

AGENCY FOR INTERNATIONAL DEVELOPMENT

SPRING REVIEW OF LAND REFORM

BACKGROUND PAPER 2

VIEWS OF THE LATIN AMERICAN A.I.D. MISSIONS
on
LAND REFORM

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SR/LR/B - 2

Views of the Latin American
A.I.D. Missions on Land Reform

by

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PPC/AID/Washington

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NOTE:

Jerome T. French's paper summarizes and interprets responses to an action airgram circulated to USAID Missions in Latin America. Attached to the airgram was a copy of a report by Peter Dorner of the Wisconsin Land Tenure Center, a report entitled The Land Tenure Center Research and Training Program, 1962-69 dated February 1969. The airgram solicited Mission reactions to the issues raised in the report. Reproduced here are the airgram (AIDTO CIRC. A-2151 (10/9/69)) and Dr. French's paper. Dr. Dorner's report is not included, but his conclusions are discernable in the other two documents.

AIRGRAM

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TO - AIDTO CIRCULAR A 2151

FROM - A.I.D./W

SUBJECT - U.S. and Host Government Strategies for Agricultural Development in Latin America.

REFERENCE -

DATE SENT

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Attached is a report of findings presented to A.I.D. by the Wisconsin Land Tenure Center (LTC) which, since 1962, has operated an A.I.D. sponsored program of extensive research and training on land tenure, programs of agricultural reform, and related agricultural development problems in Latin America.

In 1960, at the OAS conference at Bogota it was announced that Alliance for Progress assistance would be tied to the introduction of land reform. The LTC was subsequently established to develop a knowledge base and to train both North and South Americans who would implement and advise on implementation of the reforms anticipated.

Now after some years of research and training, the LTC concludes that by and large these reforms have not been forthcoming. It further suggests that they are not in fact viewed in many Latin American governments as a necessary or even appropriate vehicle for ~~stimulating~~ stimulating agricultural development. It is instead that Latin American government policies in the agricultural sector have emphasized increased production through modernization of large farms, and that such policies are likely to adversely affect long-range overall national development as well as agricultural development by increasing income disparities and unemployment.

Some of the LTC findings have been challenged by Latin American agricultural specialists within A.I.D./W. Nevertheless we feel the report raises serious

Attachment: Land Tenure Center Report

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DRAFTED BY <i>CJP</i> Jerome J. French	OFFICE EPC/POL/IDP	PHONE NO. 23167	DATE 3/25/69	APPROVED BY <i>JRF</i> AA/IA, James R. Fowler
AID AND OTHER CLEARANCES WOH/ARDS, R. McMillan draft LA/OPPS, R. Newberg draft EPC/IDP, P. Lyman draft LA/DR, M. Cox draft EPC/SMAP, A. Lachman draft AA/IA/SD, R. Bernhart draft LA/DP, D. Davies draft UNCLASSIFIED EPC/EC, J. [unclear] draft				

CONTINUATION

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questions regarding the rationale for future U.S. agricultural assistance strategy in Latin America which must be dealt with, particularly in the light of the increased emphasis in several LA countries on agriculture loans specifically intended to benefit small farmers.

On one hand the LTC report says that little broadly meaningful progress in Latin American agriculture can be expected in the absence of significant land redistribution. On the other hand it seems clear from experience over the past decade that there is little likelihood that many LA governments will at this stage of their evolution, be ideologically inclined or politically able to undertake agrarian reform programs of the level and scope the LTC feels is needed involving large scale expropriation and redistribution.

It seems equally clear that many A.I.D. instruments, at least as presently applied are not an effective means for encouraging such reforms and may in some respects serve as a negative inducement.

Two basic and related policy questions emerge:

- (1) Are host government policies and programs and associated U.S. agricultural assistance advancing or inhibiting broad based change and development within the local society?
- (2) Is there an irreconcilable gap between ~~our~~ our stated goals and our ability to accomplish them?

These questions are of particular significance in the case of countries which are now achieving satisfactory rates of economic growth and in which the primary rationale for foreign aid is shifting from promoting growth per se to broadening the base on which it depends by expanding the degree of popular participation in it. Missions which are programming loans aimed at improving the situation of small farmers and other low income groups in the rural sector will need to take the LTC findings into account in preparing their strategies.

