

Land Monopoly and the Pattern of Revolution

FRED HARRISON

"Capitalism, which failed to incorporate into itself a public domain which recognised ancient communal rights, inevitably gave rise to its opposite — socialism."

EUROPE has, in the past 200 years, effected a global transformation in societies unequalled in history. The staggering impact has been delivered along two dimensions. One was direct colonisation. The other was obliquely achieved through trade. In both cases, the single crucial result was the breakdown of communal-based norms and the introduction of the atomistic Western philosophy of private property and resource accumulation.

So comprehensive and callous was this trampling of peoples and their ancient customs that one normally finds either simple failure to grasp the meaning of the facts, mind-boggling as they are, or alternatively straightforward disbelief. One can now cite a scholarly account of precisely how pervasive was the European influence, in Eric Wolf's *Peasant Wars of the Twentieth Century*¹. As an anthropologist, Wolf tackled his examination of six revolutions by examining the causal influences at their social, economic and psychological grass-roots level.

In four of the six countries - Mexico, Vietnam, Algeria and Russia - Wolf shows how stable agrarian-based societies were dislocated by local variations of the English enclosures. In five of the six countries, opposition forces were finally coalesced by adaptations of the Marxist philosophy.

The two intruding European countries which figure most prominently in relation to the six countries selected by Wolf are France (in Algeria and Vietnam) and Spain (in Mexico and Cuba). To preserve perspective, I should mention in passing the crucial role of the British Empire and its debilitating effect on local customs and landed institutions, from Ireland in the West to Bengal in the East. (That both these countries should currently be having their peasant wars against entrenched elites is, to me, of more than little significance. As with both these cases, historical antecedents provide the awareness which is a precondition to lasting solutions). A fine study of English influence, for those who wish to follow the matter up, is contained in the works by Sir Henry Maine, the nineteenth century professor of jurisprudence at Oxford².

Of the six countries, three - Mexico, Vietnam and Algeria - had thriving peoples and institutions, and had superimposed upon them a new ruling elite and alien property rights. Agricultural yields undoubtedly increased - cotton and sugar from the Mexican latifundiae, rice from the Indo-Chinese fields. Income distribution, however, rather than being diffused to benefit all was increasingly concentrated into the hands of the land-grabbing oligarchies.

Algeria

Algeria, for instance, says Wolf, "like most other non-Western areas of the world, had not known the institution of absolute private property before the Europeans; rather there existed a complex hierarchy of use rights." With the French came the destruction of communal rights to land, and reapportionment in favour of the *colon*, whose Press is quoted as claiming at the time (1861) that the reconstitution of property converted land from "the condition of dead value to the state of real value." But other observers noted that prior to French interference, communal land rights ensured:

"some guarantee for work, a certain sentiment of equality. With the beginning of individualisation it will no longer be the same. Once the land is definitely acquired, inequality begins: on one side the owners, on the other side the proletarians, exactly as in our civilised societies."

Two - China and Russia - did not experience this kind of colonisation. Clear-cut property ownership of land evolved internally in such a way as to preserve strong communal rights for the peasant, rights which could be invoked against the political rulers at provincial and national level. But these were finally battered by the demands of capital.

China

In China, private land ownership dominated since the twelfth century. Lands were reserved for state, military, religious and provincial government purposes. Rights could be alienated for cash. Even so, the peoples - gentry and peasantry alike - lived in clans which owned land. The rents from these were put to communal use: religious, educational and military. But with the forging of trading links with

Europe, and in particular the scandalous British insistence on free importation into China of opium (giving rise to the Opium Wars), the communal spirit disintegrated:

"As land rent became an ever more important source of capital, and capital was increasingly invested in an ever widening national and international market, the deficits created by exactions from the poorer clan members began to outweigh the benefits associated with continued adherence to the clan."

Russia

In Russia, 200 years of serfdom came to a theoretical end with the 1861 Emancipation. The terms of the emancipation - resulting in loss of land, impoverishment and lives mortgaged for many decades - were such that we are told that many peasants thought the proclamation a hoax; they anxiously awaited for decades the announcement of their real emancipation.

