Third World countries can have serious developmental consequences. A crude programme based solely on the physical re-allocation of land creates self-centred acquisitiveness among the new landowners who consequently join the reactionary class which opposes social justice and the economic growth generated by the implementation of land-value taxation.

In Bolivia, for example, immediately after the revolution in 1952, over 324,000 peasants received nearly one million hectares of land which they had formerly worked in exchange for unpaid labour. In 1968 the Government decided that a land tax would be a good idea: the peasants, however, thought otherwise. They succeeded in thwarting the plan.\* As new landowners with a vested interest, they rejected the idea of sharing with others the surplus production (rent) over and above the returns to their labour and capital. They had joined the privileged class and insisted on exercising monopoly power without recognition of any social obligations arising from their control over land.

## VII THE PRICE OF PEACE

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BY using economic theory to analyse the problems associated with the distribution of the economic rent of land, we have deepened our understanding of the political processes, including the conditions which lead to the resort to violence. Some conclusions can now be reached which should enlighten policy formation.

Industrial economies have been able to maintain relative stability and avoid revolutionary ruptures. Nevertheless, it is now apparent to all that a heavy and growing price has had to be paid. For in order to finance the economic and social welfare programmes necessary to maintain relative harmony, the public sector of the western economies has had to be enlarged in a seemingly inexorable process. Even Marx, who was fond of perceiving historical inevitabilities, noted this tendency:

"Modern fiscality, whose pivot is formed by taxes on the necessary means of subsistence (thereby increasing their price), thus contains within itself the germ of *automatic progression*. Over-taxation is not an incident, but rather a principle."\*

From the public debts incurred in the UK in the early 1800s, there has indeed developed this "automatic progression." Both debasement of the currency (which is a concealed form of taxation operating through rising prices) and increased public borrowing have been necessary to re-finance state spending. Marx, on the basis of this observation, ought to have drawn the logical conclusion in terms of the potential resilience of the industrial system. For, provided technological developments continued to offset, in part at least, the impact of the increasing tax burden, there was no reason why the proletariat - as a class - should take to the barricades.\*\*

Yet Marx may have the proverbial last laugh. The demands of pressure groups, representing those in need, which succeed in penetrating the defences of the state system (through, for example, public demonstrations or direct access to the influential decision-makers in the corridors of power) have to be met by extra enabling laws, bureaucratic machinery and the kind of centralised power which is necessary for the system to balance conflicting demands in a reasonably efficient way. As a result, the character of society is

inexorably changing in a direction at variance with that envisaged by 19th century liberals who proposed the initial state-financed schemes for humanitarian reasons. Individual freedom and self-esteem are necessarily eroded when people apply for a share in someone else's wealth, as monitored by state agencies.\*

In addition, the structural development of the economy itself can leave us in no doubt that the system is heading towards the centralised control of the means of production eulogised by Marx and Engels in *The Communist Manifesto*. Weak firms and industries seek state protection against foreign competitors and even cash subsidies to fill the balance sheet hiatus created by their own inefficiencies or by cyclical depressions not of their making. So the public grows increasingly infatuated with a philosophy which requires centralized political solutions to their every problem, thereby necessitating the creation of extra layers of bureaucracy, inflexibility in the system and a narrowing of individual liberties. And the cyclical crises which disrupt progress of trade has led to a consensus view that the economy has to be "managed" (a term familiar to socialist economists as "central planning") and jobs and firms absorbed into the public sector.\*\*

Those who defend the direction of change in capitalist society do so sincerely on the grounds that many people are receiving a better standard of health, housing and education than would have been the case without the institutional modifications to 19th century capitalist society. In general, this cannot be controverted. But the defence is a superficial one. It assumes that there is no alternative model available, one which would match - or improve upon - these distributive gains by the masses while enlarging individual liberty at the same time.

## VIII      P R O P E R T Y      R I G H T S

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WE have seen that equal rights to land, not capital, are the crucial factor in determining social harmony and the general level of income for the majority of people. Thus, property rights is at the centre of the issue of policy-formation.

The world is polarized into two great blocs. The West, dominated by the USA, fails to perceive the economic and ethical distinctions between the private ownership of land and capital. The East is suffused with the Marxist ideology that the means of production - land and capital - should be collectively owned.\* This crude conceptual division arises from, on the one hand, greed (the West), and on the other, an unsophisticated reaction to that greed and its consequences. The policies arising from these two extreme positions are, I contend, in the end doomed to failure.

