

Land Reform in Italy

by

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I - The Basis of the Land Reform.

I. General.

The modern tendency is to split up landed property, to do away with the restrictions which hinder its transfer, and to free the tillers of the soil, not only in the legal but also in the economic sense. This movement has been proceeding throughout Western Europe since the middle of the eighteenth century, and is still going on to-day (1). A large part in it has been played by Italy, from which indeed the impulse has often come — particularly, for instance, during the period of « enlightened despotism » under Maria Theresa in Lombardy and Venetia, and under the house of Lorraine in Tuscany. Not only there, but also in the Papal States and in the Kingdom of the Two Sicilies one finds, at least in the minds of thinkers, a great desire for reform of the system of land tenure.

However, although the movement was quick to start in Italy, it went forward slowly, especially in certain areas, because of the difficulty which has always beset economic and social progress in our country. There were

certain regions, mostly but not entirely in the north and centre of Italy, where, thanks to a substantial middle class of farmers with a will of their own, and to other energetic groups among the peasants, there came into existence one of the most productive and most nearly perfect systems of land tenure and farming that have ever existed in the world. By way of contrast there were other districts, mainly, but by no means only, in the south and in the islands of Sicily and Sardinia, where agriculture remained stagnant. There, large estates were still the rule; farming by extensive methods was still practised; progress in the art or science of cultivation was slow in the extreme; and the farm labourers, although by law free and emancipated, were in fact still in a state of economic subjection, quite unable to act on their own behalf, and forced to live and work in the most wretched conditions.

The feudal system was brought to an end, at least in the south, only by the rule of Napoleon; and even then the change was to a great extent merely one of form, while the facts remained the same (2).

(2) See the book by SIDNEY SONNINO (*I contadini in Sicilia*, Firenze, 1877) who points this out with much acumen. For a similar state of affairs in Russia one may refer to the apt state-

In the course of time the difference between the two halves of rural Italy became even sharper. Rapid progress was made in the valley of the Po, in Tuscany, in the Marches, in the coastal regions of Apulia, in Campania, and even in some districts around the shores of Sicily. Elsewhere progress was slow in the extreme, for instance in the drained marshlands of the Po delta, in the Maremma (former marshes) of Tuscany and Latium, in the interior of Apulia, in the lands bordering the Ionian Sea, in Sicily away from the coast, and in Sardinia.

On the other hand, the growth in population caused the problems of employment and production on the land to become constantly more acute. It is true that emigration afforded an outlet for many millions of Italians, especially between 1890 and 1910, and this improved the position of those who remained at home. However, even though emigration did something to help in the most desperate cases, it can clearly never be the sole solution to Italy's farming problems.

The fact is that Italy is not a free agent in this matter, and never has been. It is in a strait jacket formed by the forces of nature, by the size of its population, by its meagre industrial resources, and even by the tangled state of world affairs. As matters stand, there is indeed little hope of any return to free movement of goods and people, or of establishing a policy of intensive exploitation of the country's soil, in such a way as to increase its produce and to create surer prospects of employment for the great, uneasy peasant masses.

From the passing of the swamp drainage law in 1882 until 1950 the main feature of Italy's policy, which has been largely a matter of Hobson's choice, has been land reclamation. This is an immense long-term project, and is governed by the basic law of 13th Fe-

ment by Turgenev in *Fathers and Sons*, where he wrote that the famous abolition of serfdom in 1861 produced no result except a change of names. Before then one had 3,000 souls; afterwards one used to say that one had 3,000 peasants. But there was no real change in their condition. They were still in the same state of economic subjection and personal slavery. See also BANDINI, *Politica Agraria*, Bologna, 1947.

bruary, 1933. While this project has passed through certain periods of headlong advance, and others when there was no advance at all, it can on the whole be said to have led to substantial progress in farming; and much is still expected of it by the farmers of Italy (3).

After the second world war, however, it became evident in many areas that no great improvement could be expected unless steps were first taken to change the prevailing system of land tenure, the essential need being to split up the large estates. There seems in fact to be no doubt that certain forms of land tenure, which are preserved simply by tradition or by the spirit of caste, are the chief obstacle to the creation of those types of farm which economic science has shown to be the best. It is also clear that, in the more backward areas of Italy, the slowness and difficulty of land reclamation have been due to the bad system of land tenure. This of course applies only to one part of Italy, and not to the larger areas where farming is progressive, and where the landlords in the main have done their duty.

2. The Size of Land Holdings and Farms.

According to the inquiry conducted by the National Institute of Agricultural Economy, which relates to the years immediately following the war, landownership of Italy is distributed as follows:

Holdings of less than 2 hectares	17.4 per cent
» » 2 to 5 hectares	13.6 » »
» » 5 » 10 »	10.6 » »
» » 10 » 25 »	13.6 » »
» » 25 » 50 »	9.7 » »
» » 50 » 100 »	9.1 » »
» » 100 » 200 »	8.3 » »
» » 200 » 500 »	9.0 » »
» » 500 » 1000 »	4.5 » »
» » over 1000 »	4.2 » »

The large estates are still concentrated in certain particular regions. This can be seen from the following table, in which the country

(3) ARRIGO SERPIERI, *La bonifica*, Edizioni agricole, Bologna, 1950.

(1) HENRY SÉE, *Esquisse d'une histoire du régime agraire en Europe*, Paris, 1921.

is divided into nine areas, each having its own characteristics:

	Small Holdings	Medium Holdings	Large Holdings
	(Percent of total number)		
Alpine Region . . .	94.3	5.6	0.1
Liguria	94.6	5.4	—
North Italian Uplands	75.0	21.8	3.2
Plain of the Po . . .	35.6	47.5	16.9
Apennines	78.7	17.7	3.6
Central Italy	50.8	36.6	12.6
Southern Italy	64.8	26.5	8.7
Sicily	61.6	28.7	9.7
Sardinia	86.6	13.1	0.3

The basis of the classification of the holdings into small, medium and large is that of the assessed land income.

Of the total land area of Italy, 27.64 million hectares are productive. This figure can be broken down between the different types of farm as follows:

	Total	Large Farms	Medium Farms	Small Farms
	(Thousand of hectares)			
North . . .	10,362	1,041	3,166	5,859
Centre . . .	5,532	788	1,661	2,334
South . . .	6,986	656	2,020	3,785
Islands . . .	4,756	366	1,209	3,027
Total . . .	27,636	2,852	8,056	15,006

The productive area can be divided as follows, according to the types of people cultivating it:

	Per cent
Peasants owning the land	33.9
» renting the land	18.7
Share-croppers	22.0
Cooperatives	3.2
Hired workers	22.2

Hence the large farms, like the large estates, account for only a limited portion of the land of Italy.

