

LAND, DEBT AND JUBILEE

MIKE HANNIS discovers that indebtedness among small farmers is a very old story, and one with far-reaching consequences.

Farmers hit by perfect storm of debt, disease and weather, announced a headline in the Western Daily Press during this year's miserably wet April. Following 2012's incessant rain and 2013's freezing spring, the article explained:

"livestock farmers in the West already devastated by bovine TB and the Schmallenberg virus now face escalating bills to feed livestock driven indoors by icy blasts ... farming families are falling deeper into debt, with some forced to go without essentials such as heating for their homes and school uniforms for their children".

The latest round of extreme and unpredictable weather came of course in a recession, and on top of all the other problems of our unsustainable supermarket-led agricultural system, which has squeezed and often eliminated farmers' profit margins.

Small farmers are, as ever, hardest hit. Spiralling farmland prices mean that farmers with large landholdings, though they may have debts, are also sitting on very valuable assets, so are better able to absorb losses in bad years. The position is very different for farmers with debts and little or no land of their own. Many tenant livestock farmers in particular are now in real trouble. One really bad year can be the end, and some are selling their herds and giving up.

While hardly comparable to the tragic tales of debt-driven farmer suicides in India or Bangladesh, farm debt in Britain still has dramatic consequences. As often discussed in these pages, this combination of circumstances leads to the concentration of land into fewer and fewer hands.

Productive but unprofitable small farms are absorbed into larger holdings, and increasingly into 'investment portfolios' whose distant owners may never even see the land they own. In the process local knowledge and specialisation is lost, farmhouses are stripped away from land to become holiday homes, and the domination of food production by corporate interests is consolidated.

Those actually working the land have no stake in it once they become employees or casual contractors, often working long hours for low pay, and surviving by topping up their income with non-agricultural work or, in countries where they are available, state benefits.

Slavery and Feudalism

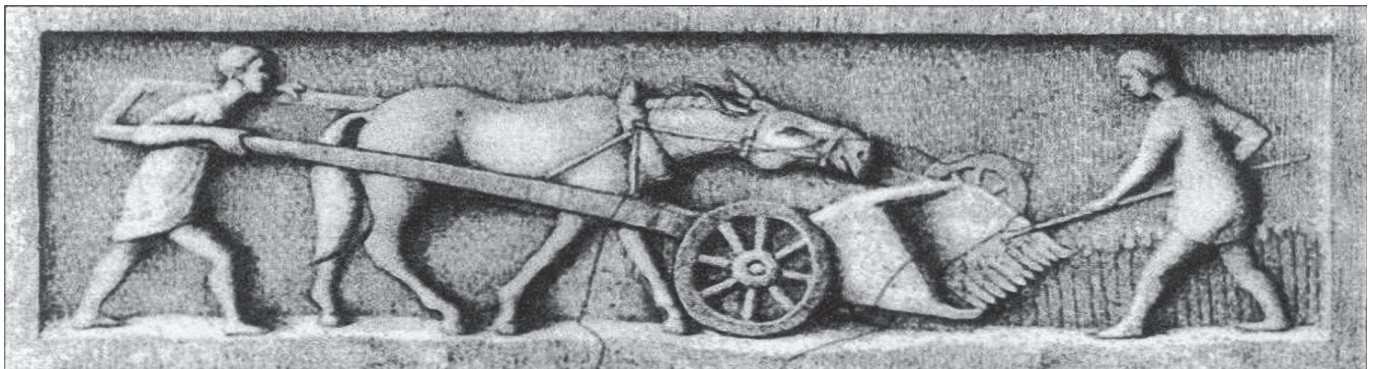
The indebtedness of those working the land is not just a global problem, but also a very longstanding one. It predates capitalism, though that certainly doesn't mean it's not a political or a class issue.

For instance, classicist Keith Hopkins writes that "mass eviction of the poor by the rich underlay the political tensions and civil wars of the last century of the Roman Republic."¹ While the early Roman empire had many small farms owned by plebs (free but relatively poor Roman citizens) who worked the land themselves, in later stages of the empire this became increasingly difficult and expensive, leading many of these peasant farmers either to sell up voluntarily or to have their land confiscated to pay debts. The buyers were the elite, rich senators who constantly reinvested the substantial profits of their existing latifundia (large farm estates) into expansion.