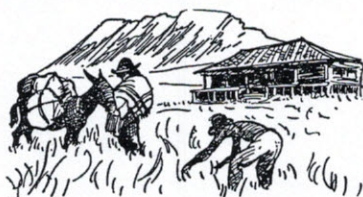
The need for a wage-earning proletariat to operate the factories could be satisfied only by this so-called emancipation. Even so, the *mir*s or ancient communes thrived; after 1861, the *mir*s bought more land to add to the village plots which were communally shared. These continued to operate as the backbone of peasant freedom, and resisted attacks on the system from the tsars. But the damage had been done; with the new market in land, better-off households were able to buy more allotments and so make themselves "more equal" than fellow members of the *mir*s. Writes Wolf:

"This development of a village oligarchy dovetailed furthermore with the growing power of the village elder after emancipation. Where he had been a mere agent of the collective village will before the reform, after 1861 he was made subordinate to the district superintendent of police, and given police powers in his own village."

Cuba

The sixth country - Cuba - is unique in that the impetus to rebellion does not have its roots in the destruction of an old order. The reason is that, with the arrival of Christopher Columbus and the Spaniards in 1492, the indigenous Indians were exterminated to make way for the settlers and African slaves.

Rural uprisings by Cubans during the nineteenth century against control from Spain were finally crow-



ned with success when the U.S. threw its weight behind the rebels. The result, however, was total political and economic domination by the Americans

who directed the economy heavily into sugar to serve their quota-controlled needs. American capital and entrepreneurs during the first fifty years of this century monopolised the activity - and profits - on the island, and independent cane-growing peasants at the mercy of the U.S.-owned sugar mills found themselves part of the seasonal work-force with little or no employment for two-thirds of the year.

A corrupt local political system, fed by the Americans, (who opposed, and therefore destroyed the one genuine constitutional attempt at reform in the 1930s), meant that new initiative for political and economic progress could come only after violent overthrow of existing institutions.

In all of these cases, the junction points of history reveal similar characteristics.

One is that the ruling oligarchies presided by virtue not of their strength but of the weakness of their opponents: this made them fatally vulnerable to strong internal challenge.

The other feature is that the opposition was continually seeking to re-establish the lost social equilibrium. More often than not, however, this alliance was doomed to end in bitterness; for destruction of the old order only led to conflict over the form of the new order. The intellectuals won, simply because the peasants were by and large parochially oriented - "land and liberty" - and so were outmanoeuvred by the intellectuals, who planned further horizons.

In Mexico, Pancho Villa and Emiliano Zapata, with their cowboy armies and a simple demand for land reform, outflanked the Spanish latifundistas. But when it came to constitutional conferences they were themselves routed. Says Wolf: "The peasant's role is thus essentially tragic: his efforts to undo a grievous present only usher in a vaster, more uncertain future."

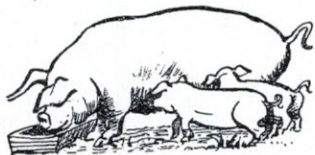
The neglected question which we ought now to consider is this: Could it have been otherwise? Or was there some deterministic scheme operating?

The transition from agrarian to industrial society was inevitable, if not for internal socio-economic reasons, then simply because of the juxtaposition of other countries which had gone that way.

There's little doubt that the bulk of fixed capital formation had to come, initially, from agricultural surpluses, a fact which is forgotten simply because the operation is obscured through time. The few concentrated exercises in resource deployment favouring the modern sector are worth noting, since they may have lessons for the Third World - two-thirds of the earth's population have to make this painful transition.

(1) In post-revolution Russia, Stalin's collectivisation programme resulted in crude physical redeployment. Government prices were fixed very low for

agricultural products, so transferring income into the hands of the state, which was then invested in capital. *Pari passu*, agricultural workers were tied by law to



their collective farms preventing them from seeking higher incomes in towns - and thus endangering the output targets. (The rural-urban migration trend is currently causing appalling problems for under-developed countries. The *mir* system, however, probably meant that immobility caused less hardship for the Russian peasant than it would do for others.)