It is however worth remarking that the large farms are concentrated in certain regions, more particularly in those where the progress in farming has been slowest. As we shall see, the areas which have been specially selected for the application of land reform are those where there are most of the large estates and farms, and where farming is conducted on extensive lines.

3. Economic Reasons for Land Reform.

The contrast between the economy and production of those areas in Italy where farming is extensive, and those where it is intensive, can be largely but not entirely explained by the effect of the climate. There is no doubt that the south and the islands, where most of the large estates are found, are subject to drought, and have a prevalently beany clayey soil, with little natural fertility. On the other hand, it must be remembered that modern technology has found many ways to improve even soils such as these by the use of irrigation as well as dry farming, by deep ploughing in summer so as to hold the winter rains, by preventing soil erosion and the like. The question which needs an answer is why modern farming technique has not had a proper chance in these areas.

The reasons have their roots in past history (4). One reason is that, mainly because of malaria, the farm workers have left the flat, open country and have congregated in very large villages, often containing a peasant population of 40,000 or 50,000 who live as much as 9 or 10 miles from their work. In such conditions no improvement is possible. That is why the great estates have so few of the things which they ought to have, whether it be roads, houses, water supply, drainage or stream control. The land is divided between grain crops and pasturage for the sheep, the yields per hectare being very small. The peasant in his village usually has no more than two or three small rooms (frequently only one), where he lives with his family and his mule, which is his only animal, used for work and transport

(4) MANLIO ROSSI-DORIA, *Riforma agraria e azione meridionalista*, Edizioni Agricole, Bologna.

of every kind. It is these facts, rather than the nature of the soil or climate, which explain the backwardness of farming in these regions.

There remains however one basic cause of the trouble, and that is the system of land ownership. The landlords who own the great estates are almost always absentees. They live far from their land, in Naples, Rome, or Milan, and they see it only at rare and irregular intervals. In nearly every case they lease the land to a kind of sub-landlord known as a «gabelloto», who in his turn lets it to peasants, trying to squeeze the most out of them as well as out of the owners.

The result is that the landlords do not look after their estates themselves, although they regard them as family property which it would be wrong to sell. By letting out the land they obtain incomes large enough to enable them to live in good style, and that is all that they care about. They have little ready cash to spend on improvements; but the tradition of their family, often aristocratic, prevents them from selling any of the land and employing the proceeds to better the rest of it.

The fact is that we have to do with a system of land tenure which undoubtedly obstructs progress in farming, because it results in lack of resources, while energy and technical ability are a discount. Clearly this obstacle is much greater than that represented by the climate or the soil.

We may agree that the land and the farming of it are at present in the hands of a class of incapable people. But, before we can decide what course to adopt, we must be sure that there is in existence a class of rural entrepreneurs more capable than the present. Since there is no effective group of middle-class farmers in the districts in question, there would appear to be nobody except the peasants who can take the place of the present owners. The question is whether these peasants are able to carry on the business of farming better than the landlords whom they now have.

Some decades ago there might well have been doubts on this point. The peasants in the backward areas, although a tough race of tillers of the soil with many enviable qualities, were certainly far from having the same openness of mind as the farming population else-

where in Italy, or the same skill at their trade. Now, however, many things have changed. The war has had a deep effect on the peasant mind. It showed him machines, and made him want them; and it put a premium on individual initiative and the spirit of independence. Today we can safely assume that in most parts of Italy, if the peasants became responsible for farming, that would tend to promote economic progress rather than to retard it. It would do so still more if the reform scheme provides, in the way described below, for raising the peasants' general level and for giving technical help to the new farms.

The basis for raising the level of farming in Italy will have to be a system of land tenure resting on a foundation of middle-sized farmers and peasant owners, in a ratio which we might put, for present purposes, at one to two. There is at present an irresistible tendency for these two types of farmers to become more numerous, that being indeed the direction in which our whole rural economy is developing (5). This development however is running, as it were, in a slow stream which is meeting many barriers. One of these is the general objection to change; another is the tradition among the great landowners, which makes them resist the sale of their land at all costs; yet another is the easier life which can be lived with extensive farming, as compared with the hard daily toil that is required for changing the face of the land and farming intensively.

In its economic aspects, land reform must aim at overcoming these barriers. This is no revolutionary move against the natural tide of events; it is a policy designed to speed a change that is already proceeding, to reach results more rapidly, and to clear away the obstacles which prevent progress in agriculture.

(5) The fact that the Italian countryside is naturally suited to farms of small and medium size is one that has been pointed out by our greatest scholars. They have also shown most clearly how the continued existence of great estates, with extensive methods of farming, arises from factors which do nothing to benefit either our economy, or the individuals within it, or the nation as a whole.

The case is well stated by STEFANO JACINI in the well-known final Report on the Land Inquiry of 1877: «Italy is *par excellence*, the country of small and medium holdings. If these are not found universally, that is due to economic causes which cannot be other than transient».

4. Social Reasons for Land Reform.

Much emphasis is laid on the social arguments for land reform, and no doubt these are many and cogent. Yet we have a deep conviction that no social advance can ever be securely consolidated unless the economic foundations of the reform which gave rise to it are well laid. What is needed from the economic point of view is to use more intensive farming methods in the backward areas, in such a way as to achieve greater total production (6).

The social arguments for the reform, as we see it, mainly consist of the need to establish more stable conditions of life and employment among the peasant masses in the backward regions. It is not only that these people still continue, as they have always done, to live at starvation level. In addition, they are constantly afflicted by unemployment, many farm labourers thinking themselves lucky if they can get 130 to 150 days' work in the year; and it may be said that their very existence utterly depends on the will of others. The dwellings which they have in the great villages that are typical of the areas of the large estates are primitive in the extreme. In many cases the mule is the sole possession of the family. The distance at which they live from their place of work prevents improvements in housing conditions. It would not be far wrong to say that two-thirds of the rural labour force are wasted, partly by seasonal unemployment, and partly by the time spent in daily journeys to and from the fields (7). If these labourers could be brought to live closer to the land which they work, the result should be to

(6) The nature of the link between economic and social factors in this matter is clearly stated in the most important writings of Italian economists who have dealt with the subject of land reform. See, for instance, SERPIERI's, *La riforma agraria in Italia*; MEDICI's, *L'agricoltura e la riforma agraria*; *La riforma agraria quale redistribuzione della proprietà*, by BANDINI, BOLLA, SERPIERI and RUINI.

(7) These special but fundamental aspects of farming in the south are well described by MAZZOCCHI ALEMANNI. He is convinced supporter of the policy of bringing the southern peasants out of their great villages, and putting them closer to the land which they work. In his view, this should be done by energetically building fresh settlements. These should be quite different from the present monstrous warrens; but it would be wrong to go at once to the other extreme of isolated houses, such as are found in Tuscany, Emilia and the Marches. Before people can live in such houses there must first be a close network

improve the land — the only way to solve the social problem.

