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CONSIDERATIONS ON AGRARIAN REFORM IN ITALY

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I HESITATED to accept the invitation to speak to this Conference on the theme proposed to me by our English friends. I hesitated for two reasons. The first is that the theme is one of those about which I do not feel myself to have reached a complete clearness of ideas. The second is that it relates to a problem which is a highly combustible and exceedingly topical issue in the agricultural policy of my country. My Italian friends will understand me if I hesitate to speak about it in a conference at which the polemics of our national affairs would be out of place.

If these were the reasons for my hesitation, then I ought also to explain how I overcame them. It seemed to me, in fact, that a conference like this of ours does not exist solely for discussion of questions on which the last word can be said, nor of questions which are not vital or controversial. On the contrary, it is because they are vital and controversial and because there are fundamental doubts and uncertainties that we discuss them at all.

Indeed, I feel I shall be performing a useful function even if I limit myself to explaining how and why Italian economists have come to be profoundly divided, not so much about the necessity for land reform, but about the forms which such a reform should take in this country.

First of all let me indicate why all we Italian agricultural economists are convinced that a land reform (as apart from the specific form which that should take) is a plain necessity of our agricultural society. The inquiry into the distribution of landed property carried out by the *Istituto Nazionale di Economia Agraria*, under the direction of its President, Professor Medici, has demonstrated with absolute clarity what everybody already knew, namely, that the distribution of landed property in Italy, as you will have seen in the little book by Professor Medici which has been distributed, is characterized on the one hand by a marked subdivision in the lower ranges of size and income and, on the other hand, by a notable concentration in the higher categories. A further point which the survey brings out, and which is even more important, is that only a small part of the total

property in land, perhaps scarcely a third of the cultivable land, is in the hands of peasant proprietors, while the remaining two-thirds is in the hands of owners who are not cultivators or *borghesi*, as they are commonly called. The survey was unable to demonstrate this statistically, but it nevertheless provided sure evidence when compared with the results of the earlier census of agricultural holdings and of population, and with the accurate and numerous studies carried out in Italy in the last twenty years.

The fundamental characteristic of Italian agriculture, therefore, consists in the fact that over the greater part of the land area and for the greater number of holdings there exists a state of separation or divorce between the ownership of the land and the agricultural business. In this respect our country finds itself in a condition notably different from that of almost all the countries of western Europe, where this dissociation between property holding and farm operation, although it exists, is never dominant, and the dominant tenure is that based on the owner-occupier. This is the case in France where, since the time of the French Revolution, the separation between property and enterprise has been largely eliminated. It is the case in Germany, where a long process of evolution has given the dominant place to the category of peasant owners, the so-called *Bauern*, with their *Höfe* governed by *Anerbenrecht*, and it is also the case in many other countries. One indeed might say all the West with the exception of Spain. I have not made any special studies of the land-ownership régime of other countries, and I cannot give any definite judgement in that respect, but I believe that I should not be wrong in affirming that the position in our country is truly exceptional in this respect.

Since the profound modifications in the system of land ownership in eastern Europe and the agrarian reforms following the First and Second World Wars which resulted in a predominance of owner-occupiers in those countries, our country, with Spain and a few others, is now finding the problem of agrarian reform most insistent, if it is true, as I believe it to be, that agricultural society can only achieve a true equilibrium where and when that association between property-owning and farm enterprise has been established.

That is the reason why all our agricultural economists are convinced that a problem of land reform exists in Italy. On the other hand, there is no agreement among them as to the form which this land reform should take. Needless to say, many extremely large vested interests in our country are opposed to the idea of land reform, and the possibility cannot be excluded that these interests make their influence

and pressure felt in determining the attitude even of certain economists, but the disagreement about which I intend to speak now, profound as it is in Italy, is not so for these reasons. Most agricultural economists who have expressed themselves as being on one side or the other in this question have not done so under the pressure of particular interests, but because of profound convictions based on their own scientific background and on their own knowledge of the facts of Italian agriculture.

Certain of our economists, conscious of this divorce of property and farming enterprise, of the weight of large and very large landed estates, and also, on the other hand, of the profound social disequilibrium that such a property situation implied, and not being content to recognize in theory the necessity for a land reform, have thought it necessary to take up an unequivocal position favourable to a measure of land reform which would apply the concept, embodied in land reform elsewhere, of the 'limit'. That is to say, they would permit the expropriation of a part, at least, of any property exceeding definite limits of annual return or of area, and use the excess land for the formation of owner-occupied holdings.