Washington, for example, seeks to maintain stability in the global regions under its influence by "buying peace": namely, by the transfer of wealth created on the North American continent to those who will bolster an ideological system compatible with Western values. This foreign "aid" takes the form of military equipment (to reinforce the power of the controlling elites), cash, equipment and technical know-how to shape the economy in the favoured direction. This policy may defer change, by temporarily suppressing discontent, but it has demonstrably failed to stop the dominoes falling in Asia and Africa. Ultimately, by side-stepping the need for qualitative reforms, the scale of the problems (and the ensuing reactions) are magnified into violent reaction which the West has failed to contain to its advantage.

Of equal importance is the impact of US foreign policy on its own destiny. Foreign aid has to be financed through increased taxes, which diminish domestic consumption (and therefore economic growth) and deter fresh capital formation. All of this contributes towards the cyclical bouts of unemployment which cause the discontent which finds violent expression in crimes by individuals and riots by groups.

Even the size and growth of the US armaments industry has a destabilizing effect. On the face of it, the manufacturers of weapons provide people



with jobs, and therefore incomes with which to buy goods, but this is dangerous reasoning for at least two reasons.

First, the goods produced by this large group of workers cannot be sold on the domestic market. To that extent, a significant proportion of national income is earned out of producing goods which are not fed back through the supply side of the system. As a result, the aggregate demand is larger than the supply of products. This threatens to increase prices for goods except insofar as the government sucks out of the system an equivalent amount in taxation in order to maintain equilibrium between supply and demand. Either way, discontent is artificially created. People resent rising prices, and are encouraged to lodge pay claims unmatched by increasing productivity. Equally, they object to paying taxes - a psychological cost to the system.

The second problem impinges directly on world peace. To maintain full employment in the economy, the armaments industry has to be supplied with fresh orders, which means that new users for the weapons of death have to be found - a process of escalating friction between wary neighbours which can only generate the number and scale of conflicts (thereby apparently justifying the manufacture and sale of an increasing volume of arms technology). The implications for the quality of life of people in the Third World have been dramatised by Ruth Leger Sivard.\* At the beginning of 1979 - the International Year of the Child - the average family paid more in taxes to support the world arms race than to educate its children. Only one government in three spent as much on health services as on defence, and developing nations spent more on their armed forces than on education and health combined! There is now one soldier for every 250 inhabitants in the Third World, compared with one doctor for 3,700. And despite food shortages, developing countries spend five times as much foreign exchange on imported arms as on agricultural machinery.

If the Washington-led axis is reactionary, however, Moscow and Peking ill-serve mankind by advocating a system which over-simplifies the ideological alternatives. While there are obvious differences in the detail of the Russian and Chinese models (the former is an industrial society, while the latter is still predominantly composed of peasants working on the land), the main thrust - the centralisation of political power at the expense of individual liberty - is unambiguous.

Yet there are several reasons for believing that, ultimately, there will be a shift away from the Marxist model. There are limitations to the efficiency of the bureaucratic method of controlling a complex industrial economy, and the system itself - if it is not to break down - will force a loosening of the constraints. In addition, the creative spirit of man requires for its full expression the conditions of individual freedom: this freedom can be curtailed for a determinate time, but cannot be snuffed out altogether.

Russia violently repressed the changes in Hungary (1956) and Czechoslovakia (1968), but the internal pressure for reform is still at work. Poland has a large agricultural sector successfully operating on the basis of the individual rather than the collectivised farm. Hungary, in the late 1970s, developed a profit-and-risk taking ethos which was justified on the basis of its compatibility with the socialist system.\*\* How long these experiments will be allowed to continue highlighting the shortcomings of the socialist mode of production remains to be seen.\*\*\*