A.I.D./W plans to hold discussions with the LTC to clarify differences which seem to exist concerning reality of the agricultural situation in Latin America and what the U.S. assistance strategy should be and how the LTC might contribute more effectively to this. Before doing so, we would like Mission comments on the LTC reports. Questions which Missions should address in their replies to help resolve the above issues and to aid in new policy and program formulations if needed are:

~~Exxkx~~

- (1) Do the LTC findings generally apply in your country and, if so, to which category of countries (as listed in the concluding comments of the LTC report) does it belong?

Jerome T. French
PPC/PDA/CP

Views of the Latin American
A.I.D. Missions on Land Reform

Attachment A is a summary of responses from various Latin American A.I.D. Missions to questions contained in the circular airgram transmitting copies of a report furnished to A.I.D. in January 1969 by the University of Wisconsin Land Tenure Center. In summarizing statements by the Missions I have tried to avoid misinterpretation, however readers interested in specific countries are urged to study the full text of the airgram reply in each case.

In my own view the most salient point which emerges from the replies as a whole is that while many Missions agree with the LTC's general characterization of the Land Tenure situation in their countries, most do not see the same consequences ensuing therefrom.

The LTC Report projects land tenure patterns in Latin America as a controlling variable in the development process and suggests rather strongly that broad scale, rapid and sustained development and modernization is not possible in Latin America in the absence of basic and widely implemented land reform, including land redistribution. In their replies most Missions tended to ignore this premise or to speak to it only indirectly. It was not seen as a critical variable in their program strategies.

The Brazil Mission, whose reply was prepared in its Recife Regional Office, came closest to endorsing the total LTC

position. Guatemala is the only other Mission which joined Brazil in agreeing with the LTC's argument that past US agricultural assistance has, to a degree at least, been more inhibitive than conducive to changes beneficial to small farmers. However the Guatemala Mission sees no immediate prospect that the US can do anything directly to promote significant redistribution of land in the face of the strong domestic political opposition which exists. Most other Missions which land tenure patterns are considered a basic problem tend to agree on this point. However the Colombia Mission feels greater progress is being made by the Colombian government than the LTC gives it credit for. The Ecuador Mission disputes what it views as an LTC premise that land redistribution can only be achieved by drastic government action, and cites its land sale guarantee program as an alternate strategy.

The Paraguay Mission took the position that on balance US programs may be neither advancing or inhibiting change. A position well supported by its accompanying assessment of the Paraguayan agricultural situation. The Argentina and Uruguay Missions see land tenure as not a significant problem for development in their countries because of basic differences in the agricultural sector as opposed to other LA countries. The Bolivia and Jamaica Missions both feel that land tenure reform itself is an accomplished fact although many ensuing problems and consequences remain. Attachment B is a rough categorization of countries in terms of Mission reactions to the LTC findings.

Most significantly no Mission, with the possible exception of Brazil, sees land tenure patterns as a basic and controlling impediment to development which unless changed calls into question the country's basic development prospects. Most Missions did not discuss this aspect of the LTC Report in their replies. Those who did dismissed it by suggesting that the LTC tends to put too much stress on land reform as an end in itself.

While it is true that the LTC places heavy stress on land reform, it takes a very broad view of the implications. While the LTC is careful to state in its report that land redistribution is by itself no panacea it does argue quite firmly that land reform, including redistribution, is an essential if not a sufficient prerequisite to broader development. It argues this along essentially two parallel lines. First the debilitating effects on development of the existing tenure patterns and their extension into other aspects of the economic, social and political life of the country and, secondly, the magnification of economic dislocations in both the rural and urban sectors resulting from efforts to accomplish development without basic reforms.*

* These arguments set forth more fully in other documents referred to in the LTC Report transmitted to the field, particularly the report prepared by the LTC for the US Senate, entitled "Survey of the Alliance for Progress, Problems of Agriculture". A study prepared at the request of the Subcommittee on American Republic Affairs of the Committee on Foreign Relations, U.S. Senate, USGPO Wash. D.C., December 22, 1967.

Whether or not the LTC analysis is correct, it would have been useful from a policy standpoint if the Missions had discussed this critical issue. There are several possible explanations implied in the responses for why they failed to do so: (1) Most replies were prepared by agricultural specialists who may have felt uncomfortable with this broad interpretation and felt they should limit themselves to commenting on technical agricultural aspects only; (2) Missions do not see or else discount inter-relationships of political, social and economic variables and their extension across different sectors of the country's economy and society; (3) Missions do not feel they can resolve the problem and therefore see no point in discussing it.