The land reform project at the moment before the Council of Ministers, even though it has not been fully worked out, is well known to be based on the criterion that property exceeding either 40 or 60 thousand lire of taxable income (according to whether the land is extensively or intensively cultivated), that is to say, properties of areas of over 100 or 300 hectares, respectively, according to the category, should be subjected to progressive cuts, in order to form a fund of about 1.2 million hectares which would be available for the formation of owner-occupied holdings. Although figures of land area have very uncertain significance in our country because of the great variety of soil types and because of the great importance of the poor mountain regions, and although the division between owner-occupied land and land not so occupied has to be estimated because no inquiry has so far given any definite information on this point, nevertheless the scale of the proposed reform can be approximately assessed. Of the 21 to 22 million hectares in private property, it is estimated that at most 7 to 8 million are owner-occupied, while 13 to 14 million hectares are not owner-occupied (the proportions being approximately 35 per cent. owner-occupied, 65 per cent. not owner-occupied). The aim of the proposed reform is to provide owner-occupied holdings covering an area of $1\frac{1}{2}$ million hectares, that is to say, an increase of about a fifth, or 20 per cent. Correspondingly there would be a reduction in property not owner-occupied

of less than a tenth. The $1\frac{1}{2}$ million hectares of new owner-occupied territory would be provided only as to 1.2 million hectares from land expropriated from large private estates, while the remainder, approximately 300,000 hectares, it is proposed, would be provided from land to-day owned by the State or by the communes or other bodies. The proportions, therefore, of the proposed land reform in Italy cannot but appear extremely modest when compared with those of past reforms or of recent reforms in other countries.

Despite the modest proportions of the proposed reforms, many agricultural economists have declared themselves completely opposed, not to reform itself, but to the manner in which it is intended to carry it out, and I should explain at once for your better understanding that I belong to this category. The opposition is not for opportunist reasons; there are scientific and practical reasons for it. They are not so easy to explain as are those of the people who support it. They are not based on simple reasoning, but rather on an objective examination of the specific peculiarities of the structure of land ownership in Italy. This structure, indeed, while it is true that it is characterized by the divorce between property owning and farming enterprise described above, is also characterized by the fact that following this divorce there has grown up a type of agricultural organization and economic and social structure appropriate to it. Agriculture, agricultural society, and the structure of land ownership in Italy have centuries behind them—centuries of slow and complex evolution. As a result of this process of evolution, and at the same time of profoundly different conditions of natural environment, it has become more true of Italian agriculture than of the agriculture of any other country that the situation in one place has come to differ fundamentally from that in another. It is therefore difficult to apply the uniform and simplified policies which elsewhere have been able to function in a progressive, if not altogether a smooth, way. One of our greatest students of agricultural matters—we might, indeed, say one of the fathers of agricultural economics in Italy—Stefano Jacini, said that Italian agriculture is not one agriculture but many, and this judgement of his has, with the passing of the years, become ever more true and more profound. Therefore, to demonstrate the incapacity of a measure of land reform such as that under discussion to deal with the problems which it aims to resolve, it is necessary to examine the facts of these different situations into which Italian agriculture is divided, and upon which this uniform measure must operate.

In view of the short time at my disposal, I cannot go into great detail. Nevertheless, I must give some indication of the general nature of these different characteristics within Italian agriculture if my paper is not to become confused and therefore, in the last analysis, useless. In northern Italy, in the whole of the Po Valley, the evolution of landed property has brought about a structure of medium-sized capitalistic undertakings worked on an intensive scale by workers and covering about $1\frac{1}{2}$ million hectares. It is quite clear that in this case any measure of land reform which takes land away from the existing holdings to form owner-occupied holdings would mean the splitting up and destruction of highly organized and highly productive undertakings. It would provoke problems of such great complexity as to render it of doubtful utility as a solution. Indeed, even the most strenuous supporters of land reform and the spokesmen of the workers' unions exclude it from their proposals.

