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## LAND SETTLEMENT AND AGRARIAN REFORM IN GUATEMALA

GUATEMALA is a Central American country extending over 42,000 square miles and holding about 3 million inhabitants. Entirely in the tropics, it nevertheless has a wide range of climate due to the different altitudes induced by its rough topography. Moreover, different environments and much inaccessibility have created a plurality of social patterns which range from sophisticated urban life in Guatemala City to the migratory hunting society of the Lacandón Indians in the northern jungles.

Before its conquest by the Spaniards in 1524, Guatemala was the site of a developed Maya civilization and its successor kingdoms. These pre-conquest societies based their economic life on maize cultivation and a communal system of land tenure. With the Spaniards came the feudal system and the gradual displacement of the Indians from the piedmont towards the poorer highlands, while the rich but unhealthy coastal plains remained unpopulated.

In the richer and more accessible lands, a single Spaniard with Indian labour would exploit a large estate in which he grew cash crops such as cocoa, indigo, or cochineal, to be sold in an outside market. In the highlands, however, Spanish institutions such as that of the *ejido* or communal village lands fitted in with Indian customs and preserved an economic and social organization based on maize.

Large unexploited areas became royal domains to be granted as the need for land arose. As late as 1803 the *Gazeta de Guatemala* published an order that illustrates the way in which these grants were made. 'Authority is given to the governor of Quesaltenango', the order states, 'that he may distribute in small plots, and for a term of five years, to the Indians and *Ladinos*<sup>1</sup> who may want them the lands of royal domain and those unappropriated of that province, binding themselves to keep them tilled and delimited for their due separation, an exact count being carried of the number of *cuerdas*,<sup>2</sup> situation and quality of them, and the names of the subjects to whom they be

<sup>1</sup> White and half-breed.

<sup>2</sup> Spanish unit of measurement equivalent to 0.108 acres.

distributed, which will be kept in those archives, copy being sent to the general court of this capital; being it let known to the holders that if at the end of the five years they would wish to acquire ownership of the lands, they shall be given to them for a very moderate payment. . . .'

In the light of the above quotation we can see that the Spanish system of land tenure was not, as maintained by some critics, based entirely on feudal exploitation. Next to the large *haciendas* and the communal land of the villages there were smaller individual farms which, to the credit of the Spaniards, were granted without any racial discrimination, though it must also be said that the need for workers on Spanish lands meant the survival of feudal servility. The latter, moreover, lasted for a long time even after Central American independence was proclaimed in 1821. Except for the royal properties that were confiscated, the heirs of the Spaniards continued to hold the best land, the clergy kept their extensive domains, and the Indian was still relegated mainly to his highland community where he could be impressed for forced labour in the lowlands.

With the first independent governments, which were largely committed to liberal ideologies, there was an initial interest in land settlement based on foreign immigration and individual property rights. In 1824 a law was enacted that was to be the forerunner of many others. It decreed that 'All foreigners that may wish to come to the United Provinces of Central America . . . will be able to do it in the terms and the way which may best suit them'. Moreover, the law conferred on foreigners the right to acquire unappropriated lands or village lands on the same terms as the native citizens. It enabled them to found new settlements in which each immigrant would receive on his marriage a free grant of at least 12 acres of land, this amount being doubled 'if he wed aboriginal inhabitants of the country, or coloured people born in it'. Besides, four extra acres would be given to any dweller of a new town 'for each married couple . . . whom according to the founding act he transport and establish in the respective town'.

The inhabitants of the new settlements, according to the law, were exempted for twenty years from all taxes or customs duties. Furthermore, the immigrant was 'free at all time to go back to his country or to go and live where it best will suit him . . . ' and to dispose of his property as he saw fit. The only sanction to which the settler was subject was the loss of his property rights if at the end of eight years after its acquisition he had not 'cultivated or occupied, according to its condition, the land which he is granted . . . '. Moreover, as Central

America started her independent life by abolishing slavery, the law forbade the introduction of slaves to the new settlements and ordered the freedom of any bound man brought into the country.