Whatever the reasons, the effect is to leave the challenge to US country assistance strategies posed by the LTC premise unreconciled.

Another interesting feature of the replies is the absence of any indication of significant change taking place. For the most part the Mission replies describe a rather static situation in the non-reform countries and in two of the "post-reform" countries (Bolivia and Jamaica) as well. This latter facet lends weight to the proposition that land reform is not a sufficient condition in itself for progress. However, in the case of the other responding post-reform country (Venezuela) the Mission notes that production in the sector benefitting from agrarian reform doubled as a percentage of total agricultural production over the past five years and more than tripled in value.

There seems to be a clear disparity between the situations described in the Mission replies and the descriptions of social ferment and change in Latin American one reads elsewhere. Only the Dominican Republic and El Salvador Missions indicated that their governments were being forced towards greater action on land reform by domestic pressures. Neither indicated that such pressures would result in significantly different policies at least over the immediate future. This suggests that either the situation in Latin America is being grossly misrepresented by many observers or our Missions are insulated from changes already occurring or on the horizon.

The LTC alluded in its report to contradictions inherent in our close relationship to governments dominated by elites who have a vested interest in maintaining existing tenure patterns, and the need to alter those patterns and to strengthen the position of the small farmer. As noted above only the Guatemalan and Brazilian Missions of those replying agreed that this was a basic problem. Others either dismissed it entirely or stated they felt the LTC had exaggerated the situation. Only the Ecuador Mission proposed a direct approach by A.I.D. to helping the small farmer as opposed to working through host government channels, however several other Missions stressed problems in getting inputs into the hands of small farmers and effectively utilized by them.

Appendix A - Answers To Circular Airgram 2150

Note- These are condensed and paraphrased from the longer airgram responses. The individual country replies are grouped under each of the four questions which were listed at the end of the out-going airgram. Some general comments which did not fit under the specific questions are listed as Appendix C.

Question 1.

- Do the LTC findings apply? If so, to which category does your country belong? (Categories are):
1. Land redistribution is not a current policy issue but an accomplished fact. (LTC places Mexico, Bolivia and to a lesser extent Venezuela in this category). 2. LR continues to be object of controversy and national debate but there is strong official commitment to reform and already some record of accomplishment. 3. Countries with little or no commitment or intent to carry out meaningful reforms.

Argentina

- Judged not applicable on basis declining population in agriculture and ability industrial development to absorb employment pressure from rural areas.

Brazil

- With qualifications Brazil's position approximates ^{second} ~~first~~ category - laws, agencies and organizations but little end result.

Government policy promotes commercialization. Colonization has been costly and failed to achieve objectives.

GERAN Program may signal new era.

Colombia

- No. Mission believes Colombia should be category one country rather than two or three where LTC puts it. Feels there is little need for exhortation of virtues of LR in Colombia since firm commitment exists and "substantial progress" has been made. LTC silence on Colombia raises questions about validity of data and analysis on which policy recommendations are based.

Bolivia

- Land Reform already accomplished. Following specific comments made in regard to:
a) Progressively managed large farms (cane and cotton) - "current government policy does not preclude assistance."
b) Traditionally managed farms - N/A.
c) Existing small farms - economics and mechanics of assisting are extremely demanding and there is little willingness by farmers to organize for T/A, credit, commercialization, etc.
d) Land reform created farms - increasing minifundia problems created by the reform but "land titling should provide ground-work for solution through natural evolution."
Basic Bolivian policy is to modernize through yield increasing technology, particularly better seeds and fertilizer, however credit needed is virtually impossible to obtain.