The really basic social problem of the reform is how to ensure continuous work for the peasants. This is a highly complicated problem, because it involves a complete change of the countryside. Not only must new villages be built, and new houses to bring the peasants nearer to their land; in addition it is necessary to build roads, to provide water, to fight malaria, to found hospitals and create social services, to educate, to raise the level of technical methods, and to do many other such things.

The peasants in the backward regions, who are always short of the most elementary necessities of life, are an uneasy and unruly class of people, and quickly fall a prey to demagogues who promise the moon. The result is that from the social and political point of view, not by any real fault of their own, they are continually giving rise to the greatest anxiety and doubts. If we can change these wretched, discontented and troublesome masses into a rural population that is at least sure of a living and sure of work, we shall be doing much to promote social tranquillity in many parts of Italy.

We must certainly not cherish any illusion that land reform can solve every problem, nor even that it is a magic wand which can rapidly solve those that we have discussed. Much has to be done in many directions. There must be public works, and land reclamation; better communications must be established, there must be schools for both general and technical education; the excess population must be enabled to migrate to other parts of Italy or to foreign countries. Land reform does, however, offer one of the most powerful means of promoting social improvement among these peasant masses — and that is a task which must be carried out.

of transport and other services, as well as vigorous economic life, and these are things which need time to develop.

Mazzocchi is a man of great ability and wide experience in southern land reclamation. His argument has done much to dispel the cult of the isolated house, which has been the main feature in many past land settlement schemes and has given many of them a wrong start. It may incidentally be added that the basic peasant community throughout most of Europe is the small village.

II. - Land Reform Laws.

1. General.

A draft law on the general subject of land reform in the country has been presented to the Italian Senate by the Minister of Agriculture. This draft law has not yet been discussed in Parliament, nor is it yet known when it will be. However, in order not to hold up land reform too long in the areas where it is most urgent, three special laws have been enacted, and these are in full force, namely:

(a) The law known as the «Sila» Law, named after the mountains in north Calabria. This lays down the lines of land reform for Sila proper and in those eastern parts of Calabria which adjoin the Ionian Sea. It was enacted on May 12, 1950.

(b) Law No. 841 of 21st October, 1950. This is the «Extract» Law, the purpose of which is to anticipate the general land reform law in the areas where this is most urgently needed. It empowers the Government to define by decree the regions to which the law is to apply.

(c) The Law of December 27, 1950, which was issued by the Regional Government of Sicily. This is in the nature of a general law applying to the whole of that island.

The «Sila» Law differs from the «Extract» Law mainly in the procedure for expropriating land. Under the «Sila» Law all land held by one owner in excess of 300 hectares may be expropriated, in so far as it has not already been subjected to intensive methods of cultivation. The local law for Sicily lays down more complex rules; but it too exempts land which is intensively cultivated, and it provides detailed procedure for expropriation, as well as for appeals.

For practical purposes the «Extract» Law is the basic law at present in force. We shall therefore deal with it in detail, making only incidental references to the other two laws.

2. The «Extract» Law.

This law is the work of Antonio Segni, Minister of Agriculture from 1946 to 1951. Its main provisions are as follows:

(a) Italian landed property, as it stood on 15th November 1949, in areas to be fixed by the Government, is made subject to expropriation to a greater or lesser extent, depending on the size of the property and the degree of intensity with which it is farmed.

The criterion for measuring the size of the property is the cadastral (*i.e.* taxable) assessed income. This represents the value of the property in terms of pre-war lira, which was worth approximately 20 to the dollar. Small properties are taken to be those with an assessed income of less than 10,000 lire; medium-sized 10,000 to 50,000; medium large from 50,000 to 100,000; large from 100,000 to 500,000; and the largest are those having an assessed income of more than 500,000 lire.

The intensity of cultivation is measured by the average assessed income per hectare. Properties having an assessed income of more than 700 lire per hectare are regarded as intensively cultivated; those with assessed incomes from 400 to 700 lire as average; and those with an assessed income of less than 400 lire per hectare are considered to be extensively cultivated.

Expropriation is carried out on the basis of the percentages shown in the Table I.

The Agencies authorized to carry out the land reform have to publish their expropriation tables on the basis of this law. The percentage of assessed income to be given up is fixed by the schedule annexed to the law; but the percentage of actual area expropriated may nevertheless vary according to the principles adopted by the Agencies. They may, for instance, expropriate land having a low assessed income, and therefore of greater area, or land with a high assessed income and a smaller area. The percentages expropriated will therefore vary according to a number of different factors. However, in the four extreme cases possible it may be assumed as a rough guide that they will be about as follows:

Medium large intensive	20-30 %
» » extensive	45-50 %
Large and largest, intensive	50-55 %
» » » extensive	70-80 %

It must further be borne in mind that, in calculating the expropriation, account is taken of all the property owned by each person, whether inside or outside the limits of the regions subject to the « Extract » Law. The actual expropriation is however confined to those regions, even if the property there does

not amount to the whole of what could be expropriated. The result is that for some owners the whole of their property in the « Extract » region will be expropriated (8).

(8) The Council of State, Italy's highest administrative court, however, ruled recently that, while this is correct for the « Sila » law, the wording of the « extract » law does not

TABLE I

SECTION A. — PERCENTAGES TO BE EXPROPRIATED, ACCORDING TO ASSESSED INCOME CLASSES
(SCHEDULE ANNEXED TO LAW No. 841 OF 21st OCTOBER, 1950)

Average Assessed Income per Hectare (Lire)		1,000 and over	900	800	700	600	500	400	300	200	100 and under
(Percentages to be expropriated)											
Over 30,000 up to 60,000		—	—	—	—	0	15	30	55	70	70
» 60,000 » » 100,000		—	—	—	0	10	30	60	70	85	85
» 100,000 » » 200,000		35	40	47	55	60	65	70	75	84	90
» 200,000 » » 300,000		45	50	55	60	65	70	75	80	87	95
» 300,000 » » 400,000		52	57	60	65	70	75	80	85	90	95
» 400,000 » » 500,000		60	64	66	71	76	80	85	90	95	95
» 500,000 » » 600,000		64	70	76	78	80	85	90	95	95	95
» 600,000 » » 700,000		68	74	79	82	85	90	95	95	95	95
» 700,000 » » 800,000		72	78	82	85	90	95	95	95	95	95
» 800,000 » » 900,000		76	82	86	90	93	95	95	95	95	95
» 900,000 » » 1,000,000		82	86	90	93	95	95	95	95	95	95
» 1,000,000 » » 1,200,000		90	92	95	95	95	95	95	95	95	95
Over 1,200,000		95	95	95	95	95	95	95	95	95	95

SECTION B. — PERCENTAGES TO BE EXPROPRIATED, FOR PROPERTIES HAVING AN AVERAGE ASSESSED INCOME PER HECTARE OF LESS THAN 100 LIRE

1. — Properties having an assessed income up to L. 60,000

2. — Properties having an assessed income over L. 60,000 up to L. 100,000

3. — Properties having an assessed income over L. 100,000

Assessed Income Classes (Lire)	% to be expropriated	Assessed Income Classes (Lire)	% to be expropriated	Assessed Income Classes (Lire)	% to be expropriated
Up to 20,000	—	Up to 10,000	—	From 1 to 60,000	70
Over 20,000 up to 60,000	70	Over 10,000 up to 60,000	70	Over 60,000 up to 100,000	85
		Over 60,000 up to 100,000	85	Over 100,000 up to 200,000	90
				Over 200,000	95

Notes. — 1. The basis of the table is the total assessed income classes, as indicated in the first column.

