

When the Land Question was Very Nearly Solved

(A chapter of South American history with lessons for us today)

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In *The Life of Henry George*, by his son, it is made clear that although George thought out the answer to the problem of poverty for himself, he "was certain that there must have been others before (him) who saw the same essential truths." After *Progress and Poverty* was published, he became aware of several such forerunners, including the French physiocrats, Herbert Spencer in his early, *Social Statics*, phase, and some earlier English and Scottish writers. There is no evidence, however, that he was ever aware of the one occasion when a national government actually enacted legislation which recognized that land should be treated as inalienable public property and provided that its full annual value should be collected and used as the sole source of public revenue. Even today, advocates generally may not be as fully aware of this chapter of history as they should be.

IT WAS DURING the Napoleonic Wars that the Spanish colonies in South America became independent of Spain under the name of the United Provinces of the Río de la Plata, and the Argentine Republic, which incorporated the greatest part of the area of the United Provinces, was set up in 1826. The first President of Argentina, Bernardino Rivadavia, had been in office since 1822 and had had an earlier brief period in office in 1812. In both periods, but especially in 1826, he made it his main business to give the social and economic structure of the new country a foundation which would free it from the evils which afflicted the Old World as a result of the private monopoly of land.

The legislation which Rivadavia and his eminent minister Julián S. Agüero introduced, and which we shall consider in a moment, was based on the retention by the State of the vast area of unoccupied public lands which existed at that time and their use to build up a free and independent rural population, having access to land under conditions that would protect them from "becoming victims of the greed of the powerful."

Tragically, for Argentina and for the world, Rivadavia was forced to resign in 1827 as a result of events in a war with Brazil and the presidency was taken over soon afterwards by a military dictator, Rosas, who remained in power from 1829 to 1852. Rosas came from one of the richest landholding families in the country. He repealed Rivadavia's land laws and gave away hundreds of square miles of land to his soldiers just as, half a century later, the United States government gave away hundreds of square miles of land to the railroad corporations. Rivadavia was not forgotten, however, and his work was recorded and brilliantly interpreted by the Uruguyan economist, historian and diplomat, Andrés Lamas.

Lamas' book, *The Economic Work of Bernardino Rivadavia*, first appeared in 1882, only three years after the first edition of *Progress and Poverty*, and was written

without knowledge of the latter. (Internal evidence shows that Lamas depended on French translations for knowledge of the work of English economists such as Smith, Mill and Ricardo). The present article is based mainly on the edition of Lamas' book published, with a useful introduction, by the South American Single Tax Committee in 1917.

When Rivadavia came into power in 1822 he promulgated a decree of commendable brevity:

Art. 1.—None of the lands at the disposal of the Ministry of Agriculture shall be sold.

Art. 2.—The lands referred to in the previous article shall be placed in *emphyteusis*.

Lamas comments that article 1 meant that the land would be by law, as it was by nature, the property of the community. Article 2 meant that the land would be available to labour subject to a perfected emphyteutic contract. This contract provided the land freely as an instrument of labour, subject to a canon, or rent, which was not fixed as in the old Roman form of emphyteusis, but was subject to periodical adjustment so that individual capital and labour kept what they earned, but the canon absorbed the value which attached to the land as a result of the general work and progress of the community. It seems that the term "emphyteusis" was used for the form of contract between the State and the occupants of State lands because, in Spanish at least, it carried the idea of a security greater than that under a lease.

The further law passed in 1826 specified that the emphyteusis should be for a minimum period of twenty years; that during the first ten years the canon should be eight per cent on pasture land and four per cent on arable and that the land should be valued by a jury of five neighbouring proprietors presided over by a judge nominated by the government with provision for an appeal to another jury similarly constituted if either the emphyteuta or the Treasury objected. This law also contained provisions bearing on the conditions and times of payment and provided for a revaluation after ten years.

The provision for differential rates of payment on pasture and on arable land is an indication of the intention to use the State's right of eminent domain over the land as an instrument of policy. Another, mentioned by Lamas, was that payment of the canon would be remitted for eight years to those emphyteutas who took a two-year course at an agricultural school.

