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AGRARIAN REFORM LEGISLATION IN PERU

BY

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## AGRARIAN REFORM LEGISLATION IN PERU

by Rubens Medina

Law is but one of a number of factors influencing the process of social control. It plays an important role as preserver of the social order existing at any given point in time, but also has great potential as an instrument of change if used to sanction varying degrees of deviance from the existing order. The Peruvian Law of Agrarian Reform of 1964 is a case of legislative intent to control a social experiment. This law supposedly intended not to preserve or maintain existing conditions but to steer them onto a dramatically different course.

Though various legislative measures and decrees authorizing the government to expropriate agricultural land for redistribution among peasants had been issued as early as 1949 to solve specific problems, none but Law 15.037 of 1964 were intended to be nationwide in scope. The need for an effective land reform statute was emphasized by Peru's 1963 land survey, which confirmed that an extremely unequal land distribution pattern existed--83.2 percent of farm properties were smaller than 12.35 acres and covered barely 5.5 percent of the total area; 0.2 percent of the farms were 2,570 or more acres in size and accounted for 69.7 percent of the land.

However, the ethical aspects of the 1964 Peruvian Agrarian Reform Law will not be discussed here. Instead, after summarizing the main provisions, the implementation possibilities of the law-- including

the structural and functional aspects of the implementing agencies-- will be examined to determine whether the law's intent and goals can be met.

#### CONTENTS OF THE LAW

##### Objectives

As with the majority of Latin American agrarian reform laws, the Peruvian statute of 1964 stated that its purpose was "to transform the agrarian structure" and to facilitate the economic and social development of the country. To do so, it intended to replace the latifundio and minifundio systems of land tenure with a more just and equitable arrangement of property rights and land use. This move, the law said, "[would] increase production and productivity." Credit, technical assistance, commercialization, and distribution of farm produce were also promised as necessary complements.

Reforms were to be accomplished by expropriation of private or state-owned rural land-holdings. However, expropriations of that nature demanded "adjustments" of the legal text. This "adjustment" was made by creating a new category of interest in the corresponding article of the Constitution, as a rightful cause for the state action: social interest.<sup>1</sup> Expropriation of rural landholdings, under the conditions and for the purposes of agrarian reform, was legally declared to be in the social interest.

##### Lands Subject to Expropriation

Privately-owned as well as state-owned rural lands were potentially susceptible to expropriation under the reform statute. On state-owned

lands (as distinct from public domain lands), expropriation for reform purposes applied to any areas not directly used for originally intended purposes such as education, social assistance, agricultural research, etc. Reform could take an entire parcel, or could take only a part if some of the land was being put to the intended use.

On private lands, four factors were generally considered in determining expropriability:

- 1) size of holding and type of use and management;
- 2) type of ownership--personal, corporate, or partnership;
- 3) economic and social relationships between owner and workers,  
and
- 4) location.

Under certain conditions, the extent of investments on the property provided grounds for exemption.

#### Compensation

Transferral of state-owned rural land to the reform agency was made without compensation. A mixed system of cash and special bonds was provided to compensate private owners, with degree of cash payment varying by the categories of land affected.<sup>2</sup>

Briefly, procedures for determining the value of lands considered:

- 1) average of the declared tax evaluation of the last five years;
- 2) potential productivity; and 3) direct appraisal by the Cuerpo Técnico de Tasaciones del Perú (Technical Corps of Appraisals).

Cattle, crops, and installations were to be paid for in cash at the average current market value.

On unexploited or abandoned lands, evaluation would determine potential productivity minus the cost of achieving it.

#### The Expropriation Process

When the decision was made to expropriate a given piece of land, it had to be backed by a technical report on the value of the land and on its potential for economic exploitation. Also, the land had to be located in a "reform zone" designated as such by decree of the Executive branch of the government.

The transfer of affected land could be made either directly between the parties, if the landowners had no objections, or "before the court." The right of the state to expropriate was not subject to judicial review unless the case was argued on the basis of violation of legal requirements. Judicial review, on appeal, was granted to the injured party on matters concerning the appraisal of land, crops, and installations under ordinary rules of civil procedure. However, the law provided that judicial review of appraisal was not to impede the state from taking the expropriated land as soon as the value, as determined by administrative procedure, was presented to the court.

#### Beneficiaries

Landless Peruvian peasants, or peasants with too little land were to be the primary beneficiaries of the land adjudication program. Indian communities and cooperatives were granted the same privilege.<sup>3</sup>

Transfer of expropriated lands from the Instituto to the beneficiaries was performed under the terms of a purchase-and-sale contract. In no case could the price paid by beneficiaries exceed the compensation paid to the former owner by the state plus the costs of any new constructions on the land. Unless a shorter period of time was preferred, beneficiaries were to pay the state in annual installments over a period of 20 years. The interest rate on the unpaid balance was fixed by the Instituto. Up to five initial years of payment moratorium could be granted by the Instituto to specially qualified beneficiaries.

#### IMPLEMENTATION

Implementation, application, and enforcement of laws are often defined as one and the same thing. This study--for analytical reasons--differentiates between them by defining implementation as the legal process accomplished by the functioning of those judicial and administrative agencies which serve to apply and enforce the laws.