2. For average assessed incomes per hectare of intermediate amount the percentages will be calculated by linear interpolation.

3. For total assessed income classes over 1,200,000-lire the percentages indicated in the last line will be applied.

4. For properties having an assessed income per hectare of less than 100 lire the percentages in the last column will be applied.

5. For properties having an assessed income per hectare of over 1,000 lire the percentages applied will be those in the column « 1,000 and over ».

6. For all properties having an average assessed income per hectare of less than 100 lire, expropriation begins from 20,000 lire of total assessed income; for the step from 20,000 to 30,000 lire the percentage of expropriation will be that shown in the last column for the 30,000 to 60,000 lire class.

7. For properties having an average assessed income per hectare of less than 100 lire, and a total income of over 60,000 lire, expropriation begins from 10,000 lire; for similar properties having a total income of over 100,000 lire, expropriation begins from 1 lira. In such cases, for the step up to 60,000 lire, the percentage of expropriation is that shown in the table for the 30,000 to 60,000 lire class.

(b) The landowners are entitled to retain one-third of the land which might be expropriated from them, provided that they undertake to carry out intensive farming and radical improvements on it. Once he has carried out these improvements, the owner may keep half of the one-third in question, but must give up the other half to the reform Agency, against repayment of the expenditure which he has incurred through the improvements.

(c) Under Article 10 of the Law certain lands are exempted from expropriation if they are in the nature of well organised and efficient « model » farms. Some of the criteria used for determining this are: (a) the existence of stable tenure relations; (b) crop yields at least 40 per cent above the average for the district; (c) an average labour input of not less than 0.30 man-units per hectare; (d) superior economic and social conditions for the workers; (e) sanitary conditions of the workers' or tenants' dwellings.

(d) The compensation paid for expropriated land is equal to the value as assessed for purposes of the extraordinary property tax enacted in 1947. It is paid in 25 — year 5% Government bonds.

(e) The land expropriated is allocated, within three years from the date of expropriation, to those peasants who are entitled to it. The peasants to whom it is allocated must pay for the land which they receive according to the formula:

$$V_0 + (M - C) \frac{2}{3} = S$$

V_0 being the value of the expropriated land (generally a good deal below the market price); M the cost of the improvements carried out by the Agency (including buildings); C the usual amount of Government subsidies for these improvements (generally about 38% of the cost). The whole amount, S , is the maximum to be paid by the peasant in 30 years with interest at 3.5%.

(f) To finance the reform, the Government has allocated a total of 35,000 million

lire per annum for ten years. Of this amount, 28,000 million are to be obtained from the operation of the newly established « Fund for Southern Italy », and 7,000 million from that of the similar law for depressed areas of Central and Northern Italy. In addition 15,000 million lire were already allocated for implementing the « Sila » Law over a period of six years. The total of the sums to be invested in the reform is thus 365,000 million lire the equivalent of about 550 million dollars.

The question is whether these funds will be enough for the purpose.

Our own view is that if they are taken as a whole over the period of ten years covered by the law, that is to say, from the fiscal year 1949/50 to 1958/59, the sums allocated are sufficient for carrying out this great undertaking, with all the development works which it entails. It must be remembered that the amounts allocated will be increased by the redemption payments to be made by the peasants who receive land, and that in the course of the ten years these will add about 20% or 25% to the total.

There are however certain years in which the funds available will be definitely less than the expenditure for which commitments have been accepted. By and large it may be estimated that during the first three financial years, 1950/51, 1951/52 and 1952/53, the expenditure will be less than money available; but during the next three years, 1952/53 through 1954/55, the expenditure will greatly exceed the prospective budget, and the first three years' savings will not be enough to cover the gap. During the last four fiscal years the requirements will be equal to only a small part of the appropriations.

The success of the reform therefore depends on a large-scale banking operation, which will have to take the form of discounting the sums due to be received by the Government, or the authorities in charge of the scheme, during future years. What is required is a working fund of the order of altogether 60 to 80 million dollars, that being the amount needed if the reform is to achieve quick results in an economical manner.

allow this interpretation. The Government has appealed to the Court of Cassation and the Senate Agriculture Committee is considering an interpretive bill.

3. Delimitation of Areas and Constitution of Land Reform Agencies.

By a series of decrees the Agencies empowered carry out the land reform have been set up, and the areas to be covered by each of these corporations under the « Extract » Law have been defined. It should be observed that in certain cases, for reasons of economy, use has been made of existing institutions, which have set up special departments to deal with matters related to the land reform. The areas covered are shown in the attached map, and are as follows:

AREA 1. Po Delta. — A special Agency with headquarters at Bologna covers the defined areas of Emilia and Venetia.

AREA 2. The « Maremma » of Tuscany and Latium and Lake Fucino. — A special Agency located in Rome covers certain areas of Tuscany and Latium. It will also deal with land reform in the area of the drained basin of Lake Fucino in the Abruzzi.

AREA 3. Coastal plains of the Sele and Volturno. — A special section of the War Veterans Agency (O.N.C.), with its office at Naples, covers the defined areas of Campania.

AREA 4. Apulia and Lucania. — These are covered by a special section of the Irrigation and Land Development Agency for Apulia and Lucania, with headquarters at Bari.

AREA 5. Calabria. — This is covered by the organisation set up under the « Sila » Law, with headquarters at Cosenza. The small attached enclave of Caulonia (see the map) comes under a special department of the « Sila » organisation, but is governed by the « Stralcio » rather than the « Sila » Law.

AREA 6. Sicily. — Under the special law of Sicily. The work is handled by the sicilian Land Reform Agency at Palermo.

AREA 7. Sardinia. — This comes under a special Sardinian Land Reform agency, with headquarters at Cagliari. The Southern part of Sardinia is covered by a special section of the already existing Flumendosa Agency.

All the Agencies or sections of Agencies mentioned above are under the supervision of the Ministry of Agriculture, which coordinates their activities. This Ministry also appoints the Chairmen, General Managers and members of the Board of Directors.