The best way to convey the quality of the thinking of Rivadavia and of Lamas on the land question will be to

quote from the latter. After outlining the way in which the monopoly of land led to the decay and downfall of Ancient Rome, and how the continuance of the same evil in the Middle Ages continued the misery and degradation of labour in Europe, Lamas continued:

"The Roman and feudal emphyteusis, which was the form in which the right of private property in land was exercised, violated human equality,—whilst the

Argentine emphyteusis merely by declaring that the public land would be inalienable, preserved that equality, as far as is possible in practice, because the rent of land was kept like the land itself as social property and was distributed amongst all the members of society by means of the public services to which it was applied.

"In the ancient emphyteusis, the proprietor of the land,—or the emphyteuta who is in the same position as a proprietor if it is *in perpetuity and with an immutable canon*,—could not only absorb an undue proportion of the labour of the cultivator but also absorbed, altogether, all the increase in value which the land and its rent acquired from the labour, capital and progress of society.

"The Argentine emphyteusis, on the other hand, by means of the movable canon, preserved to each what was his own; to capital its interest, to labour its earnings, to society what belonged to it in the value and, in consequence, in the rent increased by the capital and labour of society.

"... the *fundamental* difference which makes all the others possible, consists, as has been pointed out, in the fact that the Roman and feudal emphyteusis had as its basis *the land as private, absolute and perpetual property*, which is the basis of the European social organization;—and the basis of the Argentine emphyteusis was exactly the contrary, the opposite,—*the land as inalienable public property*.

"Between these two bases lies the distance which separates feudalism from democracy,—the past from the future.

"Land, let us repeat, is the first natural instrument of human labour, and the State, in handing it over to individual appropriation, subordinates the necessities and convenience of society to the greed and ignorance of individuals; and if this subordination stultifies progress and runs counter to the general good, if it goes so far as to disturb the whole social organism, the State finds itself legally disarmed for promoting the good and suppressing the evil.

"Without leaving our own times, let us see—What means does England have, within its existing legislation, to prevent the avarice and stubbornness of the landlords of Ireland from reducing the tenants and subtenants of their lands to the desperation of poverty?

"Russia gave freedom to its serfs, but could not give them the bread of free labour, because, the land had fallen into the power of individuals and these consulted only their own interests, as they understood them, and their own private egoism. Thus it is that we already see on the banner on which the nihilists of the wealthy classes write *Liberty!* the word *Land!* added by the hungry hand of the freedmen.

"And one day, perhaps not distant, France will feel the agricultural inferiority to which the fractionation of her landed property condemns her—How will she reconstitute, without setting herself in conflict with the rights of private property in land, the broad expanses which she will need for the large-scale cultivation which is now, as a result of the development and application of mechanization, the most advantageous and productive?

"At the base of all the formidable problems which disturb European society and produce the irrationalities of communism and socialism is found the agrarian root; and this is recognized by that same science which has confused us and which, in defence of the social order, exerts itself to justify the individual appropriation of land, which is the age old seat on which it rests."

The present writer makes no claim to have studied South American history in depth, but the main reasons why Rivadavia's legislation did not survive seem clear from Lamas' book. An important reason was that the legislation was the work of an enlightened group but was not fully understood by the people at large. Also, no doubt following the line of least resistance, Rivadavia's legislation dealt only with the extensive public lands which may well have seemed sufficient to support the stable and prosperous rural population which he wished to establish. It was not proposed to bring existing private holdings within the scope of the new laws. And yet, as one of the journals supporting Rivadavia pointed out, it was to be expected that the establishment of a privileged landed aristocracy would undermine the stability of the Republic since such an aristocracy would inevitably abuse its position to undermine and corrupt republican institutions in order to possess itself of all the springs of wealth of the

country. It was precisely from this aristocracy, already established during the preceding colonial period, that Rosas sprang. The political conditions resulting from the war with Brazil will have given him his opportunity. There were other complicating factors which space does not allow us to consider here.

Perhaps the main lesson to be learnt from this chapter of history is that an idea as essentially revolutionary as George's idea of restoring the land to the people by collecting the rent as public revenue, needs solid and broad-based understanding among the people if it is to have a chance of success. Those who profit by monopoly will not hesitate to adopt any means to preserve it—even to destroy democracy and to set up a dictatorship.