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LAND REFORM IN SYRIA

A DISSERTATION

SUBMITTED TO THE GRADUATE FACULTY in partial fulfillment of the requirements for the degree of

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BY

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LAND REFORM IN SYRIA

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DISSERTATION COMMITTEE

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Units of Measurement

<u>Syria</u>

\$1 = S.P. 3.82 (Syrian Pound)

1 acre = 0.4047 hectare

1 square mile = 2.59 square kilometers

1 pound = 0.45350 kilogram

Egypt

E.P. 1 (Egyptian Pound) = \$2.30

1 Feddan = 1.038 acres = 4,201 sq.meters

Mexico

\$1 = 12.49 Pesos

LAND REFORM IN SYRIA

CHAPTER I

INTRODUCTION

Countries which have reached a high level of economic development frequently are beset with the problem of low living standards of some of its rural citizens. Countries with low level of economic development have much the same problem. But in underdeveloped countries the problem is of a different dimension because such countries are primarily agricultural and the majority of the population is rural with low incomes.

In the predominantly agricultural countries, the level of output per acre is generally lower than it is in the predominantly industrial countries; the level of output per person in agriculture is much lower, because, generally speaking, the density of the farm population per acre is much greater, while the average yield per acre is less.

The causes of low productivity in agriculture and of low standards of living of the rural population are many:

poor soils and unfavorable climates; backward techniques and inadequate equipment; excessively high densities of rural population; lack of credit; low prices received by the farmers. All these are important in varying degrees.

Among the most important factors which affect rural living standard and agricultural productivity is the agrarian structure. This term is used here to mean the institutional framework of agricultural production.

In recent years there have been land reforms in many countries, and consequently there has been much discussion, in the United Nations and elsewhere, of the relation between land reform and development in underdeveloped countries.

One result of the world debate is that there is now some confusion as to what "land reform" really means. In ordinary usage, the term is generally understood to mean the redistribution of property in land for the benefit of small farmers and agricultural workers. Reform of this kind may involve actual division of large estates into small holdings, as in Eastern Europe between the wars, or the transfer of ownership of the land from a large property holder to the tenant-cultivators of small holdings, as in many Asian countries. In the first case there is actual division of the land itself, and a change in the scale of farming operations.

In the second case there is no change in the scale of farming, since the farm holdings were already small. In both cases the significant change is in the distribution of income. The aim is greater economic equality.

In the past, land reforms were mainly a redistribution of land or rights in land. In Eastern Europe and in Mexico between the wars the peasants got the land only, without the means of working it, in the form of credit, marketing facilities, and technical guidance. Results varied; sometimes production increased, and sometimes it did not.

Now a new conception of reform comes from the United States of America. Representatives from this country propose reform as a comprehensive policy, including not only "opportunity of ownership", but a variety of other measures to assist farmers by means of greater security of tenure, better credit systems, better marketing facilities, agricultural advisory services and education, and so on. This conception flowered in the course of the cold war, as a partial answer to Communism. The United States first advocated land reform as part of its official foreign policy in 1950, when it supported a Polish resolution in favor of land reform in the General Assembly of the United Nations, and thereby challenged the Communist claim to leadership in the use of

land reform as a political warfare weapon.

The United States' advocacy of reform is, however, much more than a tactical cold war move and has deeper roots. The ideal of the family farm springs from the anti-feudal tradition, and it embodies, by and large, the aims of land policy in the United States. Major land policies have been "concerned basically with the establishment of economic, social, and political conditions in which would flourish a family farm type of agriculture. They envisaged a climate of freedom of economic organization that would permit the development of both larger and smaller than family-sized units, depending upon types of production and the aspiration and resources of the farmer."²

The objectives to which public policy in the United States is directed in encouraging the development of family farms are summarized in a 1945 report prepared by the farm tenure working group of the Federal Interbureau Committee on Post-War Programs. These are:

University of Wisconsin, Land Tenure - Proceedings of the International Conference on Land Tenure and Related Problems in World Agriculture Held At Madison, Wisconsin, 1951 (Madison, Wisconsin: The University of Wisconsin Press, 1956), pp. 64-65.

²United Nations, <u>Progress in Land Reform</u> (New York: United Nations, 1954), pp. 3-4.

"(1) an equitable distribution of farm income; (2) conservation and development of farm land and buildings; (3) effective farm work and efficient production from the land of food, fibre, and other needed farm products; (4) wide distribution of control over farm land or farm land used and controlled by the many, rather than the few; (5) maximum freedom of action for individuals, consistent with responsibility for conserving the land for posterity; (6) equality of opportunity, dignity and self-respect for all tenure groups; (7) reasonable security for the individual in his possession of rights in land; and (8) a wholesome, well integrated and stable community"

The essential difference between this new approach and the older and simpler conception is that reform is now regarded as an economic policy as well as a social policy. By contrast with the earlier reforms (and with recent Communist reforms) the aim is to give the farmers help and so accompany the social change with a policy to increase productivity in agriculture.

As a result of this new conception, the periodic surveys of progress in land reform of the United Nations

³<u>Ibid</u>., p. 4.

include not only land redistribution, but also farm tenancy and labor legislation; land settlement; co-operation; farm credit; agricultural education and research; the registration of title; methods of land taxation; and long-term policies for the control of land use. The use of the term "land reform" to cover this all inclusive catalogue represents the American conception, in accordance with the official American definition of land reform as "the improvement of agricultural economic institutions". 4

At the present, land reform is internationally discussed in the light of the cold war. The impression is created that there are ideal patterns, and that the choice lies between rival models, the American family farm and the Soviet collective. At the grass-roots level, complete individualism and total collectivism are not realistic alternatives. Most new experiments now aim at some form of group farming organization as a way of combining the satisfaction of independent farming with the economies of large scale operation. Some of the large settlements in the south of Italy, for example, are in reality, though not in law, extremely well managed state farms with a degree of collective

⁴<u>Ibid.</u>, p. 49.

organization.⁵ This is one result of aiming at efficiency, and does not detract from the social achievements of the reform, even though it does not establish independent farm units.

Land reform in Syria is also unusual because it combines the two things rarely found in conjunction - economic efficiency and broad social change. At the same time, the Institute of Land Reform, which is in charge of the execution of the reform, is well adapted to the agricultural and human potential, and adequately supplied with funds. Although, the Syrian land reform was the direct outcome of the union of Syria and Egypt in February 1, 1958, it went much further than the Egyptian reform. The specialty of the Syrian land reform, i.e., combining economic efficiency and broad social change, makes the subject of "Land Reform in Syria" of special interest.

The purpose of this study is:

- 1. To consider the question of the need for land reform in relation to economic development in Syria.
 - 2. To assess the effects of the land reform on:
 - A. Agricultural production,

⁵I<u>bid</u>., p. 254.

- B. Distribution of agricultural income, and
- C. Industrial production.
- 3. To recommend methods of reform most likely to promote economic development in Syria.

An illustrative study of the land reforms applied in Egypt and in Mexico will also be considered to show the differences between each of them and that of Syria. The aim of this study is to examine what these differences mean.

The main emphasis in the study, however, will be on the land reform in Syria. The term "land reform" in this study is used as it is introduced by the American conception to cover a comprehensive policy to improve the agricultural economic institutions.

Data sources for this study consist mainly of Syrian official material (in Arabic), United Nations periodic surveys of progress in land reform and of economic development in the Middle East, Egyptian official materials (in Arabic), various studies on land reform in Mexico, and books published in Arabic, French, and English.

In Chapter 2, the historical background of Syria and its special characteristics and circumstances are discussed.

Also, a brief review of the economic structure of Syria and an examination of its agrarian structure before land reform

are given. The examination of the Syrian agrarian structure includes a study of the relationships between different sets of conditions: the origins of land-ownership, the distribution of land-ownership, the methods of farming, agricultural credit, and the distribution of agricultural income.

In Chapter 3 there is a review of the economic development in Syria after the Second World War (1945-1958).

Also, the question of the need for land reform in relation to economic development in Syria is considered.

In Chapter 4 there is a discussion of the attempt at reform in Syria before 1958 and the provisions of the land reform laws of 1958 and the following years. The provisions of the land reform laws are divided as follows: agricultural co-operatives, agricultural labor and tenancy, redistribution of land-ownership, and liquidation of State-domain land. The performances of the expropriation of the land subject to reform and distribution of land expropriated are also given. It ends with a brief review of the main features of the "Peasant Union" established in Syria at the end of 1964.

In Chapter 5 there is a description of the land reforms of Egypt and Mexico including the special circumstances
and characteristics of each. The differences between the
land reform in Syria and those of Egypt and Mexico are

discussed.

In Chapter 6 there is an attempt to assess the effects of the Syrian land reform on agricultural production, distribution of agricultural income, and on industrial production. It includes, before the assessment of the effects, a brief review of the general economic conditions in Syria after the reform. There are recommendations concerning the methods of reform most likely to promote economic development in Syria.

The summary and conclusions are presented in Chapter 7.

CHAPTER II

SYRIA AND ITS AGRARIAN STRUCTURE BEFORE REFORM¹

Historical Background

Syria, although an independent country only since 1945, has had a long history. It has seen many conquerors and witnessed the rise and fall of many civilizations. The Samerians, Chaldeans, Assirians and Persians came from the East, and the Greeks and Romans from the West. Still later, the Eastern Roman Empire of the early Christian era gave way, successively, to the Arabs and Turks. Although it became basically eastern in its orientation, Syria was never wholly without contact with the West, and western influence was again reasserted when Turkish rule was terminated after the First World War and the French rule was instituted until 1945.

On February 22, 1958, Syria united with Egypt to form

Reform is hereafter referred to as land reform.

the United Arab Republic, 2 but following an army coup d'etat in September 29, 1961, it seceded and proclaimed its independence as the Syrian Arab Republic. 3

The culture, economy and political system of Syria are a mixture of East and West. The diverse elements have only been partially fused. The East and West co-exist in rather uneasy balance. Modern technology has invaded Syria in the form of mechanized farms in the newly developed areas, but primitive ways of farming are still used in some of the old agricultural regions.

The problems that arise from the collision and fusion of different cultures and technologies, and the resulting tensions between social groups, will take a long time to be resolved. For the moment they create conditions of instability that make even more difficult the practical task of developing the natural and human resources of the country.

Democratic, parliamentary institutions are periodically threatened by different forces and traditions of autocratic rule inherited from the past.

²The United Arab Republic is hereafter referred to as the U.A.R.

 $^{^{3}{\}mbox{The Syria Arab Republic is hereafter referred to as the S.A.R. or Syria.}$

The struggle against foreign domination is still fresh in the mind of its adult population, and the mental, often negative, attitudes which the struggle engendered have not had time to disappear completely or to be adapted effectively to new circumstances and needs. Its people jealously guard their newly won sovereignty and are suspicious of the motive or designs of stronger powers.

After the evacuation of foreign troops in April, 1946, Syria has had to face foreign political power in new forms. The Palestine War in 1948 and its aftermath, together with a complex of problems related to the state of international tension arising from the East-West rivalry in the Middle-East, have continued to divert a large part of Syria's energies and resources from the task of building up the country's capital stock and improving the general social conditions of its people. The internal political conditions did not supply the framework of stability within which such aims could more easily be achieved.

It was not possible in Syria, before 1958, to introduce land reform through the existing pattern of sociopolitical institutions which were under the influence and control of big landlords. In 1948, 85 per cent of the members of the Syrian Parliament were big landlords. Some of

them in the province of Homs, in order to tighten their grip over the peasants, were able to prevent government appointed teachers of public schools from exercising their functions. Political change was a necessary condition for the introduction of land reform measures and only an external force which was independent of the existing socio-political pattern could realize that change. That external force was the union with Egypt with all its economic, social, and political implications. Upon its union with Egypt, Syria has had a series of laws aimed at reducing inequality in the ownership of agricultural lands, encouraging cooperative movement in agriculture, improving the conditions of tenants, and liquidating State-domain land.

Area and Population

The Syrian Arab Republic lies on the Eastern coast of the Mediterranean sea. It is bounded by Turkey from the north, Iraq from the east, Palestine and Jordan from the south, and by Lebanon and the Mediterranean sea from the west.

The area of Syria is 18.518 million hectares (71,498 square miles), i.e., about three-fourths the size of the

Isam Ashour, The Metayage System in Lebanon, Syria and Palestine (Beirut-Lebanan: Al-Abhath, Vol. 1 March, 1959), p. 92.

United Kingdom. There are 8.834 million hectares which are cultivable land and the rest is desert or rocky mountains. ⁵

However, some desert areas are suitable for grass growing and used as pastures during years with sufficient rainfall. In 1958 the cultivated area amounted to 5.452 million hectares, including fallow land. ⁶ Of the cultivated area, only 590,000 hectares were irrigated; the remainder was non-irrigated and usually about one-half of the non-irrigated land is left as fallow. ⁷

According to the official Civil Registers, the population of Syria was 3,655,904 at the end of 1953 and 4,420,587 at the end of 1958 (Table 1). Palestinian refugees in Syria numbering 98,474 at the end of 1953 and 117,115 at the end of 1958 are not included in the total population figures mentioned above. The registered population has reached 5,467,135 at the end of 1964, again excluding

⁵The S.A.R., Ministry of Planning, Directorate of Statistics, <u>Statistical Abstract of 1963</u> (Damascus: Government Press, 1964), Table 2, p. 269.

The U.A.R (Syrian Region), Ministry of Planning, Directorate of Statistics, Statistical Abstract of 1958 (Damascus: Government Press, 1959), Table 2, p. 247.

^{7&}lt;sub>Ibid</sub>.

⁸The S.A.R., Statistical Abstract of 1964, Op. cit., Table 11, pp. 53 and 71.

NUMBER OF POPULATION REGISTERED IN THE CIVIL REGISTRATION IN SYRIA, BY SEX, SELECTED YEARS, 1938-1964

	Population					
Year	Male	Female	Total			
1938	1,250,681	1,236,346	2,487,027			
1943	1,411,504	1,448,907	2,860,411			
1948	1,571,310	1,521,393	3,092,703			
1953	1,868,878	1,787,026	3,655,904			
1958	2,263,363	2,157,224	4,420,587			
1959	2,385,660	2,271,028	4,656,688			
1960	2,478,452	2,362,087	4,840,539			
1961	2,546,176	2,426,140	4,972,316			
1962	2,649,768	2,529,916	5,179,684			
1963	2,715,691	2,592,062	5,307,753			
1964	2,799,129	2,668,006	5,467,135			

Source: Syrian Arab Republic, Ministry of Planning, Directorate of Statistics, <u>Statistical Abstract</u>, <u>1964</u> (Damascus, Syria: Government Press, 1965), Table 1, p. 54.

Palestinian refugees. The population has been increasing in the last decade at an average rate of about 3 per cent per annum. The difference between this average rate and the overall rate of increase in the past decade (over 3 per cent per annum) is due to inclusion of allowances for unregistered persons, especially bedouins (Table 2).

The relative abundance of land in proportion to Syria's population was described by a mission of the International Bank for Reconstruction and Development to Syria in 1955 as follows:

"In Syria there is one hectare of cultivated land per inhabitant, or about 10% more than in Turkey and Iran, twice as much as in Greece and Iraq and eight to nine times as much as in Egypt." 10

The area of cultivated land per inhabitant is not an accurate measure of the agricultural resources since other factors, such as the amount of rainfall and the extent of irrigation are important in determining the magnitude of land resources. But even if such factors are taken into consideration, the land resources of Syria compare favorably

⁹ Ibid., p. 53.

¹⁰ International Bank for Reconstruction and Development, The Economic Development of Syria (Baltimore: Johns Hopkins Press, 1955), p. 4. (Hereafter referred to as I.B.R.D.).

TABLE 2

NON-DECLARED BIRTHS AND DEATHS REGISTERED IN
THE CIVIL REGISTRATION IN SYRIA, 1959-1964

	Non-Dec	rlared.	Net Addition to Registered
Year	Births	Deaths	Population
1959	130,801	12,110	118,691
1960	83,809	15,546	68,263
1961	36,390	7,077	29,313
1962	96,303	4,576	91,727
1963	12,892	4,592	8,300
1964	26,082	5,068	21,014
Total	386,277	48,969	337,308

Source: Syrian Arab Republic, Ministry of Planning, Directorate of Statistics, Statistical Abstract, 1964
(Damascus, Syria: Government Press, 1965), Table 5, p. 61.

Non-declared births and deaths are those which were not registered during their occurrence in the preceding years.

with those of most countries in the region.

However, the agricultural potential of Syria before reform was not fully utilized and had not succeeded in providing adequate incomes to the peasants so that they might enjoy a reasonably good standard of living. An uneven distribution of land-ownership and incomes in agriculture had contributed toward keeping the majority of the land cultivators with only a small share of the total agricultural income and in a condition far from satisfactory.

National Income

Estimates of national income in Syria for the period of 1953-1958 are shown in Table 3. Unfortunately, no official estimates have been made for the period before 1953. The Directorate of Statistics of the Syrian Ministry of Planning has estimated the national income in Syria in 1956 by using the industrial origin method. The estimate of 1956 was taken as a base and, according to certain economic indicators and volume of production, estimates of national income at constant factor cost of 1956 were reached for the years 1953-1955 and 1957-1958. These estimates are reasonably acceptable in giving a summary picture of the economic structure of Syria and showing the rate of growth in national

income as a whole, as well as in the major economic sectors.

The drops in national incomes of 1955 and 1958 are due to bad harvests (especially wheat and barley) in those years. The instability of the agricultural sector is a result of unreliable weather conditions.

Agriculture, which accounted for 43.5 per cent in 1953 and 32.3 per cent in 1958 of the total national income. as shown in Table 4, is less stable than other sectors. come from industry, which accounted for a small part and ranked third in importance, has been more stable. from commerce, which ranked second in importance has been affected, to a certain degree, by the fluctuations of income from agriculture. The large increase in income from transport and communications in 1956 and the following years is due to oil transit. The oil transit agreement of 1956 with Iraq Petroleum Company multiplied tenfold Syria's annual receipts from oil transit fees and related dues. Changes in net agricultural output give a rough indication of changes in national income from year to year, as well as of the dimensions of total income.

The wide fluctuations in income from year to year in the major sector of the economy tends to render any attempt to determine the overall annual rate of growth rather

TABLE 3

ESTIMATES OF NATIONAL INCOME AND SECTOR CONTRIBUTION
IN SYRIA, 1953-1958

(MILLIONS OF SYRIAN POUNDS AT CONSTANT (1956) FACTOR COST)

						
	1953	1954	195 5	1956	1957	1958
Total National						
Income	1,892	2,176	1,920	2,445	2,593	2,244
Rate of Growth						
(Per cent)	****	+15	-11.8	+27.3	+6.5	-13.4
Sector Contribution						
Agriculture	824	927	636	960	1,091	726
Industry	227	246	264	267	288	304
Commerce	270	349	319	375	386	335
Transport and						
Communication	129	142	139	255	242	248
Government	114	127	140	150	157	168
Services	130	146	156	159	162	172
Rent	116	122	130	137	144	155
Construction	60	80	95	98	75	90
Finance	22	37	41	44	48	46

Sources: Syrian Arab Republic, Ministry of Planning, Directorate of Statistics, Statistical Abstract of 1962 (Damascus: Government Press, 1963), Table 3, p. 495 for the estimates of 1953-1955; Statistical Abstract of 1963 (Damascus: Government Press, 1964), Table 3, p. 397 for the estimates of 1956-1958.

TABLE 4

PERCENTAGE DISTRIBUTION OF SECTOR CONTRIBUTION
TO THE NATIONAL INCOME IN SYRIA, 1953-1958

Sector	1953	1954	1955	1956	1957	1958
Agriculture	43.5	42.6	33.2	39.3	42.1	32.3
Industry	12.0	11.4	13.8	10.9	11.1	13.5
Còmmerce	14.3	16.0	16.6	15.4	14.9	14.9
Transport and Communication		6.5	7.2	10.4	9.3	11.1
Government	6.0	5.8	7.3	6.1	6.1	7.5
Services	6.9	6.7	8.1	6.5	6.2	7.7
Rent	6.1	5.6	6.8	5.6	5.6	6.9
Construction	3.2	3.7	4.9	4.0	2.9	4.0
Finan ce	1.2	1.7	2.1	1.8	1.8	2.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Calculated from data in Table 3.

difficult. However, taking the period 1953-1958 as a whole the annual rate of increase in national income would be about 3.5 per cent. Since the increase in national income did not match or surpass the increase in population in that period, per capita income has declined from S.P. 518 in 1953 to S.P. 508 in 1958.

While little is known in quantitative terms about the distribution of income among the various population groups in Syria before reform, there is little doubt that a high degree of inequality of income existed between the groups of agricultural workers, tenants, and unskilled industrial workers on the one hand, and landlords, merchants, industrialists, professional workers and "white collar" workers on the other.

Urban workers fared only slightly better. Although minimum wage legislation and trade union action succeeded in ensuring a fair income to the worker who possessed a skill, the unskilled urban worker was continuously threatened by unemployment and both his wage rates and his earnings were low. The higher cost of living in towns, compared with villages, narrowed the gap in real income between the urban class as a whole and the rural population.

Agriculture

Syria is predominantly an agricultural country. In the period 1953-1958, the agricultural sector, on the average, has accounted for about 39 per cent of national income. No reliable statistics are available on the percentage of the labor force engaged in agriculture before reform. However, agricultural workers, in the census of 1960, numbered 509,977, i.e., about 51 per cent of the total active labor force in that year 11 and it is believed that the percentage of the labor force engaged in agriculture in 1958 and before was somewhat higher than that in 1960. When the census took place in 1960, a large number of agricultural workers had already left farming to work in big cities and abroad because of continuous drought in 1958, 1959, and 1960. Hence, they were not counted as agricultural workers.

The main agricultural crops in Syria are wheat,

11 The S.A.R., Statistical Abs. Table 3, pp. 30 and 31. The estimate culated as follows:		
	in and .	4 252 451
All persons alive at Sept. 21, 1960	-	4,353,451
Minus: Persons under 15 years old	2,014,573	
Persons with no occupation	1,282,075	
(1,079,098 of them are fe- males)	•	
Occupation not stated	64,015	3,360,663
Active labor force		992,788

barley, and cotton. Other crops include millet, maize, rice, sugar beet, tobacco, sesame, dry legumes, fruits, nuts, and vegetables. In 1958, wheat, barley, and cotton accounted for 36 per cent, 11 per cent and 22 per cent of the total value of the vegetable products respectively. This excessive concentration on these commodities, which also happen to be the major export items of the country, has subjected exchange earnings to serious instability for two reasons: first, the domestic harvest failure, and, second, the fluctuation of international prices.

Area, production, and yields of main crops in Syria for the period 1953-1958 are shown in Table 5. Wheat and barley crops fell drastically in 1955 and 1958, while the cotton crop continued its increase in an uneven fashion except in 1958. The drought in 1955 and 1958 was largely responsible for the fall in the production of wheat and barley. Cotton was less affected by the drought because most of the cotton land is irrigated. The highest yield of all main crops, except barley, before reform occurred in 1957. In that year, Syria had adequate rainfall.

The yields of wheat, barley and cotton (lint) in

The U.A.R., Statistical Abstract of 1958, op. cit., p. 244 (at constant farm prices of 1956).

TABLE 5

AREA, PRODUCTION, AND YIELDS OF MAIN CROPS IN SYRIA
(1953-1958)

	WHLAT				BARLEY			COTTON		
Year	Area (Thousands of hectares)	Production (Thousands of tons)	Yield per hectare (tons)	Area (Thousands of hectares)	Production (Thousands of tons)	Yield per hectare (tons)	Area (Thousands of hectares)	Production (Thousands of tons)	Yield per hectare (tons)	
1953	1,314	870	0.7	439	472	1.1	127.6	126.0	1.0	
1954	1,347	965	0.7	543	635	1.2	187.3	220.8	1.2	
1 9 55	1,463	438	0.3	614	137	0.2	248.8	233.3	0.9	
1956	1,537	1,051	0.7	636	462	0.7	272.2	252.5	0.9	
1957	1,495	1,354	0.9	813	721	0.9	258.3	291.5	1.1	
1958	1,461	562	0.4	769	228	0.3	260.8	249.8	1.0	

Source: Syrium Arab Republic, Ministry of Planning, Directorate of Statistics, Statistical Abstract 1961 (Damascus, Syria: Government Press, 1962), Tables 3 and 6, pp. 256 and 265. Syria in comparison with other countries in 1957 are shown in Table 6. Since most of the cultivated land in Syria was rain-fed and technical improvements were few, the average yields generally were low. Though the year of 1957 was the most prosperous year in Syria before reform, the wheat and barley yields per hectare were 23 per cent and 34 per cent lower than the average yields of the world, while the yield of cotton (lint) was 50 per cent higher than the yield of the world and only 4.5 per cent lower than that of the United States.

Syrian agriculture is dependent on rainfall which is seasonal, varies considerably from year to year, and is frequently scanty. The fall in the output of winter crops, particularly cereals, may result in substantial reductions or elimination of exportable surpluses. When the fall in output and exports is coupled with a deterioration in the terms of trade, the situation becomes more acute.

The rain, in Syria, falls mainly from November to

March on annual average ranges from less than 25 centimeters

(about 10 inches) in the desert to 80 centimeters (about 31 inches) and over in Lattakia province, on the Mediterranean coast. 13

The S.A.R., Statistical Abstract of 1963, op. cit., pp. XI and XII.

TABLE 6

CROP YIELDS IN SYRIA AND SELECTED OTHER COUNTRIES
IN 1957
(100 KILOGRAMS PER HECTARE)

Country	Wheat	Ba rle y	Cotton(lint)
	····		
Syria	9.1	8.9	4.2
Iraq	7.7	10.5	2.2
Turkey	11.6	13.9	2 .2
Egypt	23.1	23.4	5.3
Mexico	14.4	7.3	5.0
Canada	12.3	12.4	-
United States	14.6	15.7	4.4
United Kingdom	31.9	28.3	_
France	23.7	22.1	-
Europe (Excluding U.S.S.R.)	18.1	21.3	2.4
World (Excluding U.S.S.R.)	11.9	13.5	2.8

Source: Food and Agriculture Organization of the UNITED NATIONS, Production Yearbook 1959 (Rome, Italy: FAO, 1960), Vol. 13, Tables 11, 13 and 62, pp. 35, 36, 39, 40, 138, and 139.

Irrigation will need to play an increasingly important role in stabilizing and increasing yields, expanding the land under cultivation, and diversifying agricultural production by developing summer crops.

The Euphrates River offers the greatest possibility of extending the irrigated area in Syria. It runs 675 kilometers (419.43 miles) inside Syria. Its average annual flow is 735 cubic meters per second, which accounts for 85 per cent of the aggregate annual flow of Syria's rivers. A project is now under consideration for building a dam on the Euphrates, which is expected to irrigate more than 600,000 hectares of land and to provide about 800,000 kilowatts of power generating capacity. Other smaller but essential projects for irrigation and land reclamation, such as the Ghab Valley project and Khabour project, are already in operation.

Agrarian Structure in Syria before Reform

The Origins of Land Ownership

The system of land ownership in Syria is the outcome

¹⁴Ibid., p. 7.