Eventually, however, there will be practical concessions by the Marxist-Leninists which will significantly alter the way in which the Eastern bloc evolves. The detail of how this internal change might manifest itself cannot be elaborated upon here. We can be confident, however, that people reject the extreme forms of collective ownership and behaviour. There are a variety of signals indicating a stepping back from extreme left-wing forms of social organisation. The peasants, dissatisfied with their economic condition, appear to be in the vanguard of protest. Even in Peking, for example, where the doctrinal roots of Mao Tse-tung had sunk deeply, several hundred peasants participated in an unprecedented banner-waving protest demanding "Down with starvation; down with oppression; we want democracy."\* The Chinese *detente* with the USA in 1979 appears to signify an important shift in the ideological orientation of post-Mao China. How far this will develop in the future will depend on the outcome of the power struggle within the Chinese leadership (for an analysis of the factions straining for supremacy in Peking, see the report by Victor Zorza\*\*). In any event, there emerged in 1973, a more realistic awareness of the shortcomings of the Chinese model.\*\*\* After thirty years of socialism, a speaker told a meeting of the Communist Party's committee in Anhwei province: "Many people in the rural areas still do not have enough to eat and are poorly clothed."\*\*\*\*

The fall of Pol Pot's communist regime in Cambodia demonstrates that communist societies are not immune from the crucial role played by land tenure in the dynamics of society. Cambodia fell to communist forces (the Khmer Rouge) in 1975, and the state was renamed Kampuchea. The new leaders emptied the cities of "unproductive" people, and so began a massive programme aimed at forcibly resettling the town dwellers in the countryside.\*\*\*\*\* They were organised into agricultural cooperatives. The human suffering and economic dislocation generated by this "Revolution" resulted in internal opposition. Anti-government guerrillas, supported by Vietnam, succeeded in waging a war which resulted, in January 1979, in the collapse of the Pol Pot government and the creation of a new power structure committed to a reversal of the previous regime's agricultural policy.

## IX CONCLUSION - LAND THE KEY

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TOWARDS the ideal system Henry George's model of the ideal society has yet to be found theoretically defective. It offers the best set of conditions for an economically prosperous and politically free society. It rests on the fact that people are most productive when their latent energies are freed, and when they know that they can enjoy the fruits of their labours.

George's vision of the desirable society incorporated an ethical dimension: that nature was "given", and ought to belong to the whole community. He derived his ethical convictions from a profound belief in Christianity. But the model of a society based on land value taxation commends itself on purely economic and political criteria, as the most efficient of all available systems.

Without a lasting solution to the land issue, there can be no long-run stability in the industrialised economies. And we have seen that, in the Third World, political conflicts over the possession of land, and starvation among untold numbers of people, can be resolved only by instituting the right land reform.

The emphasis we place on the logic of the reform would presumably not now be contested by the Shah of Iran. In the early 1960s the Shah used his power to force through land reform, guided by an awareness of the fate which had befallen one of his predecessors, the "vacillating Ahmad Shah", who in 1923 had "departed for an indefinite stay in Europe". The Shah implied in his autobiography, that this could never happen to him, for he had observed the dictum of an earlier king that "there can be no power without an army, no army without money, no money without agriculture, and no agriculture without justice".

But the agricultural system which the Shah favoured was land monopoly. The benefits of that monopoly were shared out among a larger number of people (by the mid-1960s over 500,000 acres had been divided among 25,000 farmers), but there was no bridge between those who acquired land, and the rest - the landless peasants and urban workers - who could not possibly have been allocated tracts for their personal use. The distribution of land in the 1960s was over-shadowed by a rise in unemployment in both the rural and urban

sectors; and whereas in every other Third World country rural unemployment was lower than the urban rate, the reverse was true in the case of Iran.\*

The oil price boom in the 1970s telescoped the political life of the Shah, for it speeded up the process of raising people's expectations while exposing them to an acute awareness of their economically dependent condition. As Martin Woollacott reported:

"In Mohammed Reza's Iran, however, oil replaced agriculture as the source of wealth, and justice was reduced to a process of handing out benefits which, while not contemptible, was vitiated by manipulation and condescension".\*\*

The agricultural base was relatively neglected (Iran had to rely increasingly on imported food), trade unions were suppressed,\*\* and conditions were created which encouraged critics of the Shah to flirt with communism.\*\*\*\* In 1975-76 the Shah spent \$10,405m. (one-quarter of the nation's GNP) on the military, with the result that Iran could not balance its books: subsequent deals were on an arms-for-oil basis.\*\*\*\*\* By 1977-78 the value of oil revenue in real terms began to fall, and in the end the black gold beneath the desert was not sufficient to buy the peace desired by the Shah.

