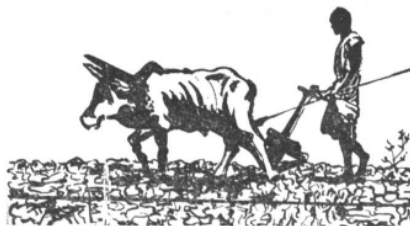


The Worm in the Apple

A. P. LETT



PROFESSOR Dorner in a new Penguin publication* takes a critical look at most of the land tenure forms commonly encountered, and describes some of their social, economic and political effects on our relationships. He found that where large tracts of land have come to be privately owned, the means was conquest or appropriation, and the consequences thereof for economic development (as opposed to growth) have been stultifying.

Many examples are given to show how in an agrarian or developing society political, social and economic powers accompany possession of land; and how loans, subsidies, grants, mechanisation and legislation favour the landowners and entrepreneurs. Where a "dual system" exists, large and small privately owned areas within a country, the large landowners cream the benefits, monopolise government and foreign loans and grants, and help to create an adverse balance-of-payments situation, whilst the small farmers benefit little if at all.

The land reform which is advocated is the expropriation or confiscation of land from large landowners, and the establishment of family farms, communes, cooperatives or state farms; and there are some illuminating examples in the book to show that where what he calls land reform has been accomplished in a state or country, the consequences have not been in accordance with theoretical economists' predictions. Where previously the large landowners have devoted substantial areas of land to growing crops which enlarge their foreign earnings, such as cotton, coffee, sugar and the like, without regard to the needs of the local population for the most elementary subsistence needs, when the land is re-apportioned, very large numbers of people have found employment through agriculture, crops have changed - becoming more diverse and more productive - and there has been a rise in the standard of living. Here are two examples:-

"Although climatic, cultural and tenure conditions were quite different, the United Arab Republic presents yet another case where increases in output followed land reform rather directly and immediately. Cotton acreage and output fell initially, but these losses

were soon recovered and the rate of output accelerated even though acreage devoted to cotton remained lower. Significantly, the output index of foodstuffs - especially fruits and vegetables - rose faster than that of total agricultural output."

"The man-land ratio on the ex-haciendas of the Bolivian side of Lake Titicaca is more than eight times the ratio on the other side of the lake in Peru. Although the Bolivian haciendas were apparently more densely populated than those in Peru even before the Bolivian reform of 1953, the population of the Bolivian side seems to have further increased by more than fifty per cent during the period 1953-65. Meanwhile the area on the Peruvian side was declared an agrarian reform zone in 1965 with the stipulation that large landowners could retain more land if they paid *campesinos* legal minimum wages. This provision resulted in *campesino* firings and evictions. Despite the much greater population density, the Bolivian peasants produced only 20 per cent less marketable surplus per hectare than their counterparts produced on the more extensive farmed estates in Peru, and their level of living was higher than that of the nearby Peruvian peasants."

Much of the book describes and illustrates the inequalities which arise as a result of a few people owning large areas of land. The final chapter contains a brief summary of the principal observations made in the book, states the author's views on these, and indicates the areas in which reform is needed. The first such need is for a re-appraisal of our attitude to land, "economic activity must be and can be designed to produce education effects. . . . One gets a different perspective regarding the role of land if it is viewed as a vehicle both for creating economic activities and for upgrading the qualities, skills and capacities of the mass of rural people." Credit and marketing reforms must accompany land reform, there is a need for an effective form of world government, and none of this can be accomplished without widely shared economic and political citizenship on the part of the mass of the common people.

Many widely held and propagated economic theories and beliefs are questioned and challenged in the last chapter, with Professor Dorner dissenting from many

* *Land Reform and Economic Development*, Peter Dorner, Penguin Education, 60p.

assumptions based on the present power positions.

However, the book has a few serious shortcomings and contradictions. Land tenure systems are held to be important in agrarian or developing societies only. The author does not believe that in a developed industrial society they are of primary importance.

No alternative to dividing the land up into small plots (despite acknowledged differences in fertility, access to markets etc.) and re-allocating it to the local populace is put forward. The tribal and cultural understanding sometimes encountered, that land is inalienable, is not developed.