The passing of a liberal law was not sufficient to bring the immigrants desired by the founders of the country and many of their successors. In 1834 a company was authorized, with a capital of \$2 million, to establish a thousand families in the Guatemalan north-east. Each family was to be given 100 acres of land and the company was granted a twenty-year concession for wood-cutting and navigation. The capital and the human element were for the most part recruited in England but soon the undertaking proved a failure owing to the isolation of the settlements and their lack of experience and supplies. Similar was the fate of other attempts, the most important of which was that of a Belgian colonization company which received in 1842 800,000 acres of land on condition that it would settle a thousand families at the rate of a hundred a year. As the number of immigrants brought in was very limited, however, the concession expired in 1853. From then on, although an Immigration Commission was created in 1868, there was little actual settlement of foreigners in the country, least of all in agricultural colonies. The truth was that Guatemala was a remote country, little known by Europeans, who preferred to migrate to the United States or Argentina. Away from the great trade routes, it was practically isolated from the rest of the world and lacked means of internal communication. This made difficult not only economic enterprise but governmental control and stability.

While pious hopes for foreign immigration were being voiced time and again by government officials, a change in the systems of land tenure was taking place which was to accelerate the need for internal resettlement. In 1825 the first agrarian law sought to encourage individual appropriation of unclaimed lands, but nine years later another law reflected the abuse to which the Indians were being subjected by the great landlords who claimed for themselves lands already occupied by farmers without legal titles. 'In view of the lack of publicity which the laws have had in towns inhabited by Indians', says the 1834 law, 'the latter and those in the same case will be protected in the property of their lands, if with any documents their ownership is proved from immemorial time; but in the future all lands will belong to the State which after two months of this publication have not been registered.' This enactment, however, was not enough to induce the Indians to obtain their land titles or to refrain the land-

lords from further land-grabbing. This is shown by a decree published in 1837 which reads: 'The Chief of State of Guatemala, whereas the existing laws on property holding and protection of lands are the cause of dissatisfaction among villages and individuals, who find themselves insecure . . . Decrees: 1—Unclaimed lands are those which were called *royal domains*, and are not occupied by private individuals, villages or corporations; they being the domain and property of the State. . . .' It can be seen that in the shadow of liberal laws, the Indian farmer was being pushed farther into the highlands, while private latifundia were growing. In a way, land tenure relationships became harsher for poor peasants than they had been in the colonial period.

In 1871 Guatemala experienced a radical liberal reform. The patrimony of religious orders was confiscated and many latifundia of the conservative landlords were divided, while the middle-class favourites of the new régime acquired economic prominence through coffee cultivation. For the highland Indian, however, economic liberalism meant the recrudescence of dispossession and the appearance of minifundia. Before 1871 the municipal community gave each family enough land for its subsistence. After the reform, definite property rights and a commercialized agriculture were favoured, which brought about the subdivision of communal lands. Seeking to eradicate a system deeply ingrained in the agricultural population, the new measures were largely unsuccessful. Many Indians did not understand the system of title registration and their lands were sold as unoccupied; other plots were sold by the new owners to the large landlords and others subdivided among heirs; while a few communities survived and still exist under a dual system of truly common land and family plots unalienable to persons foreign to the community.

From 1871 to 1944 so-called liberal régimes consolidated the hold on land of the middle-class *parvenus* who merged their interests with the old-style conservative landlords. In the richer regions there was great concentration of land even though less than half of it was cultivated. In the poorer highland areas a growing population and the scarcity of immediately available land led to such a subdivision of plots that today only the average size of holdings in Japan can be compared with that cultivated by 75 per cent. of Guatemalan farmers.<sup>1</sup> And this is so while the state still holds about 50 per cent. of the tillable land and a thousand landlords hold half of the privately owned land in properties with an average area of 4,300 acres.

<sup>1</sup> 2.9 acres.

The existence of large tracts of state-owned land and the popular belief that there is plenty of land, has concealed the seriousness of the agrarian problem. In 1928 a minister of agriculture asserted that Guatemala's agrarian problem was similar to the Mexican . . . except that there was no violent division of latifundia, but an equitable distribution . . . of unclaimed lands. Further, the same minister spoke about distributing land 'without damaging the vested interests of latifundia owners', which sums up the policies followed up to the recent past, although it must be added that not only were those interests protected but also enhanced.