¹⁵ The S.A.R., Ministry of Information, Arabic Syria, Monthly Magazine, Vol. 1, No. 2, April 1965 (in Arabic) (Damascus, Syria: Ministry of Information, 1965), pp. 14-17.

of a long process of evolution, beginning with the Arab conquest of 634 A.D. Since that time the system has undergone a continuous change under the influence of financial necessities, militiary requirements and foreign occupations. In order to understand the essence of the present system of land ownership in Syria, the evolution of the system from the Arab conquest of 634 up to the present time will be reviewed.

Immediately following the Arab occupation and according to the instructions of the Caliph Umar, the land in Syria was considered the property of the State. The occupiers of the lands were allowed to cultivate their previous lands by payment of a yearly tribute (land-tax which later was called Kharaj). Those who cultivated the lands continued to pay the land-tax even with the adoption of Islam. 16

Umar was the first man to address himself to the question of how to administer the new domain of Islam. On the "day of al-jabiah" in 638, as it is called, a three-week conference was held in which he and his comrades (Sahaba) took up the question. Exactly what transpired is not known. Nor does anyone know precisely the terms of the so-called covenant (Ahd) of Umar. Different versions have been handed

Philip K. Hitti, <u>History of Syria</u> (New York: The Macmillan Company, 1951), p. 423.

down and, according to Professor Philip Hitti, all these versions contain enactments that belong to later times and he believes that "Umar could not have legislated for situations that had not yet risen."

However, he assumed that certain principles in the covenant, represent Umar's policy.

First among these was that

"Arabian Moslems in conquered lands should constitute a sort of religio-military aristocracy, keeping their blood pure and unmixed, living aloof and abstaining from holding or cultivating any landed property." 18

The conquered peoples were given a new status, that of Dhimmis. As Dhimmis they were subject to a poll tax (later Jisiah) but enjoyed the protection of Islam and were exempt from military duty.

The occupiers of agricultural land were legally tenants paying yearly rents, the lease being terminable at will by the state. In practice, however, the state or its agents rarely intervened in the direct management of the land as long as the Kharaj was regularly paid. It was only when the land was left uncultivated that it was taken away from its occupier and assigned to another cultivator. 19

¹⁷<u>Ibid</u>., p. 422. ¹⁸<u>Ibid</u>.

¹⁹ Paul J. Klat, The origins of Land-Ownership in Syria, An article in Middle East Economic Papers, 1958, Economic Research Institute, American University of Beirut (Beirut-Lebanan: Dar el-Kitab, 1958), p. 53.

For purposes of revenue collection, the country was divided into several provinces. In each province, the Kharaj and other taxes were collected by the governor and the proceeds sent to the Central Treasury in Damascus. In times when the Treasury needed more money, the governors were asked to pay annually a fixed sum and to reimburse themselves by collecting the taxes within their provinces. 20

With the militarization of the Empire in the tenth and eleventh centuries, the military feudatories took place. This process reached its most elaborate form under Mamluks (1250-1516 A.D.). The Mamluk fief, denoted as Iqta, was a source of revenue, temporarily conceded by the state to a knight or prince, and bringing an average yearly income corresponding to his military grade. As a result of the agrarian character of the country, most of the fiefs were landed estates, but many of them were annual allowances from the revenue of a tax, custom, or excise levied by the central government. Land being regarded as a source of revenue, the territorial fief was not an expanse containing villages, forests, mountains, meadows, and deserts, but it consisted as a rule only of lands bringing a fixed income, i.e.

²⁰ Ibid.

cultivated lands which belonged to the inhabited places enumerated in the feudal charter. Under the first Mamluks, fiefs were hereditary, subject to loyal behavior of their holders and to physical ability of the heirs to perform the military duties of knights. In the case of physical disability of the fief-holder, the fief was taken back by the Sultan. 21

During the Crusades occupation of the Western part of Syria, the Frankish states were established on feudal principles that prevailed in Europe. 22 It has been said that the Syrian peasants were treated badly by the Crusaders. That bad treatment was referred to in Sultan Salah-el-Din's letter to Fredrick II (king of Germany):

"The Bedouins who are under our command are enough alone to fight our enemies. In addition, the Syrian peasants of the villages you have taken are not waiting but to fight bravely those who took their land, enslaved, robbed, and hurt them." 23

The first of the Crusader campaigns was launched in the Spring of 1097. With the fall of Arwad Island in 1303 in

²¹A.N.Poliak, <u>Feudalism in Egypt, Syria, and Palestine</u>, and the Lebanon, 1250-1900, Printed and published under the patronage of the Royal Asiatic Society. Prise Publication Fund, Vol. XVII. London, 1939, pp. 18, 28, 29, and 30.

²²Hitti, op. cit., p. 625.

²³Abd el-Hadi Abbas, <u>Land and Agrarian Reform in Syria</u>, (Damascus-Syria: Dar el Yakazah el-Arabiah, 1962, in Arabic), p. 20.

the Syrian hands, "the curtain fell on the last scene of the most spectacular drama in the history of the conflict between East and West." 24

In Medieval Europe the aristocracy of land-owners which had risen had occupied fortified homes in country places, established reciprocal relationships with the royalty and exercised direct control over those below them. No such aristocracy arose under Arab Moslems in Syria. The fief holders as a rule lived in cities and were content with deriving the necessary income from their country possessions. The feudal organizations introduced by the Franks left no traces on the local tenure of the land in Syria aside from making the military fief for a time, under the Ayyubids, the principal form of agrarian relationship.

The shift of power to the Ottoman Empire (established in 1516 A.D.) did not cause any important alteration in land uses. The policy of granting military fiefs was continued, the beneficiaries being Ottoman princes and generals instead of Mamluk knights and chieftans.

In all countries conquered by the Ottomans, including Syria, a general survey of the land was carried out and

²⁴Hitti, op. cit., p. 613.

tithe (one-tenth) revenues were assessed. A census was carried out in each village, and the number of inhabitants marked down, the woodlots, the forests, and the grazing lands were also defined. 25

According to its revenues (or crop production), the land was divided into four categories. ²⁶

- 1. Private lands: they were reserved for the Sultan, who might grant them to a prince, minister, personality of that rank, or his favorite.
- 2. Zaameh or leadership lands: they were given to the keeper of the Sultan's purse, heads of battalions, commanders of fortresses, influential notables, or persons of similar rank.
 - 3. Timar lands: they were given to gallant soldiers.
- 4. Wakf: they were the lands dedicated to charity or educational institutions.

Those beneficiaries were required in times of war to supply fully armed men, according to the amount of revenues

²⁵Akram El-Ricaby, Land Tenure in Syria (<u>Land Tenure</u>, <u>Proceedings of the International Conference on Land Tenure and Related Problems in World Agriculture Held at Madison, Wisconsin, 1951</u>), Madison-Wisconsin: The University of Wisconsin Press, 1956, p. 85.

²⁶ Ibid.

they enjoyed. Upon the death of one of the above beneficiaries, his rights and obligations went to his son. If the son was a minor, a fully armed substitute had to be sent for him until he became of age. When no heir existed, the right went back to the state, and the land was given to another worthy soldier upon the recommendation of Emir al-Umara (Commander-in-Chief). 27

Those to whom the revenues of such lands were granted had to dwell on the land itself. They were called "owners of the land" and entitled to collect the tithes from crops raised by the "tenants" who were not permitted to cede their tenancy to others without permission from the "land owners". The newcomer, however, had to pay to the "owner" a "seniority right". On the other hand, no owner of the land was permitted to acquire for himself the tenants' utilization rights or to give them to the inhabitants of another district. This precaution was taken to prevent "owners" from holding both ownership rights and tenancy rights. ²⁸

This type of land ownership continued until 1584.

After that, a departure from these rules was adopted. The favorite "Seigneurs or Aghas" of the Sultan's palace, or of

²⁷<u>Ibid</u>., p. 86.

^{28&}lt;sub>Ibid</sub>.

the Grand Visir (prime minister) began to pass such rights of ownership to their own men and favorites, regardless of their capability in war. These favorites lived in Istanbul or big cities instead of dwelling on the land itself. The new owners enjoyed the protection of their masters and introduced contractors to exploit their "rights" for them. These contractors went too far in collecting the "rights" of their employers.²⁹

The French traveller M.C.F. Volney, who visited Syria in the period 1783-1785 describes the situation as follows:

"The Sultans having arrogated to themselves, by right of conquest, the property of all the lands of Syria, the inhabitants can no longer pretend to any real, or even personal property; they have nothing but a temporary possession. When a father dies, the inheritance reverts to the Sultan, or his delegate, and the children can only redeem the succession by a considerable sum of money. Hence arises an indifference to landed estates, which proves fatal to agriculture." 30

In describing the state of peasants and agriculture, the French traveller Volney noted that though the peasants were not "degraded by the servitude of feudality." they were "oppressed by the tyranny of government." 31

^{29&}lt;sub>Ibid</sub>.

³⁰M.C.F. Volney, <u>Travels Through Egypt and Syria, in the period of 1783-1785</u> (Translated from French in two volumes), Printed by J. Tiebout For E. Duyckinck and Co. Booksellers, New York, 1789, Vol. II, p. 240.

³¹ Ibid., p. 242.

In order to render collection of the revenues more easy, the Ottoman Sultan Selim established a single territorial tribute, called the Miri. He established the Miri at an invariable rate and ordered that it should neither be augmented nor diminished. By abuses inherent in the constitution of the Turkish government, the Pashas and their agents found the secret of rendering it ruinous. Not daring to violate the law established by the Sultan respecting the immutability of the impost, they have introduced a multitude of changes, which produced all the effects of an augmentation. Having the greatest part of the land at their disposal, they cloqued their concessions with burdensome conditions. They exacted half and sometimes two-thirds of the crop; they monopolized the seed and the cattle so that the cultivators were under the necessity of purchasing from them at their own price. Having the power in their hand, they carried out of the harvests whatever they thought proper. When some seasons failed, they exacted the same sums, and to pay themselves, expropriated every thing the poor peasant possessed. 32 As a consequence of these robberies, the poorer class of inhabitants was ruined, and unable to pay the Miri.

³² Ibid.

But since the Miri was unalterable and the sum to be levied had to be found somewhere, their portion fell on the remaining inhabitants, whose burden now became insupportable. When they were visited by a two-years drought and famine, the whole village was ruined and abandoned. The rate of interest charged to peasants was high. Though the most moderate rate was 12 per cent per annum, the usual rate was 20 and it frequently rose as high as 30. 33 Half a century later the 30 per cent had become a moderate rate and most debtors had to pay a rate of 50 per cent. 34

The art of cultivation, as a result of that misery, was in the most deplorable state and the area under cultivation diminished considerably. Production was greatly curtailed. The Syrian plains, once the granary of Rome, now presented a desolate picture, with their ruined villages and abandoned farms. The peasant lived in misery but at least he did not enrich his tyrants, and the greed of despotism was thus punished by its own arm. 35

This situation continued until 1839, when "New

³³Ibid., p. 245.

³⁴ Poliak, <u>op. cit.</u>, p. 69.

³⁵Volney, <u>op. cit.</u>, p. 246.

Reforms" were declared. The Timar and Zaamch rights were abolished and, instead, a lifetime salary was given to previous "owners". These salaries were made proportionate to the previous revenues they enjoyed. The tithe (one-tenth) rights were collected directly by the state. 36

In the Ottoman land laws of 1858, five categories were recognized: 37

- Mulk: it included lands and houses held in absolute ownership. These lands and houses are situated in towns.
- 2. Miri Land: the ownership of which belongs to the State; the right of utilizing it may be given by the State to individuals. The State as an owner of the Miri land collects one-tenth of the produce.
- 3. Wakf: it included lands dedicated to certain educational or charity purposes.
- 4. Matruka (Public Lands): it included lands left to be used by the public, such as roads, squares, parks, public markets, etc.
 - 5. Mawat (Dead lands or Vacant lands): it included

³⁶El-Ricaby, op. cit., pp. 86 and 87.

³⁷<u>Ibid</u>., p. 87.

Lands not owned or used by anybody. It covered vast areas in Syria, a fair part of which could be easily utilized.

Those who brought such lands into cultivation could acquire Miri ownership, i.e., the right of usufructuary possession, by proving cultivation over a fixed period of time.

However, the distinction between Mulk and Miri had ceased to have practical importance, because in the course of time legislation gave security to Miri landowners, and ownership of the right of usufructuary became equivalent to full ownership, in that it conferred right of sale, inheritance, and mortgage. The only conditional feature which remained was the State's right to resume ownership of Miri land left uncultivated for three years during the Ottoman times and modified to five years during the French occupation (1920–1945). Another feature related to inheritance laws. A special inheritance law was applied to Miri as opposed to that which was applied to Mulk.

In 1860 the registration of all lands was made obligatory. A special department, called Deftar-Khane, was established for that purpose. Upon registration of their lands, the occupiers were given title deeds showing the location, contents and limits of holdings, these titles being duplicates of the data entered in the registers. But

most of the occupiers (of Mulk and Miri lands) were too ignorant to realize the benefits of such registration. Thinking that the real aim of registration was to enable the Sultan to impose new taxes and to facilitate the draft of men in periods of war, they either refused to declare their rights or registered them in the name of influential persons who had promised them protection against oppression from the State. Sometimes in the hope of evading taxation, they made faulty declarations and great confusion was caused by the inefficiency and lack of experience of the Deftar Khane officials and especially by the inherent weakness of the system of registration. 38 As there was no cadastral survey, the description of the property given on the title was often inadequate.

By 1913 the whole system had become so corrupt and fraud so frequent that the Ottoman Authorities decided to institute a new method of land registration based on a cadastral survey. The outbreak of the first world war, however, prevented the carrying out of the reform. The system of Deftar Khane was, therefore, continued and fraud increased because of the disorder and confusion which accompanied the

³⁸ Jacques I. Weulersse, <u>Paysans de Syrie et du Proche</u>
<u>Orient</u> (Paris, France: Gallinard, Sixieme Edition, 1946),p.95.

fall of the Ottoman Empire. Upon evacuating Syria, the Turks either destroyed the land registers or carried them to Istanbul, Turkey. During the period of insecurity which followed, the land officials who had kept clear titles, started to antedate and to sell them to the highest bidders. Later it became impossible to check the validity of these titles as the few registers which had not been destroyed were never returned by the Turks. 39

The Anarchy of land registers inevitably led to arbitrary decisions. What came to be of importance was not so much the real status of the land as that of its proprietor. The quality of the owner influenced that of the land and may even have determined it. Miri land was considered cultivated or abandoned depending on whether it belonged to a peasant or to a notable. Classification of the land as dead or occupied was dependent on who its claimer was. In Weulersse's words:

"L'arnarchie du regime foncier mene inevitablement ainsi a l'arbitaire; on an arrive a ce point qu'en fait le statut reel d'une terre rural compte assey peu, c'est le statut de son proprietaire qui importe; la qualite du maitre influe sur celle du bien et peut meme la determiner. Telle terre amirie sera consideree comme en culture ou comme abandonee suivant qu'elle appartiendra a un fellah ou a un notable; . . .; Telle steppe sera cataloguee terre morte ou

³⁹ Klat, <u>op. cit.</u>, p. 62.

vivifiee suivant la qualite de qui la revendiquera."40

Only influential people were able to safeguard their rights. The titles of small occupiers were often ignored and their lands claimed by important neighbors.⁴¹

After the liberation of Syria at the end of 1918, the new independent government was given no time to initiate a new land policy. In 1920, the short-lived Syrian government was on the verge of changing the land laws, to adapt them to the new ideas, needs, and circumstances, when the French attacked the country and the mandatory regime was established.

The French High Commissioner in Syria had promulgated many orders. The most important one was Decision No. 3393 (November 30, 1930) which regulated the rights of immovable ownership. This Decision maintained the distinction between private and state land and made the juridical nature of the latter depend on whether the right to use it has been granted to private individuals (Miri), to the public (Matruka) or had been retained by the state (Private Domains).

The privately owned (Mulk) land was defined in the Decision as that over which the holder exercises full rights

⁴⁰ Weulersse, op. cit., p. 96.

⁴¹Klat, op. cit., p. 62.

of ownership and disposition (Article 5). It is situated within built up areas or within administrative (municipal) boundaries. It is private property, as usually understood in the West.

The French Decision, like the old legislation, considered unoccupied lands as vacant (Deserted) and gave to any person the right to use it after getting permission from the competent authorities.

The occupied part of the State land was divided into four categories depending on where the right to use the land is vested. The first includes lands reserved for the general use of the public such as highways, rivers, public cemeteries and the like (Article 8), and the second lands assigned to the inhabitants of a village or town, or several villages and towns grouped together, such as threshing floors, forests, pastures, wood lands (Article 7). These two categories, called Matruka, are often referred to as "the public domain" of the State.

The third category (Miri) included lands the right of occupancy of which has been given to private individuals for an indefinite duration. The French decision ascertained the occupiers' rights and their freedom to use their holdings as they think best (Article 16). The title deed (Sanad el Tapu)

which was given to them was for all practical purposes a title of real property. The only differences between Mulk and Miri are that the latter cannot be left by will, and descends according to a special law of inheritance, as opposed to the Moslem Law of Succession which regulates the devolution of Mulk. Moreover, whereas a Mulk owner is free to leave his property uncultivated if he so chooses, a Miri possessor is obliged by law to cultivate his land. The Ottoman legislation stipulated that Miri land must not be left uncultivated for more than three successive years without duly established reasons. The French Decision extended that period to five years but did not recognize any reason for non-cultivation (Article 16). If under any condition Miri land is left uncultivated for five years, it automatically reverts to the State and becomes vacant (Mahlul) unless its former holder re-buys it by paying again its Tapu price.

The fourth category of State-owned lands included those areas all rights over which the State has retained.

Often referred to as "the private domain", it covered both Mahlul and Mudawara land. Mahlul are Miri lands which for some reason or another (mainly lack of cultivation or failure of legal heirs) have reverted to the State. Mudawara lands are those lands previously owned by the Sultan Abdul-Hamid

and confiscated by the government after the Turk revolt of 1908. Originally most of the fertile state domain lands were owned by the Sultan Abdul-Hamid and administered by a special department, called "Sanneya" or privy administration. It was attached directly to the Sultan's person. penses of this administration were met from land exploitation (cropping) revenues and the excess balance went to the Sultan's private treasury. The "Sanneya" department had a secret function of reporting to the Sultan directly. 1909, when the Sultan abdicated and the new constitution came into being, he was forced to cede the ownership of "Sanneya" They were then termed "Mudawara", or lands to the State. transferred domains. Later on, in accordance with Article 60 of the Lausanne Treaty (1923), each state which was formerly a part of the Ottoman Empire was given possession of the transferred domains situated within tis boundaries. lands were annexed to the state domain administration.

In 1940 the mandatory position was weakened. In order to strengthen their hold and create partisans, the French passed special legislation assigning unregistered State land east of the "desert line" to tribal chiefs, granting them registered title through a special emergency procedure (under Legislative Decrees No. 132 of 1940 and No. 141 of 1941).

Thus, the tribal chiefs became the legal owners of vast areas of agricultural land. With the agricultural expansion after the Second World War, these lands came into cultivation by the merchant-tractorist for rents which represented between 10-20 per cent of the gross produce. As a result, the tribal chiefs had become wealthy, while the tribesmen received little or nothing, and lost their right to graze their herds.

Also, the Mandatory Power, being anxious to keep on good terms with the influential landowners, rarely questioned the validity of old titles. So the "spoliations" of the past were accepted as "fait accomplis".

After the French evacuation in 1945 and until 1958 when Syria had united with Egypt, no important change in the legislation of land had occurred. The Syrian governments, in general, were controlled by the big landlords. The influential landlords continued extending their big estates at the expense of the State lands.

The Syrian Civil Code of 1949 codified the legislation of the mandatory period. It retains the categories of land used in the Ottoman legislation, with some modification as follows:

⁴² Ibid.

- 1. Mulk: absolute freehold, in urban areas only.
- 2. Miri: property of which the title is vested in the State and in regard to which a right of possession may be acquired.
- 3. Matruka (subject to assessment): property of which the title is vested in the State, but in regard to which the public or a group enjoy a right by usufruct under administrative law (Public State Domain).
- 4. Matruka Mahmia (Protected): property owned by the State, government authorities or municipalities (Private State Domain).
- 5. Mubah or Mawat (deserted or dead): uncultivated land of which the title is vested in the State, but which has not been surveyed or registered. The Civil Code maintained the provisions of the law of 1926, which entitled persons who had brought Mubah or Mawat land into cultivation to have the land registered as their property if they could prove five years' cultivation.

The Wakf category was not included, as it is treated by the Code as a "real right", not a special category. However, in 1949, all existing family Wakfs were abolished.

The five categories listed in the Code no longer have much practical importance, since the distinction between

Mulk and Miri is no longer valid. In law, owners who receive registered title are still Miri holders, i.e., nominally tenants of the State, but in practice they own the land absolutely. The important distinction lies between registered land and unregistered land. Registered land may be the property of individuals, or of the State. Land registered in the name of the State corresponds to the fourth category "Private State Domain". Public State Domain, the third category, includes land used for public purposes, for example public buildings, market places, and roads. The State's right of ownership is also over all unregistered land, i.e., the land included in the fifth category as "dead" or uncultivated.

The Distribution of Land-Ownership

Due to the factors which have been mentioned before, such as granting land by the Ottoman Sultans to princes, relatives, and military officers; corruption in the government; peasants' fears of titles' registration; French favoritism to tribal chiefs and influential landowners, and extension at the expense of State lands, most of the agricultural land in Syria before reform was held by those who were then influential people and state officials. Most of

these big landlords, having no special interest in the land, live in the cities and rarely visit their big estates which they usually lease out to tenants for an agreed percentage of the produce.

Small landowners, on the other hand, are cultivating their lands with the help of their families and, when necessary, hiring a few laborers. Absenteeism and share-tenancy, which are common on big estates, are almost unknown on small properties. As a result, two different rural organizations with different standards of living and modes of cultivation have emerged on these two types of land tenure. While the owner-occupier is usually a hard worker, and far sighted, the tenants of a big estate are often diseased and careless, and in most cases poor and heavily in debt.

An official estimate apparently made for Sir Alexander Gibb and Partners, who made a development study of Syria in 1946-1947, indicated that of about 6.1 million hectares of privately held land 38 per cent was in holdings of over 100 hectares each and 19 per cent in holdings of 10 hectares and less. Since the cadastral survey was not completed when the land reform took place in 1958, no accurate data can be

⁴³I.B.R.D., <u>op. cit.</u>, p. 354.

given on the distribution of land-ownership in Syria. However, of the 2.2 million hectares of privately owned land covered by the survey through 1952, the distribution by size of holdings was as shown in Table 7.

It may be noted that 49 per cent of the land area was in holdings of over 100 hectares and 16 per cent in holdings of over 1,000 hectares. Only 13 per cent of the land area was in holdings of less than 10 hectares.

With the land reform of 1958, it has been found that 1,543,643 hectares were to be expropriated from 3,240 land-lords, 44 of which 1,416,778 hectares were cultivated and the remainder was uncultivated. 5 These cultivated areas subject to expropriation amounted to about 26 per cent of the total area cultivated in Syria in 1958. If an approximate amount of 1,267,360 hectares were to be kept by those big landlords (maxima of 460 hectares in non-irrigated lands or 120 hectares in irrigated lands) is added to these cultivated areas, it will be found that 2,684,138 hectares, i.e., 49.2 per cent of the total cultivated lands in 1958 were in large holdings. 46

The S.A.R., Statistical Abstract 1962, op. cit., Table 35, p. 408.

⁴⁵ Ibid.

⁴⁶Large holdings here mean 120 hectares and over in irrigated lands and 460 hectares in non-irrigated lands (over the maxima fixed in land reform laws of 1958).

TABLE 7

CLASSIFICATION OF PRIVATE HOLDINGS COVERED BY THE CADASTRAL SURVEY IN SYRIA THROUGH 1952

(THE COVERED AREA WAS 2.2 MILLION HECTARES)

Classification of Holdings (hectares)	Per cent of Area	Total Percentage of Area
Small holdings:		13
Less than 1	1	
2 - 5	5	
5 - 10	7	
Medium holdings:		38
10 - 25	17	
25 - 50	11	
50 - 100	10	
Large holdings		49
100 - 500	24	
500 -1000	9	
Over 1000	16	
Total All Groups	100	100

Source: International Bank for Reconstruction and Development, The Economic Development of Syria (Baltimore: Johns Hopkins Press, 1955), pp. 354-355.

This percentage is very close to that of the surveyed area at the end of 1952.

The estimate of the lands which were to be kept by the big landlords is based on two assumptions:

- 1. Every big landlord was married and had at least three children.
- 2. All the 656 landlords of irrigated lands classified under 100 hectares and over (Table 8) were subject to reform, and thus their number is multiplied by 120 hectares (the maximum in irrigated land); the rest of the 3,240 landlords subject to reform, i.e., 2,584 landlords were assumed then to be owners of non-irrigated lands and their number is multiplied by 460 hectares (the maximum in non-irrigated lands).

The 3,240 big landlords who had owned about half of the total cultivated areas in Syria were only 1.1 per cent of the total landlords and 0.07 per cent of the total population in 1958. Multiplying their number by 5 (family of 5 persons size), their families would constitute 0.37 per cent of the total population in 1958.

This inequality in the distribution of land-ownership had contributed to keeping the majority of land cultivators with only a small portion of the total agricultural income

TABLE 8

NUMBER OF LAND OWNERS, BY SIZE OF HOLDINGS,
IN SYRIA, 1958

Number of Owners in Each Holding Irrigated Non-irrigated Holdings in hectares Land Land Total					
Small and Medium holdings:					
1 - 50	42,752	225,525	268,277		
50 - 100	680	15,189	15,869		
Large holdings:					
100 - 500	352	5,297	5,649		
500 - 1000	209	1,581	1,790		
Over 1000	95	293	388		
Total	44,088	247,885	291,973		

Source: Compiled from "Centre d'Etudes et de Documentation", La Reforme Agraire de la province Syrienne, No. 2, 3rd edition (Damascus, Syria) p. 9.

and in a condition far from satisfactory.

Methods of Farming

A striking feature in the Syrian agrarian structure is the contrast in population densities between the newly developed regions and the old ones. The newly developed areas are almost empty and short of labor, while in the old settled areas there is some degree of rural over-population. The under-populated new regions are dominated by large ownership and large-scale operations, while in the old regions, despite the existence of large-scale ownership, small-scale operations are predominant. Population pressure, however, is a local condition only, and does not affect the country as a whole. Organized settlement in the newly developed areas would suffice to relieve it. With a better regional distribution of population, better farming, and better distribution of agricultural income, Syria could afford a larger population on the land with a higher standard of living.

Another contrast in the Syrian agrarian structure of the new settled areas and the old ones is that the agricultural entrepreneurs employ wage labor, either as skilled workers in tractor and combine work, or as seasonal labor for cotton picking. In the old areas share-cropping is still dominant. To a large extent, it is believed that mechanization in the newly developed areas has led to substitution of wage-labor for share-cropping. But so far this has not taken place to any great extent, except for cotton-picking.