The other great type of Italian agriculture, which is found in the hills and a part of the plains of the north and in practically the whole of central Italy, comprises the so-called *appoderate* regions, in which, that is to say, production is organized in small or medium-sized family holdings governed mainly by contracts of *métayage* or of tenancy. These regions altogether occupy over 7 million hectares, 5 million hectares of which are not owner-occupied. They are occupied by *métayers* or tenants. In this situation there is certainly room for a development of peasant ownership which, especially in the north, has, in fact, made notable progress in past decades, whenever the peasants have had at their disposal the means to acquire land. Nevertheless it is not certain that the application of a mechanical procedure, such as that envisaged in the draft proposals at the moment under discussion, would be the most suitable to achieve the stated aims. In many instances, in fact, the categories which are most in need of a change of system, the estates most suitable for the formation of peasant properties, are not the large estates, which alone would be touched by the reform, but rather the small or medium *borghesi* properties, whose owners sometimes live in a purely parasitic way and are an excessive burden on a small undertaking, from which it is difficult enough to extract a living for even the cultivator's family. Moreover, very frequently the size of holding which ought to pass into peasant ownership is, on the one hand, not sufficiently big to be conveniently split up, and, on the other hand, too big and too expensive for a peasant to acquire all at once, even with the help of the State. One might well ask: How beneficial would it be in effect to reorganize the 20 or 30 thousand

large farms (which is all that would be touched by the reforms) in those regions, while doing nothing at all about the other 400 or 500 thousand small farms already there, which belong to the medium or small *borghesi* proprietors.

The opponents of the draft scheme (that is if they are not influenced by vested interests) do not deny the desirability of intervention, but think that it would be very much more effective if it took a selective and gradual form rather than a mechanically uniform procedure for the whole country. The supporters of the reform, on the other hand, although not concealing from themselves the gravity of these objections, believe that if a land reform is to be introduced in Italy for the general reasons already given, and particularly (as we shall see) to deal with the highly acute social problems of southern Italy, then there is no practical alternative but to apply the same criteria of reform equally to the agriculture of northern Italy and central Italy as well as to the south. The fact is that if the problem of land reform in Italy is urgent, and we are seeking strenuously to find a solution to it, it is principally the land-ownership situation in southern Italy and in the two great islands which calls for urgency. In northern and central Italy, except for a few areas, the divorce between agricultural property owning and farming enterprise has not prevented substantial agricultural improvement, has permitted considerable investment of capital, and has brought about a state of affairs which, on the whole, is economically intensive and progressive, even though it has also produced conditions of great social contrast. The reform under consideration would not eliminate the latter which, indeed, in the opinion of the opponents of the reform can be dealt with only by modifying the existing contracts of tenure.

In southern Italy, on the other hand, the evolution of landed property has brought about a chronic state of general precariousness of all undertakings; a state of affairs which has made progress (already difficult on technical grounds) very much slower and more uncertain than it has been in the rest of Italy. Everybody to-day knows that the future of our country is bound up with the solution of what we have become used to call 'the southern question'. All, moreover, are now convinced that at the root of any solution of this question, and as a necessary preliminary to the industrialization of this wholly agricultural part of Italy, there must be profound changes in the system of land ownership which has grown up there. There must also be profound changes in the contracts of occupiers, in the farm structure, and in the system of capital investment. Therefore, if nobody to-day dreams of denying the necessity of Italian land

reform, it is principally because of the agricultural situation existing in southern Italy.

Here again I should be doing less than my duty if I failed to indicate briefly the reasons for which, even for southern Italy, the draft proposals at present under discussion leave those who know the situation best profoundly disturbed. The agricultural situation in the south is not uniform; on the contrary, it varies from place to place and from region to region. Broadly speaking, however, there are three main types of situation. On the one hand, we have those regions, in the main on the coast, in which as a result of a secular process and of more favourable natural conditions there have grown up more intensive systems of cultivation such as orchards, vineyards, olive plantations, and market gardens, and in which the same process has brought about a general and extreme splitting up of landed property. These regions cover altogether about 2 million hectares on which over 40 per cent. of the population of southern Italy and Sicily lives. It is true that in these regions there are properties which the draft land reform could deal with and usefully divert to the formation of owner-occupied holdings, but it is beyond doubt that only the *areas* of holdings would be affected by it. The fate of these territories would still be to develop along the lines which, through the centuries, has led to the splitting up of landed property in these regions. In other words, despite all the intentions to the contrary, the redistribution of land by the draft reform would mean ultimately the disintegration or pulverization of properties, which to-day undeniably is the gravest evil of this type of agriculture and is the most serious obstacle to its reorganization and improvement.