(2) Japan in the Meiji period chose a heavy land tax to switch its economy into capitalism. From the 1870s onwards government revenue was mainly tax from the agricultural sector's five million progressive small-scale operators, who were efficiently responding to market-determined prices. Agriculture's share of government tax revenue was 85 per cent between 1888 to 1892. Government investment was 30 per cent of gross domestic fixed capital formation throughout this period, and was concentrated on "lumpy" infrastructure expenditure, such as roads and rail, provision of factories, and supporting the merchant marine and shipbuilding industry³. With a stable population growth rate providing no problems, agricultural productivity far outpaced the increased inputs. Thus, despite the tax, rural incomes did not suffer.

The simple choice between the Russian or Japanese models hinges mainly, as I see it, on the question of personal liberty. Fiscal measures are far more acceptable, and no less successful, than the iron fist. Important endorsement for this line of argument comes from Professor Nicholas Kaldor of Cambridge⁴. He says that "there can be little doubt that, with heavier agricultural taxation, the rate of development of all these countries could be much accelerated." Always assuming, of course, that the entrenched land-owning interests could be overcome.

Kaldor's "land tax" does not fit into the Georgeist concept of taxing market-determined land values while exempting capital improvements thereon. He argues for a variation of the ancient "land tax". This tax would fall on the potential yield of land (rather than the actual output) that was managed with average efficiency - this is an important concession in contemporary taxation theory. And he suggests that, given the gross distortion in land distribution, the tax rate should be varied progressively according to the size of the holding.

While Kaldor's mechanism for resource transfer is practical, it is inferior to land-value taxation in what

I think is the single crucial feature; it fails to unequivocally acknowledge communal ownership of natural resources. His system finally rests on incorporating private land ownership, i.e. retention of rents into society. Taxing part of that rental income becomes simply a matter of economic expediency rather than a philosophical imperative.

This brings me back to the philosophical hangover inherited from the consequences of early European capitalism. As Wolf is at pains to point out, capitalism did not invent exploitation. Perhaps; but it did provide the vehicle for launching us into a wholly new sphere of interpersonal relations, one which expressly sought to neglect communal considerations:

"What is significant is that capitalism cut through the integument of custom, severing people from their accustomed social matrix in order to transform them into economic actors, independent of prior social commitments to kin and neighbours. They had to learn how to maximize returns and how to minimize expenditures, to buy cheap and sell dear, *regardless of social obligations and social costs*."

Capitalism, which failed to incorporate into itself a public domain which recognised ancient communal rights and bonds, inevitably gave rise to its opposite - socialism. Socialism, not surprisingly, diagnosed all evils as the result of private ownership of all property, and so prescribed total socialisation of anything of value.

And the result is an almighty intellectual mess, in which ideology has polarised the world into two camps - East and West - and the facts have not been allowed to intervene to dissipate the mutual antagonism.

This is why land-value taxation is an article of faith for me. It could achieve what is not possible under the systems known as capitalism or socialism. It secures recognition of the ancient right to communal enjoyment of natural resources, while simultaneously facilitating in the most practical way conceivable the transition of static, agrarian-based societies into the world of twentieth century capital based technology.

Unlike capitalism, it acknowledges a public domain in which citizens of a community recognise each other as friends to be lived with, rather than competitors to be worked against.

Unlike socialism, it acknowledges the individual's right to private dimension expressed in both material and spiritual terms, which is indispensable to freedom, progress and happiness.

1 Faber & Faber, 1971, £3.

2 In particular, *Ancient Law*, 1906, and *Early Institutions*, 1914.

3 B. F. Johnston, in *Food Research Institute Studies* Vol VI, 1966.

4 *Essays on Economic Policy*, Vol. 1, Duckworth, 1964.