The New Agricultural Areas. The newly developed agricultural areas include the province of Al-Rakka, the northern part of the Deir el-zor province (Euphrates), and the province of Hasakeh (Jezira). These areas lie in a zone with an annual rainfall of 35-50 centimetres (14-20 inches) running below the mountains; then the rainfall gradually declines until the less than 25 centimetres (10 inches) margin is reached, south of which cultivation without irrigation is not profitable. 47

The province of Hasakeh is the most important area in the newly opened regions. The extension of cultivation in Hasakeh province is shown in Table 9. The cultivated area in that province which was only 219 thousand hectares in 1938, reached 1.7 million hectares in 1958 and 1.9 million in 1963. The total cultivable area in the province of Hasakeh is estimated to be 1.9 million hectares. 48 Most of

⁴⁷The S.A.R., <u>Statistical Abstract of 1962</u>, p. XI.

The S.A.R., Statistical Abstract of 1963, op. cit., Table 2, p. 269.

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⁴⁷ The S.A.R., Statistical Abstract of 1962, p. XI.

The S.A.R., Statistical Abstract of 1963, op. cit., Table 2, p. 269.

TABLE 9

EXTENSION OF THE CULTIVATED LAND IN HASAKEH PROVINCE,
SELECTED YEARS, 1938-1963

Year	Cultivated land (Thousands of hectares)	Increase in each five-year period (Thousands of hectares)	Total increase (Thousands of hectares)
1938	219	-	
1943	266	47	
1948	384	118	
1953	581	197	
1958	1,682	1,101	
1963	1,907	325	1,788

Sources: Abd el-Hadi Abbas, Land and Agrarian Reform in Syria (Damascus, Syria: Dar el-Yakazah el-Arabiah, 1962, in Arabic), p. 31 for 1938-1953; The UAR, Syrian Region, Statistical Abstract of 1958, Table 2, p. 247 for 1958; The S.A.R., Statistical Abstract of 1963, Table 2, p. 261 1964.

the land in this province is owned by the tribal sheiks and cultivated by the merchants who own the tractors and combines. The big farmer entrepreneurs in Hasakeh province are not, for the most part, large landowners, but rent non-irrigated land from the tribal sheiks at rates between 10 to 20 per cent of the gross produce. 49 Predominantly those merchants were risk-taking capitalists investing in machinery and seed; their initial capital originated in war-time commercial profits; but most of their financial needs was met by bank credit. Loans were secured on the machinery, since land is not the property of the borrower. The failure of the 1955 harvest would have made most Jezira farmers bankrupt if the banks had not come to their aid. Most of these entrepreneurs have learned what they know of agriculture after the Second World War, since they had been merchants with no farming background.

This new class had played an essential part in developing the new open areas. The availability of idle land, combined with the food shortages attributable to the Second World War, provided a tremendous incentive to these merchants to invest their war profits in agriculture. However, these

⁴⁹ Abbas, <u>op. cit.</u>, p. 56.

Merchants did not form a stable class, for they did not invest much in land improvement. The irrigation farming is a permanent improvement in agriculture, but it was on a small scale, compared with rain fed farming.

The Old Agricultural Areas. The share-cropping system was dominant in the old settled areas. The proportion of the produce taken by the landowner varied with the density of the agricultural population, being highest near the towns and lowest on the desert edge. When irrigation water was supplied by the landowner, the proportion taken by him was higher. In central Syria a prevalent share division was 50:50 if the landowner provided only land. If the landowner provided seed, working livestock, and water as well as land, he took 75 per cent of the gross produce, and the cultivator took 25 per cent. 50

Conditions of extreme poverty could be observed in the villages on big landowners' estates in Homs-Hama plain region. In the Ghab valley there had been a striking contrast between the destitution and disease apparent in the villages on the chief landowner's estate at the bottom of the valley and the

⁵⁰ Food and Agriculture Organization of the United Nations, FAO Mediterranean Development Project, United Arab Republic, Syrian Region, Country Report (Rome, Italy: FAO of the United Nations, 1959), Chapter III, p. 4.

prosperity of owner-occupiers' village at the head of the valley, Bab el-Takah.

In these old regions the economic development of the country has brought little or no improvement. Despite the existence of many large properties in the old agricultural areas, land was predominantly farmed in small units by small-owner occupiers or by tenants and share-croppers who earned a precarious livelihood. The share-croppers, who were tenants at will, seldom cultivated the same piece of land for long and thus had virtually no incentive to improve the land.

The share-croppers or tenants who carried on most of the agricultural work, were producing primarily for their own consumption. Their output was little influenced by market prices, for they must produce to eat and they used the balance to buy such simple necessities as they could afford. Most of them were chronically in debt to the merchant, the professional money-lender or the landowner. Unable to bring their produce to the market or to wait for better prices, they had to accept the price offered to them locally for whatever they produced in excess of their own needs. They tilled the land with methods hallowed by time, and their equipment for the most part consisted of a pair of draft animals and a wooden, iron-tipped plow.

There is a great variation in the social and economic function among the landlords in these old regions. Some of them have invested in pump irrigation for cotton, and have shown some interest in improving cultivation, while others were absentees with little or no interest in agriculture. In general, most of them were not interested in long term improvement. 51

Agricultural Credit

Inadequacy of credit at reasonable rates of interest was a major handicap to Syrian agriculture especially to the small farmers. Credit had been flowing from three sources: the Government-owned Agricultural Bank, the commercial banks and the landlords, merchants, and professional moneylenders. At the end of 1957 loans to the agricultural sector advanced by the Agricultural Bank amounted to S.P. 37.1 millions, distributed among 35,247 borrowers, while those advanced by commercial banks amounted to S.P. 58.9 millions. The Agricultural Bank provided loans at 6 per cent up to a maximum

⁵¹Doreen Warriner, Land Reform and Development in the Middle East, A Study of Egypt, Syria and Iraq, Second Edition, Royal Institute of International Affairs (London: Oxford University Press, 1962), p. 95.

⁵²The S.A.R., Statistical Abstract of 1961, op. cit., Tables 16 and 22, pp. 316 and 382.

of S.P. 7,500 per borrower and its loans only reached the influential landlords. The commercial banks had been advancing loans, once again to influential big landlords with collateral, at an interest rate averaging more than 7 per cent per annum.

The commercial banks had also been supplying additional long-term loans to agriculture in an indirect manner by lending to dealers in agricultural machinery and pumps, who in turn provided instalment purchase facilities to their customers, at interest rates of 9 to 12 per cent.

It is believed that about 50 per cent of the agricultural credit was furnished by non-institutional lenders, i.e. by landlords, merchants and moneylenders. The borrowers from these sources were mostly share-croppers and tenants with no collateral to offer. Consequently, they had to pay high rates of interest ranging as high as 50 to 100 per cent. 53 Often credit from merchants and moneylenders took the form of an advanced purchase of a specified amount of a crop at as low a price as they could dictate.

⁵³FAO Mediterranean Development Project, op. cit., Chapter II, p. 26.

Distribution of Agricultural Income

pattern in which the agricultural income was distributed between the farmers on one hand and the landlords on the other. However, if some assumptions are made, an approximate distribution of agricultural income can be reached. These assumptions are:

- 1. Since no census of occupation had taken place before the census of 1960, it is assumed that the percentage of labor force engaged in agriculture in 1960 was the same in 1958 as before, although a large number of agricultural workers had already left farming when the census took place in 1960 because of continuous droughts in 1958, 1959, and 1960. The agricultural workers, according to the official census of 1960, amounted to 509,977, i.e., about 51.3 per cent of the total labor force in that year.
- 2. These agricultural workers are assumed to have supported the same percentage of the total population, although it is evident in Syria that the families of the rural population are larger in size than those of the urban population.
- 3. Since about one half of the cultivated land in 1958 was owned by big landlords, it can be assumed that

one-half of the agricultural workers, i.e., 25.6 per cent of the total labor force, were working in the estates of the big landlords and therefore one-half of the agricultural income was shared by the big landlords and the other half was received by the owner-occupiers. 54

- 4. Assuming those big landlords subject to reform who numbered 3,240 in 1958 had families of five persons, their total number would amount to 16,200, i.e., about 0.37 per cent of the total population, in 1958.
- 5. The modest estimate places the share of the agricultural income that accrued annually to the landowners in the form of rent, interest and profit from other services at one-third of the produce. 55
- 6. Since agricultural income varies from year to year, the average of the period 1953-1958 which was 38.8 per cent of total income will be used.

On the basis of these assumptions the agricultural income in Syria was distributed before reform as follows:

⁵⁴It is also assumed that there was a fixed capitallabor ratio in all the cultivated areas in Syria.

⁵⁵FAO Mediterranean Development Project, op. cit., Chapter III, p. 4.

*	Percentage of Total National Income
The average of agricultural income in the period 1953-1958	38.8
0.37 per cent of total population (big landlords)	6.5
25.65 per cent of total population (share-croppers and tenants)	12.9
25.65 per cent of total population (owner-occupiers)	19.4

However, this distribution has overestimated the share of owner-occupiers because most of the land owned by the medium landlords is also cultivated by share-croppers and tenants and not by owners. But since the area owned by medium size landlords is not available there is no way to calculate the share of medium landlords.

According to the same assumptions per capita income in the share-croppers and tenants class working on the big landlords' estates amounted to S.P. 213 in 1958, i.e., about 42 per cent of the per capita income in the country in that year; while per capita income in the big landlord class amounted to S.P. 7469, i.e., about fifteen times the per capita income in the country and thirty-five times the per capita income of their peasants in that year.

CHAPTER III

THE NEED FOR LAND REFORM IN RELATION TO ECONOMIC DEVELOPMENT IN SYRIA

In Chapter 2 there was a discussion of the historical background of Syria as well as its special characteristics and circumstances. Also, there was a brief review of the economic structure of Syria and an examination of its agrarian structure before reform. The examination of the agrarian structure included a study of the relationships between different sets of conditions: the origins of landownership, the distribution of landownership, methods of farming, agricultural credit, and the distribution of agricultural income.

In this chapter there will be a review of the economic development in Syria after the Second World War (1945-1958).

Also, the question of the need for land reform in relation to economic development in Syria will be considered.

Economic Development in the Post-War Period (1945-58)

During the early post-war period (1945-53), Syria enjoyed some increase in its real national income. But no official estimates of national income have been made for the period before 1953. However, it is not unlikely that real national income has been rising on the average at an annual rate of 5 per cent to 6 per cent.

The food shortage attributable to the Second World War provided an incentive to expand agricultural output. The area under cultivation, including fallow land, rose from 2.3 million hectares in 1945 to 3.6 million in 1953. But the greatest part of the area put to the plow was dry farming land. Irrigated land increased from 300,000 hectares in 1945 to 509,000 in 1953. The cotton boom of 1950 provided a second big break for agriculture expansion; and cropped area under cotton increased from 78,000 hectares in 1950 to 127,600 in 1953. Though the government has contributed to agricultural

^{1.}B.R.D., <u>op. cit</u>., p. 21.

²Ibid., p. 18.

³Nicola A. Ziadeh, <u>Syria and Lebanon</u> (New York: Frederick A. Praeger, 1956), p. 216.

⁴U.A.R., <u>Statistical Abstract of 1958</u>, <u>op. cit.</u>, Table 6, p. 258.

expansion by interposing no bars to the occupation and cultivation of new land, this growth in agriculture has been almost wholly due to the initiative and capacity of private enterprise, especially merchants, in quickly responding to market opportunities.

Industrial expansion has also been impressive. Both the war shortage of import goods and the demand created by the needs of foreign troops had given a strong impetus to industrial expansion during the war but the required capital goods could not be obtained. Accumulated profits and foreign exchange balances made it easy for entrepreneurs to expand their old firms and to establish new industries after the war. The increasing competition of foreign goods a few years later and the greater attraction of investment in other sectors such as trade, construction, and after 1950, in agriculture, led to a dwindling volume of investment in industry and to increasing pressure on the government for greater protection from foreign competition. Following the abolition of Syria's customs union with Lebanon in March 1950, a strong protective policy involving high tariffs and import prohibition on competing products was adopted. Such a policy, together with several other supports, seems to have enabled existing industrial firms to stand on their feet and paved the way for

a new spate of investment in industry in 1954 and the following years.

However, the economic growth during this period, has not been accompanied by any significant change in the structure of the economy. It has been largely of an extensive nature, i.e., it has been achieved mainly by the extension of known methods of cultivation to new areas particularly in the case of wheat and cotton, and by the expansion of a typical set of simple industries, such as textile, cement, and food industries that had already existed. Pump irrigation and tractor ploughing which were used extensively after 1950 were used before the war on a restricted scale. In other words, national income expanded more as a result of a rise in production and favorable price changes rather than of a rise in productivity or a change in technology. The idle capacity was largely supplied by the unemployed or underemployed labor of the country. The capital was supplied by the savings of the Second World War, the cotton profits of the Korean boom, and the rather high rate of domestic savings of the merchants.

This process of expansion, however, had reached its limits in the years 1953-1954. It has not removed the basic weaknesses of the Syrian economy, such as agricultural dependency on rainfall and concentration on a few agricultural

commodities for the country's exports which subjected exchange earnings to serious instability for two reasons: first, the domestic harvest failure and second, the fluctuation of international prices. In fact, economic expansion has taken place with intermittent and violent swings of an unstable economy. Also, the majority of the rural population working on big landlords' estates have not shared in the benefits of this growth because of the institutional structure related to agriculture. The question of redistribution of income moved into the foreground, and land reform acquired a new relevance but the political setup did not help reform. A state agricultural policy has also become more essential for stabilization and diversification of production as well as for better methods of farming.

In 1953-1958, as a whole, the increase in national income was on the average at an annual rate of 3.5 per cent and per capita income declined from S.P. 518 in 1953 to S.P. 508 in 1958. Although the area under cultivation, including fallow land, rose from 3.6 million hectares in 1953 to 5.4 million in 1958, income from agriculture declined from S.P. 824 millions in 1953 to S.P. 726 millions in 1958. Irrigated land increased from 509,000 hectares in 1953 to 590,000 in

1958 and there were economic limits of an extension of pump irrigation by private enterprise. The new land that could be brought under such irrigation would require higher-lift pumps and expensive structures. As a matter of fact, there has been hardly any addition to pump irrigation in the second half of the past decade. Major governmental irrigation projects for storage and gravity irrigation assume great importance for the development of Syrian agriculture.

Also, the industrial sector did not develop to its potential in spite of the existence of a number of favorable circumstances, including government financial support and a protective tariff policy. Industrial income has expanded at an average rate of 6 per cent per annum in this period, but in absolute terms, the size of industrial output has remained low. The industrial sector contributed only 12 per cent of the total national income in 1953 and 13.5 per cent in 1958.

Modern industry in Syria is essentially based on the processing of available raw materials to satisfy the primary demands of the population for food, clothes, and housing.

Thus, industries producing textile goods, processed food (including milled products, sugar, alcoholic beverages, and vegetable oil), tobacco, cement, glass, and electricity accounted for almost all the modern mechanized industry and a

great part of the traditional crafts. These industries are able to satisfy most or all of the local demand, and in some cases (textile and glass) have a surplus for export.

While the types of available raw materials set one limit on industrial expansion, the most important limit was the inadequacy of purchasing power of the masses inside the country. The uneven distribution of income has reduced the potential local demand for local products, since the richer minority has a preference for imported manufactured goods, while the poorer majority does not have the means to buy on a large scale the locally manufactured goods with which they are generally satisfied. The institutional structure of Syrian agriculture prior to land reform was responsible for that uneven distribution of income and, thus, the income unevenness was responsible for inhibiting the industrial sector in developing to its potential.

The budgetary policies of the government did not attempt to correct the maldistribution of income. On the contrary, the tax system was regressive as a whole. In 1957 the taxes on income from trade and industries amounted to only 5 per cent of total tax receipts and the huge fortunes of the landlords were not taxed at all. 5

⁵<u>Ibid</u>., calculated from data in Table 4, p. 310.

Government expenditure on education and public health has recorded an impressive rate of increase during this period.

But, the distribution of these facilities between urban and rural areas has been uneven.

Agricultural practices remained backward, largely because of the land-tenure system and the lack of agricultural services. Credit facilities of the government were of little help to small farmers. There has been, however, one significant exception. Ever since the disastrous failure of the cotton crop in 1951, the Government has been active in introducing a wide range of measures to institute improvements in cotton production.

The total gross domestic investment has amounted, over this period, to about 14-15 per cent of the gross national product. The percentage of gross domestic fixed capital formation under private account was 88 per cent in 1954 and has since continued to decline, reaching 73 per cent in 1958. While private enterprise has contributed substantially toward

⁶S.A.R., Statistical Abstract of 1962, op. cit., calculated from data in Tables 1 and 2, p. 494.

⁷S.A.R., <u>Statistical Abstract of 1961</u>, <u>op. cit.</u>, calculated from data in Table 3, p. 391.

increasing agriculture production and also toward the development of industries, about 35 per cent of private domestic investment in 1954 went into house construction and that percentage has since continued to increase, reaching 48 per cent in 1958. Most of the new houses were much beyond the means of low-income groups. The housing conditions of the vast majority of the urban and rural people before reform were far from being satisfactory.

The institutional factors and governmental policies just described accounted for the low purchasing power of the mass of the population. The smallness of the size of domestic markets was not so much due to the relatively small population as to the inadequacy of mass purchasing power and the failure of the government to take advantage of the margins available for development in idle domestic manpower and resources, i.e., to use the unemployed labor in the agricultural sector in building dams, roads, and in the resettlement of the rural population. That is why, in spite of spectacular increases in agricultural production in the post-war period, the expansion of the agricultural sector did not set off a process of self-sustained all-round economic growth, and

^{8 &}lt;u>Ibid</u>., calculated from data in Table 3, p. 391.

brought little improvements in the standard of living. Even with respect to those consumer goods industries that have developed - such as textiles, vegetable oils and sugar refineries - the industries were working under capacity. The absence of adequate employment opportunities in the non-agricultural sectors has led to excessive concentration of the labor force in agriculture, resulting in a high degree of underemployment. It has been estimated that the surplus of labor force in the agricultural sector was of the order of one third the size actually employed.

The fact that the instability of the Syrian economy could not be eliminated without substantial governmental investment programs, and that further economic expansion was not possible without improving the condition of the rural population and better distribution of income, received clear recognition in Syria in this period. In 1955 the Syrian Parliament approved a six-year development program and in 1958 the land reform laws were issued.

F.A.O., <u>Mediterranean Development Project</u>, <u>op. cit.</u>, Chapter II, p. 13.

The Need for Land Reform in Relation to Economic Development in Syria

It has become clear from the description given in Chapter 2 of national income and agricultural occupation that agriculture is the main economic support of Syria's population. Without a higher income level for the rural population which forms the majority of the total population, industrial expansion, upon which so many hopes are placed, would have a very limited chance of success. Many international experts have argued that Syria should concentrate mainly on further development of its agriculture. 10

The analysis of the agrarian structure in Chapter 2 has revealed the unevenness of the land ownership distribution in Syria. Uneven distribution of land ownership was responsible for a very uneven distribution of agricultural income. The tenant's small share of the produce and the burden of his debts have led to the perpetuation of his indebtedness, his poverty, and his lack of initiative.

The basic weakness of the Syrian agrarian structure before reform was the prevalence of institutional monopoly in land ownership, linked with a monopolistic supply of

¹⁰ I.B.R.D., op. cit., p. 75, Dr. Hjalmar Schact, "Report on the Syrian Economy" Commerce du Levant (March 4, 1953) para. 28.

agricultural credit. This condition is not peculiar to Syria. On the contrary, it is a feature of the agrarian systems of many countries in the Middle-East, Asia, Africa, and Latin America which are now conventionally called "underdeveloped countries". The monopolistic power was used to exact high prices for the use of land and for farm credit.

The legal and actual insecurity of agricultural tenancy and the landlord absenteeism discouraged improvement to land either by tenant or landlord and kept the agricultural productivity at a low level. Insecurity of tenure made it difficult for the peasant to introduce improvement since he never could know if he would complete a period during which he might enjoy the fruits of his improvement. The absentee landlord's function was "to receive rents and advance loans, not to put money into cultivation". Because for him land was only "a convenient way of holding wealth". He has no feeling for "land or respect for it". 13

In general, insecurity of tenancy was an obvious deterrent to any kind of long-term improvement by the tenant,

Warriner, op. cit., p. 58.

¹²Weulersse, op. cit., p. 66.

¹³ Ibid.

particularly to investment in immovable equipment and land improvement, such as terracing and irrigation. 14

The Syrian agrarian structure before reform accentuated the shortage of capital in the agricultural sector and prevented investment because it gave rise to incomes which were not used to improve agricultural production or to invest in the land. Most of the big landlords in Syria used to spend conspicuously on imported goods, or invest in urban property, or lend to impoverished cultivators at high rates of interest. In 1957 the imports of consumer durable goods, precious metals and stones, and other similar items amounted to \$115 million; while the imports of the consumer non-durable goods amounted to \$86 million. About 48 per cent of the private domestic investment in 1958, as has been stated, went

¹⁴ A recent study shows that this is the case even in the United States of America where the position of the tenant is stronger than in most developing countries. An analysis of the value of investments between 1953 and 1957 on a group of owner-operated farms, a group of crop-share-cash tenancies and a group of livestock-share tenancies showed a consistent pattern whatever type of investment in long-term improvements was considered. The livestock-share tenant farms received less investment than the farms of the owner-operators, and the crop-share-cash farms least of all. For more detail see Paul W. Barkley and Wilfred H. Pine, Effects of Tenure on Farm Improvements, Kansas Agricultural Experiment Station, Kansas State University, Bulletin 454, May 1963.

¹⁵ FAO Mediterranean Development Project, op. cit., Chapter I, p. 5.

into house construction. Many large properties in Syria and in Northern Iraq, according to the English researcher Doreen Warriner, "originated through money lending to impoverished villagers". 16

The analysis of the economic development in the period 1945-1958 has revealed that in spite of the existence of a number of favorable circumstances, the industrial sector could not develop to its potential. The low purchasing power of the rural population was responsible, to a considerable degree, for inhibiting the industrial development in the past decade.

In general, the Syrian agrarian structure before reform was the cause of social evils, keeping the rural population on a low level of income and social status and denying them the benefits of the growth after the Second World War.

Since the agrarian structure is a rigid institutional hangover from the past, the need for reform is generally two-fold: a social need for a higher income for the cultivator, and an economic need for better farming through more investment and better methods. However, there is a growing consensus in Syria and elsewhere that unimpeded access to the means

¹⁶ Warriner, op. cit., p. 58.

of gaining a decent livelihood is one of the principal incentives for individual and social growth. Social justice, in which the correction of income maldistribution is an important part, is thus coming to be viewed as an essential element of economic development.

Land reform has been advocated for a long time as a policy for agricultural development in Syria. Shortly after the establishment of the French mandate in Syria in 1920, an expert on land-farming and agricultural problems said that as long as there were large land-holdings, Syria would remain poor in its production. Almost a quarter of a century later, and after the evacuation of the French, Sir Alexander Gibb, reporting in 1946-1947 on the economic situation in Syria, remarked that

"No large-scale improvement of farming practice can be expected unless the position of the tenant is improved. Owing to the fact that the tenant lacks security of tenure and does not benefit to the full from any improvement he makes, there is little incentive for him either to improve his knowledge, or to add to the value of the land." 18

The Syrian constitution of 1950 (Article 22) called for legislation to determine, without retroactive effect, "the

¹⁷Ziadeh, <u>op. cit.</u>, p. 213.

^{18&}lt;sub>Ibid</sub>.

maximum area of land that may be owned, exploited and disposed of, according to provinces", to provide for the forfeiture of land "neglected for a period of time"; to encourage "small and medium properties", and "to protect the peasant and raise his standard of living". The I.B.R.D's mission to Syria concluded in its report in 1955 that

"To increase productivity and enable the small farmers to share more extensively in the advancing prosperity of the country, it is necessary to carry out certain land reforms, organize cooperatives, provide much more agricultural credit and make government services available at the village level." 19

But it was not possible in Syria before 1958 to introduce land reform through the existing pattern of sociopolitical institutions which were under the influence and control of big landlords. Political change was a necessary condition for the introduction of land reform measures and only an external force which was independent of the existing socio-political pattern could realize that change. That external force was the union with Egypt in February 1958 with all its economic, social, and political implications. Upon union with Egypt, Syria had a series of laws aimed at reducing inequality in the ownership of agricultural lands, encouraging cooperative movement in agriculture, improving

¹⁹I.B.R.D., <u>op. cit.</u>, p. 199.

the conditions of tenants and organizing agricultural tenancy, and liquidating State-domain land.

CHAPTER IV

LAND REFORM IN SYRIA

In this chapter there will be a review of the attempt at reform before 1958 as well as the provisions of the land reform laws of 1958 and the following years. Also, the expropriation and the distribution of land from the beginning of reform in September 1958 to 1964 will be considered. The peasant Union established in Syria at the end of 1964 will be examined.

Attempt at Reform

The only attempt to carry out the provisions of the Syrian Constitution was made under the military regime of Shiskikli in 1952. The Decree for the Distribution of State Lands (No. 96 of January 30, 1952) was intended to be a radical social reform. Its stated object was to put an end to the illegal occupation of State land. It declared null and void all possession by feudal lords and other influential persons over unregistered State land, no matter how vast and

extensive such land may be, if its area exceeded a limit of 150 hectares per owner in Hasakeh and Deir-el-Zor provinces and 50 hectares in other parts of Syria. It further declared that only title-deeds to specified areas were to be recognized, and the areas held by the landlords exceeding the boundaries specified in the title-deeds were to be ignored i.e., expropriated. The Directorate of State Domain was authorized, after obtaining approval of the Council of Ministers, to distribute these lands to needy peasants in return for small sums payable in instalments. If a purchaser failed to cultivate the land within a period of two years, it would revert to the State.

However, under the pressure of the influential landlords, the law was repealed, and a new law (No. 135 of October
29, 1952) replaced it. This law abolished the distinction
between registered and unregistered State land. It declared
that all Mawat land, i.e., dead lands, are subject to the
administration of State Domain, and thus assimilated the
status of these lands to the State Domain proper, which the
State owned as a juridical person. The law stipulated that
no prescriptive title could be acquired over Mawat lands,
despite the fact that they had not been registered in the
Registers of Immovable Property or in those of the State Domain.

The law did not dispossess squatters completely. It validated their title to an area not exceeding 200 hectares per person, and a similar area for every member of the family of the recipient. Any area in excess of this figure reverted automatically to the State. The excess lands were to be sold or leased in accordance with the regulations made by the Council of Ministers.

But since the area of the State Domain land was unknown, the law could not be carried out. It was therefore necessary to resume the survey and registration of land. In 1952 a training center for land surveyors was set up and a survey began in 1953.

In January 1953, a decree was issued governing the conditions for distribution of the State land. Persons already cultivating the land and other applicants were to be allowed to purchase land at a price equivalent to 25 per cent of its real value, and could acquire up to 50 hectares of rain-fed land and 10 hectares of irrigated land. In Hasakeh and Deir-el-Zor provinces, they could acquire up to 200 hectares of rain-fed land, and the same area for every member of the family of the recipient.

The only direct action taken under the law has been the confirmation of the tribesmen's right to hold individual

ownership of land formerly occupied collectively in Hasakeh province. This action has given the tribesmen the right to take a rent from the merchant who cultivates the land instead of the chiefs of the tribes who used to take the rent as their own right.

In 1954 the military regime of Shishikli was overthrown and a new election for parliament was held. Though
the Shiskikly regime was overthrown by the liberal officers
of the army who were advocating reform and without their
effort the democratic life would have not been resumed, most
of the members of Parliament came as usual from the big landlords' class which was opposed to reform.