Important, however, as are the problems of these intensive regions of the south, they are very much less grave than those of the extensive 'latifundian' regions of the south. These are regions of bare soil on which the only cultivation is for grain, alternated here and there with pasture, and with an occasional rotation of root crops. This type of agricultural situation is not only characterized by the extensive method of cultivation, by the low returns per unit of area, and by general poverty, but also by a profoundly unhealthy agricultural organization and by a profoundly unhealthy system of land ownership. It is true that in certain limited regions (particularly in the plains, where it is possible to promote a greater intensity of cultivation by means of complex land reclamation projects) production is organized, as in northern Italy, in large and medium-sized capitalist holdings worked by wage-paid workers. But in other

regions, and, over the larger part of the interior of the south and of the islands, production is characterized by precarious peasant systems. Every estate, whether it is large or small or medium in size, in fact is divided into extremely small patches which are held each by a single peasant family under various kinds of arrangement, but for the most part in tenancy or by share-cropping agreements. These are the regions where the problem of land reform appears in its most urgent form, because the greater part of the land cultivated by peasants is in the hands of *borghesi*. The properties are sometimes large, but more often medium-sized and small, and the relationship between cultivator and proprietor is always a precarious short-period one—very often unfair, and such as to obstruct any process of change or improvement. In the southern part of continental Italy and in Sicily, these extensively cultivated regions occupy over 7 million hectares, of which a little less than 700,000 hectares belong to the extensive regions of the coast, mainly organized in medium-sized and large holdings cultivated with hired workers, while all the rest constitutes what I have proposed to call the *latifondo contadino* because of the prevalence of the types of relationship I have indicated above.

This feature of the south of Italy is one which Italy must change to-day at all costs if it is not to be swept into the category of uncivilized countries. Yet those who know the nature of the situation best are bound to conclude that the land reform which is to-day projected is in danger of aggravating rather than resolving the pathological condition from which this agriculture suffers. It is precisely in these vast regions of the interior, where it is most easy to demonstrate that patches of land, stripped off here and there in every commune from the larger properties, would be difficult to turn into healthy peasant properties of a family character without harm to the peasants as a whole. The most probable final outcome of an operation of this sort would be not the creation of a rational and progressive system, not the stabilization of the peasant on his land, but a state of disintegration which would mean further degradation of an agriculture already sufficiently retarded and backward. For a land reform to succeed in these regions, where the need for it is most evident, opponents of the government scheme believe that the operation should develop not along arbitrary lines which would result from a uniform application of uniform mechanical rules, but by means of carefully studied plans, methodically carried out. These would aim principally at curing the present dispersion of the peasant economy (which represents the most serious of the reasons for

the inferiority of this part of Italy), and would permit the expropriation of land *wherever necessary* without the obligation to do so everywhere, as the present project intends. The expropriation might indeed be on a much greater scale than that which the present project permits.

Enough ought by now to have been said to demonstrate that the disagreements between Italian agricultural economists in respect of land reform (apart of course from those which could be and are fed by the resistance of vested interests) are not about the desirability of land reform, but about the procedure by which such a reform could be carried out. It is difficult to say how this divergence of opinion (which naturally is already making itself felt among the politicians called upon to make the decisions) will be resolved. In the last analysis this divergence of view can be reduced to this: some maintain that it is possible and appropriate to use a uniform instrument of reform analogous to that used in other countries, particularly in eastern European countries, although with certain adaptations. Others, on the other hand, maintain that in view of the complex character of Italian agriculture, with its profound differences, there is indeed room for land reform, but that it should be brought into effect by means of procedures which themselves are complex and selective—that is to say, measures which would not run a fixed rule over every area, but would be based on a very detailed examination of each particular situation on a programme designed specifically for each, and would of course take great account of the prevalence of large and medium-sized estates; but they would be principally directed towards regions where the social problems were most acute, and towards regions where the future of agricultural systems based on owner-occupied holdings seemed most secure, or where modernization and agricultural improvement could not be expected from the present owners of land.