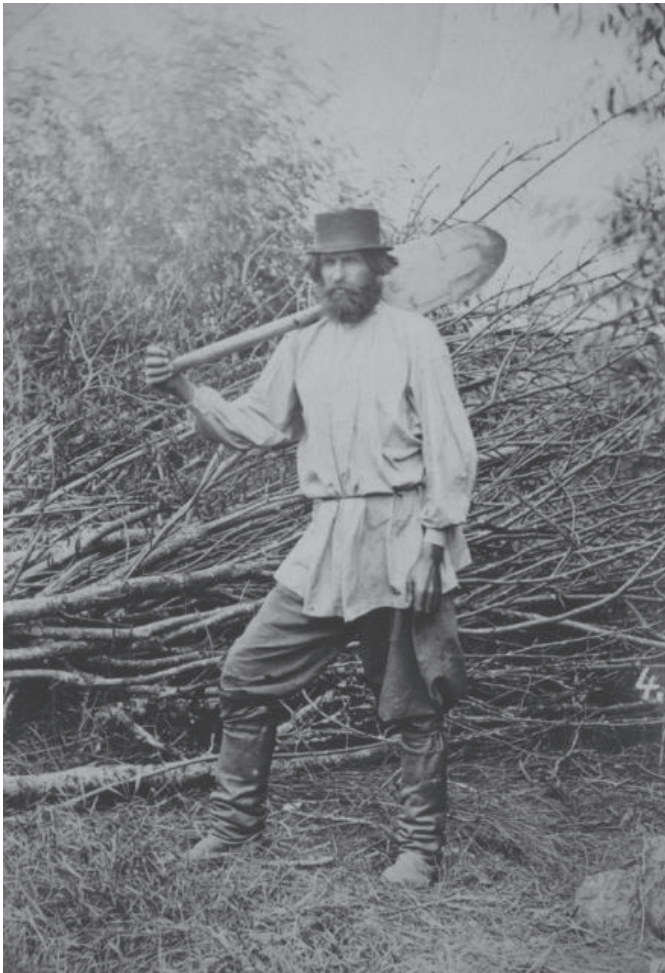
Once in the hands of these aristocrats, farmland in the Roman empire was primarily worked by slaves. It was this, as well as economies of scale, that gave them the competitive edge over small peasant farmers. Just as it later did on the New World sugar, tobacco and cotton plantations, slave labour shifted agricultural economics decisively in favour of those landowners who had access to it. As in all such cases, wealthy landowners and merchants were further enriched by this unpaid labour, while those on the ground usually remained in penury however well they farmed.

Overt slavery is the simplest and most extreme example of a system in which landless people farm for the profit of others. Modern waged agricultural labour is, arguably, somewhere near the other end of this spectrum. In between lie the many varieties of serfdom, in which peasants were not actually owned by the local lord, but were nonetheless obliged to work for him (it was of course almost always a him), on land which they were allowed to inhabit but not permitted to leave.

Versions of this feudal system were the norm in medieval Britain, and indeed across much of Europe, with the notable exception of Scandinavia. It was also common elsewhere: it has been argued that serfdom existed at various periods in (at least) Persia, Mesopotamia, China, India, Egypt and Japan.



A horse-powered harvester, used in grain-producing areas of the Roman empire, including Britain. The two operators are probably slaves.



From Serfdom to Indebtedness

In Russia, serfdom was not abolished until 1861. Before their “emancipation”, around half of the peasantry, or a third of the total population, were serfs. Tied to the land, they were completely dependent on the landowning nobility. As Michael Lynch puts it:

“The Russian system dated back to 1649 and the introduction of a legal code which had granted total authority to the landowner to control the life and work of the peasant serfs who lived on his land. Since this included the power to deny the serf the right to move elsewhere, the difference between slavery and serfdom in practice was so fine as to be indistinguishable. The purpose behind the granting of such powers to the Russian *dворяне* (nobility of landowners) had been to make the nobles dependent on, and therefore loyal to, the tsar.”²

Tsar Alexander II wanted to retain the loyalty of the landowners, but also to do away with serfdom, which had come to be seen as economically inefficient. In order to achieve this, he instructed the landowners themselves to draw up the terms of the emancipation. Predictably, this resulted in a spectacularly bad deal for the newly freed serfs. The landowners were not content with keeping the best two-thirds of the land back for themselves. They also demanded exorbitant payment for the land they did hand over, most of which they received up front from the state, which then clawed it back from the peasants.

So limited was the supply of affordable quality land to the peasants that they were reduced to buying narrow strips that proved difficult to maintain and which yielded little food or profit. Moreover, while the landowners were granted financial



Russian peasants, after emancipation and before the revolution: posing in a photographer’s studio, pulling a barge, and stacking straw.

compensation for what they gave up, the peasants had to pay for their new property. Since they had no savings, they were advanced 100 percent mortgages, 80 percent provided by the State bank and the remaining 20 by the landlords. This appeared a generous offer, but as in any loan transaction the catch was in the repayments. The peasants found themselves saddled with redemption payments that became a lifelong burden that then had to be handed on to their children.