In 1955 a draft law for the protection of the peasant was submitted to Parliament by liberal members. This covered both share-croppers and agricultural workers. For share-croppers it provided that all agreements between landlords and cultivators should be leased by a written contract; that eviction of the cultivator should be illegal, except for breach of contract; that all cultivators should be entitled to receive loans from the Agricultural Bank; and that in share-cropping agreements the landlord's share should not exceed one-third of the total crop on irrigated land and one-fourth of the total crop on other land. For the agricultural

workers, the draft law proposed the extension of the Labor Law of 1946 to cover their conditions, and gave them the right to form trade unions. Though the changes proposed by the bill were reasonable, the bill had little chance of acceptance in that Parliament. It also seemed unlikely that the rural problems of Syria could be solved through the mechanism of parliamentary democracy. Syrian Governments were reflecting the established order of the old wealth and old power. To demand that the State carry out the measures of reform which the economic development of the country requires presupposes a Government detached from the old social structure and exercising functions beyond the needs of the established order. That Government came into being with the union of Egypt and Syria in 1958.

Land Reform

Land reform in Syria is based mainly on the following laws:

- 1. The Law of Cooperation (No. 91 of July 8, 1958),
- The Law of the Agricultural Labor (No. 134 of September 4, 1958),
- 3. The Law No. 161 of September 27, 1958, which is called the Law of the Land Reform, and its modifications, and

4. The Law of the State-Domain Land (No. 252 of October 19, 1959).

The discussion of these laws will be as follows:

agricultural co-operatives, agricultural labor and tenancy,

redistribution of land-ownership, and liquidation of State

domain land respectively.

Agricultural Co-operatives

The Law of Co-operation, No. 91 of 1958, was concerned with organizing co-operative societies in general. It stated that an agricultural co-operative is one established for the following purposes:

- producing agricultural commodities as well as storage, manufacturing, and marketing.
- 2. providing members of the co-operative, through sale or lease, with all they need in the way of tools and funds to operate their farm.

The agricultural co-operative in general could perform all the work related to agricultural activities and it has the right to work for all these purposes or for a part of them.

The membership of the agricultural co-operative is confined to the farmers who have business in the region in which

the co-operative works. No one could have membership in more than one co-operative with the same purposes, unless he has different businesses in the regions of the other co-operatives.

The co-operative law authorized the President to exempt agricultural co-operatives from all or a part of the custom duties levied on the importation of productive commodities necessary to their activities such as machinery, tractors, fertilizer, and raw material.

At the end of 1964, the number of agricultural cooperatives related to the Ministry of Agriculture numbered
322, with 26,316 members and a total capital of S.P. 1.694
millions. The distribution of these co-operative societies
by province is shown in Table 10. It may be noted that no
co-operatives exist in Al-Rakka province and only three cooperatives with very small membership and capital are in
Hasakeh province. The reason is the predominance of large
holdings in these two provinces.

Agricultural Labor and Tenancy

The Law of Agricultural Labor No. 134 of September,
1958, regulates the conditions of agricultural labor, fixes
minimum shares for tenants under share-cropping agreements

TABLE 10

AGRICULTURAL CO-OPERATIVES RELATED TO THE MINISTRY
OF AGRICULTURE IN SYRIA AT THE END OF 1964,
BY PROVINCE

Province	Number of Societies	Membership	Capital (S.P.Thousands)
Damascusa	41	4,150	394
Homs	36	2,400	104
Hama	27	860	129
Lattakia	71	7,500	203
Idleb	60	5,230	123
Aleppo	49	2,700	113
Al-Rakka	-		_
Hasakek	3	105	5
Deir-el-Zor	7	782	273
Sweida	23	2,431	321
Dar'a	5	158	29
Total	322	26,316	1,694

Source: Syrian Arab Republic, Ministry of Planning, Directorate of Statistics, Statistical Abstract of 1964 (Damascus, Syria: Government Press, 1965), Table 15, p. 136.

aIt includes the new province of Quneitra.

and regulates conditions of tenancy. It authorizes the establishment of minimum wages for agricultural workers; limits normal working hours to an average of nine hours per day for 300 days a year; prohibits employment of children below twelve years of age and of annual workers below eighteen years; provides for one month payment on dismissal, etc. The Law also provides for security in tenancy under normal conditions and for compensation for improvements made on the land by the tenant with the approval of the landlord. fixes the maximum share of the landlord for the use of his land under share-cropping agreements to 20 per cent of the value of the crop in rain-fed areas, 33 per cent in gravityirrigated land, and 20 per cent in pump-irrigated land. But since these general limits could be modified according to the supplies of tools and seeds furnished by the tenant, the law fixes the minimum share of the share-cropper from his labor at 25 per cent in land under cotton; 25 per cent of trees' fruits and 65 per cent of the vegetable and other products in orchards, 33 per cent in irrigated land under vegetables; 25 per cent of the trees' fruits in rain-fed land if trees are furnished by the landlord; and 60 per cent in land planted with tobacco. It prescribes that leases should be drawn in writing, regardless of the value of the contract, and that

they will be renewed automatically even if the land is transferred from one owner to another. The cancellation of the lease can not be effectuated by the owner except in certain cases enumerated by the law, such as when the tenant does not cultivate the land or causes excessive damage to the land or to the produce. Also, the lease can be canceled if the owner decided to cultivate the land himself, have it cultivated by his children, or if he sold it to somebody who wished to cultivate it.

The importance of this law has not been reduced by the issuance of the so-called "Land Reform Law" (No. 161 of September, 1958), because though Law 161 has liberated a big part of the share-croppers and tenants from the oppression of the big landlords, there still is a considerable number of them working on landlords' estates. Also, this law, by increasing the cultivators' share in agricultural income, has immediately helped in improving the living conditions of more than one-half the rural population.

Redistribution of Land-Ownership

In an attempt to reduce inequalities in land-ownership,

Law No. 161 of September, 1958, fixed ceilings on land-owner
ship by individuals and their immediate family dependents at

300 hectares plus a transferable maximum of 160 hectares for dependents in rain-fed lands, or 80 hectares plus a transferable maximum of 40 hectares for dependents in irrigated The excess of the individual holdings over the limits were to be taken by "Land Reform Institute" within five years and distributed to landless tenants, bedouins, and agricultural laborers in plots not exceeding 8 hectares of irrigated land and orchards or 30 hectares of rain-fed land. Compensation was to be paid in nominal bonds carrying a 1.5 per cent interest rate on instalments over a period of 40 years. The value of the land expropriated was fixed at the rate of ten times the "average rent", or the share of the crop per year as defined in Law 134 of 1958. Payment of the value of the land by the beneficiaries (plus 1.5 per cent interest per annum and 10 per cent for expenses) were to be spread over forty years. The beneficiaries of land redistribution were required to join co-operatives, which were entrusted with managerial and finance functions under the supervision of technical agriculturalists appointed by the Land Reform Institute which was created by the law to conduct the operations concerning land expropriation, management and redistribution, and to organize and supervise co-operatives. law states that the co-operative shall obtain agricultural

loans according to the need of the land owned by its members; provide the members with all they need to exploit the land, including seed, livestock, and machinery, and all that is necessary to preserve a crop and to transport it; organize properly the cultivation and the exploitation of the land including the selection of seeds, classification of crops, pest control, opening of canals and drains, and drilling of wells; market the main crops on behalf of its members; and undertake all other agricultural services required by the members and various social services. The co-operative society performs its activities under the supervision of a public servant appointed by the Land Reform Institute.

Assigning these functions to co-operative societies was sound. The old system involved more than the narrow relations between owner and share-cropper which were connected with the farm production process; it established a whole social and political pattern. New organizations are needed not only to take the place of the old set-up but also to lead the peasants towards higher productivity.

The Law allows scientific agricultural co-operatives to own agricultural land in excess of the maximum ceiling of holdings, if it is necessary for the performance of their purposes. Corporation and co-operative societies are also

allowed to own land in excess of the maximum set by the Law for purposes of reclamation and sale. Industrial corporations, which were incorporated before the enactment of the Law, are allowed to own land in excess of the ceilings set by the Law, if the land is necessary to industrial production. Furthermore, the Law allows the owners of rain-fed land to retain the maximum holdings set for such land if they irrigate their holdings from under-ground water or if they plant these holdings with trees, as an inducement for private investment in irrigation and growing trees.

The landlords subject to reform were required to pay, beginning January 1959, to the Treasury three-fourths of the average of the rent of the excess land until the end of the agricultural year in which the land is taken by the Land Reform Institute.

The general execution of the Law No. 161 and its modification is the responsibility of the Land Reform Institute in Damascus, which issues requisitioning orders, takes over the land requisitioned, and allots credit to the provincial authorities. In the capital of each province (Mohafaza) there is a Land Reform Office, administered by a Director of Land Reform, assisted by the Manager and Sub-Manager of Co-operatives, and several agricultural officers. Each office

carries out the distribution of the land on the expropriated properties in the province and organizes co-operative socie-The Co-operative Manager, in consultation with the ties. Board of each society, is responsible for undertaking schemes for agricultural or social investment. One agricultural officer is responsible for each society (or for a group of two or three) and lives in the village. The Co-operative Manager spends three or four days a week visiting the societies, so that constant contact is maintained between the Land Reform Office and every village where reform is in progress. The agricultural improvement varies according to the agricultural conditions of the region. The functions of the supervised co-operatives range from relief (as in Homs and Damascus provinces) to all round development (as in Lattakia province), and resettlement (as in Hasakeh province).

Regional diversity was also taken into account by adjusting the size of holdings to the productivity of the land. When a requisitioned land is taken over, the soil is surveyed and graded by quality to determine its prospective yields, on the basis of which the area needed for a holding of sufficient size to support a family could be calculated. Holdings are then allocated to the claimants, in such a way as to provide the same minimum income per family member.

After the cessation of unity with Egypt, this Law was drastically amended by Decree Law No. 3 of February 20,1962. Following the coup d'etat of March 1962, Decree Law No. 3 was abrogated by Decree Law No. 2 of May, 1962 which re-established the earlier provisions of Law No. 161 of 1958, with minor modification.

On June 23, 1963, following the coup d'etat of March 8, 1963, which brought the Socialist Party (Baath) to power, the Land Reform Law was amended, according to the productivity of the land by Legislative Decree No. 88.

Decree No. 88 of 1963 (Article 1) fixes the ceilings on land-ownership by individuals as follows:

1. In irrigated land:

- A 15 hectares in the Goota area (around Damascus).
- B 20 hectares in the coastal area.
- C 25 hectares in the Bootayha area and its subordinate.
- D 40 hectares in the other areas irrigated by gravity irrigations.

The abrogated law No. 3 of February 20, 1962, raised the maximum limits to 80-200 hectares on irrigated lands depending on the way by which they are irrigated, and 300-600 hectares on non-irrigated lands depending on the amount of rainfall the lands enjoy. It authorized the landlord to dispose to each of his dependents (wife and children), regardless of their number, a share of the land as big as that authorized to him.

- E 50 hectares in the areas irrigated by lift by any means from the rivers of Eufrates, Khabour, and Dujla.
- F 55 hectares in the areas irrigated by ground-water (wells) in the provinces of Hasakeh, Deir-el-Zor, and Al-Rakka.
 - G 45 hectares in the other areas irrigated by lift.
 - 2. In rain-fed land with trees of olives and pistachio:
 - A 35 hectares in the province of Lattakia.
 - B 40 hectares in the other provinces.

In the case of land with trees ten years old or less the area allowed becomes 45 hectares in Lattakia province and 50 hectares in the other provinces.

3. In rain-fed areas:

- A 80 hectares in the areas with an average annual rainfall of over 50 centimeters (about 20 inches).
- B 120 hectares in the areas with an average annual rainfall of 35 to 50 centimeters (14 to 20 inches).
- C 200 hectares in the areas with an average annual rainfall of less than 35 centimeters (14 inches). The ceiling, in such areas as the provinces of Hasakeh, Deir-el-Zor, and Al-Rakka was raised to 300 hectares.

The area which the landlord can transfer to his wife and his children became 8 per cent of the area he is allowed to own, instead of the maximum set up by Law 161 of 1958.

The ceiling of the area to be distributed to the beneficiaries has been raised to 45 hectares in areas with an average rainfall of less than 35 centimeters (14 inches).

The beneficiaries are required, according to Decree

No. 88, to pay, as a value of the land distributed to them,
only one-fourth of the value estimated to be paid by the State
to the landlords (Article 10). This one-fourth will be paid
in annual instalments within 20 years to the co-operative
society to be used in its agricultural and social activities
which benefit its members. The beneficiaries were also exempted from administrative and similar expenses.

The Decree authorizes the Land Reform Institute to establish collective farms in some areas where the circumstances of production require it (Article 24). These are thought to be neither collectives of the Soviet type nor private co-operatives, but establishments of a mixed character under the direction of the Land Reform Institute.

Liquidation of State-Domain Land

The Law of State-Domain Land No. 252 of October, 1959, included provisions for liquidating State-domain land and to distribute it among the peasants. The Land Reform Institute is entrusted with the distribution of the State-domain land.

The principles of distribution are similar to those prescribed by Law 161 of 1958 and its modifications, except that the State land could be distributed gratuitously. The exact area of the State-domain land in Syria is not known. In 1955 the State claimed ownership of 1,417,517 hectares of allegedly cultivable land, of which 551,473 hectares were leased for cultivation. This total has excluded Mawat (dead Land) which was assimilated into State-domain land by Legislative Decree No. 135 of October 29, 1952. However, in the statement of the Minister of Land Reform before the General Conference of the National Union in 1960, the State-domain land to be distributed in the period 1960-1965 was estimated at 1,500,000 hectares.

During the period 1960-1962, 135,780 hectares of State-domain land were distributed virtually free among 6,251 families.⁴ In the period 1961-1964, 70,724 hectares of

²I.B.R.D., op. cit., p. 55.

³S.A.R., Ministry of Land Reform, <u>Statement of the Minister of Land Reform before the General Conference of the National Union</u> (Damascus, Syria: Ministry of Land Reform, 1960), p. 28.

⁴S.A.R., <u>Statistical Abstract of 1962</u>, <u>op. cit.</u>, Calculated from data in Tables 41-42, p. 413.

State-domain lands also were sold to 4,982 persons. 5

Expropriation of "Excess" Land

According to Law No. 161 of 1958 the area of agricultural land to be expropriated amounted to 1,543,643 hectares. The number of landlords and their lands to be expropriated are shown in Table 11. Legislative Decree No. 88 of June 6, 1963 has increased the land subject to expropriation because all the maxima were reduced. But no data are available at the present to show how much the area subject to reform has been increased.

The total area of expropriated land from the beginning of land reform through 1964 has amounted to 1,023,172 hectares, i.e., about two-thirds of the land subject to expropriation according to Law No. 161 of 1958. The distribution of the expropriated land is shown in Table 12.

The political instability which followed the cessation of unity with Egypt was the main reason for the slowness in land expropriation. According to the original plan, all the land subject to reform was to be expropriated within five years. However, the Ministry of Land Reform is putting forth

⁵Calculated from S.A.R., <u>Statistical Abstract of 1962</u>, Table 43, p. 414; and <u>Statistical Abstract of 1964</u>, Table 40, p. 336.

TABLE 11

LAND AREA SUBJECT TO EXPROPRIATION IN SYRIA, BY PROVINCE (HECTARES)

	No. of			Non-	Total
Province	Owners	Irrigated	Rain-fed	Cultivate	d Area
			, ayu. An. to make di, take i yan Espiriin, wilada dan Sanar i Mayanay k wilada ikan	_	
Damascus	146	5 , 996	37 , 545	31,384	74,925
Homs	201	2,335	115,803	5,197	123,335
Hama	250	6,663	82,987	2,528	92,178
Idleb)	612	8,256	90,724	2,577	101,557
Aleppo)	012	4,653	145,845	10,512	161,010
·	- 1	3 3 79 4	F F 54		6 730
Lattakia	51	1,174	5,554	_	6,728
Al-Rakka) ₈₇₉	30,820	231,098	43,158	305,076
Deir-el-Zo		13,147	24,932	17,241	55,320
Hasakeh	1,063	19,463	554,410	6,017	579,890
Sweida	11	_	1,791	-	1,791
Dar'a	27	1,606	31,976	8,251	41,833
			THE PERSON ASSESSMENT OF ASSESSMENT STREET, FRANCES	di and anno anno di sistema de seguino de se	
Total	3,240	94,113	1,322,665	126,865	1,543,643

Source: Syrian Arab Republic, Ministry of Flanning, Directorate of Statistics, Statistical Abstract of 1962 (Damascus, Syria: Government Press, 1963), Table 35, p. 408.

TABLE 12

AREA OF EXPROPRIATED LAND IN SYRIA FROM THE BEGINNING
OF REFORM (1958) THROUGH 1964
(HECTARES)

Province	Irrigated	Rain-fed	Non-cultivated	Total Area
	2 225	10 010	22 422	40.756
Damascus	2,005	18,313	22,438	42 , 756
Homs	1,263	116,876	-	118,139
Hama	2,800	70,968	4,321	78,089
Lattakia	2,433	7,008	485	9,926
Idleb	1,513	70,994	4,547	77,054
Aleppo	2,431	132,729	13,289	148,449
Al-Rakka	11,063	74,943	1,452	87,458
Deir-el-Zor	12,172	370	109	12,651
Hasakeh	8,508	258,032	164,792	431,332
Sweida	_	1,476	34	1,510
Dar'a	691	7,358	7,759	15,808
Total	44,879	759,067	219,226	1,023,172

Source: Syrian Arab Republic, Ministry of Land Reform, Directorate of Statistics and Planning, Compiled from Statistics of the Ministry of Land Reform of 1964, bulletin No. 6, Table 1, p. 1 and of 1965, bulletin No. 3, Table 1, p. 1. Damascus, Syria.

a special effort at the present to finish the expropriation operations before the end of 1966. 6

Distribution of Expropriated Land

At the end of 1964 the distribution of expropriated land amounted to 232,060 hectares. The number of beneficiaries and their families are shown in Table 13. It may be noted that the area distributed through December 1964 is much less than the area expropriated. At the end of 1964 the total expropriated area amounted to 1,023,172 hectares. The reason is that most of the land expropriated is in the newly developed areas and especially in Hasakeh province where the farming process is highly mechanized and without peasants. The distribution of land in the newly developed areas has to be accompanied by population re-settlement and this process entails massive investment in the construction of roads, houses, schools, and hospitals. At the present, the undistributed expropriated land is exploited either by lease or by the Land Reform Institute itself until re-settlement occurs.

Co-operative societies which are supervised by the Land Reform Institute amounted to 210, with 13,929 members at

S.A.R., Ministry of Land Reform, <u>Land Reform Magazine</u>
No. 2 of March 1965 (Damascus, Syria: Ministry of Land Reform, 1965), p. 17.

TABLE 13

LAND AREA DISTRIBUTED AND NUMBER OF BENEFICIARIES
IN SYRIA FROM THE BEGINNING OF REFORM THROUGH
DECEMBER 1964

Area Dis	tributed (in)	No.of Beneficiaries		
Irrigated	Non-irrigated	d Total	Families	Individuals
3 , 504	33,230	36,734	2,636	14,319
2,445	20,903	23,348	1,632	8,897
7	3,523	3,530	249	1,355
4,379	88,006	92,385	6,507	34,921
840	64,170	65,010	3,548	20,096
262	10,791	11,053	820	4,921
11 // 27	220 623	232 060	15 302	84,509
	3,504 2,445 7 4,379 840	3,504 33,230 2,445 20,903 7 3,523 4,379 88,006 840 64,170 262 10,791	3,504 2,445 33,230 36,734 2,445 20,903 23,348 7 3,523 3,530 4,379 88,006 92,385 840 64,170 65,010 262 10,791 11,053	Trrigated Non-irrigated Total Families 3,504 33,230 36,734 2,636 2,445 20,903 23,348 1,632 7 3,523 3,530 249 4,379 88,006 92,385 6,507 840 64,170 65,010 3,548 262 10,791 11,053 820

Source: Syrian Arab Republic, Ministry of Planning, Directorate of Statistics, Statistical Abstract, 1964 (Damascus, Syria: Government Press, 1965), Table 36, p. 333.

the end of 1963. The distribution of co-operative societies is shown in Table 14. These societies are different from agricultural co-operative societies related to the Ministry of Agriculture, the former societies belong to the beneficiaries of reform and the farmers who own less than the maximum, while the latter societies are open to other farmers.

In 1964 the financial aid received by co-operative societies of land reform from the Land Reform Institute amounted to S.P. 278,618 and loans to co-operative and tenants amounted to S.P. 2,623,937 in addition to the loans to co-operatives provided by the Agricultural Bank with the guarantee of the Land Reform Institute.⁷

Peasant Union in Syria

On December 14, 1964, a legislative decree (No. 127)
providing for the establishment of a peasant union was issued.
The main features of this decree are:

1. The establishment of a free peasant organization with unionist aims, to serve peasants and participate in the building of socialism. Economically, it aims at the improvement of agriculture, support of the development plan, and participation in the implementation of land reform and other

⁷<u>Ibid.</u>, p. 18.

TABLE 14

CO-OPERATIVE SOCIETIES SUPERVISED BY THE LAND REFORM INSTITUTE IN SYRIA AT THE END OF 1963, BY PROVINCE

Province	Societies	Villages	Membership
_			
Hama	52	73	3,713
Aleppo	43	71	2,156
Homs	29	33	1,892
Idleb	25	66	2,163
Hasakeh	14	24	938
Damascus	13	18	829
Dar'a	12	14	412
Lattakia	10	23	439
Deir-el-Zor	9	9	975
Al-Rakka	3	3	412
Sweida	-	-	-
Total	210	334	13,929

Source: Syrian Arab Republic, Ministry of Land Reform, Directorate of Statistics and Planning, <u>Statistics of 1964</u>, <u>Bulletin No. 4, Co-operative Societies</u> (Damascus, Syria: Ministry of Land Reform, 1965), Table 1, p. 3.

agricultural laws. In the social field, it aims at raising the standard of living of peasants, and enhancing the spirit of co-operation among them.

- 2. The system starts with the founding of a peasant society in each village, a sub-province union of societies in each sub-province, and a province union in each province.

 It reaches its summit with a general union for the country.

 All the administrative bodies are to be democratically elected.
- 3. This organization works on all levels in a free, independent, and democratic way.
- 4. The general union is a people's organization which works for the interests of peasants, the protection of the goals of the revolution (the coup d'etat of March 8, 1963), the enhancing of national and socialist conscience among peasants and strengthening of the united Arab socialist and democratic society. The decree provided for powers for the supervision of elections, inspection of financial records and protection of the aims of the peasant organization . . . The aim of all this being the prevention of abuse in the societies' work.
- 5. A special effort was made to make the peasant organization similar to the labor organization. Therefore, the decree gave powers of control to the unionist bodies of the

peasant societies and gave them a part in all measures which help the peasant organization to realize its aims.

- 6. The decree gave the Ministry of Labor control over its execution since the same ministry supervised the organization of labor union. It ensured that the relation of the ministry with the peasant organization be conducted on the same basis of its relation with the labor union organization.
- 7. The decree stressed the democratic character of the administration of peasant societies and unions and gave them independence.
- 8. The decree stressed assistance to peasant societies and their unions by government departments.
- 9. The decree specified the role of peasant societies and their unions in the execution of laws related to the development of rural communities, and emphasized the representation of peasants' organization in committees, councils, and other bodies established by the State.

The decree is composed of seven chapters. The first chapter deals with definitions. The second deals with the formation of peasant societies, conditions for admission, election of committees, meetings of general assemblies, and revenues and procedure of control. The third deals with the formation of sub-province unions. The fourth deals with the

formation of the province union. The fifth deals with the general union. The sixth deals with sanctions. The seventh contains general and transitory provisions.

For the sake of expediting the execution of this decree, and as an aid to peasants, the decree authorized the Minister of Labor and Social Affairs to appoint temporary committees for the general union, province unions, and sub-province unions to work for the formation of peasant societies within a maximum period of one year, after which union bodies were to be formed in accordance with the provisions of the decree.

At the beginning of 1965, temporary committees were appointed by the Minister of Labor and Social Affairs and the first conference of the peasant union took place in Damascus during September, 1965. The resolutions of that conference concerning the development of the rural areas and the agricultural sector were adopted by the Government. The peasant union now has representatives on all the governmental committees concerned with rural affairs. Preparations are being made to have the union bodies elected in accordance with the provisions of the decree. 8

⁸Ba'ath Party, <u>Al-Ba'ath, Daily News Paper, No. 915,</u> <u>March 9, 1966</u> (Damascus, Syria: Ba'ath Party, 1966), p. 2.

CHAPTER V

SYRIAN REFORM IN COMPARISON TO EGYPTIAN AND MEXICAN REFORMS

In Chapter 4 there was a review of reform in Syria before 1958 as well as the provisions of the land reform laws of 1958 and the following years. The expropriation and distribution of land from the beginning of reform in September 1958 through 1964 were also considered. There was a brief discussion of the peasant Union established in Syria at the end of 1965.

In this chapter the Egyptian and Mexican reforms will be discussed and compared with the Syrian reform. This will include a review of the historical background, agrarian structure, and the course and the results of the reform of each.

EGYPT

Land reform has long been recognized in Egypt as a social necessity, but in thirty years of parliamentary government not one measure was passed for the benefit of the

peasant, on whom Egypt's economy depends. In 1945 a bill was introduced to prohibit future acquisition of more than 100 feddans of land. Another bill providing for the break-up, with compensation, of all holdings over 50 feddans was introduced in 1950. A third bill providing that newly reclaimed agricultural land owned by the government should be sold only to peasants holding less than two feddans was introduced in 1950. All these bills were overwhelmingly defeated. The most that could be wrung out of the landlord dominated Parliament was a law requiring owners of large estates to provide better housing, and health and social services to their tenants. Things changed dramatically following the coup d'etat of July 1952. On the 9th of September, 1952, a comprehensive land reform law was promulgated.

Before attempting to discuss the Egyptian reform it will be desirable to look briefly at the historical back-ground and the agrarian structure of Egypt before reform.

Historical Background

Egypt occupies the north-eastern corner of Africa.

It is bounded on the north by the Mediterranean, on the

¹feddan = 1.038 acres.

north-east by Palestine, on the east by the Red Sea, on the south by the Sudan, and on the west by Libya. Its boundaries include an area of 1,002,002 square kilometers but the inhabited area accounts for only 36,158 square kilometers.²

It is said that underdevelopment is characterized in general, by over population, underemployment on the land, a low rate of capital accumulation, and an institutional structure inimical to investment. Egypt, on the whole fits into this pattern, though its agriculture is too advanced to correspond to the usual pattern. According to the census of 1950, about 62 per cent of the total population of Egypt was rural. Income originating in the agricultural sector amounted to about 30 per cent of the total national income in the year 1960-61. Per capita income amounted to E.P. 37.1 in 1952 and reached E.P. 58.8 in 1964.

The main feature of the demographic position of Egypt

²The Europa Year Book 1965, Vol. II (London: Europa Publication Limited, 1965), p. 1151.

³U.A.R., The Central Department of General Mobilization and Statistics, <u>Selections From General Statistics of</u> <u>U.A.R. (1951/52 - 1963/64)</u>, in Arabic (Cairo, Egypt: Memphis Press, December 1964), Calculated from data in p. 14.