The supporters of the draft reform have an extremely strong argument in its favour, namely, that in view of the enormous resistance that land reform faces in Italy, it might only be possible to bring it about if the procedure is a uniform and mechanical one. If it had to depend on the working out of complex plans and programmes and of the setting up of organizations which, given the opportunity, would be likely to prove really effective, it would risk the fate of many similar initiations in the past of being bogged down without achieving anything. This argument certainly has considerable force, and if it were really valid it would certainly be preferable to put up with the inconveniences of the mechanical application of a reform to not

doing anything, because the situation, as will have been seen, is such that something must be done. On the other hand, however, I think that the risk of getting bogged down, and therefore of achieving little, is precisely what is implicit in the application of the uniform reform which is projected. In view of the fact that the reform is, according to its provisions, to extend over a period of ten years, and of the fact that it involves heavy expense both for the people who are going to be expropriated and for the process of establishing the new owners, there is every danger of it being abandoned, not only under the pressure of vested interests but also because (*a*) of the defects indicated above and (*b*) of the high cost of the operation. In any case the success of operations of this sort depends on the efficiency of the bodies created to put them into effect and of the men in charge; but if this is so it is difficult to see the usefulness of fettering the action of these organizations and these men with standards which are too rigid and which in too many cases cannot be conveniently applied. It would surely be better to furnish them with the necessary powers to carry out plans worked out by themselves on the principle of demanding most from those who have most and sparing those who, while having the greatest capacity to work, possess least. The sole objection which remains is that of juridical equity, but it is already too obvious that in the world of to-day this has been allowed to present too strong an obstacle to a solution based on technical and economic considerations. It ought to be sacrificed in the general interests of the whole community.

I should like to conclude by formulating certain considerations of a more general character which seem to me to arise out of the discussions at present taking place in Italy and which relate, so to speak, to the theoretical definition of the concept of land reform. The concept of land reform, where this is carried out, as all have been, by the application of a mechanical limit either of income or of area over which one is not allowed to possess land, is an idea which can be beneficially put into effect, even though it might involve temporary inconveniences, in situations where the land ownership system is primitive and where it is possible to make the land accessible only in this way to those forces which are alone able to modernize the farming. In other societies, as for instance is the case in our country, and as certainly is the case in many other countries with an ancient civilization in which the evolution of land ownership is extremely old and complex; where the private ownership of land has existed for a long time; where over long periods of time a series of processes of

adaptation between the system of land ownership and the organization of agricultural production have taken place; where apart from the peasants there exist in agriculture many other categories of owners and of agricultural *entrepreneurs* other than workers; and where the social disequilibriums and the pathological situations have more complex aspects and are aggravated by an excessive density of population; in such situations the concept of land reform is a concept which cannot be applied without modification unless it is to be accompanied by great uncertainty and excessive disturbance. Just as in medicine, complex conditions have to be cured by complex remedies; the primitive method of the lancet and poultice is of no use. The same may be said for the structure of land ownership. The study of this structure, a study which ought to be a specific field of activity for agricultural economists even more now than it has been in the past, ought always to precede any act of reform and ought to guide the carrying out of it, according to plans thoroughly studied in every detail, always provided, of course, that the new and more efficacious cure should be equally vigorous and equally capable of being applied in time; otherwise, just as in medicine, it is better to use the old empirical method. With what I have said, which naturally expresses only my personal opinion, I trust I have performed my task of outlining this difficult issue to you.

O. SCHILLER

Professor Rossi-Doria has given us a very clear and interesting picture of the theoretical basis of the Italian land reform. I would like to ask him if there is a law already in draft embodying the proposals he has outlined and criticized. On another question, I assume that most of the land coming under land reform is already used by peasants in the form of tenancy or in the form of *métayage*. Is it the intention only to change the *ownership* and leave the *occupancy* of the land as it is, or are there plans for new settlement?

M. ROSSI-DORIA

These are the ideas which have been discussed by the Minister, but no bill has been presented or even drafted. On the second question, Italy is about the most cultivated land in Europe. We cultivate not only the land that is cultivable but also some land that should not be cultivated. There is therefore hardly a scrap of land which is not occupied either by its owners or by tenants. In the latter case, the tenants and *métayers* should have the first right to become owners of the land they occupy. This is not such a simple matter, because a

holding of 15-20 hectares, for example, is needed to provide a living for a family in *métayage*, but would be too much for a family in ownership. On the other hand, it is very difficult to subdivide these holdings. That is one of the problems to be tackled.