Under these decrees, all of which were enacted towards the end of 1950 or at the beginning of 1951, the work of land reform has already begun. We shall now see how it is proceeding, and what are the plans for the future.

III. - Implementation of the Land Reform.

The land reform has to be put into practical effect in three stages, as follows:

- 1) expropriation of the land;
- 2) allocation of the land to the new peasant owners, and development;
- 3) organisation and maintenance of the peasant holdings so formed.

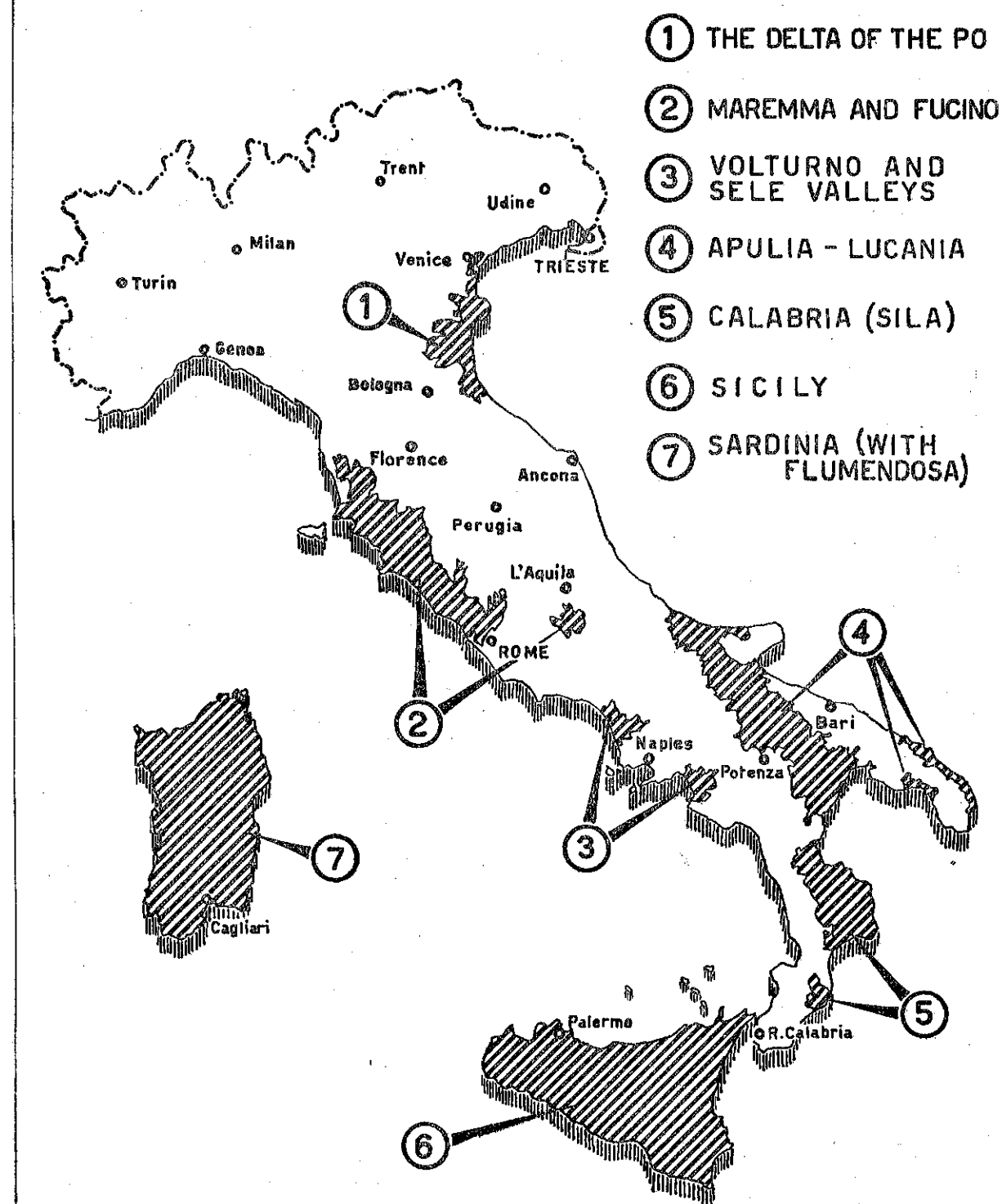
The work of the Land Reform Agencies is divided into the same three stages. At the outset they concentrated virtually all their efforts and all their staff on the first. At present the second stage is becoming more important, and will take up most of the next three or four years. During this period planning will be carried out for the third stage, which however has already begun in the « Sila » Agency, because this was the first to be set up and is therefore further ahead with its work than are the others. We may now examine the work in the three stages.

First Phase - Expropriation.

The Land Reform Agencies are required to publish detailed expropriation « plans » for the affected properties. This has entailed much hard work, since it was necessary to identify the holdings of land belonging to each individual anywhere in Italy, and then to add all these holdings together (9). In addition, the land register records had to be checked

(9) To appreciate the work this involved, it must be realised that an alphabetical list had to be compiled for some thirty provinces, showing all holdings with an assessed income of 5,000 lire or more. Each province then had to send a copy of this

THE AREAS AFFECTED BY THE AGRARIAN LAND REFORM



for every holding, and steps had to be taken to define how much was to be expropriated to make up the percentage laid down in the schedule annexed to the law.

The Ministry of Agriculture instructed the land reform agencies to take care that, when making out their expropriation lists, they should, wherever possible, allow the owners to keep any well-organised parcels of land, such as might serve to form efficient farms. The agencies were definitely not to expropriate only the best land, or that which was most intensively worked, but were rather to concentrate on those pieces of land which could best be improved by the agency or by the peasants to whom the land might be allocated. The intention was, of course, to put the main emphasis on the improvement of agriculture, which is one of the essential objects of the reform.

The law required that the expropriation lists must be published by December 31, 1951. All the land reform agencies met this deadline, and the lists have been published in full, while those concerned have been notified. Expropriation plans covering the following area were published:

	Hectares
Po Delta	62,569
Maremma of Tuscany, Latium and Fucino Lake	237,569
Sele and Volturno Basins	10,381
Apulia and Lucania	208,572
Calabria	81,203
Sardinia (including Flumendosa)	75,312
Sicily	27,804
	703,400

It should be mentioned that the deadline has been extended in those districts in the Po Delta which were recently flooded, amounting to a total of about 4,000 hectares. In addition, the local Sicilian law allows more time for the publication of lists, and it is claimed that

list to all 91 provinces, and to collect from them any extracts from the land registers showing other holdings under the same name. This meant that some hundreds of thousands of sets of papers had to be sent through the mails. In addition, the position of each individual had to be calculated by working out his share of any land which he held jointly with other persons, and adding this to his personal holdings.

this will result in bringing the total for Sicily up to 100,000 hectares within a few months. Finally, the Land Reform Agency for Sardinia has power to operate on land previously expropriated by another agency previously in existence: this body is now transferring to the Sardinian Land Reform Agency about 30,000 hectares which it had expropriated. As the result of all this, it may be expected that the expropriations will reach a total of 800,000 hectares.