Through several laws and decrees a number of governments sought or pretended to seek the furthering of internal colonization, while the ghost of a foreign immigration that would 'in a not distant day . . . contribute with efficacy to the Republic's splendid destiny . . .' was never lost sight of. Little faith did the authorities have in the efficacy of the Indian peasants who made up two-thirds of the population and even smaller was the interest which their destiny aroused. Grants of land were made, but rather to the favourites of the régime than to those who tilled the soil. According to existing records, in 1905 200 acres of unclaimed land in one of the richer coffee regions were granted free of cost to a lawyer and 1,200 acres, also free of cost, to a future general; while in the same year *three* farmers were sold only 100 acres in a very poor region at a price of \$250. This was under a government that claimed its awareness of the fact that 'the advance of agriculture depends to a large extent on the good distribution of rural property . . .'. Furthermore, the ministerial reports from the beginning of the century until recently refer constantly to the distribution of land in three or four state-owned *haciendas* which seem to have been inexhaustible. It can only be concluded that the grantees of one year were dispossessed the next or that they had to abandon their plots owing to lack of monetary resources and supplies, which is possible; or that the ministerial reports are largely false, which is probable. In any case, 1950 found 80 per cent. of the farm operators clustered on 10 per cent. of the land area in registered properties, which means 5 per cent. of the total tillable land in Guatemala. Meanwhile, population density in some rural districts reaches 300 inhabitants a square mile, and the rate of Guatemalan population growth—3 per cent. per annum—is one of the highest in the world.

While it is true that 'there is plenty of land in Guatemala'—1.8 acres of tillable soil per caput—the problem met by colonization schemes is

mainly one of inaccessibility and social resistance. The trouble with all the agrarian projects prior to 1952 was that, even when sincere, they did not consider an enlargement of the area under cultivation as a gradual movement from the centre towards the periphery. Instead, they tried to establish bodies of would-be agriculturists in remote or unhealthy areas. The last of such experiments took place between 1944 and 1951. In one of the 'inexhaustible' *haciendas* near the Pacific coast, a production co-operative was established. Its first handicap was its membership. The few malaria-ridden residents who composed it lacked the health and energy to be hard workers, let alone any disposition towards co-operation. They had no technical knowledge, interest in commercial crops was lacking, and, to render things more difficult, markets were relatively distant and accessible only over bad roads. Even though the Co-operatives Department made available some supplies and good counsel, the experiment was an utter failure.

Another project led to the establishment of a colony in a healthy plateau in the middle of the northern jungles. Here the problem was one of accessibility. Instead of opening roads first, a bureaucratic population was installed in the new colony. All kinds of supplies had to be brought by plane and there were no great hopes of future market outlets. Consequently, the colony was successful only so long as it received a heavy subsidy and it has been gradually dying as public funds assigned to it have been diminished.

As can be seen from these examples, the greatest obstacles to colonization have been the absence of adequate roads and the lack of sanitation; but there are also barriers of social and financial kinds. From a social point of view it may be said that official colonization has been something completely alien to the Indian farmers who constitute the mass of the population. In general, the Indian population is more conservative and rooted to the soil than their half-breed partners. This, apart from climatic and historical factors, helps to explain the fact that the Indians tend to overpopulate the highlands by living within the framework of small rural communities centred around villages. Each village constitutes a real nationality with a tradition, a patron saint, a language, and even racial characteristics different from those of every other. Economic needs have caused some Indians to travel about to sell their handicrafts or agricultural produce; others to hire themselves out in the lowlands. But in spite of being widely travelled and knowing Spanish as a *lingua franca*, they all hope to go back to their villages and to have a piece of land there. To them the



people from the village three miles away are foreigners, and a distinction between the different villagers is easily drawn by anybody on the basis of the colourful and unique costume which each community has for its men and women.

While this 'patriotism' of the Indians exists it is difficult to establish them in any other places than those in which they were born, and this is a great obstacle to colonization. Yet it is not insurmountable. In fact, many overcrowded villages have founded colonies on their own initiative, without any government intervention, and these have been the more successful schemes. Each colony is as near as possible to the motherland though it is based on a real migration reminiscent of the founding of the ancient Greek colonies. To the Greek, the colony was *apoikia* or 'away from home', and the Indian also thinks of his home as being in the old mother town. The latter provides the new settlement with its patron saint and its customs, and even after the colony has a life of its own, it may receive from the mother country some government officials as well as young brides.