Ayatolla Khomeini, the religious leader of Iran's Islamic population, had opposed the form taken by the Shah's land distribution programme, which had been shaped by US influence. The Ayatollah's opposition resulted in his imprisonment between 1962-64, and his departure into exile in Paris, from where he continued his opposition until he proved instrumental in the Shah's downfall and departure into exile in January 1979, a king rejected by the majority of Iranians as the man of anything but justice.

But were the Iranians in for anything better? On February 8, 1979, shortly after Khomeini's triumphant return to Teheran, one of this associates, Nasser Meenachi, announced that the first concern of the new Islamic Government would be land reform; land would be redistributed, ending absentee ownership.\*\*\*\*\* Five days later Khomeini's appointees assumed the reigns of power. The Ayatollah's policies, however, were fundamentalist. The Koran banned the use of land as an instrument for exploiting those who tilled the soil, but the religious principles of an earlier economic era need to be administered in a modern context. The tax on land values would have served perfectly. The Ayatollah's wisdom, however, seemed to stop at the idea that more people should quit their modern living conditions in the cities, and their office and factory jobs, and return to work on the land in the countryside.\*\*\*\*\*

The call for enlightened land reform will not commend itself to those with power and money to lose: they will resist for as long as they can, using every device to postpone the day when they are forced to recognise the basic rights of all men to share the resources of nature and therefore become citizens with full political rights in civil society.\*\*\*\*\* We do not however, have to sit back and wait for the landlord class to be struck as if from heaven by a crisis of conscience. The opportunity exists for all of us to create a favourable climate for change through moral suasion and continuing research and education in an attempt to solve the problem rationally. As Gunnar Myrdal observed:

"And any thorough study of the agricultural problem - the under-utilization of its labour force and the threat that this will increase still more as a result of the population development and recent trends in agricultural technology - will, of course, uncover again the problem of land reform which has recently been swept under the rug in both developed and under-developed countries."\*

## R E F E R E N C E S

- Page 1 \* These are reviewed by P. Lupsha, 'On Theories of Urban Violence', in Murray Steward (editor), *The City*, Harmondsworth: Penguin, 1972.
- \*\* Originally published in 1879: hereafter referred to as PP. In the preface to the 1905 edition (New York: Doubleday, Page & Co.), George's son, Henry George Jnr., conservatively estimated that over 25m. copies had been printed within the first 25 years.
- Page 2 \* The first-past-the-post method, i.e. a non-proportional system which ensures that the candidate with the numerically largest vote in each constituency is elected, even if he failed to get an absolute majority. Minority parties are thus effectively frozen out of the political process.
- \*\* See D.O. Sears, *Los Angeles Riot Study: Political Attitudes of Los Angeles Negroes*, 1967, UCLA Institute of Government and Public Affairs, and D. Boesel and P.H. Rossi, *Cities Under Siege*, New York: Basic Books, 1971, Chapters 3 and 18.
- Page 4 \* There were even charges that the Communist Party in France betrayed the rioters and the workers by failing to push the case for change at the moment when the established political system was most vulnerable.
- \*\* PP, Bk. III, Ch. VI
- Page 5 \* Fred Harrison, 'On Wages', in R.V. Andelson (editor), *Critics of Henry George*, Fairleigh Dickinson UP, 1979.
- \*\* Supplementary Benefits Commission Annual Report, 1977, p. 129, Table H.5.
- \*\*\* *The Guardian*, London, 8.12.78.
- \*\*\*\* Charles Issawi, *Egypt in Revolution*, London: Oxford University Press, 1963, p. 155.
- \*\*\*\*\* *Poverty and Landlessness in Rural Asia*, Geneva: ILO, 1977, p.23.
- \*\*\*\*\* Ibid., p.32; and Keith Griffin, *Land Concentration and Rural Poverty*, London: Macmillan, 1976.
- Page 6 \* See, e.g., Jeffery M. Paige, *Agrarian Revolution*, New York: The Free Press, 1975, p.49, and Samuel P. Huntington, *Political Order in Changing Societies*, New Haven: Yale University Press, 1968, p.298.
- \*\* *Op.cit.*, George goes so far as to argue that land monopoly has the effect of pushing wages down to "the wages of slavery - just enough to keep the labourer in working condition" (Bk. VII, Ch.II). This may reveal his failure to anticipate the institutional protection accorded to many workers in the industrialized world (to be discussed below), which has raised income above the level which would be accorded to slaves. At the