- Guatemala - Opinion divided on how Guatemala should be classified. Some feel it belongs in second category with qualifications. Others feel Guatemala belongs in third category i.e., little actual official commitment. Overall view is that GOG action to significantly affect existing land distribution patterns is unlikely in near future. LTC findings do apply.
- Peru - Not quite. Peru falls somewhere between first two categories.
- DR - GONDR attitude is evolving in direction greater recognition of need for LR but more on political than agricultural development grounds. Mission view is that broad scale LR is economically unwise but socially and politically desirable. Mission notes administrative capacity of government is inadequate even for present small LR program. For moment at least Mission strategy, while not unalterable, seems to favor long-term policy of moving subsistence farmers out of agriculture.
- Nicaragua - GON emphasis is on land titling and colonization. LTC report fails to provide for category of traditionally managed small farms. In Mission's view important issue is need to introduce new techniques and improved farm management irregardless of size since in Nicaragua almost all agriculture is traditional.
- Guyana - Yes but with exceptions. See reply for details. In regard to rice and sugar, Guyana belongs in third category. Most of remaining land belongs to government.
- Jamaica - No. Jamaica is in post-reform situation but "massive land redistribution has not offered a panacea. Problem in Jamaica is micro-fundia not latifundia. Small farmers have received great deal of government assistance but with little result.
- Uruguay - Yes in terms of land concentration and degree of traditionalism but no in terms of impact because of low percentage of population in agriculture and low population growth rates.
- Panama - Yes. Mission does not say which category country belongs in.
- Honduras - Generally yes. Honduras belongs in third group but unfair to say nothing at all happening. Since 1967 when present Director of Agrarian Reform Institute (ARI) appointed, 2,000 families have been settled and 7,000 small farmers given tenure security. ARI is (a) aggressively assisting in titling of campesinos settling on government owned lands; (b) aiding efforts to bring small farms into commercial sector (c) supporting policies to make it easier for peasants and agricultural workers to organize; (d) colonization and resettlement of small farmers.

- Ecuador - In general yes, but disagree on some specifics. Mission feels Ecuador probably falls in third category of countries but disagrees with system of categories established and policy implications which flow there from.
- Chile - Yes, with reservations. Chile clearly falls in first category. Mission notes that Frei government will probably only reach 25% or less of its goal of resettling 100,000 families during its administration. As of 30 September, 67 approximately 14% of all irrigated land and 6.8% of all arable land in Chile had been expropriated. Pattern in Chile has been to operate expropriated properties as same unit as previously rather than parcelizing. This may be due to belief in economies of scale but also reflects short range advantage of continuing operations suitable to existing equipment. Mission feels supervised credit is more effective instrument than LTC indicates and questions LTC findings re credit effectiveness in Chile case. GOC not presently doing much on land titling for small farmers outside agrarian reform program but Mission is attempting to focus attention in this area. Farmer organizations are relatively well advanced in Chile and are effective. The government seems aware of post-reform problems and is diverting most of its available TA to help small farmer but need is almost overwhelming and far from being met.
- El Sal -- In general with certain qualifications El Salvador belongs in second category but with only moderate, but growing, commitment to land reform: Growing pressure on land is narrowing opposition to only those who would be directly and adversely effected.
- Institute of Rural Colonization (ICR) has authority to purchase land for redistribution but program has been minuscule compared to need. Honduras conflict last July has been impetus for reform. President has committed government to "firm and gradual" reform.
- Paraguay - Yes in regard to skewed land tenure pattern, 37% of total land area held by 182 individuals, 19% by State, leaving 44% for rest of 2.3 million population.
- No in terms of duality of export vs. subsistence farming -- there are practically no large modernized, specialized farms producing for export. Practically all crop exports come from small farms. Duality does exist in livestock production.
- Yes as to latifundia vs. minifundia but practically no dependent minifundia as elsewhere in Latin America. There is enough land in minifundia area for about 25 hectares per family, but largely subsistence nature of farming does not require more than 2-3 hectares per family.

Paraguay - There is duality with respect to land titles in favor of large holders.
(cont.) -

Yes re preference for colonization over redistribution. Agrarian reform laws on books but not implemented. Present rate of improvement in land tenure through colonization is too slow to make significant contribution to development in less than one or two generations.

Mission feels Paraguay does not fit neatly into any of the three classes, but from discussion it seems to fit fairly well into category three.

Question 2. - Do the LTC recommendations make sense? What are the prospects for applying and results to be anticipated?

Argentina - Not applicable.

Brazil - LTC recommendations represent fair approximation of GOB policy except in case of recommendation for sub-division of traditionally managed large holdings. Legislative provisions exist for this but are not being implemented.

Colombia - Yes. GOC and US A.I.D. have "initiated and vigorously supported them."

Bolivia - Yes for specific activities, but no in case of general land distribution system advocated - "questionable in short run and very expensive in long run." LTC ignores limiting human factors and does not take account of economic consequences. In Bolivia farmers still not organized 16 years after reform. No rural tax system to pay for rural needs. Marketing system developed in 1953 but "supplementary system" only now being developed. Lack of management talent in rural areas precludes cooperative development and limits service industry development.