Although the indigenous type of colonization described is perhaps the more adaptable to Guatemalan needs, it has never received due attention. As a communal enterprise it could not be very sympathetic to governments immersed in nineteenth-century liberalism and committed to the westernization of the Indian. Yet even from a financial point of view the indigenous schemes may be more reliable. While the central governments have tended to grant lands to individuals and to forget later about the financial needs of the agriculturists, many Indian villages have embryonic credit institutions based on communal or family organizations.

The greatest obstacle to indigenous colonization is again the remoteness of state lands, which is an even more acute problem for the foot-travelling Indian who likes to keep in touch with his 'mother country'. Thus there is no escape from the agrarian problem which lies concealed by an apparent land surplus. It must be repeated that the lack of communications, as well as certain social attitudes, demand that colonization be a movement from the centre towards the periphery. Prior to 1952, when a new agrarian law was enacted, the protection of latifundia and private uncultivated lands resulted in such lands acting like an iron ring around overpopulated communities. While the latter scratched a living in marginal lands, it is calculated that only about one-seventh of the land claimed by proprietors was under actual cultivation. Furthermore, the attitudes of landlords and the

institutional defects of the land lease system were a great deterrent to the appearance of free tenants. The 'vested interests of latifundia owners', then, had to be countered by a realistic agrarian law. That of 1952, accordingly, decrees the expropriation of fallow or uncultivated lands above a basic limit of 223 acres, although properties with an area between 223 and 669 acres are allowed to keep one-third of their total land area fallow or uncultivated. The expropriated lands, therefore, are mainly the idle areas of 1,059 properties whose average size is 4,300 acres, although their owners may still shield themselves behind the articles of the law exempting from expropriation permanent pastures and woods that are being economically exploited or those on land with more than a thirty-degree slope. The law takes a sharper turn when it decrees the expropriation of lands—above the basic 223 acres exemption—which are not directly worked by their owners or their employees or have been leased to hired workers during the three years before the enactment of the Reform. This provision may appear to be unduly severe and to discriminate against the system of land lease, but it was said to be the only remedy against the feudal landlordism which the law seeks to eradicate.

The indemnification for expropriated lands takes the form of Agrarian Reform Bonds, with interest at 3 per cent. and a maximum maturity of twenty-five years. Payments will range from 50 per cent. per annum for sums below U.S. \$100, to 4 per cent. per annum in the case of indemnifications above U.S. \$30,000. The amounts are to be fixed in accordance with the declared value of rural properties in May 1952.

Besides the private uncultivated lands, the Agrarian Reform affects national properties, cultivated or not, among which the best are those confiscated from enemy aliens during World War II. These are to be either divided in plots given in permanent usufruct to the workers, or organized as co-operatives. In cultivated extensions, where the present crops cannot be changed without the consent of the Agrarian Department, the plots are to be from 8.7 acres to 17.3 acres, and in uncultivated lands from 26.0 to 33.0 acres. The latter disposition on uncultivated lands applies also to those expropriated from private owners, which may be granted either in usufruct or as freeholds.

All the usufructuaries of national farms or of lands expropriated in favour of the state will pay the Agrarian Department 3 per cent. of the annual value of their crops until the agrarian debt has been totally redeemed; farmers benefiting directly from expropriation and granted

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freehold titles will pay 5 per cent. The usufructuaries must cultivate their land within two years if they do not want to lose it. Both they and the freeholders are entitled to lease their land, but the usufructuaries must be authorized by the Agrarian Department. On the other hand, freeholders cannot sell their plots before twenty-five years have elapsed from the time when the land was acquired. In any conflict between rural communities and municipalities or private individuals, the rural communities will be favoured.

At the time of writing, the Agrarian Reform is in full swing. In May 1953, a year after the enactment of the law, 107 national farms, with a total area of 740,500 acres, had been granted to usufructuaries and co-operatives. Sixty-one properties were divided among 7,822 small farmers and forty-six were organized as co-operatives. Since then, other grants of national lands have been made, the most important being those in a 15,000-acre farm which was divided among hundreds of peasants. This particular farm, situated in one of the richer agricultural areas, was already producing coffee, sugar cane and maize. Besides the croplands, more than a thousand head of horses and cattle were turned over to the new farmers. Several tractors and other farm implements with an upkeep centre were left at their disposal and an experimental farm is being organized in co-operation with the Ministry of Agriculture.