However, not all of this land will in actual fact be expropriated. There are certainly some errors in the lists, and these are now in the course of being corrected. One must also allow for the exemptions to be granted to «model» farms, as well as for applications by landowners to be allowed themselves to improve one-third of their land. It would be reasonable to estimate, on present evidence, that the final total extent of the land to be handled by the agencies will be about 600,000 hectares on the mainland of Italy and in Sardinia, and 100,000 hectares in Sicily. The first of these figures is quite reliable, but the second is less so, because, as already mentioned, the work in Sicily is progressing slowly.

Once all the possibilities of appeal, or of exemptions for «model» farms, have been exhausted, and after any errors discovered have been put right, the Government proceeds to issue the expropriation decrees. It is these which will cause the actual transfer of the land from the private owners to the agencies, and they must be published by 31st December, 1952. This means in fact that the taking over of the land by the agencies will proceed gradually throughout this year. The expropriation decrees so far published relate to the following areas:

	Hectares
Po Delta	4,550
Maremma of Tuscany, Latium, and Fucino Lake	56,768
Campania	216
Apulia and Lucania	62,999
Calabria	73,274
Sardinia	3,935
	201,742

The agencies are now hard at work taking over these properties, and valuing the equipment and stock on them. All that is actually expropriated is the land and buildings; as to the livestock, machinery, equipment, seeds and so forth, agreements can be made between the landowner and the agency. As a rule, about three months elapse after the publication of the expropriation decrees before the properties are completely taken over. It therefore seems likely that the whole of the expropriated land will have been taken over by the agencies by Spring 1953.

Phase 2. - Distribution of the Land and Creation of New Farms.

The land taken over by the agencies has to be transferred to the peasants within a maximum period of three years. It is, however, clear that the transfer will take place more quickly. In fact, in various parts of Italy the first parcels of land have already been transferred to the peasants. Two important problems are what improvements should be made in the expropriated land, and what criteria should be applied in allocating it.

a) Land development.

The basic principle is that the land reform scheme shall provide only the indispensable minimum improvements required for settling the peasants families on the land. It will be for the peasants themselves to complete and supplement such improvements, while the agencies will give them technical assistance by providing plans and expert advisers. The peasants may receive contributions towards the cost of the work they carry out with their own labour, and may even be granted certain credits. But it is certainly not intended that they shall find the farm, the house and planting operations already completed by the agency before they come in.

This proposed method of action has the following considerable advantages:

1. It does not lay down from the outset that production must take place on rigid and unchanging lines. Instead, it creates the first

framework for farming operations, which can be filled in later in the light of experience.

2. The funds available can be used to better advantage. Since perfection is not the aim, more improvements can be started, to the benefit of all the new owners.

3. From the very outset the peasant is given an interest in better farming. Instead of passively receiving land already completely improved, he collaborates from the start in the work of reform.

It is clear that during the first few years the return from the peasant holdings will not be enough to support the family and allow them to work solely to the improvement of their land. This will be the case particularly where the peasant engages in the cultivation of vineyards, olives, almonds, citrus fruits and the like, because in such a case several years will elapse before he is independent. During that period, however, he will be able to supplement his income by working on the improvement schemes sponsored by the land reform agency.

The successive stages of the reform, from the point of view of the peasant families, will be as follows:

Stage 1. The agency will carry out the basic drainage and other improvement works, paying for these in full, and using so far as possible the labour of the peasants to whom the land is to be assigned; it will pay them normal wages.

Stage 2. The peasants will be established on the land. They will collect such produce as it can yield in its initial state, and will assist in the improvement works which the agency will effect on the land assigned to them. At this stage the peasants may either be paid in cash for their work, or their labour may be taken in payment for the machinery, seeds and livestock with which they have been provided.

Stage 3. The peasants will carry out further improvement works on their own initiative, with technical help from the agency, which, however, will grant them partial subsidies on account of the work done.

Stage 4. The improvement works will have produced their full effect, and the peasants will be living on the fruits of their own work.

There is one important comment to make with regard to the nature of the improvement works which are to be carried out. The essential principle is that they must yield a sure and quick return, since the object of the reform is to raise the level of productivity of the land. Care will therefore be taken to avoid starting works that are of secondary importance, or which will merely serve to beautify the property. The intention is that the peasants shall steadily rise in the social and economic scale through their own work and self-sacrifice. Therefore they are to be given nothing that is superfluous. They will know from the start that if things go badly through their fault, nobody will come to save them. The reform is not a piece of charity, but a measure requiring a strict selection of peasants who seek to hold the land and to survive.

Indeed, one of the chief dangers is that the peasants may come to think that they are civil servants, employees of the State, and not free tillers of the soil with responsibility for what they do. The agencies will have to be on their guard at all times against the spread of this attitude.

Among the improvement works, one which will be kept down to the absolute minimum, at least at the start, is the building of houses. There have been too many cases in Italy of land reclamation and improvement schemes based almost entirely on the building of peasant houses, often on too luxurious lines, without the slightest improvement in farming as a result. It almost seemed sometimes that the chief purpose of these houses was to be inaugurated by high authorities and politicians. They certainly led to no change in farming methods. In the present case, so far as possible, use will be made of the houses where the peasants now live, whether badly or well: and the first thing done will be to create the conditions for raising and improving agricultural output. So far as money is spent on building houses — an outlay which in the past has absorbed most of the funds — the following solutions are possible:

1) On land which is near the peasants' present dwellings, and which can be easily reached, there is no immediate housing problem. The peasants who receive the land will themselves take steps in the future to solve whatever problem there may be, and will be given adequate help for this purpose.

2) In those areas where the people live in large villages with great distances between them, steps must at once be taken to start building fresh settlements, always on condition that there are large expropriated estates around them. Such settlements will save expense, and will make it easier to solve the problems of water supply, communications, gas and electricity, the provision of technical guidance, and so forth.

3) Only in those areas where solutions are not possible on the lines indicated above will isolated houses be built. These will normally be designed as substantial but bare structures. The peasant family will be able to live in such a house, and by degrees to extend and improve it, with financial and technical assistance from the agencies.

Those who oppose solutions on these lines, and who demand perfection of style, might be reminded that it is in this way that human settlements on the land have naturally progressed throughout history. It is true that there have been some special cases, for instance in the drainage of the Pontine Marshes and in Libya, where complete farms and finished houses were provided before the farmers were settled in them. These, however, were quite exceptional undertakings, and they cannot be repeated on so wide a scale as that of the present reform.