There is no mention of rent. Labour must be taxed to provide community funds. Professor Dorner does not accept natural law. However concerned and compassionate and studious the volume, it fails to recognise the moral and therefore the only basis for taxation, and offers little but a stay of execution.

On the one hand we have a book by the Director of

the Land Tenure Research Centre at the University of Wisconsin and a member of the FAO Special Committee on Land Reform urging us to divide the globe up into smaller units, while on the other the small farms in the EEC are giving way to that which he would wish to abolish. Despite the many changes which have been made in land tenure systems in this century, in his final chapter Professor Dorner admits, "But the number of poor have increased and inequalities have mounted. There has been considerable economic growth, but, paradoxically, little development. . . . People in power do not, without compelling reasons, initiate action which deprives them of special privileges. The basic dilemma is that a major investment programme in human and material resources creating an opportunity-oriented system reduces the short-run advantages and privileges of the favoured groups, whereas a system built on inequality and privilege is inconsistent with economic development."

An Odd Mixture

JONATHAN HENDERSON

ASSUMPTIONS that the country has provided its citizens with a reasonable standard of living, that we already have an affluent society and that new desires may be freely stimulated in advance of an ability to satisfy them are implicit in Charles Carter's long essay*. An acceptance of these assumptions paves the way to a less critical consideration of the policy proposed by the author. A rejection of them leaves one with the feeling that the real problem of wealth and its distribution has been side-stepped.

The book contains interesting observations upon the rate of interest and related topics. In his chapter on statistics, the author displays a refreshing humbleness and acceptance of imperfection in economic measurement. Even the chapters bearing the unencouraging headings of "The Economists' View of Wealth and Welfare" and "A Digression on Paper Wealth" have much worthwhile content although perhaps too abstract in parts.

The rot sets in, slowly but surely, during the last three chapters. One finds suggestions of mistaken altruism ("the fixing of a subsistence

level and some conscious thought about the use of the surplus"), of puritanism ("a plan for a marketing tax" - to you, bash the advertisers!), of elitism ("I would like to see economists kept in their place as competent professionals/technicians. . . . Unlicensed economists will never be as easily suppressed as unlicensed dentists").

The author is candid enough to admit that "this is an odd mixture of vague hopes and precise proposals, and it does not add up to a policy," and "the means of bringing it about is not by passing Acts of Parliament, but by getting people to talk about it." He is unfortunately naive enough to ignore the fact that even in "affluent societies" there are substantial numbers of unfortunate paupers who would spoil the whole scene.

BOOKS RECEIVED

What Are Human Rights? by Maurice Cranston. The Bodley Head, £2.00.

The Earnings Conflict, by Wilfred Brown. Pelican Library of Business and Management. Paperback 35p. Hardback published in conjunction with Heinemann Educational Books Ltd. at £1.90.

Wage Regulation in Pre-Industrial England, edited and introduced

by W. E. Minchington. Harper & Row, New York.

Incomes Policy and Inflation, edited by Michael Parking and Michael T. Sumner. Manchester University Press, £3.60.

Unequal Shares - Wealth in Britain by A. B. Atkinson. Allen Lane The Penguin Press, £3.00.

Demand and Supply, by Ralph Turvey. George Allen & Unwin, 90p paperback, £2.25 hardback.

Society in Conflict, by G. Hardy, Reform Publishing Co., Melbourne, Australia.

The Modern Business Enterprise, edited by Michael Gilbert. Penguin Education, £1.25.

Population, Economy and Society in Pre-Industrial England, by J. D. Chambers. Oxford University Press, 75p paperback, £1.50 hardback. (\$2.95)

The Indigent Rich, by J. W. Cumes. Pergamon Press, £3.00. (\$7.50)

England and the Baltic in the Elizabethan Era, by Henryk Sins translated by H. C. Stevens. Rowman and Littlefield, New Jersey, USA, \$16.00.

Compensation for Compulsory Acquisition and Remedies for Planning restrictions together with a Supplemental Report. Published by Justice, 12 Crane Court, Fleet Street, London, E.C.4., £1.00.

**Wealth. An Essay on the Purposes of Economics*, Charles Carter, Pelican Books, 30p.