As if this were not enough, the peasantry were also now subject to taxation. Although now “free”, they found themselves immediately highly indebted, working less productive land, and with little hope of paying off their debt in their lifetime. All in all, Lynch concludes:

“So reduced was the peasant as an agricultural worker by 1900 that only half of his meagre income came from farming. He had to sustain himself by labouring.”

The stage was well and truly set for the Revolution.

Sharecropping in the USA

Meanwhile, the 1860s also saw the end of slavery in America, following the Civil War. Here, many former slaves also thought the reforms would mean they’d be given land – specifically forty acres and a mule. As the Union Army had crossed Georgia, followed by tens of thousands of freed slaves, General Sherman had allocated forty acres each to some of these desperate families, and some were also given one of the victorious army’s many surplus mules.

When the war ended three months later, many freed African Americans saw the “40 acres and a mule” policy as proof that

they would finally be able to work their own land after years of servitude. However, as one of the first acts of Reconstruction, President Andrew Johnson ordered all land under federal control to be returned to its previous owners in the summer of 1865. The Freedmen's Bureau, created to aid millions of former slaves in the postwar era, had to inform the freedmen and women that they could either sign labour contracts with planters or be evicted from the land they had occupied. Those who refused or resisted were eventually forced out by army troops.

Once the dust had settled, the agricultural land in the South still belonged to the plantation owners, and the only way many penniless freed slaves could survive was to agree to go back to work for their previous owners. The owners were at first determined to recreate the gang labour systems that had worked so well for them under slavery: this led to constant conflicts, and despite attempts to force freed slaves to sign yearly labour contracts, within ten years a new system of land tenure had become prevalent. This was sharecropping, under which a tenant (mostly black former slaves but also many poor whites) would rent a small plot of land – a “share” – and pay the rent in the form of a portion of their crop at harvest time.

The terms were dictated by the landowners, and were usually harsh. Landowners would expect anywhere between a third and two thirds of the crop as rent. However, by the time harvest came around many sharecroppers would find themselves in much more debt than this. Landowners would charge extra for essentials such as seed, tools, and irrigation. They would also often supply all the sharecroppers' other needs throughout the year on credit, extracting payment at harvest time.

It was far from unknown for sharecroppers' debts to exceed the value of the harvest, and hence for the landowner to take it all, leaving the cropper to begin the next year already in debt. This was especially likely to happen, of course, in years when harvests were poor.

This was not the first time that this kind of land tenure had emerged following a period of intensive slave-powered agriculture: the same had also happened in Brazil. Earlier still, after the collapse of the Roman empire, a sharecropping system known as *métayage* emerged in southeastern France and northern Italy, which continued in places until the early twentieth century. Similar systems continue to this day in parts of Africa and Asia.

Mesopotamia

The story of small farmers being constantly in debt is a very old one. It seems to have been a predictable consequence of exploitative social structures in which economic arrangements were dictated by interests other than those of the peasantry. This indebtedness often shaded into serfdom or outright slavery.

David Graeber in his book *Debt: the first 5000 years* describes vividly how this has been going on since the practice of loaning money at interest was invented, around five thousand years ago in Sumeria and Babylonia:

“By 2400 BC it already appears to have been common practice on the part of local officials or wealthy merchants to advance loans to peasants who were in financial trouble on

The Missouri sharecroppers' strike

Sharecropping continued in the southern US until the second world war, and was finally displaced only by mechanisation. In the Depression of the 1930s, crop reduction programmes led to massive evictions from the land, and black and white sharecroppers joined together in search of security from a collapsing plantation system. Organisations such as the Southern Tenant Farmers Union, racially mixed as well as overtly socialist, were fiercely suppressed but foreshadowed the later Civil Rights movement.

In January 1939, over 1,000 evicted cotton sharecroppers camped along two Missouri highways with their families and belongings to protest against their plight. The American Red Cross refused to help, calling the protest “a manmade disaster”. Eventually, however, supporters raised funds to buy land, on which a co-operative farming community called Cropperville was established.



collateral, and to appropriate their possessions if they were unable to pay. It usually started with grain, sheep, goats and furniture, then moved on to fields and houses, or, alternately and ultimately, family members. Servants, if any, went quickly, followed by children, wives, and on some extreme occasions, even the borrower himself. These would be reduced to debt-peons: not quite slaves, but very close to that, forced into perpetual service in the lenders' household, or sometimes in temples or palaces. In theory any of these could be redeemed whenever the borrower repaid the money, but for obvious reasons the more a peasant's resources were stripped away from him, the harder that became."³

This was of course, as we might say these days, not very sustainable. Graeber goes on:

"The effects were such that they often threatened to rip society apart. If for any reason there was a bad harvest, large proportions of the peasantry would fall into debt peonage, and families would be broken up. Before long, lands lay abandoned as indebted farmers fled their homes for fear of repossession and joined semi-nomadic bands on the desert fringes of urban civilisation."