- same time this understates the effect of landlordism in the agrarian Third World countries - witness the many thousands who die annually from malnutrition, for want of work, unable to obtain sufficient income to keep them "in working condition."
- \*\*\* *Poverty and Landlessness, op. cit.*, p.25.
- Page 7 \* A.R. Prest, 'What is Wrong with the UK Tax System', *The State of Taxation*, London: IEA, 1977, p.4.
- \*\* *Ibid.*, and Maurice Preston, 'On the Nature and Extent of the Public Sector', *Three Banks Review*, Sept. 1965.
- \*\*\* Ivor F. Pearce, 'Taxing the Dole', in *The State of Taxation*, p.96.
- Page 8 \* C.G. Hanson, 'Welfare Before the Welfare State', in *The Long Debate on Poverty*, London: IEA, 1972, p.117.
- \*\* James E. Thorold Rogers, *The Economic Interpretation of History*, London: T. Fisher Unwin, 1888, p. 181.
- Page 9 \* If farmers qua owners of capital had to pay part of their interest as wages, it follows that they would sooner or later decide to get higher yields by transferring their capital to other uses.
- \*\* Jane McLoughlin, '£800m losses predicted for "job" projects', *The Guardian*, 28.2.79.
- Page 10 \* NUAAW Press Release, 19.7.78.
- \*\* 'Poor Families and Fiscal Reform', *Lloyds Bank Rev.*, Oct. 1967.
- Page 11 \* The theory of violence as a necessary political weapon was developed in Russia and appeared as a systematic device in 1879, according to Feliks Gross, *Violence in Politics*, The Hague: Mouton, 1972, Ch.2, where he states (p.27): "The autocratic institutions maintaining their power by coercion, even violence, supported by religious orthodoxy, generated a strong response and contributed to the development of centralistic parties and tactics of violence as an effective method of change".
- \*\* Eric R. Wolf, *Peasant Wars of the Twentieth Century*, London: Faber & Faber, 1971.
- \*\*\* *Op. cit.*, p.291.
- Page 12 \* *Ibid.*, p.292.
- \*\* Fred Harrison, 'Marx on Land as the Key to Revolution', *Land & Liberty*, Jan.-Feb. 1977. Lenin, writing of Russia, observed: "Obviously, the state authorities, the government itself (even the Tsar's government) will always dance to the tune of these big landowners .... As long as the rural poor fail to unite, and by uniting become a formidable force, the 'state' will always remain the obedient servant of the landlord class." *To the Rural Poor* (1903), Moscow: Progress Publishers, 1967, pp. 21-22.

- \*\*\* "Was not the cry of land distribution Lenin's chief slogan in Russia, though used with a view to promoting a very different revolution?" wrote Bertrand de Jouvenel, *The Ethics of Redistribution*, Cambridge: University Press, 1951, p.4.
- \*\*\*\* See, e.g., Paige, *op.cit.*, p.26, and Huntington, *op.cit.*, pp. 298-99.
- \*\*\*\*\* See his *Peasant Rebellion in Latin America*, Harmondsworth: Penguin, 1973, p.61.
- Page 13 \* Huntington, *op.cit.*, p.388.
- \*\* Gabriel Baer, *A History of Landownership in Modern Egypt, 1800-1950*, London: Oxford University Press, 1962.
- \*\*\* Marx had succeeded in conditioning the attitudes of his followers through his own condescending view of the peasant, who lived in what he described as "the idiocy of rural life" (*The Communist Manifesto*, Harmondsworth: Penguin, 1967, p.84). Spiritually under-developed, the peasant, when living on small landed property, "creates a class of barbarians standing halfway outside of society" (*Capital, Vol. III*, Moscow: Foreign Languages Publishing House, 1962, pp.792-3).
- \*\*\*\* See R. Stavenhagen (editor), *Agrarian Problems & Peasant Movements in Latin America*, New York, 1970, and Ernest Feder, *The Rape of the Peasantry*, New York: Anchor Books, 1971, Ch.18.
- \*\*\*\*\* Rene Dumont and Bernard Rosier, *The Hungry Future*, London: Andre Deutsch, 1969, p.182.
- \*\*\*\*\* *Op. cit.*, p.157.
- \*\*\*\*\* E.J. Hobsbawm, *Primitive Rebels*, Manchester: The University Press, 1959.
- Page 14 \* Committee on Foreign Relations, US Senate, Washington DC, 15.1.68, doc. 86-406, p.8; our emphasis.
- \*\* George M. McBride, *Chile: Land and Society*, Port Washington, NY: Kennikat Press, 1971 (first published 1936), p.379.
- \*\*\* *Selected Works of Mao Tse-Tung*, Vol.I, Peking: Foreign Languages Press, 1967, p.112.
- \*\*\*\* *Ibid.*, p.113.
- Page 15 \* Paul Bairoch, *Urban Unemployment in Developing Countries*, Geneva: ILO, 1973, p.15, Table 4.
- \*\* Source: Centro de Investigaciones Agrarias, quoted in Huizer, *op. cit.*, p.47.
- Page 16 \* See, e.g., Huntington, *op.cit.*, pp. 298-99.
- \*\* Paul Friedrich traces the emergence of a revolutionary ideology appropriate to the material conditions of a particular group of exploited peasants in *Agrarian Revolt in a Mexican Village*, Chicago: The University of Chicago Press, 1977. On a national scale, the ideology of the