Guatemala - Yes. Particularly "Systems approach."

Peru - Hard to discern - but answer appears to be yes in general but no as to specifics.

DR - LTC recommendations for host government policy make sense in economic terms, except that distinction between progressive and traditionally managed large farms is too sharply drawn. In political terms LTC tends to discount difficulties for host government in shifting political base from traditional landholder interests to those groups advocating reform, particularly where latter are unorganized.

LTC recommendations for U.S. government policy defective in two respects: (1) fails to consider LR as not necessarily end in itself and that alternative programs exist which may meet broader purpose of better life for rural poor as well or better; (2) U.S. bears responsibility, not mentioned in LTC recommendations of determining possible development strategies, identifying what LR program would then be appropriate and then influencing host government to adopt package.

Nicaragua - No. Mission does not believe GON has talent or resources to effect a meaningful land distribution program. Hence recommendations could not be applied and results would not be as indicated by LTC if they were. LTC report is descriptive rather than policy oriented and assumes ceteris parabus environment.

- Uruguay - No. Mission feels problem is more lack of incentives inherent in GOU overall agricultural policies and that there must be more stimulus to increase investment and production irregardless of size of farm holdings. Opportunity costs of diverting resources to land redistribution from other programs is too high.
- Guyana - Yes with qualifications. Results will not be change in basic structure of ownership and whether improvement in lot of "average man" will occur is difficult to say.
- Jamaica - No because they relate to different ecological and cultural environment.
- Panama - Yes. Mission notes it has provided loans for Cadastral Survey and Natural Resources project and small Farmer Improvement. A Sector Analysis is under development which will provide a basis for improving agriculture development policy.
- Honduras - Yes - Mission feels intended results are beginning to be achieved and forsees rapidly expanding activities during next 5 years that could bring up to 40,000 rural families more effectively into economy of country.
- Ecuador - No. Mission does not accept major premise that social objectives of land reform can only be achieved by drastic government action.
- Chile - Yes, however problem of small farmer is complicated by fact that effective demand for agricultural products in Chile is largely in area of extensive agricultural crops such as wheat and beef. Mission feels more study is needed as potential for transforming existing small farms into small and medium size commercial farms. GOC has created organization (INDAP) for this purpose but Mission feels its effectiveness can be improved.
- El Sal - In general yes, but rapid or massive change in land tenure patterns through redistribution is not a political reality. Reportedly some traditional land owners are willing to sell but potential buyers lack credit.
- Most pertinent recommendations are for encouragement of increased intensification by shifts to higher income crops and higher output per acre through use of yield increasing technology. Mission notes that while these policies can be applied to large as well as small farms, GOES is giving increased attention to assistance to small operators, both owners and renters.
- Paraguay - Yes. but with recognition to divergence from more common patterns in Paraguay's case i.e., land availability not a limiting factor (however there is a demand for land). Prospects for implementation of meaningful or dramatic reforms seem slim.

Question 3. - If LTC recommendations are not accepted what alternatives do you propose and why?

Argentina - Large inefficient holdings are being broken up and sold as result of taxation and "pull" of other investment opportunities. Marginal uneconomic agricultural operations being attacked by government sponsored colonization.

Brazil (Recife) - Major reason for non-application is lack of conviction that reform is a pre-condition to agricultural development. Reasons for lack of conviction are:

- a) Record of production increases w/o land reform.
- b) Lack of comparative cost/benefit data in outcome of present strategies vis-a-vis land reform.
- c) Lack of models of successful agrarian reform.
- d) General tendency to look to developed countries for suitable agricultural models to follow.
- e) Concern (unfounded in Mission's view) that large scale land reform would be disruptive to production.

Other reasons are lack of personnel and finances for nation-wide program of scope envisioned by LTC, lack of access other inputs by small farmers, high cost of capital and wide range of ecological conditions.

Mission endorses LTC recommendation for U.S. policy to provide direct financial and moral support for land redistribution. Feels Mission's past policy has been ambiguous and that unequivocal directives from AID/W needed.

Colombia - Mission feels LTC places excessive emphasis on LR per se. Mission emphasizes access roads and credit. Suggest proposition that "officially imposed land redistribution should only slightly exceed ability to deliver essential services" is preferable to large scale redistribution inevitably followed by long delays in capability to provide credit, inputs, services and infrastructure.