⁴<u>Ibid</u>. calculated from data on page 116.

⁵<u>Ibid</u>. p. 122.

is the rapid rate of population growth on a small land area already cultivated to capacity, and rigidly limited. The typical conditions of underdevelopment existed in an extreme form: an excessively high density of population; rural underemployment on a large scale; and a rate of population increase which exceeded the rate of increase in agricultural production. Egypt is among the most densely populated countries in the world. On a cultivated area of about 6 million acres it has to support a population which reached 28,594 in 1964. The rate of population growth in the last decade was about 2.5 per cent per annum. The surplus population on the land was estimated in 1955 to be 5 million (including dependents), or 30 per cent of the total agricultural population.

The rate of population increase had outstripped the rate of increase of agricultural production before the introduction of the reform in 1952. The land of Egypt is almost rainless, and cultivation depends on irrigation. The areas cultivated have increased from 5.1 acres in 1897 to 5.8 in

⁶ <u>Ibid</u>., p. 10.

⁷ Ibid.

⁸Warriner, op. cit., p. 16.

⁹ <u>Ibid</u>., Table 1, p. 16.

1949, while the population has increased in the same period from 9.7 million to 20 million. There are no figures showing the increase in agricultural production over the period, during which yields per acre rose considerably. Between 1924-8 and 1950 the volume of agricultural production rose 43 per cent, while population in the same period (1927-50) rose by 44 per cent, so that agricultural production barely kept pace. 10

Agrarian Structure

Agriculturally Egypt is a "pressure-cooker". The Nile valley holds the world's land productivity record; cropping rates are high. On four-fifth of the land (the area perennially irrigated) three crops a year can be harvested, though in fact the average cropping rate is five crops in two years. Yields per hectare are high. The cotton (lint) yield in 1948/49 - 1952/53 was second only to the world's highest and the yields of maize, wheat, and barley were higher than the European average. 11

¹⁰ Charles Issawi, Egypt At Mid-Century - An Economic Survey (London: Oxford Press, 1954), Tables 2 and 8, pp. 55 and 79; Warriner, op. cit., Table 2, p. 17.

Food and Agriculture Organization of the United Nations, <u>Production Yearbook 1963</u>, Vol. 17 (Rome, Italy: FAO of the United Nations, 1964), Tables 13, 15, 18, and 64, pp. 37-38, 41-42, 46-48, and 140-141.

This achievement is not solely the gift of the Nile, though it is the fertility-renewing Nile flood which has given Egypt its 5,000 years of agricultural continuity. The modern economy of Egypt multiplies the fertilizing effect of the Nile by three through the system of perennial irrigation. Artificial fertilizers are heavily applied, chiefly in the form of nitrates, and maintain the high yields, which fall off sharply when applications diminish, as happened during the war when imports of nitrates were cut down. Capital, skill, and organizing ability have gone into the standardization and improvement of the varieties of cotton. Through the cotton crop the whole economy - and most of the population - is geared to the world market.

The high level of land productivity is accompanied by a very low productivity of labor. Gross and net output per acre are extremely high, while output per man is extremely low.

The growing pressure of population has allowed landowners to take a large share of the agricultural income by
raising rents. As population increased, the inequality of
incomes increased also. The royal estate at Kafer el-Sheikh,
in Fuadia province, with an area of 16,000 acres, was quoted
by Dr. Ghonemy as an example. The average net revenue per

acre owned and operated by the estate increased from E.P. 5 in 1937 to E.P. 15 in 1949, while the cash rent per acre for land leased on the same estate rose from E.P. 8 in 1937 to E.P. 36 in 1949. The increase in the cash rent per acre in that period was 350 per cent, while the increase in the average net revenue was 200 per cent. Land reform was needed, not only to correct the income's share of peasants, but also to break the power of the old ruling oligarchy, with its roots in the big estates.

The distribution of land-ownership before reform was unequal, as shown in Table 15. It may be noted from these figures that of the 2.802 million proprietors, 72 per cent had only 13 per cent of the total agricultural land area, while the top 0.4 per cent of the proprietors had 34.3 per cent of the land.

On all properties, except the smallest and the largest, cultivation by tenants is general. In recent years the proportion of the land leased to tenants has greatly increased. The increase in tenancy is a result of the growing pressure of population.

¹² Mohammed Riad Ghonemy, Resource Use and Income in Egyptian Agriculture before and after the Land Reform, with particular reference to Economic Development (North Carolina State College: Unpublished Ph.D. Thesis, 1953), pp. 55-56.

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TABLE 15

EGYPT: AGRICULTURAL LAND, BY SIZE OF HOLDINGS, 1952

			•	Owner	cs	Area		
Size-group (feddans)		Number (Per Cent (Thousands)		(Thousands of (Per Cent) feddans)		Average Area (feddans)		
l and	d unde	er		2,018.1	72.0	778	13.0	0.4
Over	1-u	inde:	r 5	623.8	22.2	1,344	22.5	2.1
**	5-	н	10	79.3	2.8	526	8.8	6.6
11	10-	ti .	20	46.8	1.8	638	10.7	13.6
11	20-	11	30	13.1	0.5	309	5.0	23.6
11	30-	tı	50	9.2	0.3	344	5.7	37.4
11	50-	11	100	6.4	0.2	429	7.2	67.3
***	100-	11	200	3.2	0.1	437	7.3	137.2
16	200			2.1	0.1	1,177	19.8	550.9
Tota	1			2,802.0	100.0	5,982	100.0	2.1

Source: Statistical Pocket Year-Book, 1953, p. 33. Quoted from Doreen Warriner, <u>Land Reform and Development in the Middle East</u> (London: Oxford University Press, 1962), Table 6, p. 24.

The largest properties were managed partly as plantation estates, with central management and a large administrative staff, and partly leased to tenants.

The distinction between owner-operation and sharecropping tenancy is not sharp, because the practice of
share-cropping was not a contract between landowner and
tenant to divide the profits of the farm, but simply a method
of reducing the costs of management and labor supervision and
of cutting labor costs by reducing wages. When the land is
rented to a tenant-farmer with some capital, rent is payable
in money, and the agreement may be of the nature of a leasehold contract. Share-cropping agreements had no legal
status, and were usually not written. They ran for a short
period, sometimes for only one crop season. On big estates
intermediaries were used. A portion of the land would be
leased in return for a fixed share of the crop to large
tenants who would sub-let to small cultivators.

Different divisions of the gross product were used for different crops. A common arrangement was for the landowner to take all the cotton crop, half or more of the wheat crop, leaving the maize and berseem for the cultivator and his buffalo. Blank agreements, with no division of the crop specified in advance, were sometimes made.

Working capital was usually provided by the landowner, in the form of seed and fertilizers for the cotton crop; the fixed capital, including irrigation channels, is maintained by him.

The status of the small tenant-cultivator on a holding of 2 or 3 feddans was that of a laborer rather than that of a tenant. Formerly he had no security of tenure and little incentive and little means to invest, since the landowner undertook this function, and his income barely covered his needs.

According to official figures quoted by Dr. Ghonemy, the average net revenue per feddan of owner-operated land in Egypt was E.P. 16-19 in 1946-47 and 1947-48, while the average cash rent per feddan was E.P. 22-23. Rent had been more than the net output, so that the landowner could obtain a higher income per feddan by leasing the land than he could by farming it himself. The average rent level before reform was equivalent to about 50 per cent of the gross produce and 75 per cent of the net produce. The level of rents in terms of money rose with the rise in cotton prices in 1950-1951. The share of rent in the gross agricultural income, i.e. the

^{13 &}lt;u>Ibid.</u>, p. 57.

proportion of rent to output, has increased with the increase in population.

The amount of rent per feddan varies with the density of agricultural population and also, to a lesser extent, with the proportion of cropped area under cotton. Where the area of cultivated land per head is very small, as in Giza, rents are higher than in provinces with lower population densities.

The high price of land made it impossible for the small tenant-cultivator to purchase land. High rents and debts prevented him from accumulating the necessary funds.

Consequently, the outstanding feature of the land system before reform was gross inequality. The growth of population on the land allowed landowners to use their monopoly power by charging a higher price for the use of land, in the form of ever higher rents.

Among the landowners two types can be distinguished.

One is the very large landowner, generally absentee and a lavish consumer, usually in Europe. It has been said that what he wastes in an evening would satisfy his peasants for a year.

The other is the landowner with 300 feddans, living on his estate or in a big town. He may be a

¹⁴H.C.Ayraut, Fellahs d'Egypte, 6th ed. (Cairo: Editions du Sphynx, 1952), p. 46.

professional agriculturalist, farming efficiently, or he may leave the management to an agent, and neglect the estate.

Among the large estate owners few families did anything to improve the conditions of their workers, and then mainly by providing some medical service. Nor did the state do anything for the peasants, except through the provision of health clinics in some villages.

The Egyptian Reform

The Land Reform Law (No. 178 of September, 1952) was intended to achieve a general reform of the agrarian structure, including the redistribution of property, reduction of rent, and raising of agricultural wages. Its primary aim was the redistribution of income.

The law laid down that "no person may own more than 200 feddans of land". Landowners may retain up to 300 feddans, if they distribute 50 feddans to each of two children. Land in excess of this maximum was to be requisitioned by the Government over a period of five years.

Land under reclamation was exempted from expropriation under Article 2, which allowed companies and private persons to own more than 200 feddans of fallow or desert land under reclamation. Land owned by industrial companies is exempted

for a period of twenty-five years, and also, under a later amendment, land belonging to agricultural, scientific, and industrial societies in existence before the decree was issued.

Owners of expropriated land receive compensation at the rate of ten times the rental value, assessed at seven times the basic land tax (i.e. at seventy times the basic land tax). Tax assessments were low and the rental value fixed on this basis is therefore much lower than the real rental value. To the sum payable in compensation for the land must be added the value of buildings, installed machinery (chiefly pumps), and trees. Compensation is payable in state bonds, bearing interest at 1 per cent, and redeemable in forty years. The bonds are not negotiable, but may be used in payment for uncultivated land purchased from the Government for reclamation, or in payment of land tax and death duties.

Under Article 4 of the law, landowners were permitted to sell land in excess of the legal maximum, in lots not exceeding 5 feddans, to farmers (not relatives) whose holding did not exceed 5 feddans. Large areas of land were quickly sold, and the price of land fell by 50 per cent. Landowners evaded the provision obliging them to sell to small farmers,

¹⁵ Originally the bonds were to be bearing interest at 3 per cent and redeemable in thirty years.

and instead sold to larger farmers, commercial interests, and civil servants. Had this provision continued in force, little land would have been available for distribution. Article 4 was therefore superseded, later in 1952, by a decree which prohibited private sales of land liable to expropriation after 31 October, 1952.

The Land Reform Law made no special provision concerning the estates of the royal family, which cover in all 178,000 feddans. The law for the confiscation of the property of 'the Mohammed Ali dynasty', however, laid down that these estates should be expropriated in full, leaving no residual holding, and without compensation. Since the General Committee receives payment of instalments from the farmers in respect to their holdings, but need pay no compensation, the acquisition of these properties facilitated the self-financing of the reform.

The requisitioned land was to be distributed among small farmers and farm laborers, in holdings of not less than 2 feddans and not more than 5 feddans per family. In distributing land preference was to be given to those actually cultivating the land as tenants or laborers. Owners of more than 5 feddans are not eligible to receive land. Orchards were to be distributed in lots not exceeding 20 feddans.

The new owner was to pay, in instalments over a period of forty years, the full purchase price of the land, assessed as above, plus interest at 1 per cent and 10 per cent for the costs of administration. ¹⁶ Until the purchase price is fully paid, the holding may not be sold or otherwise disposed of. Since the purchase price is based on rental value, based on land-tax assessment, the instalment payable annually is much less than the previous rent paid, usually by about 50 per cent.

The distribution of an expropriated estate is not made until its income, the number of persons dependent on it, and their resources outside it as owner and tenant, have been surveyed by officials of the General Committee for Land Reform, the department charged with the execution of the law. Great care is taken to ensure that the land is fairly distributed among all those who are entitled to benefit. The size of holding varies between 2 and 3 feddans, according to the size of the family. The general rule is that all former tenants receive land, with the exception of those who own more than 5 feddans. Permanent laborers usually receive a holding, but

Originally the period of payment was thirty years, the interest was 3 per cent and the costs of administration were 15 per cent.

not all casual laborers can do so, since there is not sufficient land.

Article 18 of the law provided that an agricultural co-operative society should be established in the village where distribution of land takes place. Membership in the society is obligatory for all grantees of land and those who have no more than five feddans in the village limits.

These co-operative societies are required to make loans to their members; to provide seed, fertilizers, livestock, agricultural machinery, and the storage and the transport of crops; to organize the cultivation and exploitation of the land in the most efficient manner, including seed selection, varieties of crops, pest control, digging of canals and drains; to sell the principal crops on behalf of the members; and to render all agricultural, social and economic services on behalf of their members. Societies are to be officially controlled, and must exercise their duties under the supervision of officials chosen by the Ministry of Social Affairs, and since 1956 by the Ministry of Land Reform.

In practice, the management is taken over by the official manager appointed by the General Committee. He is presumably highly trained and experienced, sometimes a former estate manager, and has under his control an administrative

staff comprising accountants, agronomists, mechanics, storekeepers, and foremen. He is not a member of the Board, but can refer decisions of which he disapproves to the General Committee.

Income from the land is distributed in accordance with the output from each holding, and not, as in fully collective farming, in accordance with labor. The cash crops are sold to the co-operative for marketing, and the proceeds are credited to each member, after deduction of the annual instalment of the purchase price, the land tax, and the cost of fertilizers, seed, machine use, and any other services provided by the co-operative. Subsistence and fodder crops are retained by the cultivator. Livestock are owned by the farmers individually, but the estate dairy herds are owned by the co-operative.

In the early stages of reform, a question arose as to whether these compulsory societies were not more like collective or state farms than genuine co-operatives. But now the question seems hardly relevant, for they combine both collective and co-operative elements. Unlike the collective farm in Eastern Europe, these societies maintain the principle of individual responsibility through distribution of income to the cultivator of the holding.

Though the co-operatives began as artificial and compulsory creations, and are still controlled, self government has been fostered, and a sense of community responsibility has developed. Incentives are being substituted for compulsion in marketing; members now receive a premium of 10 per cent on the market price of cotton sold through the co-operative. 17

Their success can be attributed to two factors. One is the organization itself, which reconciles individual incentive and the growth of a co-operative spirit with large-scale operation and skilled management. The other is the quality of the men in charge of the administration.

In an attempt to give due weight to social and agricultural aspects, the administration of reform in the early stages was the responsibility of an inter-ministerial body, the General Committee for Land Reform, representing several government departments including the Ministries of Agriculture and Social Affairs. But the General Committee was slow in reaching decisions, and in 1956 its functions were taken over by the newly created Ministry of Land Reform.

 $^{^{17}\}mathrm{Market}$ price is used here to mean the price which the peasant can get if he sells his cotton to the local merchant.

At the end of 1960, in order to fulfill the agricultural targets of the Five-Year Plan, the decision was made to apply the system of supervised co-operation to the ordinary agricultural co-operative societies. These were mainly concerned with purchase of farm equipment and the supply of credit. They were stimulated to greater activity by the Co-operative Law of 1956, which extended their privileges, and by the Rural Credit Scheme, introduced in 1957 to expand credit to co-operatives.

Three reasons were responsible for the decision to reorganize the agricultural co-operative movement. One was the success of the land reform co-operatives in raising yields, and the successful application of unified rotation to 'unreformed' villages, which showed that the potential was high. The second was the need for increasing agricultural production. The third reason was that it was considered socially and economically desirable to channel investment of public funds into agriculture on a new co-operative basis, since capital provided through the banks or even through the ordinary co-operative societies, would inevitably benefit chiefly the larger farmers. Unless official supervision guarantees repayment of loans, no large credit expansion is practicable on small farms.

The first step in the reorganization was the transfer of the responsibility of the old agricultural societies from the Ministry of Social Affairs and Labor to the Ministry of Land Reform.

The Ministry of Land Reform is to channel state funds to the agricultural co-operative societies on a supervised credit system (i.e. granting credit for specific production purposes). Each society will have a production target, and an official of the Ministry will reside in the village to control fulfilment. The constitution of the societies is to be reorganized to give stronger representation to the smaller farmer, hitherto overshadowed by the capital contributed by the larger farmers, whose money will no longer be decisive when credit is supplied from public funds.

In an attempt to reduce the fragmentation problem,

Article 23 of the law provided that if something happened to
lead to the division of agricultural land to less than 5
feddans, the parties concerned are required to agree on ownership of the land. If they do not agree, the court will decide
to whom the land will go.

This provision, however, has not been put into effect because of social difficulties. The problem was under study again. It was found that the system that would cope with the

local conditions both socially and economically is the consolidation of small holdings under controlled rotation to which big scale systems of cultivation could be applied. This system does not affect ownership rights nor interfere with individual freedom to dispose of land. Owners can freely sell or dispose of their land as long as it is cultivated within a big scale system of controlled rotation.

This new system was started as a pilot experiment in one village in 1958. In 1961 it was applied to 114 villages after the experiment had proved successful. In 1962 it was decided to apply the system to 1,040 villages where the holders welcomed the idea.

In order to regulate tenancy, Article 32 of the law decreed that agricultural land may be let only to a person who intends to farm it himself. The rent of agricultural land may not exceed seven times the basic land tax (Article 33). In the case of share-cropping rents, the law decreed that the owner's share shall not exceed one-half, after deduction of all expenses. This provision also meant a large reduction in rent since before reform, rent averaged one-half of the gross produce.

Leases of land may not be concluded for less than three years and must be in writing; in the absence of a

written agreement, the rent shall be deemed to be based on crop-sharing for a period of three years, during which the owner's share shall be one-half, after deduction of all expenses.

Article 18 of the law provided that the wages of agricultural workers should be fixed annually by an official committee, formed by the Minister of Agriculture, with an official of the Ministry as President, and composed of six members chosen by the Minister, of whom three should represent owners and tenants of land, and three agricultural laborers. Agricultural workers were given the right to form trade unions.

Under law No. 1529 of 1957, private Wakf land, exempt under the original law (No. 178 of 1952), became liable to expropriation in the same way as other properties exceeding the maximum. In consequence, about 150,000 feddans were added to land available for distribution. Under Law No. 84 of 1957, private companies engaged in land reclamation (previously exempt from expropriation for twenty-five years) were compelled to sell 25 per cent of the land reclaimed to the Ministry of Land Reform for resettlement by small farmers; they were permitted to sell the remainder to private owners, in holdings not exceeding 200 feddans. State lands were

transferred to the Ministry of Land Reform in 1959, also for the purpose of small farm settlement.

The object of this legislation was to obtain more land for redistribution, for as expropriation proceeded it was found that private sales and transfers (legal or illegal) had considerably reduced the area in large properties originally subject to expropriation. With the intention of preventing landowners from exceeding the legal maximum holding by buying land in the names of their children, a 1958 amendment to the 1952 law limited family ownership to 300 feddans.

The Course of Reform

In spite of the impressive achievement in rural social services, particularly health, the variety of community development projects, and the increase in output, the fact remained that hopes had been disappointed by the small scale of redistribution and cynicism fostered by the evasion of rent control.

As a result, President Nasser issued the Laws No. 127 and 128 of 1961. Law No. 127 of 1961 provides that the first article of the old law should be superseded by the words:

"No person shall be allowed to own more than 100 feddans of agricultural land. This shall also apply to barren and desert

land. Any contract transferring ownership constituting a violation of this law shall be annulled and shall not be registered."

In order to prevent further acquisition of large properties, Article 7 provides that . . "from the agricultural year 1961-2 no one person, together with his wife and minor children, shall be allowed to acquire through rent, seizure or other means more than 50 feddans in addition to the area which he already owns". Estate agents are prohibited from managing or leasing land in excess of this limit. Contraventions of the law are punishable by imprisonment and/or fines of not less than E.P. 100 and not more than E.P. 1,000 - a more drastic and realistic method of enforcement than that in the first law, which imposed a penalty of imprisonment only, and was limit 1 to breaches of Article 1.

The object of the new law was to bring about a greater degree of equality in the distribution of landownership by reducing the maximum holding and tightening up enforcement.

Law No. 128 of 1961 exempted farmers from paying half the price of the land distributed to them under land reform, and freed them from payment of interest on instalments of the purchase price, transferring to the state the obligation of meeting these payments. In 1964 Law No. 138 reduced the

purchase price of the land distributed under land reform once more to one-fourth, i.e. the beneficiaries were exempted from three-fourths of the land price.

In a speech in Alexandria on 26 July 1961, President Nasser explained the significance of these amendments as the continuance of the social revolution begun in 1952, strongly emphasizing the persistence of rural poverty: 18

"If we really want to feel how we live, we should not be impressed by the lights in Alexandria, Cairo or Damascus. We should rather assess the real needs of our revolutionary advance. We should consider as our major problems those which exist away from the glittering lights. Let us consider how the peasants live in the villages. A fellah is hired by a landowner for four or five months in the year and spends the rest of the year without employment living at a subsistence level. Migratory laborers live on the lowest imaginable pay. I visited Kom-Ombo five years ago and visited a plant I saw the laborers at lunch-time eating a loaf of hard sun-baked bread of the kind common in Upper Egypt, and an onion. Is this the life we would approve of? Is it a life that anyone could agree that we should live?"

He praised the success of land reform in granting ownership to one million people (members of farm families), but also drove home its failures:

"We fixed the annual rent for tenants at the equivalent of seven times the basic land tax, but has this been complied with? Landowners have found ways and means whereby they have succeeded in evading the law, with the result that the rent has never been actually fixed by the landowners in conformity with the provisions of the law."

¹⁸ Text issued by Information Department, Cairo, 25 July, 1961.

"It was our intention to suppress feudalism, but have we succeeded in doing so? I am personally acquainted with families who have taken advantage of certain loopholes in the clauses of the original law restricting landownership. In several cases, landowners retained possession of 200 feddans and through fictitious bequests and sales continued to own 3,000 feddans and thus considered themselves to be the feudal lords of the locality with the peasants as their serfs. Can we possibly tolerate such a state of affairs under the revolutionary regime? . ither the Revolution has to take such measures as will achieve its cherished political and social objectives, or else we should proclaim that the Revolution has finally come to an end. In that event, we should have to admit that, despite our success in the political field, we have utterly failed in performing our social task."

The Results of Reform

At the end of 1963 the total area requisitioned, including the land expropriated from foreign owners, amounted to 944,487 feddans, of which 628,137 feddans were distributed among 231,862 families. 19

The rest of the requisitioned land has not yet been distributed for the following reasons:

- 1. 17,700 feddans of orchard were put under the supervision of a company for exploitation to increase fruit exports to foreign countries.
 - 2. 165,416 feddans of uncultivated land were put

¹⁹ The U.A.R., Information Department, The Year-Book of 1964 (Cairo: Information Department's Press, 1964), pp. 117 and 118.

under the Ministry of Land Reform for reclamation.

- 3. 18,673 feddans of weak production land. The Ministry is working now towards its improvement for distribution.
 - 4. 17.372 feddans for building and housing utilities.
- 5. 97,189 feddans, some of which are subject to judicial disputes and some of which are publicly owned.

The redistributed area amounted to about 10 per cent of the total cultivated land area. The beneficiaries have received land in conditional ownership and have gained considerably in income, security, and social responsibility but they represent only a small fraction of the farm population. Agricultural production increased 59 per cent between 1952 and 1964. Although output per acre in Egypt has been relatively high, its level has been raised as a direct result of the reform. This achievement has not been easy, and has required a high degree of administrative and technical efficiency. The Egyptian reform appears to have been carried through with a high degree of administrative competence. In this respect it compares well with other countries.

Syrian and Egyptian Reforms

From a review of the backgrounds of Syria and Egypt,

²⁰U.A.R., Selection from General Statistics (1951/52-1963/64), op. cit., p. 16.

it is evident that there is a contrast between the agricultural and demographic conditions in the two countries. In

Egypt all cultivation is dependent on irrigation, and production is intensive, stable, and there are uniform methods
of cropping. Syria, by contrast, depends mainly on uncertain
rainfall, and apart from cotton, grown chiefly as an irrigated
crop, production is extensive, with low and variable yields
and much regional diversity in farming methods. Egypt is
over-populated, while Syria has a shortage of labor in some
regions and a surplus in others.

In spite of the contrast, there was an underlying unity in the aims and methods of land reform in Syria and Egypt. In both the same type of group farming was used (the special co-operative pattern) first evolved in Egypt, and later applied in Syria.

On paper the provisions of the Syrian reform followed those of the Egyptian reform closely. But the Syrian reform was more drastic because it left no apparent loopholes for evasion. Article 4 of the Egyptian law as originally issued permitted private sales to small farmers, and this provision, though quickly rescinded, led to much evasion of the law.

No such latitude was allowed in Syria. To prevent private sales and transfers, the law prescribed that every proprietor

of land in excess of the maximum must notify the Ministry of Land Reform of the area of the land he owned and farmed, within three months of the coming into effect of the law, and in January of each year. Heavy penalties were imposed for evasion and falsification. Other provisions (e.g. defining children entitled to receive transfers of land, preventing subdivision of large estates on inheritance) were included to prevent evasion through transfers within the family.

The provisions of the Syrian reform governing the rate of compensation differed from the Egyptian and they appear to be more favorable to the landowners. Under the Egyptian law, the rate of compensation to the landowner was based on the valuation of the land for land tax; and as this valuation was low, the purchase price was much lower than the market price of the land. In Syria no land tax was levied, and a rental basis was used. The compensation payable to the landowner was fixed at ten times the average rent of the land for an agricultural rotation period of three years, or the produce share of the proprietor in the rotation, which was not to exceed the proportion laid down in the Law of Agricultural Relations (No. 134 of 1958). Compensation was to be determined by an inter-ministerial committee

representing the Minister of Agriculture, Justice, and Public Works. Beginning in January 1, 1959 the landowners were required to pay to the Land Reform Institute three-fourths of the average rent fixed under Law No. 134 of 1958, in respect of the land subject to reform until the beginning of the agricultural year following the expropriation of the land by the Ministry of Land Reform.

The provisions of the Syrian reform fixing ceilings of land-ownership also differed from the Egyptian and they seem to be more reasonable. Under the Egyptian Law No. 127 of 1963, the ceiling of land-ownership is fixed at 100 feddans throughout the country. In Syria many ceilings of land-ownership are fixed. In fixing these ceilings many factors are taken into account such as type of crops raised, quality of the soil, amounts of distribution of rainfall, access to market, and the method of farming.

The provisions of the Syrian reform differed from the Egyptian concerning the purchase price of the land to be paid by the beneficiaries. Although in both Syria and Egypt the beneficiaries are required to pay only one-fourth the purchase price of the land, in Syria the sum is paid to the co-operative in which the beneficiary is a member while in Egypt the sum is paid to the Ministry of Reform. Since

co-operatives are established to serve the beneficiaries and the revenues are used for the agricultural and social needs of their members, the land seems to be given free to the beneficiaries in Syria.

The Syrian reform was wider in scope than the Egyptian. Official estimates put the total cultivated area subject to expropriation at 1,416,778 hectares, or about 26 per cent of the total cultivated area in 1958. This area became larger as a result of the amendments made by law No. 88 of 1963. In Egypt, although the reform was almost complete in 1963 in respect of expropriation, the total redistributed land area was only about 10 per cent of the total cultivated area.