Mexican revolutionaries was influenced by the anarcho-syndicalism of Ricardo Flores Magon, whose writings have been compiled by David Poole in *Land & Liberty*, Sanday (Orkney): Cienfuegos Press, 1977. Lenin wrote *To the Rural Poor* as an appeal to the peasants to unite with urban workers, following the first peasant uprising (1902), which was crushed, he diagnosed, "because it was an uprising of an ignorant and politically unconscious mass, an uprising without clear and definite political demands, i.e. without the demand for a change in the political order" (*op. cit.*, p.68).

- \*\*\* Kathleen Gough, 'Green Revolution in South India and North Vietnam', *Monthly Review*, January 1978.
- Page 17 \* *Ibid.*, p.13.
- \*\* *Ibid.*, p.17
- \*\*\* *Ibid.*, p.20
- Page 18 \* *Op. cit.*, pp. 380-1
- \*\* In his early study of the Chilean land system, McBride described the hacienda as "an agency of conquest ... with its monopolization of the land ..." *Op.cit.*, p.375
- \*\*\* Kyle Steenland, *Agrarian Reform Under Allende*, Albuquerque: University of New Mexico Press, 1977, pp. 7-8.
- \*\*\*\* Robert R. Kaufman, *The Politics of Land Reform in Chile, 1950-1970*, Cambridge, Mass.: Harvard University Press, 1972, Ch.V
- \*\*\*\*\* Steenland, *op.cit.*, p.10.
- \*\*\*\*\* *Ibid.*, p.22.
- \*\*\*\*\* For a Trotskyist critique of Allende and his policies, see Les Evans, editor, *Disaster in Chile: Allende's Strategy and Why It Failed*, New York: Pathfinder Press, 1974.
- Page 19 \* Steenland, *op.cit.*, p.22.
- \*\* *Ibid.*, p.26.
- \*\*\* Florencia Varas, 'General Pinochet wields unlimited power', *The Times*, 5.8.78.
- \*\*\*\* For a full analysis of the US strategy, see James F. Petras and Morris M. Morley, *How Allende Fell*, Nottingham: Spokesman Books, 1974, Ch.V.
- \*\*\*\*\* McBride, *op.cit.*, p.381.
- Page 20 \* Immediately after the 1973 coup the junta received an \$11m. military credit from Washington.
- \*\* McBride, *op.cit.*, p.374. The demise of Allende has been used as propaganda by Hugo Blanco, the Trotskyist leader of the Peruvian peasant movement. (See his *Land or Death*, New York: Pathfinder Press, 1972). After his release from a Peruvian prison, Blanco went to Chile where he was a witness to a democratic attempt by a communist politician to effect

change. The 1973 coup confirmed his prejudice - that the Marxist ideal had to be secured outside liberal democratic institutions; and so he fled to Mexico, to continue promoting his Trotskyist prescriptions for socio-economic change by revolution.

\*\*\* *Selected Works, op. cit., p.104, n.17.*

Page 21 \* *Op. cit., p.7.*

\*\* PP, Bk. VI, Ch. I, sec. vi.