Some modern indebted farmers may perhaps wish that the option of joining "semi-nomadic bands on the fringes of civilisation" was more widely available in the twenty-first century. Most though, would no doubt prefer to see the financial system somehow rebalanced, allowing them to continue farming.

Clean Slates and Broken Tablets

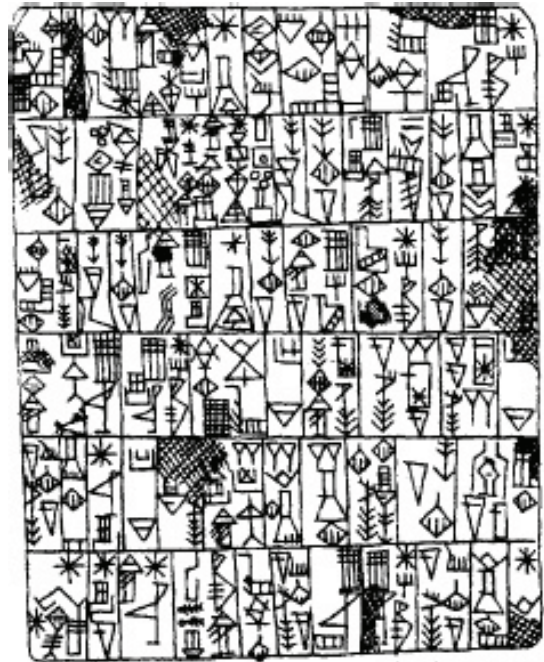
Surprisingly, this is where the story of ancient Mesopotamia turns out to provide a hopeful rather than relentlessly desperate parallel. The disproportionate power wielded by lenders over borrowers was, to some extent, recognised and addressed. As Graeber explains:

"Faced with the potential for complete social breakdown, Sumerian and later Babylonian kings periodically announced general amnesties [or] "clean slates" [...]. Such decrees would typically declare all outstanding debt null and void (commercial debts were not affected), return all land to its original owners, and allow all debt-peons to return to their families. Before long, it became [...] a regular habit for kings to make such a declaration on first assuming power, and many were forced to repeat it repeatedly over the course of their reigns."

In later Babylonia at the time of Hammurabi, "breaking of the tablets" rituals in which all records of who owed what to whom were ceremonially destroyed were apparently held every spring as part of the New Year festivities. As part of this official slate-cleaning, "debtors were restored cultivation rights to their customary lands, whatever mortgage liens had accumulated".⁴

Much later still, the Old Testament book of Nehemiah describes how similar practices also became institutionalised in Hebrew kingdoms.

"Nehemiah found himself confronted with a social crisis. All around him, impoverished peasants were unable to pay their taxes; creditors were carrying off the children of the poor. His first response was to issue a classic Babylonian-style "clean slate" edict. [...] All non-commercial debts were to be forgiven. Maximum interest rates were set. [...] The Law of Jubilee stipulated that all debts would be automatically cancelled "in the Sabbath year" (that is, after seven years had



Maurice Lambert

A debt cancellation by Enmetena, ruler of the Sumerian city-state of Lagash, c. 2400 BC. This tablet is said to be the earliest extant legal proclamation.

passed), and all who languished in bondage owing to such debts would be released."⁵

The Real Jubilee

Graeber argues that over the years since these ancient times, "cancelling the debts, destroying the records and reallocating the land was to become the standard list of demands of peasant revolutionaries everywhere".⁶

He ends his book with a rousing plea for a modern Jubilee, wiping out the debts of both individuals and countries. It's not specified whether this would include "destroying the records and reallocating the land", though many people around the world would no doubt support such a proposal.

Of course, jubilees are rarely granted so easily. Still, while peasant revolts have very often been brutally crushed, it is important to remember that historically this was not always the outcome. For instance in China, Graeber points out that many of the most famous Chinese dynasties, such as the Han, Tang, Sung and Ming, originated as peasant insurrections.

This is perhaps less surprising once we hear the astonishing fact that "there were decades in Chinese history when the rate of recorded peasant uprisings was roughly 1.8 per hour".⁷

No jubilee will be brought about voluntarily by any modern royal family, or indeed by their non-hereditary equivalents. Perhaps this well-established Chinese model is more realistic.

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