Bolivia - Despite above problems no preferable alternative. Slower methods don't work. U.S. should advocate rapid land distribution with emphasis on rural vocational education and crop production/marketing support activities in lieu of past emphasis on institution-building.

Guatemala - In view of current GOG attitude on redistribution U.S. should encourage other reforms which viewed as necessary but not sufficient to incorporate minifundistas into commercial economy.

Peru a) U.S. T/A should start out of politics and deal only with "technically researchable" questions.
b) Greater emphasis on _____ to agricultural input and output marketing infrastructure.

- c) More attention to goal of improved income distribution (which the author feels the LTC has ignored).
 - d) More attention to factors for shifting land base other than expropriation - redistribution e.g., creating a viable and accessible land market; 2) private parcellations, 3) incentive - disincentive policies for guiding landowners' investment, labor and land decisions.
- DR - Mission feels much of what LTC recommends is applicable to D.R. but on basis present knowledge opts for more gradual approach and offsetting increases in non-agricultural production.
- Nicaragua - Not clearly indicated but reference made to existing programs of titling, colonization and credit to low/middle income farmer.
- Uruguay - Government is presently applying productivity taxes as pressure on large holders to either more fully utilize their holdings, sell or distribute them.
- Guyana - LTC hypotheses accepted but projected economic cost/benefits are questioned in view of importance of production for export which places emphasis of low cost/high efficiency production. In case of rice farmers producing for domestic consumption (80% of total) emphasis is being put on modernization of existing farms and their organization for bargaining purposes and movement into new crops. Thus presently preferred alternative to land redistribution is partnership between small farmer and government with farmer applying modern land technology and government providing and managing capital inputs. Results anticipated are pessimistic over short or intermediate term.
- Jamaica - In general, objective for Jamaica should be to move away from welfare agriculture and to encourage business enterprise with government participation and expert management. An agri-business approach is the only solution to problem of production and only one that would enable Jamaican government to increase its revenue, thus creating resources for welfare and to make farmer more productive which is ultimately best contribution to his livelihood.
- Honduras - Since land redistribution is contentious issue, determination of legitimate ownership and efficient titling of rightful owners may be of more immediate relevance, Mission feels GOH has adequately reconciled potential conflict between increased agricultural production and more equitable income and land distribution by excluding commercial type intensively farmed units from underutilized tracts lacking in infrastructure where land distribution would probably result in both productivity and income distribution benefits.
- Ecuador - Mission believes there is a middle ground between absence of land reform and seizure of land without fair compensation. At least in some circumstances reforms can be achieved by campesino land purchases if latter are provided access to sufficient production credit and technical assistance to be able to carry out viable economic purchases on land purchased.

- Ecuador (cont.) - Mission sees no inherent conflict between increased productivity and more equitable income and land distribution except where sweeping changes are effected which result in breakdown in marketing and distribution, e.g., Bolivia. Mission believes LR supported by production credit and TA should result in agricultural production increases fairly promptly.
- Chile - Accept recommendations in general but disagree on findings as follows:
- 1) Emphasis on large farms does not apply to Chile
 - 2) No change in early AFP emphasis on land redistribution in Chile and unaware of any change in general although this "could appear" to be case in certain other LA countries.
include as much land distribution as possible
- El Sal - Since large-scale redistribution is out alternatives are necessary but should/through normal private land market channels, drainage and irrigation districts, and land purchases for redistribution by the Rural Colonization Institute. Ways should be sought to promote private sales to small farmers including subsidization. Attention should be given to leased land and shared crop arrangements which are not addressed in LTC paper but common in El Salvador. LTC criticism of supervised credit as a means of helping small farmers is challengeable.
- Paraguay - Mission recommends pursuance of LTC recommended strategy for category three countries plus continued support to the colonization alternative.

Question 4. - What suggestions do you have for further research and training?

Argentina - Not answered.

Brazil - a) Research on improving administration, planning and implementation functions of Agrarian Reform agencies.

- b) Research on all aspects of economies of LR including:

(1) C/B analysis of alternative programs.

(2) Taxation policies and procedures.

(3) Financial arrangements for L/R participants.

c) Research on expropriation and compensation procedures and other measures to induce land release.

d) Research on small farm management.