\*\*\* Arguably not "a tax" at all but a charge or due in exchange for exclusive possession and use of land.

Page 22 \* Japan used the land tax to finance its infrastructural developments when she decided, as a matter of policy, to start the process of industrialisation in the Meiji period.

Page 23 \* Huizer, *op. cit., pp. 59-60*

Page 24 \* *Capital, Vol. I, Moscow: Progress Publishers, 1954, p.708: our emphasis.*

\*\* It is not just the "working class" which has to benefit from state hand-outs. A dynamic economy needs creative people, on whom there has to be what de Jouvenel called "formative expenditures". He explained (*op. cit., pp. 65-66*): "The clipping of the upper and middleclass incomes therefore necessitates an increase in public expenditures and in public taxation .... Thus a father is not to be spared sufficient income to cover the cost of sending his son to Paris to study painting, but the State may pay for it .... Unless, indeed, all prevailing values be discredited, it is inevitable that the redistributionist State should assume the upkeep of these values. But with this further charge on its takings from higher incomes it has nothing left with which to swell the nether incomes".

Page 25 \* "The more one considers the matter, the clearer it becomes that redistribution is in effect less a redistribution of free income from the richer to the poorer, as we have imagined, than a redistribution of power from the individual to the State." De Jouvenel, *ibid., p.73.*

\*\* "Insofar as the State amputates higher incomes it must assume their saving and investment functions, and we come to the centralization of investment." De Jouvenel, *ibid., p.77.*

Page 26 \* But, because of the logistical implications of planning, the means of production are ultimately controlled by an elite class of bureaucrats, not the people.

Page 27 \* Ruth Leger Sivard, *World Military and Social Expenditures*, Leesburg, Virginia: WMSE Publications, 1977.

\*\* See, e.g. Mark Frankland, 'Gather ye profits while ye may', *The Observer*, 24.12.78

\*\*\* On the Polish farming sector, see Christopher Bobinski, 'Subtle pressures on private farmers', *Financial Times*, 14.12.78.

Page 28 \* Nigel Wade, 'Protest by peasants in Peking', *Daily Telegraph*, 9.1.79.

\*\* 'Secrets Behind China's Smile', *The Guardian*, 27.1.79.

\*\*\* *The Economist*, 21.10.78, p.76.

\*\*\*\* John Gittings, 'Plain living on wealth', *The Guardian*, 2.2.79.

\*\*\*\*\* For an analysis of the influence of Marxism-Leninism on the future leaders of the Khmer Rouge, who were educated in Paris, see Lek Hor Tan, 'The land that abolished money', *The Guardian*, 8.1.79.

Page 30 \* Bairoch, *op.cit.*, p.49, Table 15.

\*\* 'How the imperial Meccano set fell apart', *The Guardian*, 9.1.79.

\*\*\* *The Iranian Working Class*, London: CARI, 1977

\*\*\*\* See, e.g., Massoud Ahmadzadeh, *Iran: The Struggle Within*, New York, SCIPS, 1977.

\*\*\*\*\* *Bombs for Breakfast*, London: COPAT, 1978, pp. 34-5. The concentrated purchase of US weapons which skewed public spending and led to the Shah's downfall was blamed on Dr. Henry Kissinger by a former US Under-Secretary of State, George Ball. President Richard Nixon and Kissinger encouraged the Shah's "Obsession with elegant weapons", said Ball, in a letter to *The Economist*, 17.2.79, p.4. This led to a cut-back on construction and precipitated a financial squeeze which hurt the citizens, said Ball in his analysis.

\*\*\*\*\* Bill Paul, 'Possible Khomeini Minister of Finance outlines anti-western economic plans', *The Wall Street Journal*, 8.2.79.

\*\*\*\*\* Martin Woollacott, 'Why the new Iranians resist the rule of ancient wisdoms', *The Guardian*, 24.3.79.

\*\*\*\*\* One device is to prevent the collection of data on land-ownership and tenancy, or suppress the statistics once these have been collated. (Gunnar Myrdal, *The Challenge of World Poverty*, Harmondsworth: Pelican, 1971, p. 424.) This, for example, was a charge levelled by Lenin against the Russian Government in 1903. See *To the Rural Poor*, p.20, footnote.

Page 31 \* *Op.cit.*, p.425.