The tasks of the agencies will not include major works such as large-scale regulation of watercourses, the building of irrigation canals, main highways and the like, which are and must always be a normal part of the overall land reclamation scheme. The agencies will, however, be concerned with all improvements carried out on individual holdings or farms of the peasants. It is in fact along those lines that the activities of the agencies must be speedily directed.

As to the development works, these must in the main take such forms as planting trees,

improving the land, helping with livestock and with irrigation, supplying light, power, machinery and selected seeds, and contending with whatever difficulties may arise.

The rational management and cultivation of land are of tremendous importance in the improvement of the hot, arid zones of South Italy. Here, too, excessive emphasis has been laid hitherto on river control, and little thought has been given to an attack at the roots of the evil by the adoption of systems of cultivation capable of conserving rain water for a longer period and of retarding the run off of water to the principal rivers. A system of water conservation would yield appreciable increases in production and would prevent water courses from receiving a volume of water liable to cause destructive flooding. Systems of cultivation aimed at preventing soil erosion thus provide the solution for the agronomic problems of these zones.

A second essential is summer cultivation of clay soils. Clay soils are very widespread in Italy, particularly in the areas of the land reform. These are not poor soils; on the contrary, they have a high content of plant nutrients. But their physical structure is an obstacle to high production. Their condition can be profoundly modified by deep summer cultivation immediately after the wheat harvest. This requires suitable machines and men who know not only how to handle them, but how to handle them in a way that ensures the correct working of the soil.

For these reasons and to secure a quick increase in production in the reform areas, the reform agencies have considered from the outset the problem of mechanization. An initial program providing for the purchase of 1800 tractors (20 percent over 70 HP, 50 percent from 30 to 70 HP, 30 percent less than 30 HP), together with the necessary implements, has been to a large extent carried out. A second program is to follow, which, according to the detailed plans, will bring the total to 3000, or about one for each 200 hectares.

Another fundamental factor in the progress in the reform zones is animal husbandry. Much of the land in these extensive zones is now used, almost exclusively, for wheat

growing. There is a need, first, for more balanced crop rotations, including suitable feed crops (alfalfa sulla and clover in particular) and increased livestock production. Where possible, irrigation will be a fundamental part of this more rational management. Much is also expected from the new methods of overland irrigation which are capable of yielding good results even with very low rates (0.2 or 0.3 litres per hectare).

For tree crops, the reform agencies must turn to good account the inclinations of farmers which always tend towards these crops. In some cases it may be necessary to curb rather than to encourage these inclinations, as, for example, in the case of vines, owing to the market situation.

Improvements in the methods of working the land are of crucial importance. This presents a wide field for reform activity. The principal improvements include:

1) machine threshing. Threshing in many of the backward areas within the scope of the reform is still done by hand or by horse treading, resulting in losses of at least 3 to 5 percent;

2) improved methods of olive oil extraction. In contrast to the advanced methods used in many parts of Italy, these areas follow primitive methods resulting in serious losses (sometimes up to 20 percent) and in oil poor in keeping quality and other respects;

3) improved methods of wine production which, in the backward areas, is poor owing to improper treatment of grapes and to the variety of types grown;

4) dairy industry. While dairying is, in general, of minor importance, the reform areas having little adaptability for milk production, it is not insignificant in some districts;

5) organization of production and marketing of fruits and vegetables, and canning.

The reform agencies will have to give their attention mainly to these and other improvements, for the development of the poor, backward areas depends on progress of this kind rather than on costly, ambitious land-improvement schemes of questionable economic value.

b) Distribution of land.

The problem of redistribution is dealt with after that of improvement because, while redistribution of land sometimes precedes or accompanies improvement, it can hardly be approached without knowing the productive capacity of the farm resulting from the completed or potential improvements. The farm area to be assigned to individual families must be determined in the light of the composition of the family, its labor force and the potential productivity of the land. The problem involves important and careful judgments because errors cannot be easily corrected.

The ideal solution would obviously be to create self-sufficient family farms on which a family may find full employment for its labor and an income sufficient to support it and to meet the amortization payments over twenty-five years. In many parts of the reform areas this result is attainable because the ratio between the land taken over and the numbers of peasants to be settled is not unfavourable or because the possibilities for improvement (by tree planting, irrigation, etc.) are sufficient to provide independence on a small area. In some other areas, however, the situation entails a division of land into small, non-autonomous parcels which oblige the holders to seek supplementary work and income outside the farm. The aim of the reform is to keep this type of farm to the minimum because it does not provide conditions for permanent settlement. Yet, in many parts of Calabria, Apulia, Campania and the Po delta, circumstances compel the reform agencies to subdivide land among a large number of claimants. To discriminate between claimants having equal rights to land would be a source of serious discontent and social strife. Moreover, experience in the Sila zone of Calabria shows that small farmers have opportunities of work on medium-sized farms which remained after the reform was put into effect.

The size of the family farms given to peasants varies widely, depending on whether complete farms or parcels of land are involved, as well as on present or potential productivity

per hectare and on the composition and labor force of the families. Parcels of land vary from two to five hectares and farms from 4 to 15 hectares.

The Table II shows the distribution effected to date.

Phase 3. - Organization and Management of New Farms.

The reform would be incomplete and might fail if the work of the agencies did not provide continuing assistance and support to the newly formed farms. This aid will be of the following kinds: 1) technical assistance and advisory work; 2) organization of farm co-operatives; 3) grants for improvements and production programs; 4) agricultural credit.

An essential condition is that farmers receiving land will not operate their farms in a wholly unco-ordinated and independent way. Immediately after distribution of land, farmers will be grouped in settlement centers, each

TABLE II
REDISTRIBUTION OF EXPROPRIATED LAND
BY PROVINCES
May 10, 1952

Province	Hectares	Numbers of farmers receiving land
Grosseto	3,459	433
Pisa	266	22
Roma	2,254	783
Viterbo	4,871	1,017
Aquila	497	490
<i>Maremma and Fucino</i>	<i>11,347</i>	<i>2,745</i>
Bari	1,156	241
Brindisi	120	30
Roggia	3,578	685
Lecce	350	80
Taranto	850	190
Matera	4,395	868
Potenza	1,468	272
<i>Apulia and Lucania</i>	<i>11,917</i>	<i>2,366</i>
Catanzaro	30,659	5,553
Cosenza	5,386	2,492
<i>Calabria</i>	<i>36,045</i>	<i>8,045</i>
TOTAL	59,309	13,156

comprising 50 to 100 families, or 300 to 1500 hectares, according to area and situation. It is expected that 800 to 1000 such centers will be formed in the country as a whole. To each center will be assigned an expert who will be in continuous contact with the new farms. His work will be to organize the farms and he will be responsible for all farmer assistance. He will be an official of the reform agency, at least for the first ten years.

a) Technical assistance and advisory work.