Colombia - a) Assemble substantive findings, from studies done by LTC and others that support, refute, or modify generalizations advanced in the report.

b) Following this give attention to specific countries to help accomplish ends of agrarian reform within country's own legal-economic context - namely "dynamic process of resource allocation receptive to improved technology with benefits shared among greatest number."

Bolivia - Shift emphasis from research to improving field operation ability.

Guatemala - Emphasis on transformation of traditional minifundia agriculture without redistribution; particularly lower cost administration of programs aimed at this purpose.

Peru - Research on:

a) Optimum farm sizes analyzed from standpoint of variable management and capital inputs, population, market structures, land saving and labor intensive technologies.

b) Most effective use of credit in relation to farmer change capability, change agent input capabilities and needs, and infrastructure adjustment requirements.

c) Social responses to imposed changes in human to human and human to resource relationships.

- d) Exploration alternatives which avoid direct confrontation with vested interests. State intervention in hereditary transfers and encouragement of private reform are suggested.
 - e) On indirect means of inducing land-saving rather than labor-saving modernization.
- DR - LTC should direct future research to examining Land Tenure Programs from point of view of total development strategy for particular countries and not just impact on agricultural production.
- Nicaragua - More research on specific country situations, more attention to cost as well as benefits of LR, investigation of means of stimulating private land transfers particularly through credit availability.
- Uruguay - None offered.
- Guyana - Should key to question "how should agriculture best be organized in order to maintain both production and employment" since this permits analyzer to examine alternative organizations in context of markets and commodities which are actually the controlling variables. Within this context LTC should research (1) alternative partnership arrangements and (2) productivity/emp. as these relate to different methods managing leases.
- Jamaica - No new research projects for Jamaica recommended until result of past research absorbed which will take some time.
- Panama - Correlation studies pertaining to income groups, farm size and production per hectare in relation to food crops, export crops and livestock ranches.
- Honduras - No suggestions - G.O.H. has not taken advantage of LTC training, research and consulting capability in past but should be able to do so in future.
- Chile - Increased emphasis should be given to type of research specifically desired by operating agencies of host countries, supervised credit should be examined more closely to see whether it is most effective and efficient approach for combining TA and credit for small farmers despite high administrative costs.
- El Sal - Research on ways to carry out more successfully alternative approaches suggested in three above and others which might be identified.
- Paraguay - Mission recommends study of:
- a) Present structure of land ownership in Paraguay.
 - b) Land tax administration
 - c) Probable effects of title clearance and consolidation of small units minifundia area.

Paraguay - Extent to which farm units could be provided in the minifundia area (sic).
(cont.)

Attachment B

A.	B.		C.	D.
LTC findings inapplicable	Reform is not an issue because: (a) already accomplished (b) in process satisfactorily		Findings accepted and U.S. aid to redistribution programs recommended	Findings generally apply but alternate strategies recommended
Argentina Uruguay	Bolivia Jamaica	Colombia Venezuela Chile Peru	Brazil Ecuador	Dom. Rep. Guyana
E.				
Findings apply but only ancillary approaches feasible				
Paraguay Guatemala El Salvador Honduras Nicaragua Panama				

Appendix C - General Comments
(Not covered in A & B)

- Colombia - LTC should recheck its conclusion about conservatism of national power elite and US A.I.D. personnel. Mission agrees it exists but probably not so ubiquitous as report implies.
- Bolivia - Phrase concerning relationship of U.S. Representatives and conservative elements in national politics is misleading. Work with those in power as practical matter does not imply approval or disapproval.
- Current GOB policy on land distribution not as fixed (or positive) as LTC indicates. Without A.I.D. initiative and financial support to land titling progress would be less. Economic growth slow in reform area as opposed to other areas. Greatest production on large farms and ranches which exist at sufferance GOB.
- Peru - On basis its experience over past eight years with three different regimes and three different laws Mission has concluded:
- a) legal structure adopted for expropriating and redistributing land is not necessarily a deciding factor in realizing the objectives of (a) increased productivity, (b) improved income distribution and increased per capita incomes.
 - b) Expropriation-redistribution route is not itself necessarily an important instrument for achieving above objectives. "Carry through" programs such as credit and farm level technical assistance are more vital than redistribution itself.
- Chile - Director notes airgram should not be construed as CT policy statement since "little consideration given to crucial aspects of and sensitivities surrounding LR issues."