A. C. RICHMOND

In this reform holdings will be provided for which new tenants will be required. Presumably some existing tenants will not be regarded as satisfactory, and therefore some new men will be introduced. Not only that. I understand that a certain amount of land is being reclaimed. That will be unoccupied land for which new peasants will be required. Those peasants will need capital; first of all, the funds to pay for the property, and secondly, the funds for equipping their holdings and for working capital. How will those funds be provided?

M. ROSSI-DORIA

Some new settlement and land-reclamation work is contemplated in these current ideas. It will, therefore, be necessary to find money not only to compensate those who are expropriated, but also to invest initial capital, which has been calculated at 300,000 lire per hectare. That is probably enough in most instances, but it would be difficult if the spending of more than that were forbidden in a peculiarly costly example. That is an argument for considering every plan on its merits.

W. KLATT

I should also like to ask a few questions on the actual position. I gather from the booklet which we were given at the beginning of the Conference that about 20 per cent. of the acreage is in the hands of property owners who have more than 250 acres or 100 hectares. I am not clear whether this is based on a farm census, i.e. on a census of farm units, or on a census of property units. I gather it is the former, and we know from other countries that the difference is usually quite sizeable. The land in the hands of landlords is probably considerably larger than the 20 per cent. which comes out of the farm census. Secondly, in this land reform, as Mr. Richmond has already said, there would be new settlers. I am wondering whether in the present proposals it is intended to give the land mainly to the *mezzadria* or to *baccianti* (the seasonal labourers) as well, and what proportion would it be of all the people who want to settle. A

similar question was raised the other day, and on an estimate I reckoned that at the best one could probably find land for between a million and a million and a half people, if the land reclamation targets were finally reached. I wonder whether one could say anything similar to give a rough figure of how many people are expected to be settled if the present land reform plans materialize, and from which source the new tenant would mainly be drawn—whether they would be mainly the *mezzadria* or mainly the *baccianti*.

M. ROSSI-DORIA

The statistics used by Professor Medici and his statisticians are of the distribution of *ownership* and not of the *size of holdings*. Where there are several holdings in the possession of one owner they are returned as one ownership. On the second question, I have dealt only with the one aspect of agrarian reform, namely, the transfer from one type of ownership to another. The other aspect of agrarian reform has been discussed at length in Italy recently, namely, the conditions of tenants and *mezzadria* and the regulation of their relations with the landlords. Agreement was reached a year ago that the shares in share-cropping contracts would be 43 per cent. to the owner, 53 per cent. to the cultivator, and the remaining 4 per cent. to be devoted to improvement of the holding. On the final point, the proposals at present being ventilated envisage that preference will be given to poor peasants. But, as I have said, that is not easy because of the large numbers to be provided for. The land that will be subdivided after expropriation is already occupied by peasants as share-croppers, and it would be difficult to evict them.

A. VANDELING

It may interest Professor Rossi-Doria that in the Netherlands tenancy is increasing. In 1930 50 per cent. of the land was in use by tenants, in 1940 54 per cent., and in 1948 57 per cent. From an economic point of view such an evolution is not necessarily bad, for tenancy in the Netherlands is the cheapest way of getting and using capital. A landowner in the Netherlands makes no more than 2 per cent. from his capital invested in land, and the farmer who becomes an owner has that much less capital to invest in machinery and other capital equipment. I would like to ask, therefore, if it would not have been less difficult for Italy to create (1) a new group tenancy law, and (2) more small economic farm units by dividing large estates but without altering ownership.

M. ROSSI-DORIA

The Netherlands experience is of great interest to us, although the conditions there are very different from Italy. A good land system ought to have both occupying ownership and tenancy. Some part of that is contemplated in the policy of which I have been speaking.

H. LAFORÊT

I would like to make a short comment on the problem of *métayage* of which Professor Rossi-Doria has spoken. In France we, too, have the system of land exploitation by share-cropping; it used to cover about half the farms at the beginning of the nineteenth century. But it has steadily decreased and now represents only 10 per cent. of the types of farming. With that decrease in number and in proportion, the share of the cropper has gone on increasing, giving to labour a better remuneration.