The chief of the center will act as the permanent adviser to the new farmers, giving technical guidance and help in the choice of plants and seed and bringing the needs of the families assigned to him to the attention of the agency or other competent authorities. Advisory work will be done as far as possible by demonstration and it is desirable that each center should have its demonstration farm.

b) Organization of farm co-operatives.

The settlement center will be the base of the co-operative organizations which are one of the fundamentals of the reform and one of the main requisites for its success.

It is usually asserted that, in the backward areas under consideration, co-operative mentality is lacking and that the marked individualism that exists there is the main obstacle to the growth of co-operatives such as those that thrive in other parts of Italy, notably Emilia, Veneto and Lombardy. In fact, it is only by a high development of agricultural co-operation that the weaknesses of small farmers can be overcome and that the high social aims motivating the reform can be reached. The view that psychological reasons are the main obstacle to co-operative development is mistaken. The truth is that little experience in co-operation exists in the southern areas, or that the experience is inconclusive, being based on the results of improvised or ill-organized co-operatives, frequently inept or academic or inspired by political or personal motives. If examples of serious co-operation, based on the real economic interest of the associated farmers, could

be demonstrated, it is certain that the psychological obstacles would be found to be small.

The reform law makes it compulsory for farmers to join the co-operatives that are to be set up. These powers are an effective aid for the development of co-operatives but they are, admittedly, a two-edged weapon. They will be useful in overcoming the initial prejudices of farmers and in removing diffidence and psychological opposition, but, inadequately interpreted, they might lead to forced co-operation, a result to be avoided at all costs. Farmers must be persuaded to join co-operatives by their own conviction, not by coercion. Advisory work and demonstration are the paths to follow. The Sila project did well in this respect by taking a hundred of its members on a long visit to north Italy for the purpose of seeing at first hand the results obtained in agricultural co-operation in Veneto and Alto Adige.

The sound and advantageous types of co-operation to be considered are those that would provide, in particular, for:

(a) Collective use of farm machinery. Each settlement center will have three to five tractors with attachments, drills, threshers and, in some cases, combines.

(b) Management of processing industries for the production of oil, wine, cheese and canned products.

(c) Plant protection measures.

(d) Maintenance of the general improvements effected by the reform (roads, aqueducts, etc.).

(e) Collective purchase of requisites (fertilizers, selected seed, feed concentrates, etc.).

At a later stage, the possibilities of collective selling of produce will be studied (10).

(10) The first co-operatives were organized in Calabria by the Sila Agency where the land reform was first put into effect. Four have begun operations in Santa Severina, Altilla, Torre Melissa and Melissa, their main activities being management of farm machinery, co-operative buying and selling and farm credit, usually in kind. A consumers' store has also been organized where farm families can buy goods at fair prices, making payment in the form of labour on agricultural improvements being undertaken by the agency. Payment may also be made by delivering part of the farm output to the co-operative.

c) Improvement subsidies and production policies.

The settlement centers must give full instructions regarding subsidies for improvements as explained above. These instructions must be as simple and practical as possible to be within the grasp and capabilities of the farmers. To achieve this, the head of the settlement center must win the full confidence of the farmers.

An aspect of special interest is the production policy which is closely associated with grants of funds.

The reform must necessarily consider the problem of farm production programs, including their relation to internal and external markets. Left to themselves, the farmers would cultivate their farms according to their traditions and their economic possibilities. In many areas, for example, it is to be expected that considerable planting of vines would occur, a crop about whose prospects there is considerable uncertainty, particularly for the common types of wine. Much more promising prospects, however, are offered by increases in the output of meat, olive oil, high quality citrus and certain new crops (linseed, cotton, maize, according to district). Developments in these directions require certain types of farm improvements, such as barns and silos, a long waiting period for the product in the case of olive oil and citrus fruit, the construction of irrigation facilities, etc. Yet, it would be dangerous to oblige farmers to cultivate certain crops or to forbid others such as vine growing. Such a course would place the farmers in a position of dependence and would weaken their own powers of initiative which are the basis of the reform. It would create the impression in many cases that the regulations and prohibitions were not in the interest of the producers and produce an attitude of hostility towards the reform agency.

The desired result, however, can be achieved by the right use of subsidies — by giving the largest percentages for the building of livestock barns, for the purchase of livestock or the planting of olive trees, and by limiting subsidies for other improvements and giving none for vine planting. In this way farmers are not forced to follow lines determined by

the agencies but it is in their interest to choose these lines as against others. This policy must naturally be accompanied by advice, the supply of appropriate requisites and machines and of selected seed and planting material. A series of tactful and intelligent actions is required and the outcome of the reform will depend very largely on these actions.

d) Credit.

Finally, the reform must make available to farmers a flexible and prompt credit organization, providing financing for the supply of requisites and advances which will enable the family to await the harvest with tranquillity. Credit is of outstanding importance. It will be remembered that earlier instances of land redistribution effected by particular laws or expropriations have given poor results and have been followed after some years by reacquisition of land by the original owners. The reasons for these failures have been found in nearly all cases to be the lack of effective credit organizations and of agencies that would provide aid to the peasants. The course of events in these cases of surrender of land has usually been as follows. The peasant was assigned a plot of unimproved bare land from a «latifundium». He had to provide seed and at least enough wheat and beans for family needs until the harvest. These could only be obtained from someone in the village, from larger farmers or from merchants. Owing to the risk and the peasant's complete lack of resources, very high interest was demanded for these loans in kind, corresponding to 30, 40 or 50 percent for a period of seven or eight months. After the harvest, the peasant could scarcely repay the debt and was obliged by the pressure of his food needs to plant all his land to wheat and to follow wheat with wheat. After a few years, his land was exhausted and almost barren, while the debt continued to grow. No other solution than to sell his land was possible.

A sound credit system, without especially favourable terms, will remove this danger and ensure that forced liquidation of land will not follow the application of the reform legislation.

Conclusions.

We have given a general outline of the methods and criteria of the Italian Land Reform, without concealing the difficulties, but also without yielding to the scepticism of its critics. This Italian initiative, compared with many other attempts made in Europe, has some original features. To sum up, its essential characteristics are:

1) the redistribution of land is associated with concurrent work of improvement on the expropriated areas, involving frequently an outlay approaching \$ 300 per acre;

2) farmers receiving land are required to cultivate it from the outset and to participate in the work of improvement and the raising of productivity;

3) use is made of technical means capable of effecting rapid increases in productivity, relating, in particular, to methods of working the soil, mechanization, irrigation, livestock improvement, better methods of processing produce, etc.;

4) farmers receiving land are grouped in settlement centers of 50 to 100 families in a way to secure the advantages of large farms, adequate technical direction, effective credit arrangements and advanced farm co-operation.

The scheme is now in its initial practical phase. Expropriation of land and settlement of farmers are to be completed in 1952. Within a few years the work of the reform is to be completed and the responsibility for further progress will pass to the farmers themselves.