The initial situation of reform in Syria was different from that in Egypt. In Egypt the problem was to maintain and increase production on estates which were already intensively cultivated, with high and stable yields. In Syria the task was more complex, for reform of the structure had to be combined with both agricultural development and the resettlement of farmers, and provide the mechanism by which these policies were carried out.

Necessarily reform required a large credit operation, providing relief to destitute farmers in the drought-stricken villages in the period of 1958-1960, and investing in farm

improvement, irrigation, and rehousing in all regions. Fortunately, funds were available for requirements. By contrast in Egypt, where the land reform was self-financing from an early date, and where the supervised co-operatives are now accumulating profits for investment and social services, the land reform in Syria was not likely to cover its costs for some time in the future.

MEXICO

Though land reform was not the principal aim set forth by Madero when he launched the Revolution that overthrew the Diaz regime, it was the most fundamental part of his program. This made a strong appeal to the mass of the people in Mexico. Of "effective suffrage and no re-election" the peon and the village farmer knew little and cared less; but the cry of "lands for the people" awakened a ready response. Many knew what the phrase meant, for they had only recently lost their independent holdings, the plots which their ancestors had cultivated, or the Ejidos where the free villagers had worked and played together. Others

²¹Revolution with R as a capital letter is used hereto be identified with the revolution of 1910.

The word Ejido (pronounced a-hee-do) is derived from the Latin "exire," "exitum" - "to go out," "the way out." As originally used in Spain the term was applied to

knew little of what it meant to have a plot of soil which they might call their own and remembered only in a vague way that it was a dream long cherished by the grandfather or the grandmother, who could remember a time when their families had not been indebted bondsmen. But once the call to retrieve the lost privileges of the past had been boldly sounded and once the promise had been made that the people should have the land, the Revolution became no ordinary political disturbance. It stirred the rural population to its depths and roused the abject peons to fight against the masters before whom, ordinarily, they had stood with head uncovered and downcast eyes.

All may not agree that the problem of the land lay so deep in the roots of the Revolution; but few, of whatever political creed, will disagree with the statement that the agrarian system was responsible for the conditions which made the upheaval possible.

uncultivated lands held collectively and located on the outskirts (on the way out) of agrarian communities. In Mexico at the present time the word is used to refer to all types of lands which have been restored or granted to agricultural communities under the land reform initiated in 1915. By extension, the word is also used to designate the communities possessing such lands. The word ejidatario is used to refer to persons who are beneficiaries of ejido grants.

Historical Background

Mexico links North America to the Central American isthmus. Guatemala lies to the south and Cuba is 100 miles east in the Caribbean Sea. The climate varies with altitude. The lowlands are hot and wet with an average temperature of $64^{\circ}F$ (18°C) while the highlands are temperate. Much of the North and West is desert.

The United States of Mexico is a Federal Republic with a Constitution similar to that of the United States of America. The Federation is made up of twenty-nine states, two territories and a Federal District (Mexico City), the seat of the Federal Government.

The total population, which was 15.2 million in 1910, ²³ reached 39.6 million in 1964. ²⁴ The pressure of this mounting population put severe strains on the small and previously casually exploited natural resources of the country. It has also dispersed the numerous social and cultural services which Mexicans have come to expect from the Government as tangible evidence that the Revolution is still in progress.

Mexico is not a rich country in its crop or cultivable

²³ Eyler N. Simpson, The Ejido - Mexico's Way Out (Chapel Hill: The University of North Carolina Press, 1936), p. 33.

The Europa Year Book 1965, Vol. II, op.cit., p. 779.

land. Although the country has 2 million square kilometers of land, a large part of the area is unsuited for cultivation because of topography, the scantiness of rainfall, or because of poor drainage, seasonal flooding, and uncleared rain forests. According to official statistical data quoted by Dr. Bradsher, crop land in 1950 amounted to 19,928,261 hectares, 25 of which 2,503,719 hectares is irrigated land, i.e., 12.6 per cent; 841,864 hectares is humid land, i.e., 4.2 per cent; 26 16,582,692 hectares is non-irrigated land, i.e., 83.2 per cent. 27

Years of severe drought are common in Mexico. Much Mexican crop land is desert, too dry for any sort of tillage for several months out of the year; most of it consists of rocky, thin, or badly depleted soil, often heavily eroded, and precipitously sloped.

National income amounted to 138 billion pesos in 1963, about 11 billion dollars. 28 Although agriculture accounted

²⁵ Julian H. Bradsher, <u>Agrarian Reform in Mexico Since</u> 1934, Unpublished Dissertation, University of California, 1959, Table 11, p. 174.

²⁶Humid land is designated as "crop land that as a result of location or nature provides at all times sufficient moisture for the production of crops."

²⁷Bradsher, op. cit., Table 11, p. 174.

²⁸United Nations, <u>Statistical Yearbook 1964</u> (New York: United Nations, 1965), Table 170, p. 527.

for a quarter of the national income in 1964, more than half the labor force was engaged in the agricultural sector. ²⁹ The principal crops are maize, wheat, sugar-cane and alfalfa.

Agrarian Structure Before Reform

In 1910 11.8 million persons (77.7 per cent) were counted as rural, i.e., living in communities of less than 4,000 inhabitants. 30 Due to a combination of the distribution of the arable soil in isolated pockets and the insecurity of life in the country districts the family unit has not existed in Mexico in an appreciable degree. "Mexico has always been a country of villages." 31

Three different classes of rural communities exist:

(1) hacienda villages; (2) free agricultural villages; and

(3) mining, fishing, industrial and other miscellaneous types of communities.

Hacienda villages are those located (Acasillado) on private estates. Typically, the inhabitants of hacienda villages do not possess any land, and are dependent on the estate to which they are attached for their means of

The Europa Year Book, 1965, Vol. II, op.cit., p. 779.

Simpson, op.cit., p. 33.

^{31 &}lt;u>Ibid</u>., p. 35.

subsistence - either in the form of wages or returns from various types of crop sharing, or both. Free villages, on the other hand, are those in which the inhabitants possess sufficient land, held either in individual, privately owned parcels or collectively, to assure their inhabitants at least the minimum necessities. The third class of rural communities - mining, fishing, industrial, and so forth - are essentially nonagricultural and few in number.

Statistical statements available with reference to the relative number, aggregate population, or size of free villages as compared with hacienda villages in 1910 are not reliable. According to Tannenbaum, approximately 47 per cent of the total rural population in 1910 resided on haciendas and ranchos, 51 per cent in free villages, and 2.2 per cent in nonagricultural villages. But it is believed that Tannenbaum's estimate represents an over-estimate of the number and aggregate population of free villages. 33

The same difficulty exists with respect to the distribution of land-ownership in 1910. However, according to

³²Frank Tannenbaum, <u>The Mexican Agrarian Revolution</u> (New York: The Macmillan Company, 1929), p. 31. Ranchos are the villages with owners of medium-sized properties in a pre-Revolution measure.

³³Simpson, op. cit., p. 36.

an estimate made by McBride on the basis of 1910 census and certain other sources, more than 95 per cent of the heads of rural families in all but five states were propertyless and in all but one state the proportion of rural families owning no rural property was more than 92 per cent. 34

The typical hacienda was organized around the "Casa Grande", the big house, where the hacendado (landlord) sometimes dwelt. Nearby were the houses of the workers, a hacienda store, a church or chapel, a jail, a cemetery, and, sometimes, a school. Often the core of settlement was surrounded by a wall with turrets and gun slits at each corner. Many such walls still stand, although they no longer serve their original function. 35

The hacienda store used the same methods of "short pencil" bookkeeping which marked so many of the cotton plantations of the southern United States during the reign of "King Cotton". 36 The result was a system of debt-slavery; debts were bought and sold when rural properties changed hands.

³⁴George McCutchen McBride, The Land Systems of Mexico (New York: American Geographical Society, 1923), p. 154.

³⁵Clarence Senior, Land Reform and Democracy (Gaines-ville, Florida: University of Florida Press, 1958), p. 15.

^{36 &}lt;u>Ibid.</u>, p. 16.

The owner was typically a resident of one of the large provincial cities or of the metropolis. His field-boss, "majordomo", generally rode his territory with a gun or whip to spur recalcitrant workers or to protect himself from possible attack.

The resemblance between medieval Europe and Mexico was capped by the widespread resort of the Hacendado or his "majordomo" to the "Droit du Seigneur".

The hacienda was not a progressive agricultural exploitation. On the contrary, it maintained agriculture in a backward state in relation to the existing technical resources. It based its prosperity on the yields of the poorly worked land and on the low wages of an unprotected farmer.

The methods of agriculture, like the implements with which they work, were medieval. ³⁷ The landlord, like the old feudal lord, exercised his political and economic influence in order that the laborers located on his property should live as medieval serfs, subject to his rule. The debt system, among other processes, was put into effect to keep the laborer on the estate. The inability of the worker to pay his debt not only forced him to be bound to the land but also bound

³⁷McBride, op. cit., p. 2.

his descendants, since the debts became hereditary.

Members of the ruling groups lived in luxury, but the masses suffered a reduction in their already low levels of living. The major institutions were carrying out the wishes of those in the upper reaches of the heirarchy in politics, property, or preaching. These institutions were challenged increasingly by individuals and groups who found them no longer consonant with their values.

Land Reform in Mexico

Land reform in Mexico rests mainly on two legal foundations: the decree of January 6, 1915 and Article 27 of the federal constitution which went into effect on February 5, 1917. In fact, subsequent to the promulgation of the decree of December 30, 1933 by which the differences and conflicts between Article 27 and the decree of 1915 were ironed out, redrafted Article 27 became the basic legal source of the reform and the decree of 1915 no longer exists as a separate law. However, in view of the fact that the decree of 1915 preceded the constitution and the redrafting of Article 27 did not take place until December 30, 1933, it will be necessary to discuss the two dispositions in the order of their precedence.

The Decree of January 6, 1915. The preamble to the decree of January 6, 1915 in setting forth the raison d'etre of the law stated: (a) that "one of the most widespread causes of discontent in the agricultural communities" was the fact that a large number of villages (pueblos) endowed with communal properties by the Colonial government, as well as a "multitude of other agricultural communities" (congregaciones, rancherias, and comunidades), which "following ancient and general custom" had held and worked land in common, had been despoiled of these lands; (b) that in some cases the villages in question had lost their lands through misapplication of the laws of the Reform while in others the despoilment had taken place as the result of concessions to land companies, illegal sales by political authorities, surveys, and so forth; and (c) that the inhabitants of the villages, unable to defend their property, had had no other "recourse but to hire themselves out at ridiculous wages to the powerful landlords . . . with the inevitable result that the vast majority of agricultural workers lived in a state of misery, abjection and de facto slavery "38

³⁸The laws of Reform are those which dealt with the liquidation of the property of the Church. The most important one was the "Law of Expropriation" of June 1856. It provided that "all real estate held by religious or civil corporations

In view of the foregoing, continued the preamble of the decree of 1915, "the necessity for returning to the villages the lands of which they have been despoiled is evident, as an act of elementary justice, as the only effective way of insuring peace and as a method for promoting the welfare and improvement of our poor classes."

Finally, the introduction to the decree noted that "probably in some cases," either because titles had been lost, or because ostensibly the alienation of property had taken place legally, or for other reasons, villages would not be able to sustain a claim for the restoration (restitucion) of their lands, even though their need for land was evident. In such cases, the decree held out the possibility of land being given to villages by outright grant.

The specific provisions for restoring land to the

should be adjudged in severalty to the persons to whom it was rented or leased, at a price corresponding to a sum which, at six percent interest, would yield an annual income equal to the amount being paid as rent. Properties not so leased or rented should be sold at auction. The law forbade the subsequent sale of these holdings to any religious corporation. These measures were not to apply to properties used directly for civil or religious purposes, such as church buildings, convents, episcopal residences, colleges, hospitals, municipal buildings, and land such as the ejidos which were held for the common use of people living in a town. Three months were allowed for the disposal of the properties to be alienated, after which the government would proceed to take over those remaining unsold." From McBride, op.cit., p. 69.

villages set forth in the decree itself state, first, that all alienations of village lands, forests, and waters affected by the misapplication of the law of June 26, 1856, through illegal acts of surveying companies, through enclosures, or other illegal means were null and void. 39

Second, villages which do not have ejidos or which cannot secure their restoration because they have been legally alienated had the right to obtain a sufficient portion of land to reconstruct them (the ejidos) in accordance with the necessities of the community. The National Government expropriated the necessary lands (terrenos indispensables).

The legal machinery for putting the decree into effect consisted of a National Agrarian Commission, State Agrarian Commissions for each state and as many Special Executive Committees (local village committees) as might be necessary. Petitions for the restoration or dotation of ejidos were to be presented in the first instance directly to the governors of the states (or in their absence, or because of a "state of war," to the nearest military authority). On being

³⁹See 38.

approved by the governor, the petitioning village was to be given immediate possession of its land. This possession, however, would be considered provisional until such time as the case could be reviewed by the National Agrarian Commission. Final title would be granted by the President of the Republic, upon the recommendation of the National Commission.

The decree also provided that persons considering themselves injured by the action of the government in granting or restoring land to villages should have the right to resort to the courts within a period of one year after such action had been taken. Owners of expropriated land were allowed one year to present claims for indemnification.

The decree of 1915 was primarily a "negative program," a procedure for righting past wrongs, and not a "positive" attempt to face the agrarian problem as a whole. Only villages with political status could petition for land. This automatically ruled out all of the Acasillado communities (settlements of resident hacienda laborers) which at the time formed a large percentage of the agricultural villages in the country.

However, it should be emphasized that this decree was an emergency measure. Carranza, with Villa attacking him

from the north and Zapata from the south, was in a critical situation. His only hope was to find some way to crystallize revolutionary sentiment in his own behalf. Out of this necessity came the decree of 1915.

Although the promulgation of the decree of 1915 strengthened Carranza's cause, it did not achieve its avowed object of restoring and "insuring the peace". On the contrary, "the immediate effect of the decree was to increase and intensify the anarchy and chaos into which the country had been thrown after the downfall of Huerta. Especially unfortunate in this connection was the legal right the decree gave to the many military leaders to dispose of land practically at their pleasure." As one student put it: Everything that could happen did. Violence bred violence and illegality further illegality."

"Lands were seized by peons with or without even the most sketchy compliance with the formalities of the law. Military Caudillos and civil authorities, anxious to gain the support of the peasants, expropriated lands right and left. Bribery, fraud and treachery were rampant and not a few "revolutionary" leaders took advantage of the situation to carve out properties for themselves. To add to the confusion and disorder, the

⁴⁰ Simpson, <u>op. cit.</u>, p. 61.

⁴¹ Quoted by Simpson, op. cit., p. 61.

hacendados stubbornly refused to acknowledge the legality of the decree of 1915 or any of the acts it sanctioned, and with guns in hand desperately defended their property. The result was an epidemic of little wars, pitched battles and assassinations."

Article 27 of the Constitution. Carranza's second bid for the support of the people and his second campaign to consolidate revolutionary sentiment was started on September 15, 1916. On that date a proclamation was issued calling for a convention to reform the Mexican Constitution of 1857. The convention met on November 21, 1916 and closed on January 31, 1917. The result of its labors was a New Mexican constitution, officially promulgated on February 5, 1917.

Generally, the authors of Article 27 undertook to do three things:

- 1. to define and limit the nature of property;
- 2. to define the persons and other legal entities having the right to hold property; and
- 3. to devise a set of principles and, to some extent, a procedure for the solution of the agrarian problem.

In addition to a reaffirming the provisions of the Constitution of 1857 designed to prevent the Church from monopolizing rural property, to forbid commercial stock

⁴² Simpson, op. cit., p. 61.

companies from holding or administering rural property and to reestablish the rights of villages to hold and enjoy property in their corporate capacity, Article 27 also sets up a body of positive principles and procedures designed to reduce the inequalities in the distribution of rural property. These may be classified under three heads: (a) the creation by restoration or by outright grant of village lands (ejidos); (b) the recovery of national lands and waters illegally alienated or held "in prejudice of the public interest"; and (c) the destruction of latifundia through limitations on the extent of private holdings. In general the federal government was charged with carrying out that part of the agrarian program concerning ejidos and the recovery of national lands while the states were entrusted with the duty of forcing the dissolution of large landed estates.

- a. Villages which had been deprived of their lands were to have these lands restored to them according to the provisions of the law of January 6, 1915. Also, the villages had the right to receive lands by outright grant solely upon the demonstration of need, without reference to any question of restitution.
- b. The Nation was to undertake to recover the public lands and waters alienated under the Diaz regime in prejudice

of the public interest.

- c. The Federal Congress and the State Legislatures were to enact laws within their respective jurisdictions for the purpose of forcing the division of large landed estates subject to the following conditions:
- (a) In each State and Territory there shall be fixed the maximum area of land which any one individual or legally organized corporation may own.
- (b) The excess of the area thus fixed shall be subdivided by the owner within the period set by the laws of the respective locality; and these subdivisions shall be offered for sale on such conditions as the respective governments shall approve, in accordance with the said laws.
- (c) If the owner shall refuse to make the subdivision, this shall be carried out by the local government, by means of expropriation proceedings.
- (d) The value of the subdivisions shall be paid in annual amounts sufficient to amortize the principal and interest within a period of not less than twenty years, during which the person acquiring them may not alienate them. The rate shall not exceed five per cent per annum.
- (e) The owner shall be bound to receive bonds of a special issue to guarantee the payment of the property expropriated. With this end in view, the Congress shall issue a law authorizing the States to issue bonds to meet their agrarian obligations.
- (f) The local laws shall govern the extent of the family patrimony, and determine what property shall constitute the same on the basis of its inalienability; it shall not be subject to attachment nor to any charge whatever. (Par. 11.)

The Course of Reform

In the beginning of the Revolution there was no philosophy for guidance. The point of departure for the Revolution was the cumulative misery of the masses. Significant meaning was introduced in the Revolution when its objectives were formulated in terms of land reform. But the land reform did not spring full grown, armed with a program and a procedure. Like the Revolution itself, the reform came into being as the result of a painful process of trial and error. It has throughout its course been characterized by stops and starts. Mexico was in revolt and the people were crying for land. This reality had to be faced quickly. This urgency was the reason for the many difficulties the reform encountered in its early years.

The story of the Mexican reform is written in its laws. Out of Article 27 a number of laws, decrees, and executive orders have poured in an unceasing flow. Since 1917, more than a hundred laws have been promulgated. So fast and furious has been the pace, describes Simpson, that

"on occasion a law has been passed, signed and sealed twice over, apparently without anyone's noticing that the only difference between the first and the second law was in the title...The process in all divisions of the reform has been to pass a law and then, on the basis of the experience derived from attempting to put it into effect, to enact a number of amendments,

reforms and additions. When the whole body of legislation thus accumulated became too cumbersome and confusing for efficient administration, a fresh start would be taken in the shape of a new law embodying all the previous modifications and such new principles as seemed appropriate at the time - the good old "democratic dogma" - pass a law and if it does not work, then pass another law and if that does not work then ----and so on ad infinitum."⁴³

However, this process of trial and error pursued over the past years has produced some results. Concepts have been clarified, administrative procedure simplified and, to some extent, the various aspects of the reform brought into relation with each other.

The high point and culmination of the reform in agrarian legislation, contends Simpson, was the enactment on March 22, 1934, of the Agrarian Code of the United Mexican States. This Code represents an effort to gather together all the decrees and laws governing the ejidos.

Concerning Ejido Commissariats and Ejido Boards of Vigilance, Chapter II of Title Eight of the Code provided that the administration of agrarian properties and vigilance over lands divided by the community was to be entrusted to an Ejido Commissariat composed of three members and three

⁴³⁻⁻Ibid., pp. 76-77.

⁴⁴ Simpson, <u>op. cit.</u>, p. 45.

alternates, who were to act as President, Secretary, and
Treasurer, respectively. The juridical representation of the
center of population was vested in the said Commissariat.

A member of the Ejido Commissariat had to be an ejidatario of the center of population concerned. The members of Ejido Commissariat were to be elected at a general meeting of the ejidatarios.

Concerning the regulation of the ownership of Agrarian Property, Chapter IV stated that the ownership of cultivable lands was to be individual. Woodland, pastures, water and other natural superficial resources, were to be held by the community.

The cultivable lands which constituted physically indivisible units and which required the combined efforts of the ejidatarios were to be held and exploited on a communal basis.

The grantee was to exercise domain over his ejido parcel with the following limitations:

1. The individual holding was to be imprescriptible and inalienable, and could never be encumbered; therefore, any act, operation, or contract under any form or title, already entered into or which was entered into in the future, by the holder to alienate or encumber any part of the whole

of the parcel, was considered as nonexistent.

II. The grantees could not lease their parcels on a share basis or under any other contract which implied the indirect exploitation of the land.

passed to the person or persons whom he supported, even though they may not have been related to him, provided they have lived with him as members of his family. Each grantee was to furnish the Ejido Commissariat with a list of the persons he supported, and was to name his successor as head of the family. This list was not to include anyone who already had a parcel in the same or another ejido.

IV. Only the following had the right to be included in the lists of succession:

- (a) The consort of the individual holder.
- (b) His children.
- (c) The persons of either sex who formed part of his family.

When the parcel was transferred to a minor under sixteen who was not capable of directing the exploitation, the Board of Vigilance were to appoint a person to undertake the working of the parcel.

V. Should an ejidatario die without successors, or

should he renounce his parcel or be legally deprived of it, the general meeting was to decide on its award.

- VI. Grantees of parcels would lose their rights in the following instances:
 - (a) For violation of Fractions I and II.
- (b) For not cultivating the land for two consecutive years.
- (c) Female holders who marry the holder of another parcel.
- (d) Because of mental derangement, alcoholic degeneration, or imprisonment for a period greater than two years, providing that there were no members of his household to take charge of his parcel.
- (e) For failure to appear during the first three months following the possession proceedings and take over the parcel and receive the provisional certificate or title.
- (f) For failure to contribute punctually toward payment of taxes or other expenses imposed by the general meeting to take care of the ejido. In this instance, the time-limits which were deemed right and proper were to be extended twice to enable the individual holder to meet his obligation.

On the administrative side a simplification and closer

coordination of the machinery and procedures for granting land to rural communities were achieved.

Under the heading of "communities having legal rights to petition for and obtain ejidos" several new features appear in the Code. First, rural communities are referred to as centers of population. In the second place, the Acassillados were recognized as having some rights to participation in the land reform.

The Code opened up the possibility for the establishing of new rural centers. This possibility was designed to solve the difficult problems presented by the peculiarities of the distribution of population in relation to agricultural resources in Mexico. Experience has shown that there are some areas so overcrowded that it is impossible to give everyone land entitled to it under the ejidos laws. To meet this situation the Code provided that new agricultural communities be established when there was not sufficient land in nearby (affectable) properties to supply all of the heads of agrarian families with standard parcels whether such heads of families were members of ejido communities already in

The Code redefined the Acasillados as the "permanent resident laborers ----- on agricultural properties who occupy a house without paying rent and who depend for their living on the wages which they receive for their services."

possession of (inadequate) lands, or of communities with rights to receive lands which had not yet exercised these rights, or simply landless peasants (including the acasillados) who desired to take advantage of the reform. Proceedings for the establishment of a new center could be initiated either by the agrarian authorities or by the persons directly concerned. In any case at least twenty heads of families had to be involved and the interested parties had to agree to settle on the land decided upon. In all other respects the procedure for founding a new center and the rights pertaining to the owners of properties that could be affected were the same as in a regular dotation. Communities already in existence which had made petitions for land in any given region were to be given preference over new centers.

In the sections of the Code devoted to the amounts and kinds of grants to be made in dotations, the principal novelty was found in the abandonment of the attempt of all previous laws to work out elaborate tables of equivalences for the various types of crop land in favor of the simple statement that each head of an agrarian family receive four hectares of cultivable irrigated (moist) land or eight hectares of cultivable seasonal lands. With reference to all other types of land, as in the decree of December 27, 1932, amending the

ejido law of March 21, 1929, no limits were set. The Code covered the matter with the statement: "Ejido dotations shall include....pastures, woodlands, or land of any other class which may be required to meet the necessities of the respective centers of population."

In the case of the properties, plantings, and works that could be affected by ejido grants the new Code represented, from the point of view of the ejidatarios actual and potential, a considerable advance over the previously existing law. The limits defining exempted small properties were reduced to the two classes of 150 hectares of irrigated land, or 300 hectares of seasonal land. He as compared with areas varying from 150 hectares of irrigated land up to 1,040 hectares of brush and mountain lands allowed under the old law. Lands planted in "cultivation of a cyclical life of greater than two years when such products may be benefited by means of installations of industrial machinery" which under the previous law could be held in unlimited quantities subject only to review by the National Agrarian Commission,

⁴⁶As in the previous law, these limits are subject to reduction to 100 and 200 hectares respectively when within a radium of seven kilometers from a petitioning village sufficient affectable lands are not available for any given ejido dotation.

under the new Code were much more restricted. Thus, nonaffectable "regular plantations of banana, coffee, cacao and
fruit trees" as well as "lands planted in alfalfa, henequen,
maguey and other industrial agaves" could not exceed 300 hectares unless the landlord was willing to provide an equally
satisfactory area within a radium of seven kilometers of the
petitioning community. Similar restrictions were laid down
with regard to lands planted in sugar cane.

In contrast to the additional limitations the Code placed on small properties and special types of plantings, certain other provisions made it possible for small property owners to guarantee the inviolability of their lands in a manner not allowed under previous laws. Notable in this connection were the articles of the Code stating that owners of properties subject to expropriation for ejido dotations could choose within their lands an area meeting the requirements of the definition of a small property and obtain from the agrarian authorities a decree of nonaffectability which forever placed the property outside the operation of the ejido laws.

World War II and th peace that followed after 1945
were accompanied by many changes in the fabric of Mexican
Society. New emphasis and new approaches began to replace
the older manifestations of the Revolution. The agrarian

movement, no less than other forces in the national life, underwent a gradual change. The militant agrarianism of the Cardenas era (1934-1940) had brought about sweeping changes in the tenure system. Its goal was the elimination of largescale holdings, the hacienda in particular, and the substitution thereof of cooperative ejidos and small properties. In a very large measure, this goal was achieved. By the end of the decade of the thirties, the hacienda had ceased to dominate rural life and agricultural production. As the climate of opinion in Mexico changed with the passage of time, the agrarian movement took on a different cast. The tempoof land distribution diminished. New schemes such as agricultural modernization and the settlement and development of new lands received official endorsement. By the end of the 1950's, Mexico had more tractors than any other Latin American country, surpassing even Argentina whose agricultural acreage was about double that of Mexico.47

Also, the agrarian code of 1943 as amended in 1947 provided that in the donation of crop or cultivable land, the amount of land was to be such as to provide an individual grant of ten hectares of irrigated or humid land and twenty

⁴⁷William P. Glade, Jr. and Charles W. Anderson, <u>The</u>
<u>Political Economy of Mexico</u> (Madison, Wisconsin: The University of Wisconsin Press, 1963), p. 66.

hectares of seasonal land (Article 88).

emphasis from land distribution to the related problems of expansion through irrigation, of ejidal structure, and of safeguards for small proprietors, the year 1950 still found the ejido a strong socio-economic institution. In 1950 the ejidos were in control of 44 per cent of all crop-land and, perhaps more important, of almost exactly one-half (49 per cent) of all irrigated crop-land.