Until August 1953 more than 100,000 peasants had benefited by the acquisition of 535,200 acres of land expropriated from 254 private farms. Moreover, 400,000 acres of uncultivated land have been expropriated from a large company which, besides being the chief landowner in Guatemala, controls banana production, railway transportation and harbour facilities. Now the uncultivated tracts are being distributed among land claimants. The expropriated firm argued that it needed reserve lands for banana-growing, as the Panama disease forces it to turn present plantations into flood fallow to drown out the fungus. The authorities, on the other hand, pointed out that the company's plantations on the Atlantic coast alone still exceeded 88,000 acres, only 4,000 acres of which were sown with banana trees. As the Panama disease takes about ten years to appear on new lands, even if no diseased lands were turned into flood fallow, and assuming that banana acreage would be doubled, the company would still have a reserve for 110 years.

In regard to economic development, the results of the present land distribution remain to be seen, and it is perhaps too early to judge the

Agrarian Reform at its full value. Yet it is clear that within a short time more land has been granted in Guatemala to real farmers and peasants than in the previous 130 years of independent life and it is significant that this year's production of maize increased by about 10 per cent. over that of previous years. Moreover, the land grants have already been partly backed by financial aid. Up to May 1953, U.S.\$195,894 had been given in provisional credits to the co-operatives, and U.S.\$189,030 to individual farmers receiving national lands. In July 14,011 persons had received credits amounting to U.S.\$2,641,546, an average of U.S.\$188.53 per person.

At present a bank for agricultural credit with a capital of more than \$10 million is beginning to operate. In this connexion, the great fear is that a large number of people favoured by grants of land and credit may not respond with adequate production and may fail, either through incapacity, lack of good faith or by their own additional consumption, to pay their agrarian debts. Because of this, an educational programme, and especially an agricultural extension service, are urgently needed to implement the Agrarian Reform. To a certain degree the Ministry of Agriculture is helping the new farmers. At least eighty agrarian committees and 5,000 farmers have received technical aid; 15,000 acres of cropland have been subjected to soil conservation practices, and there have been more than 300 on-the-field demonstrations of recommended agricultural practices which have reached about 15,000 farmers. Yet much remains to be done.

A criticism of present agrarian policy that cannot be overlooked is that directed against the form of payment for expropriated lands. The landowners maintain, rightly, that their lands are worth much more than the declared values show. Yet they themselves had kept values low in order to avoid tax payments. Further, the landowners claim that a revision of declared values had been made purposely cumbersome by the authorities. Against this it is argued that the effort to revise land values was made only when land reform became imminent.

So far as the payment of agrarian debts with government bonds goes, it was said that such bonds were of doubtful value. On the other hand U.S.\$85,000, corresponding to the first series of one-year-maturity bonds, were paid in October 1953.

The Agrarian Reform has undeniably created some political dissatisfaction and contributed to a slight recession noticeable in the Guatemalan economy, even though coffee prices ensure foreign exchange stability. Aside from dogmatic criticism, some observers

maintain that the authorities are too partial to the peasants and agricultural workers and too strongly prejudiced against landowners, some of whom have been threatened even though the law protects them. If the Agrarian Reform is able to produce an agricultural middle class, a greater social and political stability will necessarily ensue.

From a more technical point of view, the Reform has been criticized for assuming that the size of holdings granted can be the same regardless of agricultural regions. To a large extent this criticism is valid. The law itself contemplates the possibility of making grants up to 3 000 acres to be dedicated to ranching in the remote northern savannahs; but perhaps there will be need for further differentiation after the initial phase of colonization has taken place.

There is another criticism of the present agrarian policy which is actually directed against a clause in the Guatemalan Constitution. As national lands cannot be sold but only granted in permanent usufruct, it is maintained that this makes for insecurity of possession and inheritance. Although the critics may well be right, it remains nevertheless true that the freehold system favours subdivision and fragmentation. Further, the retention of some land rights by the state facilitates the task of an extension service which seeks to encourage or discourage certain practices. As for security, it would not be much greater for freeholders under an arbitrary government.

Whether the Reform makes for real progress largely depends upon intelligent administration, but in any event there is no doubt that it marks a decisive turn in the agrarian history of the country.

*11 November 1953*