In 1945-6 a law was passed to give a statutory basis for tenancy and share-cropping systems. In the preamble of the Act it is stated that the share-cropping system has not the favour of the legislators and that on the demand of the share-cropper the contract can be changed to a rental basis. But the share-cropper rents not only the land from the landlord but generally also a part (usually a half) of the machines and the livestock; to become a farm renter the share-cropper must pay the landlord back his equipment. It is a problem of capital investment. The banks and the mutual credit co-operatives are unable to furnish to the would-be renters the necessary money. Realizing the impossibility, the law announces that where share-cropping persists 'in no case shall the share of the landlord exceed a third of the total products'. Usually the sharing was fifty-fifty but, very often, not all the products were included in the sharing.

In the wine-producing area of the Beaujolais we have a special type of *métayage* called *vigneronnage*. A farm unit for a share-cropper family is 5 hectares, of which 2 hectares are vineyards, 1 hectare is tillable land, and 2 hectares pasture. The share-cropper family can live on the 3 hectares and keep a cow for their personal needs, but only the wine is shared fifty-fifty, and the products of the 3 hectares not in vineyards belong entirely to the share-cropper. In fact, the sharing was already, before the law, in the proportion of one-third for the landlord and two-thirds for the labour.

In the grazing areas, the sharing is also fifty-fifty on the cattle only, but it must be remembered that generally one-half of the livestock belongs to the landlord, and with the present prices of meat it is a

very important sum of money. The share-cropper receives from the landlord the land and generally a half of the livestock, sometimes more. It is possible, therefore, to suggest that the rent of the land only is less than one-third of the products.

In fact it is difficult to say whether or not the law has brought a drastic change in the practice of sharing. The share-cropping system is a very flexible one and gives a great importance to local custom. The share-croppers in many places have utilized the law to obtain some amelioration of their share, e.g. the inclusion of a pig. The Act has merely followed the general long-time trend towards a better remuneration for labour.

S. FRAUENDORFER

As an old friend of this beautiful country Italy and its agricultural economists I am, of course, very curious to know something more about this much-talked-of land reform. I should have to ask at least a dozen questions, but in consideration of the late hour I limit myself to three. One is concerned with what we in Austria call *Kalte Bodenreform*, 'cold land reform'. By this term we mean a spontaneous movement of the peasants to acquire land from their own resources. I know from experience between the two world wars that in Italy this movement of spontaneous land acquisition was quite strong and substantial. I wonder—and this is my question—whether under the present circumstances this spontaneous acquisition of property on the part of the peasant is still as intensive as it used to be, or whether the present political climate, and perhaps also the inflation, have exercised some influence on this movement.

My second question is much shorter but perhaps a little bit more difficult to answer. The formation of small-scale ownership through the eventual agrarian reform in Italy is likely to increase production of those agricultural products which are specifically adapted for small-scale cultivation, i.e. perishable products, vines, fruits, legumes, vegetables, and so on. These, I think, are already difficult to market at home or to export. The proposed agrarian reform might be dangerous by creating a surplus of agricultural products which are hard to export. Is this a consideration to be kept in mind and which might influence the agrarian reform movement?

And now the last question, which concerns land reclamation and land development in Italy. I think, at least in the south of Italy, agrarian reform or land reform is subordinated to the land reclamation scheme; that is, the providing of water in those zones where humidity is one of the main limiting factors of agricultural production.

I wonder whether the financing of land reclamation, irrigation work, and so on, is likely to be assisted by means provided by the Marshall Plan.

M. ROSSI-DORIA

I shall take Dr. Frauendorfer's questions one by one. First, the movement has not now the force it had in the earlier post-war period, mainly as a result of the period of inflation. But there is a movement, and the government's proposals for land reform intend that it should be promoted. The owners who are liable to expropriation can have three years in which to dispose of the land to the peasants. The voluntary purchase by peasants is a good way, but I do not think too much can be hoped for in this way. The Italian peasant has not enough money.

Second, Dr. Frauendorfer has pointed to a dangerous situation which might arise. New vineyards established in this way would be in a bad position when a market crisis occurred.

Finally, on his last question, there are lands both in southern and northern Italy that can produce much more if they were reclaimed or irrigated, and it is a new development that these projects can be undertaken by means of the Marshall Plan. I know many such projects in the south of Italy and the work is going on very speedily and earnestly, and I expect a lot from this development. But again it is clear that there are difficulties in proceeding on one general plan for the whole country instead of by particular plans specially adapted to the conditions of each area.