However, at the end of 1962 the average area of cropland per ejidatario had come to be between five and six hectares. 49 Most of these small parcels were worked individually rather than co-operatively. They were operated on a low technical level, without even the simple modern techniques which could be available to them without much economic outlay or scientific research, such as seed selection, crop rotation, mixed-crop and livestock farming, and the like. Most of them had insufficient credit facilities. Less than one-fourth of all ejidatarios had been receiving credit from the Ejidal Credit Bank set up for the purpose. That fourth

⁴⁸ Bradsher, op. cit., Table 1, p. 153.

Wendell C. Gordon, <u>The Political Economy of Latin</u>
<u>America</u> (New York: Columbia University Press, 1965), p.25.

was the one whose need for credit was the least. It comprised those who had the best land and highest output and hence the greatest ability to repay the loans. Many ejidatarios were isolated, physically or culturally, from the economic life of the country. Due either to lack of access to markets or mere force of habit and tradition, they remained in a subsistence economy. The standard of living of the ejidatarios had been raised little, if at all, during the past decades. Ejidal farms had multiplied at a rate far faster than that at which the ejidatarios could be educated or financed to take advantage of their new status. 50

The major source of increased agricultural output in the 1950's was the non-ejidal properties of over five hectares in size. In 1950, when the distribution of cultivated land between ejidal and non-ejidal properties was about 50-50, the value of total agricultural output was divided, in percentage terms, 37-63. The difference in average productivity of ejidos as compared with non-ejidal properties may lie partly in the level of capitalization, for in 1950 the non-ejidal properties had an average per hectare capital

Wisconsin University, Land Tenure, op. cit., pp. 352-353.

⁵¹ Glade and Anderson, op. cit., p. 58.

investment of 337 pesos in contrast to the 138 pesos average for ejidal properties. ⁵² The location of the properties is another intervening variable of importance, for most of the ejidos are in the less favorable regions of the country. The non-ejidal properties include the best of the land of the older haciendas and the new commercial farms and ranches established in the newly opened regions. ⁵³

The Results of Reform

Fifty years after the introduction of the Mexican reform, the proportion of the labor force engaged in agriculture is still high.

Mexico's land reform was a program of land distribution in the beginning. It sought above all to endow landless peasants with such economic opportunity as existed in control of the use of land. Thus, the ejido system was the crowning achievement of the movement. Expressed more fully, the reform destroyed a system of large-scale concentration in the ownership of land(Latifundia, as Mexicans are fond of calling it) and replaced it by an agricultural system based on ejidos and

⁵² <u>Ibid.</u>,

⁵³ Ibid.

farms small by pre-revolutionary standards. In recent years reform was aimed at extending economic opportunity in other ways, notably through the provisions of public credit for agriculture, through the opening of new lands for cultivation by means of publicly financed irrigation projects, through resettlement of excess population, and by various programs aimed at affecting methods of production.

Mexico's land reform might have contributed more to general economic growth had it succeeded better in overcoming the low productivity of Mexican agriculture and the low living standards associated with excess rural population and a high birth rate. To have done so would have necessitated closer integration of land reform with an over-all development policy.

A major weakness of Mexico's land reform has been the lack of a concerted program aimed at raising the productivity of ejidatarios and small farmers through such channels as the promotion of basic agricultural research; demonstration to farmers of the applicability of research; soil conservation, soil improvement (by use of fertilizers); seed selection, improved methods of cultivation; better methods of harvesting, storage, and marketing of products; and improvement of livestock strains. However, with all its deficiencies, the land

reform released the rural population from the bondage of debt peonage on the old haciendas and brought it into an unprecedented participation in national political processes where it could exert a continuing pressure for steps to improve the agricultural sector. 54

Syrian and Mexican Reform

The agricultural and demographic conditions of Syria and Mexico are similar in some aspects and dissimilar in others. Agriculture depends mainly on uncertain rainfall, and production is extensive with low per capita productivity, and low and variable yields. When reform occurred in Mexico in 1915, the Mexican methods of agriculture, like the implements with which they work, were medieval. Syria, by contrast, had at the time of reform much regional diversity in farming methods; in the newly opened regions methods were very developed while in the old regions they were backward. Mexico is relatively over-populated, while Syria has a shortage of labor in some regions and a surplus in others.

However, the similarities between Syria and Mexico might recommend a land reform policy which aims at, not only the redistribution of agricultural income through the

⁵⁴Glade and Anderson, op. cit., pp. 58 and 63.

redistribution of land or rights in land, but also at raising per capita productivity and stabilizing agricultural production.

The right to the use of land in production has little meaning, economically speaking, unless it is accompanied by other opportunities, among the more basic of which are access to credit which enables one to secure seed, fertilizer and equipment, and facilities for disposing of the product of the land, i.e., access to markets. Likewise, control over land, to be of real economic benefit to the cultivator, should be coupled with understanding of farming methods, with guidance or education as to the best techniques to use, the best varieties of seed to sow, etc. In short, land redistribution in underdeveloped countries, to produce the most significant results must be supplemented by various related programs in other areas and should not only satisfy the hunger of the peasants for land but also enable them to use their land efficiently.

In all land reform policies, a balance should be achieved between the social and economic aspects, for over emphasis on social claims may lead to a decline in agricultural production, while conversely over emphasis on the need for increasing productivity may lead to regimentation

of the cultivators.

Land reform in Mexico in its early years was largely social in its aims. The peasants got the land without the means of working it in the form of credit, marketing facilities, and technical guidance. The result was a decline in agricultural production. 55 In Syria the peasants got land and what they needed to work it efficiently. The Institute of Land Reform in charge of the execution of land reform laws was well adapted to the agricultural and human potential, and adequately supplied with funds. It has extended irrigation, introduced new crops, provided machinery and resettled farmers. Cooperatives were established to provide the beneficiaries with credit and marketing facilities, and technical advice. The result was increased agricultural production and improvements in the welfare of the rural population. It should be borne in mind, however, that the Mexican reform was initiated in 1915 as an urgent measure, while the Syrian reform came into being in 1958 when many experiments in this field had already taken place in different countries.

There still is one important difference between the

⁵⁵Bradsher, <u>op. cit.</u>, pp. 44-45.

Syrian and Mexican reform which should be discussed here. With respect to the redistribution of land, the Mexican beneficiaries have only the right to use the land assigned to them, i.e., the right of usufruct, while the Syrian beneficiaries, after paying the required quarter of the purchase price of land within twenty years, have absolute ownership of the land.

CHAPTER VI

THE EFFECTS OF THE SYRIAN REFORM

In this chapter there is an effort to assess the effects of the Syrian reform on:

- 1. agricultural production,
- 2. distribution of agricultural income, and
- 3. industrial production.

Before this assessment is made the general economic conditions of the country after reform will be reviewed briefly.

In assessing the effects of the reform, the year 1957 will be considered instead of 1958, because of the prolonged drought which hit Syria in 1958 and made that year an atypical one.

Economic Conditions

After a serious set-back in agricultural production in Syria caused by unfavorable weather conditions for four consecutive years, an upward trend was resumed in 1962. Income originating in the agricultural sector increased about

50 per cent between 1961 and 1962. National income rose about 27.5 per cent in the same year. 1962 was the first year in the after-reform period to surpass the total national income and the agricultural income of 1957. In 1962 national income was 23 per cent higher than it was in 1957, and agricultural income was 14 per cent higher. In 1963, late spring storms caused serious crop damage to the non-irrigated area crops, particularly wheat and barley. Agricultural income declined about 3 per cent from 1962 to 1963. national income in 1963 was not affected seriously by the decline of the agricultural income. Due to considerable rates of growth in the non-agricultural sectors, especially the industrial and the commercial sectors, total national income rose about 4 per cent from 1962 to 1963 in spite of a slight decline in the agricultural income. In 1964, despite the wheat and barley crops being hit and damaged by a wave of heat, agricultural income rose about 7 per cent over the level of 1963. This is due primarily to more diversification of the crops and to introducing new crops in the Syrian agriculture.

Estimates of national income and sector contribution in Syria for the period 1957-1964 are shown in Table 16.

Sector contributions to the total national income as

TABLE 16

ESTIMATES OF NATIONAL INCOME AND SECTOR CONTRIBUTION
IN SYRIA, 1957-1964

(MILLIONS OF SYRIAN POUNDS AT CONSTANT (1956) FACTOR COST)

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	1957	1958	1959	1960	1961	1962	1963	1964
Total National Income	2,593	2,244	2,275	2,265	2,496	3,183	3,311	3,594
Rate of Growth (Per cent)	+6.5	-13.4	+1.4	-0.4	+10.2	+27.5	+4.0	+8.5
Sector Contribution:								
Agriculture	1,091	726	745	660	829	1,241	1,200	1,325
Industry	288	304	315	341	352	387	443	467
Commerce	386	335	320	308	336	420	536	568
Transport & Communication	242	248	254	258	249	290	301	332
Government	157	168	178	182	203	222	237	273
Services	162	172	176	184	200	209	219	230
Rent	144	155	163	170	178	184	192	203
Construction	75	90	79	117	117	181	130	145
Finance	48	46	45	45	32	49	53	51

Source: Syrian Arab Republic, Ministry of Planning, Directorate of Statistics, <u>Statistical Abstract 1964</u> (Damascus, Syria: Government Press, 1965), Table 3, p. 389.

percentages for the same period are shown in Table 17.

Taking the period 1957-1964 as a whole, the annual rate of growth in national income was about 5 per cent and that of per-capita income less than 1 per cent. In fact, per-capita income increased about 2 per cent per annum because most of the non-declared births registered during 1958 and the following years up to 1964, as has been explained earlier, belong to the period of 1957 and the preceding years. The actual rate of population growth did not pass the 3 per cent per annum level during the past decade.

On the average, agricultural income increased 3 per cent per annum during this period. Industrial income rose about 8 per cent per annum. Income from commerce increased about 6 per cent per annum.

The observed decline in the relative share of income originating in the agricultural sector - from 42.1 per cent to 36.8 per cent in 1964, as shown in Table 17, is due to higher rates of growth in the non-agricultural sectors than the rate of the agricultural sector. The share of the industrial income rose from 11.1 per cent in 1957 to 13.0 per cent in 1964. The relative share of commerce increased from 14.9 per cent in 1957 to 15.8 per cent in 1964. Government's share moved up from 6.1 per cent in 1957 to 7.6 per cent in

TABLE 17

PERCENTAGE DISTRIBUTION OF SECTOR CONTRIBUTION
TO THE NATIONAL INCOME IN SYRIA, 1957-1964

Sector	1957	1958	1959	196 0	1961	1 9 62	1963	1964
Agriculture	42.1	32.3	32.8	29.1	33.2	3 9 .0	36.2	36.8
Industry	11.1	13.5	13.9	15.1	14.1	12.2	13.4	13.0
Commerce	14.9	14.9	14.0	13.6	13.5	13.2	16.2	15.8
Transport a		11.1	11.2	11.4	10.0	9.1	9.1	9.3
Government	6.1	7.5	7.8	8.0	8.1	7.0	7.2	7.6
Services	6.2	7.7	7.7	8.1	8.0	6.6	6.6	6.4
Rent	5.6	6.9	7.1	7.5	7.1	5.7	5.8	5.7
Construction	n 2.9	4.0	3.5	5.2	4.7	5.7	3.9	4.0
Finance	1.8	2.1	2.0	2.0	1.3	1.5	1.6	1.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Calculated from data in Table 16.

1964. The share of construction's sector rose from 2.9 per cent in 1957 to 4 per cent in 1964. No important changes occurred in the other sectors.

The Effects of Reform on Agricultural Production

In order to assess the effects of land reform on agricultural production, the total cultivated area and the agricultural production of the main crops (wheat, barley, and cotton) will be examined.

Land use in Syria in 1963 compared with 1958 is shown in Table 18. The difference between the total area in 1963 and that in 1958 is due to miscalculation of the total area of the Hasakeh and the old Aleppo provinces in 1958. It may be noted from data in Table 18 that the total cultivated area increased from 5.5 million hectares in 1958 to 6.9 million in 1963, and irrigated area rose from 590,000 hectares in 1958 to 670,000 in 1963. The increment in the irrigated area is due almost entirely to public irrigation projects.

Although total cultivated area increased considerably during this period, there still is a vast area of cultivable land uncultivated. Most of this cultivable land seems to be kept uncultivated either because the owners of this land are interested in speculation and not interested in farming, or

TABLE 18

LAND USE IN SYRIA, 1958 AND 1963

;		1958		1963
		Per cent		Per cent
Type of Land	Area	of Total	Area	of Total
Cultivable Land:	8,113		8,834	
Cultivated:	5,452	29.6	6,942	37.5
Irrigated	590		6 7 0	
Non-irrigated)) Fallow)	4 000		3,083	
	4,862		3,189	
Uncultivated	2,661	14.4	1,892	10.2
Uncultivable Land:	:10,335	56.0	9,684	52.3
Forests	449		451	
Pastures	5,390		6,116	
Miscellaneous	4,496		3,117	
Total	18,448	100.0	18,518	100.0

Source: Compiled from: United Arab Republic, Syrian Region, Ministry of National Planning, Directorate of Statistics, Statistical Abstract, 1958 (Damascus, Syria: Government Press, 1959), Table 2, p. 247 for 1958; and Syrian Arab Republic, Ministry of Planning, Directorate of Statistics, Statistical Abstract, 1963, (Damascus, Syria: Government Press, 1964), Table 2, p. 269 for 1963.

because of its poor soil which requires investment to make it profitable. Having no tax on land in Syria seems to be the only reason for having cultivable land uncultivated. If a tax is levied on land in Syria, no landowner would leave his land uncultivated and the hunger for the land would not be so important. This point will be discussed in more detail later in this chapter.

Area, production, and yields of main crops in Syria for the period 1957-1964 are shown in Table 19. The drought period 1958-1961 caused wheat and barley production to fall drastically. Sufficient rainfall in 1962 expanded the output of wheat and barley to more than the record of the prereform period. Cotton, which is grown mainly on irrigated land, was not affected by the drought, except for a moderate decline in 1958.

Wheat which constitutes a high percentage of agricultural production in Syria rose from 757,000 tons in 1961 to 1,374,000 in 1962. It set a new record over that of 1957. Since the area in wheat production in 1962 was moderately less than the area in wheat production in 1957, the increase in wheat output was due entirely to a rise in yield per hectare. The wheat yield per hectare increased from 0.9 ton in 1957 to 1.0 ton in 1962. In 1963, due to late spring

TABLE 19

AREA, PRODUCTION, AND YIELDS OF MAIN CROPS IN SYRIA
(1957-1964)

		WHEAT			BARLEY		COTTON			
Year	Area (Thousands of hectares)	Production (Thousands of tons)	Yield per hectare (tons)	Area (Thousands of hectares)	Production (Thousands of tons)	Yield per hectare (tons)	Area (Thousands of hectares)	Production (Thousands of tons)	Yield per hectare (tons)	
1957	1,495	1,354	0.9	813	721	0.9	258.3	291.5	1.1	
1958	1,461	562	0.4	769	228	0.3	260.8	249.8	1.0	
1959	1,422	632	0.4	727	218	0.3	227.2	265.0	1.2	
1960	1,550	555	0.4	742	156	0.2	212.3	278.7	1.3	
1961	1,315	757	0.6	727	335	0.5	249.1	324.9	1.3	
1962	1,417	1,374	1.0	723	798	1.1	302.4	403.9	1.3	
1963	1,559	1,190	0.8	804	784	1.0	291.7	410.0	1.4	
1964	1,476	1,100	0.7	765	637	0.8	286.5	470.1	1.6	

Source: Syrian Arab Republic, Ministry of Planning, Directorate of Statistics, <u>Statistical Abstract 1964</u> (Damascus, Syria: Government Press, 1965), Tables 3 and 6, pp. 276 and 285.

storms that caused serious crop damage, wheat production again took a downward swing. Its yield per hectare dropped from 1.0 ton in 1962 to 0.8 ton in 1963. In 1964 wheat production was hit by a wave of heat and its yield declined again to 0.7 ton per hectare in 1964.

Barley was also seriously affected by the drought. The level of production in 1957 was not matched until 1962. It rose from 335,000 tons in 1961 to 798,000 in 1962. The yield per hectare increased from 0.9 ton in 1957 to 1.1 tons in 1962. Since the area planted in barley in 1962 was less than that of 1957, the increase in barley output in 1962 over the level of 1957 was due entirely to the rise in yield per hectare. In 1963 barley production was slightly affected by late spring storms but the total output and yield per hectare were still higher than the levels of 1957. In 1964 barley production was affected seriously by the heat wave and the yield declined from 1.0 ton per hectare in 1963 to 0.8 ton per hectare in 1964.

Cotton production, having decreased only slightly in the first drought year of 1958, rose from 291,500 tons in 1957 to 470,100 in 1964. Although the over-all increase in cotton output was due to a combination of increased area planted and higher yield per hectare, about 84 per cent of

the increase in 1964 over the level of 1957 was due to the increase in yield. Cotton yield per hectare, which was 50 per cent higher than the average yield of the world and only 4.5 per cent lower than that of the United States, rose from 1.1 tons in 1957 to 1.6 tons in 1964.

The recurrent droughts which caused wide fluctuations in Syria's agricultural production have brought about an intensification of efforts to stabilize production through irrigation. Out of a total planned public investment of S.P. 1,720 million in Syria's Five-year Plan (1960/61-1964/65), expenditure earmarked for irrigation and reclamation amounted to S.P. 780 million. 1

According to Syria's Five-year Plan, the Ghab project, when completed, will put 70,000 hectares of land under irrigation; by June 1963, a total of S.P. 76.6 million had been spent on it. The construction of the Rastan dam, within the framework of the Ghab project, was completed in February 1961 at a total cost of S.P. 28 million; it has a water storage capacity of 250 million cubic metres and is capable of irrigating 25,000 hectares of land. The Mahared barrage, another

¹ United Nations, Economic Development in the Middle East 1961-1963, Supplement to World Economic Survey 1963 (New York: United Nations, 1964), p. 24.

phase of the Ghab project, was inaugurated in 1962 at a cost of S.P. 24 million. It has a water storage capacity of 61 million cubic metres and is designed to put under irrigation an additional 25,000 hectares.²

The Khabour project, also part of Syria's Five-year Plan, will irrigate another 60,000 hectares. Total investment estimated to be necessary for financing this project is S.P. 90 million. By June 1963, over S.P. 3 million had already been spent.³

Syria's other important irrigation schemes, for which the plan provides include the following four projects: (a) the Orontes, is designed to irrigate 12,000 hectares of land at a cost of S.P. 47 million. Through June 1963, the amount spent on the Orontes project represented about 1 per cent of its total cost; (b) the Barada, will irrigate an additional 12,000 hectares and generate 10,000 kilowatts of electric power. Its estimated cost was put at S.P. 35 million, out of which a sum of only S.P. 298,000 had been spent by the middle of 1963; (c) the El-Sinn, is expected to irrigate another 10,000 hectares at an investment of S.P. 16 million. The sum spent on this project through June 1963

² <u>Tbid</u>., p. 25.

³ Ibid.

represented about 20 per cent of its total cost; and (d) the <u>Roudj</u>, is intended to put an additional 5,000 hectares under irrigation at an estimated total cost of S.P. 12.5 million. The amount spent through June 1963 was S.P. 4.65 million.

In addition to investments in irrigation and land reclamation, Syria's Five-year Plan allocates funds for the construction of silos and the development of laboratories for agricultural research and training centres, animal breeding and horticultural and afforestation programmes. Out of the total allocations for these investments amounting to S.P. 95 million during the plan period, the sum of S.P. 25.5 million was spent through June 1963.

In January 1963 a loan of \$14.7 million was extended by the United States for the construction of eleven grain silos with a total capacity of 352,000 tons. Later in 1963 an additional loan of \$27.3 million was extended by the United States for the same purpose.

The Euphrates project, which has been under study since 1948 and which has undergone several changes during the past years, was expected to be put into operation in 1965.

⁴<u>Ibid</u>. ⁵<u>Ibid</u>. ⁶<u>Ibid</u>., p. 26.

Through June 1963, a sum of over S.P. 12 million had already been spent on this project. The sexpected to irrigate more than 600,000 hectares of land and to provide about 800,000 kilowatts of power generating capacity. According to the final plan made for the execution of this project, it will take seven years to be finished and, when completed, will increase agricultural income by about S.P. 700 million. 8

The Effect of Reform on the Distribution of Agricultural Income

The Syrian reform has affected the distribution of agricultural income in favor of the landless peasants through the redistribution of land and through reducing rents by fixing maximum rates. How much income is redistributed is difficult to measure for the following reasons:

1. Out of 1,023,172 hectares expropriated through 1964, only 232,060 hectares were distributed to 15,392 families. The remainder of the expropriated land was partly cultivated by the ex-tenants awaiting redistribution and paying rent to the Institute of Land Reform and partly farmed by the Institute itself awaiting resettlement of the rural

⁷<u>Ibid.</u>, p. 25.

⁸Syrian Arab Republic, Ministry of Information, <u>Arabic Syria</u>, <u>Monthly Magazine</u>, <u>Vol. 1</u>, <u>No. 2</u>, <u>April</u>, <u>1965</u>, in Arabic (Damascus, Syria: Ministry of Information, 1965), pp. 14-17.

population, especially in the new agricultural regions where farming is mechanized.

- 2. The State-domain land was sometimes distributed free and sometimes distributed or sold on easy terms similar to those of the distributed expropriated land.
- 3. The land area cultivated by tenants or share-croppers is not precisely known.

The annuity which the beneficiaries of reform are required to pay for land is far less than the rents they used to pay as tenants. The price of the distributed land is fixed at ten times the average rent of the land, on condition that the average rent should not be higher than the maximum rates of rent fixed by the Law of Agricultural Labor and Tenancy No. 134 of September 1958. Since the Law No. 134 of 1958 reduced the rates of rents about 20 per cent in nonirrigated land and about one-third in irrigated land, the actual purchase price is about eight times the previous average rent in non-irrigated land and about 6.65 times the previous average rent in irrigated land. The beneficiaries are required to pay only one-fourth of the purchase price, computed according to these terms, in equal annual instalments over a period of twenty years, which means that the annual instalment equals the price of the land divided by eighty. Assuming that the previous average rent of the nonirrigated land is Y, the annual instalment which the beneficiary of non-irrigated land is required to pay is equal to:

$$\frac{8y}{4} \times \frac{1}{20} = \frac{8y}{80} \times \frac{y}{10} = \frac{0.10y}{10}$$

This means that the annual instalment paid by the beneficiary is one-tenth the rent he used to pay to the land-owner.

Assuming that the previous average rent in irrigated land is X, the annual instalment which the beneficiary of irrigated land is required to pay is equal to:

$$\frac{6.65X}{4} \times \frac{1}{20} = \frac{6.65X}{80} = \frac{0.08X}{100}$$

This means that the annual instalment paid by the beneficiary is 8 per cent of the rent he used to pay to the landowner.

Since total produce of the land was distributed, in general as follows:

<u>In Ir</u>	rigated Land	In Non-irrigated Land
Rent	50 per cent	25 per cent
Seed and the cost of working livestock	25 per cent	25 per cent
Tenant	25 per cent	50 per cent

the income of the beneficiaries of irrigated land has increased by:

$$1 - 0.8 = 0.92$$

 $0.92 \times 0.50 = 46$ per cent of the total produce

$$\frac{46}{25} = \frac{1.84}{25}$$

or 184 per cent over their previous income as tenants.

The income of the beneficiaries of non-irrigated land has increased by:

$$1 - 0.10 = 0.90$$

 $0.90 \times 0.25 = 22.25$ per cent of the total produce

$$\frac{22.5}{50} = \frac{0.45}{}$$

or 45 per cent above their previous income as tenants.

Through 1964 the beneficiaries represented a very small portion of the agricultural labor force. Irrigated land distributed to beneficiaries represents only about 5.5 per cent of the total distributed area. The major part of the contribution of the reform as a measure of redistribution of agricultural income was in fixing maximum rates of rent. Rent, in general, was reduced about 20 per cent in non-irrigated land and about one-third in irrigated land. The beneficiaries of rent reductions represent a large part of the agricultural labor force.

The reduction in rental rates meant an increase of 10 per cent in the income of the tenants working on non-irrigated land and two-thirds in the income of the tenants working on irrigated land.

The Effect of Reform on Industrial Production

Syrian reform has affected industrial production by increasing agricultural production and by redistributing agricultural income in favor of the landless peasants which constitute the major part of the population. Agricultural income rose over the period 1957-1964 on the average at a rate of 3 per cent per annum. The growth in the industrial income during the same period was about 8 per cent per annum.

Index numbers of major mechanized industries in Syria during the period 1957-1964 are shown in Table 20. The average growth in all industries was 8 per cent per annum. Textile industries which constitute 46.5 per cent of the total industrial production in Syria were rising on the average at an annual rate of 9 per cent. 9 Food industries which constitute about 15 per cent of the total industrial

⁹Syrian Arab Republic, Ministry of Planning, Directorate of Statistics, <u>Statistical Abstract 1964</u> (Damascus, Syria: Government Press, 1965), p. 251.

TABLE 20

INDEX NUMBERS OF MAJOR MECHANIZED INDUSTRIES
IN SYRIA, ANNUALLY 1957-1964
(BASE YEAR: 1956=100)

Industries	1957	1958	1959	1960	1961	1962	1963	1964	
Mining and Quarrying 1	77	68	75	76	51	41	36	40	······································
Food ²	95	115	79	138	150	157	173	192	
Beverages ³	186	207	177	187	188	246	243	255	
Tobacco and Tombac4	94	93	103	112	127	128	139	143	
Textiles ⁵	115	123	124	134	139	161	156	206	
Paper ⁶	105	99	100	100	100	55	52	51	
Rubber ⁷	143	1.52	212	215	237	294	368	390	
Chemical ⁸	138	149	189	187	191	217	206	221	
Non-Metallic ⁹	90	124	130	149	152	177	192	174	
Electricity ¹⁰	113	121	138	156	169	197	206	225	
General Index Number	112	124	125	143	147	167	173	197	

Source: Compiled from Statistical Abstract of 1963, Table 1, p. 246; and Statistical Abstract of 1964, Table 1, p. 252. Both of these are issued by Syrian Arab Republic, Ministry of Planning, Directorate of Statistics, and published by Government Press in Damascus, Syria in 1964 and 1965.

(continued)

TABLE 20 (continued)

- 1. Mining and Quarrying industries include salt and natural asphalt.
- Food manufacturing industries include sugar, vegetable oil, olive oil, margarine, canning, chocolate, macaroni, and biscuit.
 - 3. Beverage industries include alcoholic liquids.
- 4. Tobacco and Tombac industry includes the manufacturing of tobacco and tombac.
- 5. Textile industries include silk and cotton textiles, tricot, wool, stockings, underwear clothes, and wool yarn.
- 6. Paper industry includes paper products and cigarette papers.
 - 7. Rubber industry includes rubber shoes.
- 8. Chemical industries include soap, matches, oxygen, and paint.
- 9. Non-Metallic industries include cement and mechanical glasses.
- 10. Electricity includes the generating of the electric power.

production were growing on the average at a rate of 11 per cent per annum. 10

Since the levels of import and export for textile and food products did not change considerably between 1957 and 1964, the local market seems to be largely responsible for the relatively high rates of growth in these industries.

The local market, of course, was not affected only by the increment of the national income which amounted to about 5 per cent per annum, because the industrial income would have grown only by not more than that rate if the pattern of income distribution had not changed. This is to say that the reform as a measure of redistribution of agricultural income in favor of the peasants which constitute the major part of the consumers in the local market was responsible for the higher rates of growth in those industries which produce mainly for the local market and, in turn, for the higher rate of growth in the industrial sector in general.

Comparing the results of the after-reform with the pre-reform period in Syria leads to a conclusion that agricultural development with uneven distribution of income would not help the industrial sector, in the absence of external

¹⁰ Ibid.

markets, to develop to its potential no matter how much help the industrial sector gets from the government. A reasonable distribution of agricultural income is necessary as a prerequisite for industrial development where the peasants constitute the major part of the local market and no external markets are available. This does not mean that redistribution of agricultural income in Syria is enough alone to help the industrial sector to develop to its potential. A rising agricultural income also is necessary because the agricultural productivity in Syria is still relatively low. But rising agricultural income with very uneven distribution of income would not help the industrial sector where the rural population is the major part of the total population and external markets are not open for local production.

Recommended Methods of Reform

The major problem which faced Syrian reform and prevented it from achieving its full effect, was the slowness of the resettlement process. Large capital outlays are necessary in the newly opened regions, particularly in Hasakeh, Al-Rakka, and Deir el-zor provinces, before redistribution of land can be effected. The process of moving people from old regions to new agricultural regions involves massive

investments in the construction of houses, schools, hospitals, roads, and other facilities such as water supply and electricity.

In a country like Syria where agricultural income accounts for about one-third of the total national income, it is not practical to transfer capital from other sectors to the agricultural sector when the industrial sector has an urgent need for capital outlays. The practital way seems to be that capital necessary for the development of agriculture should come mainly from the agricultural sector. The need for capital outlays in the nonagricultural sectors is so great that there can be no question of financing large-scale social investment in rural areas out of taxes on other sectors. Some also would argue that in under-developed countries, if there is to be successful economic development, the transfer of funds has to be from agriculture to industry.

The argument can be simply stated as follows: for a country to move from the condition in which ten farmers produce enough food beyond their own subsistence needs to feed only five or ten non-farmers (as landlords, priests or politicians) to the situation in which each farmer can produce enough surplus food to feed ten or twenty non-farmers (including not only craftsmen and politicians but also

automobile-makers, musicians and doctors) two things are necessary. Firstly, agriculture must become more productive. Secondly, and especially in the initial stage before the industrial sector develops the capacity to generate its own investment capacity, the savings necessary to equip the ten or twenty non-farmers with the tools of their trades must come from agriculture (except in the unlikely event that enough foreign aid is available to foot the bill). The funds necessary to import machinery and to feed the men who build the roads, dams, schools, and factories must be withheld from the agricultural income. This process is referred to in Marxist economics as the process of "primary capital accumulation" and in current Western economics as the transferral of the "agricultural surplus". 12

Since the disguised unemployment in the Syrian agricultural sector is estimated to be about one-third of the labor force in agriculture, i.e., about 200,000 workers in

¹¹ Karl Marx, Capital I (New York: E.P.Dutton & Co., 1930), Ch. 24.

¹² See e.g. William H. Nicholls, "An Agricultural Surplus as a factor in Economic Development", The Journal of Political Economy, February, 1963 (Chicago, Illinois: The University of Chicago Press, 1963), p. 71i.

the middle of 1966, 13 the writer suggests that 100,000 workers should be taken away from the agricultural sector to work on resettlement, transportation, and irrigation projects. The annual wages of these workers would be about S.P. 144 million, assuming that the average of the yearly wages per worker is S.P. 1440. These annual wages equal about 11 per cent of agricultural income in 1964.

To provide these annual wages, the writer suggests that a tax be levied on land. The tax rates per hectare could be varied according to the location of land, the degree of rainfall, and its soil fertility. Improvements in land brought about by the efforts of the landowners could be excluded from the land tax base because if the land tax includes in its base improvements in land, it acts to discourage investment. The tax could be levied on land regardless of its being cultivated or not because a vast area of cultivable land in Syria is left uncultivated for speculative purposes.

The burden of such a tax would fall mainly on the landowners. Per capita income of the landless peasants would be

¹³According to the census of 1960, the number of workers engaged in agriculture was 509,977. Assuming that the agricultural workers increased 3 per cent per annum, which is the rate of population growth in the country, their number in the middle of 1955 would be about 600 thousand workers.

higher because their share of agricultural income will be divided by a smaller number. This conclusion is based on the estimate which has been indicated earlier that taking one-third of the labor force engaged in agriculture without changing the current methods of production, would not lead to any decline in agricultural production.

This process of taxing the land and taking away a hundred thousand workers from the agricultural sector could have the following effects:

- 1. By redistributing agricultural income in favor of the peasants there could be another jump in output of those industries which produce for the local market such as textile, food, and house appliances industries.
- 2. Resettlement and irrigation projects might stimulate those industries which produce construction materials such as cement, glass, and other similar materials.
- 3. The increase in the demand for industrial products could create more job opportunities in the industrial sector to absorb a considerable part of the surplus agricultural labor.
- 4. When irrigation and resettlement projects are completed, the surplus agricultural labor could be absorbed. The Euphrates project alone, when completed, could provide a

decent living for more than 120,000 workers, assuming that 5 hectares of irrigated land per worker would provide a family of an average size with a respectable standard of living.

5. No cultivable land need be left uncultivated, because the tax could make it difficult for the landowner to keep the land uncultivated. This, in turn, could lead to more agricultural production.

Taxing the land, however, is not an innovation in the history of the agrarian structure in Syria. When the Arabs occupied Syria in 638, agricultural land was considered the property of the state and the occupiers of the land, as has been indicated earlier, were allowed to cultivate their previous land against a yearly land-tax which amounted most of the time to one-tenth of the gross produce of the land. The major part of the revenues of the state came from the land-tax. Only in the twentieth century the right of an almost absolute ownership was granted on agricultural land and the tax was no more levied on land.

Tax on land values or rent was discussed by most of the great economists in the world. Most of them favored implicitly or explicitly this tax. John Stuart Mill recommended that all the "future increment of unearned rent" be taxed. Menry George went a little further and proposed that

all the economic rent be confiscated.

The French economists (Physiocrats) headed by Quesnay and Turgot, argued that the rent paid to the landlords should be used by the latter to (1) support the state or pay the only tax (single tax, impot unique) which the state ought to levy, and (2) accumulate all new capital and make all the long-term investments needed to improve the land and its productivity. Their argument was based on their premise that only the country's farms and farmers could produce, besides "support" of the farm families and upkeep of their working capital, a "produit net", which was all included in the rent paid to the landlords.

Adam Smith appeared to be in favor of a tax on landrent.

"Both ground-rents and the ordinary rent of land are a species of revenue which the owner, in many cases, enjoys without any care or attention of his own. Though a part of this revenue should be taken from him in order to defray the expenses of the state, no discouragement will thereby be given to any sort of industry Ground rents and the ordinary rent of land, are, therefore, perhaps the species of revenue which can best bear to have a peculiar tax imposed upon them." 14

With respect to improvements in land, Smith suggested that these improvements should be, for a fixed term, exempt

Adam Smith, An Inquiry into the Nature and Causes of Wealth of Nations (New York: the Modern Library, 1937), p.373.

from taxation. Because "the landlord would certainly be less disposed to improve, when the sovereign, who contributed nothing to the expense, was to share in the profit of this improvement." 15

Ricardo's argument about rent suggests that ground rent, being a return to non-reproducible natural agent, is eminently suitable for taxation. He did not appear to favor a tax on rent resulting from improvements in land. He said that

"A tax on the real rent of land falls wholly on the landlord, but a tax on that remuneration which the landlord receives for the use of his stock expended on the farm falls, in a progressive country on the consumer of raw produce. The capital expended on these buildings, etc., must afford the usual profit of stock; but it would cease to afford this profit on the land last cultivated if the expenses of those buildings, etc., did not fall on tenant; and if they did, the tenant would then cease to make his usual profits of stock, unless he could charge them on the consumer." 16

John Stuart Mill's theory of land-rent share was substantially purely Ricardian, but he drew from this a practical conclusion or "corollary" for public policy in the field of taxation, which Ricardo had not drawn. Mill frequently spoke of the class of landowners as having a monopoly of the

¹⁵ Ibid., p. 784.

¹⁶David Ricardo, The Principles of Political Economy and Taxation (London: J.M.Dent and Sons Limited, 1923),p.111.

nation's fixed and limited supply of land, and so as receiving rents not limited to normal competitive profits on any productive investments made by them, but capable of being raised by the pressure of growing demand and scarcity to any levels. Mill saw the rise of land-rents and land values with the country's growth as giving to the class of the land-owners an "unearned increment" or increase of its wealth, which in justice should not be retained by it, but should be taken by the state and used for the common benefit of all the people, and accordingly he included advocacy of a tax of this nature in his recommendations about taxation.

Mill proposed to exempt present rents and to tax "the future increment of unearned rent" by taxing increments in the value of land as judged by the trend in the price of land sales. 17

In the United States of America, Henry George in his famous book, <u>Progress and Poverty</u>, showed that the increase in land values arose from increased productivity which was closely related to the increase of population and wealth. He also showed, through Ricardian type rent analysis, that

¹⁷ John Stuart Mill, <u>Principles of Political Economy</u>, Vol. II, Third Edition (London: John W. Parker and Son, 1852), p. 381.

this entire amount of income that gave land value could be collected in taxes without decreasing the incentives for efficient production. This tax Henry George called "single tax" because he calculated the collections would be enough to cover all government expenditures. He claimed that this measure would abolish poverty and economic crises, the latter being simply the result of speculation in land values.

Alfred Marshall seemed to be in favor of a tax on land because "the supply of which is not dependent on human effort, and which therefore not be increased by extra rewards to that effort: and a tax on which would always fall exclusively on the owners." He, like Ricardo, appeared to be against a tax on improvements in land because in a long period "it would diminish the supply of them, would raise the normal supply price of produce and fall on the consumer." His objection to the "single tax" is obvious because all agents may earn rents in the short run.

However, England did adapt Mill's scheme in the Budget

¹⁸ Henry George, <u>Progress and Poverty</u> (New York: The Vanguard Press, 1929), pp. 59-64.

¹⁹Alfred Marshall, Principles of Economics - An Introductory Volume, Eight Edition (London: Macmillan and Co., Limited, 1927), p. 629.

²⁰ Ibid., p. 630.

of 1909 for urban lands not used for building purposes, and in the Town and Country Planning Act of 1947 it applied the principles of taxing rental increments to all land.

The early exponents of marginal utility Walras and Wicksteed were both advocates of land nationalization with full compensation. Walras' scheme was to pay the proprietors with bonds, using future rents to pay interest and to redeem the loan. Believing that rents tend to rise in a growing economy, he proposed to pay the proprietors a price on the basis of 99 years' purchase and thereafter all rents would accrue to the state. 21

The political facts seem to be important in explaining the development of the taxation of land in some countries
and the failure of the tax to develop in others where population growth has been rapid and where land resources were
under-developed.

In the United States of America, where the revolution outlined in the Declaration of Independence was continued, the conservative European notion of exempting the property of the large landowners from whatever modified land taxes existed did not find favor as it did in South America, where

^{21&}lt;sub>M</sub> Blaug, Economic Theory In Retrospect (Homewood, Illinois: Richard D. Irwin, Inc., 1962), p. 200.

the revolution did not take hold, and where as in Bolivia,
"the land taxes on rural property made it easy to hold large
tracts idle for prestige or speculative purposes." 22

Syria undoubtedly possesses an economy which is suitable to the use of the land tax for the development of the agricultural sector. What it did not possess in the recent decades was the requisite political climate for the development of this tax source.

United Nations, Technical Assistance Administration, Taxes and Fiscal Policy in Under-developed Countries (New York: United Nations, 1954), p. 47.

CHAPTER VII

SUMMARY AND CONCLUSION

This study represents an attempt to:

- consider the question of the need for land reform in relation to economic development in Syria;
 - 2. assess the effects of the land reform on:
 - a. agricultural production,
 - b. distribution of agricultural income, and
 - c. industrial production;
- 3. recommend methods of reforms most likely to promote economic development in Syria.

It includes an examination of the land reforms in Egypt and Mexico to show the differences between each of them and that of Syria and what these differences mean.

The first step was a review of the literature on land reform and an exposition of a theoretical framework of the general relationship between land reform and economic development.

In Chapters 2 and 3 the question of the need for land reform in relation to economic development in Syria was

considered in detail.

Reviewing the origins of land-ownership in Syria, it was found that because of many factors such as granting land by the Ottoman Sultans to princes, relatives, and military officers; corruption in the government; peasants' fear of titles' registration; French favoritism to tribal chiefs and influential landowners; and extension at the expense of State lands, most of the agricultural land in Syria before reform was held by those who were then influential people and state officials.

The land held by the 3,240 landlords subject to reform was about half the total cultivated land in Syria in 1958.

The big landlords represented 1.1 per cent of the total landlords and 0.07 per cent of the total population in 1958.

Multiplying their number by 5 (family of 5 persons size), their families would constitute 0.37 per cent of the total population in 1958.

Per capita income in the share-cropper and tenant class working on the big landlord estates was S.P. 213 in 1958. This was about 42 per cent of the per capita income in the country in that year. Per capita income in the big landlord class was S.P. 7,469. This was about fifteen times the per capita income in the country and thirty-five times

the per capita income of the peasants.

The budgetary policies of the government did not attempt to correct the maldistribution of income. On the contrary the tax system was regressive. The huge fortunes of the landlords were and still are not taxed.

Agricultural practices remained backward largely because of the land-tenure system and the lack of agricultural services. Credit facilities of the government were of little help to the small farmers.

The legal and actual insecurity of agricultural tenancy, on the one hand, and the absence of the landlord from the farm, on the other, discouraged improvement of the land either by tenant or landlord and hence kept agricultural productivity at a low level.

The absence of adequate employment opportunities in the nonagricultural sectors led to excessive concentration of the labor force in agriculture, resulting in a high degree of under-employment. According to the official census of 1960, about 51.3 per cent of the total labor force in Syria was engaged in agriculture, while agricultural income was about one third of the total national income. It has been estimated that, without any change in the methods of production, one third of the agricultural workers could be

taken away from the agricultural sector without any decline in agricultural production.

In general, the agrarian structure in Syria before reform was the cause of social evils, keeping the rural population on a low level of income and social status and denying them the benefits of the growth Syria enjoyed after the Second World War.

Since the agrarian structure is a rigid institutional hangover from the past, the need for reform is generally twofold: a social need for a higher income for the cultivator,
and an economic need for better farming through more investment and better methods of production. However, there is a
growing concensus in Syria and elsewhere that unimpeded
access to the means of gaining a decent livelihood is one
of the principal incentives for individual and social growth.
Social justice, in which the correction of income maldistribution is an important part, is thus coming to be viewed
as an essential element of economic development.

Land reform in Syria has been advocated for a long time as an indispensable policy for agricultural development. But it was not possible in Syria before 1958 to introduce land reform through the existing pattern of socio-political institutions which were under the influence and control of

big landlords. It also seemed unlikely that the rural problems of Syria could be solved through the mechanism of parliamentary democracy. Syrian governments were reflecting the established order of the old wealth and old power. demand that the state carry out the measures of reform which the economic development of the country requires presupposes a Government detached from the old social structure and exercising functions beyond the needs of the established order. Political change was a necessary condition for the introduction of land reform measures and only an external force which was independent of the existing socio-political pattern could realize that change. That external force was the union with Egypt in February 1958 with all its economic, social, and political implications. Upon union with Egypt, Syria had a series of laws aimed at reducing inequality in the ownership of agricultural land, encouraging the cooperative movement in agriculture, improving the conditions of tenants and organizing agricultural tenancy, and liquidating the State-domain land.

The provisions of these laws were reviewed in Chapter

4. At the end of 1964, of 1,543,643 hectares of land areas
subject to expropriation, 1,023,172 hectares had been expropriated. Of this amount only 234,260 heckares had been

distributed among 15,409 families. During the period 1960-1962, 135,780 hectares of State-domain land were distributed virtually free among 6,251 families. In the period 1961-1964, 70,724 hectares of State-domain land also were sold to 4,982 persons.

The beneficiaries of land redistribution are required to join co-operatives which are entrusted with managerial, finance and other agricultural and social functions under the supervision of technical agriculturalists appointed by the Land Reform Institute which was especially created to conduct the operations concerning land expropriation, management and redistribution, and to organize and supervise the co-operatives.

Assigning these functions to co-operative societies was sound. The old system involved more than the narrow relations between owner and share-cropper which were connected with the farm production process; it established a whole social and political pattern. New organizations were needed not only to take the place of the old set-up but also to lead the peasants towards higher productivity.

In December 14, 1964 a legislative decree (No. 127) providing for the establishment of a peasant Union was issued. The main feature of this decree was the establishment of a

free peasant organization with unionist aims to serve peasants and participate in the building of socialism.

An illustrative study of Egyptian and Mexican land reforms was presented in Chapter 5.

There is a contrast between the agricultural and demographic conditions in Syria and Egypt. In Egypt all cultivation is dependent on irrigation, and production is intensive, stable, and there are uniform methods of cropping. Syria, by contrast, is generally dependent on uncertain rainfall, and with the exception of irrigated lands, has extensive production, with low and variable yields and much regional diversity in farming methods. Egypt is overpopulated, while Syria has a shortage of labor in some regions and a surplus in others.

In spite of contrasts, there was an underlying unity in the aims and methods of land reform in Syria and Egypt.

In both, the same co-operative pattern of group farming was used. This technique was first evolved in Egypt, and later applied in Syria. On paper, the provisions of the Syrian reform followed those of the Egyptian reform closely. But the Syrian reform was more drastic because it left no apparent loopholes for evasion.

The provisions of the Syrian reform governing the rate

of compensation differed from the Egyptian and they appear to be more favorable to the landowners subject to reform. The provisions of the Syrian reform fixing ceilings of landownership also differed from the Egyptian and they seem to be more reasonable. The provisions of the Syrian reform differed from the Egyptian concerning the purchase price of land to be paid by the beneficiaries. Although in both Syria and Egypt the beneficiaries are required to pay only one fourth the purchase price of the land, in Syria the sum is paid to the co-operative in which the beneficiary is a member while in Egypt the sum is paid to the Ministry of Reform. Since co-operatives are established to serve the beneficiaries and the revenues are used for the agricultural and social needs of their members, the land seems to be given free to the beneficiaries in Syria.

The Syrian reform was wider in scope than the Egyptian. Official estimates put the total cultivated area subject to expropriation at 1,416,778 hectares, or about 26 per cent of the total cultivated area in 1958. This area became larger as a result of the amendments made by law No. 88 of 1963. In Egypt, although the reform was almost complete in 1963 with respect to expropriation, the total redistributed land area was only about 10 per cent of the total cultivated area.

The initial situation of reform in Syria was different from that in Egypt. In Egypt the problem was to maintain and increase production on estates which were already intensively cultivated, with high and stable yields. In Syria the task was more complex, for reform of the structure had to be combined with both agricultural development and the resettlement of farmers, and provide the mechanism by which these policies were carried out.

Necessarily Syrian reform required a large credit operation, providing relief to destitute farmers in the drought-stricken villages in the period 1958-1961, and investing in farm improvement, irrigation, and rehousing in all regions. Fortunately, funds were available for requirements. By contrast in Egypt, where land reform was self-financing from an early date, and where the supervised cooperatives are now accumulating profits for investment and social services, land reform in Syria is not likely to cover its costs for some time in the future.

The agricultural and demographic conditions in Syria and Mexico are similar in some aspects and dissimilar in others. In both countries, land-ownership was unevenly distributed. Agriculture depends mainly on uncertain rainfall, and production is extensive with low per-capita productivity,

and low and variable yields. When the reform occurred in Mexico in 1915, the Mexican methods of agriculture, like the implements with which they work, were medieval. Syria, by contrast, had at the time of reform much regional diversity in farming methods; in the newly opened regions the methods were highly developed while in the old regions they were generally backward. Mexico is relatively over-populated, while Syria has a shortage of labor in some regions and a surplus in others.

Land reform in Mexico in its early years was largely social in its aims. The peasants got the land, without the means of working it in the form of credit, marketing facilities, and technical guidance. The result was a decline in agricultural production. In Syria the peasants got land and what they needed to work it efficiently. The Institute of Land Reform was prepared for the development of the agricultural and human potential, and was adequately supplied with funds. It has extended irrigation, introduced new crops, provided machinery and resettled farmers. Co-operatives were established to provide the beneficiaries with credit and marketing facilities, and technical advice. The result was increased agricultural production and improvements in the welfare of the rural population. It should be borne

in mind, however, that the Mexican reform was initiated in 1915 as an urgent measure, while the Syrian reform came into being in 1958 when many experiments in this field had already taken place in different countries.

One major difference still exists between the Syrian and Mexican reforms with respect to the beneficiaries' right on distributed land. The Mexican beneficiaries have only the right to use the land assigned to them, i.e., the right of usufruct, while the Syrian beneficiaries, after paying the required quarter of the purchase price of land within twenty years, have absolute ownership of the land.

In Chapter 6 the effects of the Syrian land reform were assessed and the methods of reform most likely to promote economic development in Syria were recommended.

Although Syria suffered severe droughts for four consecutive years, national income rose over the period on the average at an annual rate of 5 per cent; agricultural income increased at an annual rate of 3 per cent; and industrial income grew at an annual rate of 8 per cent.

The effect of reform was felt strongly in the production of irrigated-area crops. Cotton, which is grown mainly in irrigated areas, has shown an improvement in yields. The effect on non-irrigated area crops, particularly

wheat and barley, was moderate.

Reform, as a measure of redistribution of agricultural income, has increased the income of the beneficiaries of irrigated land about 184 per cent above their previous income. The income of the beneficiaries of the non-irrigated land increased about 45 per cent above their previous income. The income share of the tenants of irrigated land increased about two initials over their previous share and the share of those of non-irrigated land increased about ten per cent.

The effect of reform on industrial production was taking place by increased agricultural production and by the redistribution of agricultural income in favor of the landless peasants which represent the major part of the consumers in the local market.

Textile and food industries, which constitute the major part of the Syrian industries and which depend mainly on the local market, have shown a substantial increase and higher rates of growth. Redistribution of agricultural income has expanded the local market and thus enabled those industries which produce for the local market to develop.

The major problem which faced Syrian reform and prevented it from achieving its full effect, was the slowness of the resettlement process. Large capital outlays are

necessary in newly opened regions, particularly in

Hasakeh, Al-Rakka, and Deir el-Zor provinces, before redistribution of land can be effected. The process of moving
people from old regions to new agricultural regions involves
massive investments in the construction of houses, schools,
hospitals, roads, and other facilities such as water supply
and electricity.

In a country like Syria where agricultural income accounts for about one third of the total national income, it is not practical to transfer capital from other sectors to the agricultural sector when the industrial sector is in urgent need of capital outlays. The practical way seems to be that capital necessary for the development of agricultural sector should come mainly from the agricultural sector. The need for capital outlays in the nonagricultural sectors is great.

Since the disguised unemployment in the agricultural sector is estimated to be about one third of the labor force in agriculture, it is suggested that 100,000 workers should be taken away from the agricultural sector to work on resettlement, transportation, and irrigation projects. The annual wages of these workers would be about S.P. 144 million, assuming that the average of the yearly wages per worker is

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The burden of such a tax would fall mainly on the landowners. Per capita income of the landless peasants would be higher because their share of agricultural income will be divided by a smaller number. This conclusion is based on the estimate that taking one third of the labor force engaged in agriculture without changing the current methods of production, would not lead to any decline in agricultural production.

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hundred thousand workers from the agricultural sector could have the following effects:

- 1. By redistributing agricultural income in favor of the peasants there could be another jump in output of those industries which produce for the local market such as textile, food, and house appliances industries.
- 2. Resettlement and irrigation projects might stimulate those industries which produce construction materials such as cement, glass, and other similar materials.
- 3. The increase in the demand for industrial products, could create more job opportunities in the industrial sector to absorb a considerable part of the surplus agricultural labor.
- 4. When irrigation and resettlement projects are completed, the surplus agricultural labor could be absorbed. The Euphrates project alone, when completed, could provide a decent living for more than 120,000 workers, assuming that 5 hectares of irrigated land per worker would provide a family of average size with a respectable standard of living.
- 5. No cultivable land need be left uncultivated, because the tax could make it difficult for the landowner to keep the land uncultivated. This, in turn, could lead to more agricultural production.

Taxing the land, however, is not an innovation in the history of the agrarian structure in Syria. When the Arabs occupied Syria in 638, agricultural land was considered the property of the State and the occupiers of the land were allowed to cultivate their previous land by payment of a yearly land-tax which amounted most of the time to one tenth of the gross produce of the land. The major part of the revenues of the State came from the land-tax. Only in the twentieth century was the right of an almost absolute ownership granted on agricultural land and the tax was no lenger levied.

The main conclusion of this study is that in a country where the majority of the population are rural, a reasonable distribution of agricultural income is not only necessary for agricultural development but is indispensable for the development of the industrial sector when the industrial sector depends mainly on the local market as is the case in most of the underdeveloped countries of the world.

This does not mean that redistribution of agricultural income in under-developed countries alone is enough to expand the local market to an extent where the industrial sector can develop to its potential. A rising agricultural income also is necessary because the per capita output in the

agricultural sector in under-developed countries, including Syria, is still relatively low. But rising agricultural income with a highly uneven distribution of income would not help the industrial sector to develop to its potential.

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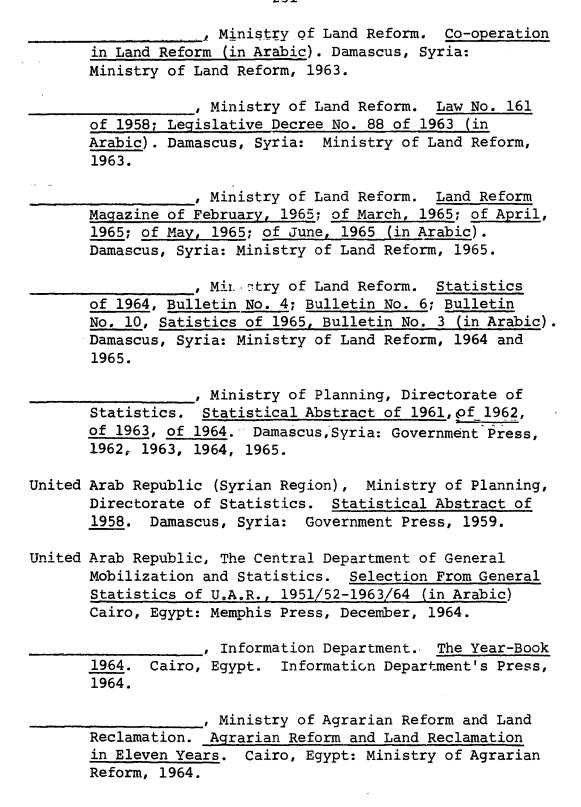
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