Jurisdictional agencies--the judiciary and/or specifically designated public administrative bodies--perform the function of application when concrete disputes develop. They convert legal propositions into legal commands. The function of enforcement is usually entrusted exclusively to public administrative agencies. These can use force--supposedly within well established limits--to compel actions in accord with the legal command. These two phases of implementation, to be effective, demand certain substance and certain form in the law itself, as well as in the structure of the agencies of application and enforcement.

In order to become "operative" at the level of both the jurisdictional and the enforcement agencies, a law must be known and understood by judges and officials, as well as by the public. It therefore should have two basic features: clarity and consistency.

Clarity requires the use of precise and meaningful language to express the propositions intended; consistency requires agreement among the individual provisions and the general principles of the law. Although these two features differ, they are obviously closely related and the quality of each affects the other.

This paper unfortunately cannot investigate the Peruvian law with regard to these features in any great detail. However, their significance should be obvious at certain points in the discussion.

Ultimately, it is the structure and functions of the jurisdictional and enforcement agencies which will determine the success or failure of the law's implementation (assuming other factors affecting social control are also in order). Analysis of the Peruvian agencies does uncover structural-functional problems which seem to account in part for the ineffectiveness of Law 15.037.

Any Peruvian law generally produces characteristic reactions regarding its effectiveness. One Pan American Union analysis, for example, said that "Laws are periodically cited to counter criticism of the system and to prove that solutions do exist. This kind of legislative cure is designed to improve public administration but . . . it really worsens the situation by giving the impression that the problem has been solved when, in fact, it has not."<sup>4</sup> Another writer has described the Peruvian courts as slow, inefficient, and politically influenced.<sup>5</sup>

More specifically, agrarian reform Law 15.037 of 1964 has been criticized for trying "to blanket the agricultural, social and economic problems of rural Peru with a complicated if not tangled web of solutions."<sup>6</sup> The statute was charged with being too compromising; for every advance made in favor of the peasants, critics said, a legal defense was established to protect the "rights" of the landowners.

McCoy explains such features this way:

The 1964 agrarian reform law as a product of historical evolution bears the imprints of a wide variety of interests. At the time of promulgation the social revolutionary philosophy, inherited from APRA but now headed by Belaúnde, dominated the political process, which explains why the law was passed when it was. Those who criticize the law for being too all-inclusive miss the point.

As an act of political compromise, it had to satisfy a broad spectrum of interests. However, no one will dispute that the law may prove difficult to administer.<sup>7</sup>

Still, neither length nor details per se render a law inapplicable unless these characteristics are accompanied by contradictory or unclear wording or by a set of inconsistent principles; then length becomes but one of several defective elements. Unfortunately, this did seem to be the case with the Peruvian agrarian reform legislation of 1964. Problems in applying and enforcing the law are detailed below.

#### Applicability

It is difficult to ascertain how much land could have been affected by the reform law. There were 1.3 million hectares of agricultural land on the Coast, 15.3 million hectares on the Sierra, and 1.7 million hectares in the Jungle, or a total of 18.2 million hectares for the

country. Of this total, 15 million hectares (about 80 percent) were estimated to be owned by a few families. Corporations, in many instances, served as the legal tool to cover and preserve that condition. Not considering the legal exemptions, CIDA (Comité Interamericano de Desarrollo Agrícola) has estimated that of the above total of land supposedly available, at best only 540,000 hectares could be counted if the irrigation coefficient aspect contemplated by the law were considered. Thus, the following proportions by regions were suggested as probable: 21.7 percent on the Coast, 55.6 percent on the Sierra, and 82.9 percent in the Jungle.<sup>8</sup>

If the legal exemptions established by the law are admitted, these estimates are reduced to insignificant figures. The law exempted: a) agricultural land owned by corporations (ownership was considered to be divided among individual shareholders according to proportion of shares owned), and b) lands under direct management by the owner.

To determine the proportion of land owned by individual shareholders in corporations, the law provided that the corporation's own registry of shares should be used. Bearer shares were no longer allowed in newly-constituted corporations, but many old corporations owned agrarian land and legally had bearer shares. The particular legal nature of these shares easily allowed holders to "rearrange" their positions in the corporation in regard to the proportion of land ownership, and so avoid falling into the expropriable land category. The law specified a six months period within which bearer shares had to be transformed into regular registered shares, which undoubtedly served

as much to warn shareholders to "rearrange" themselves as it did to provide an effective mechanism for implementation. In fact, it was reported that 647 corporations, owning 1,235 landholdings on the coast, had 2,724 shareholders before conversion of bearer shares and 4,274 shareholders after conversion to registered shares. Multiplying the latter number by 300 (the number of hectares exempted under the category of "semi-irrigated," given the predominant type of agricultural land on the coast) it seems that more than 1.2 million out of the 1.3 million total estimated hectares might have remained "unreformed" in an area which comprises 13 percent of Peru's agricultural land and holds one-quarter of Peru's population, and where 10 percent of the owners hold 89 percent of the land.<sup>9</sup>

For lands in the Sierra, the law did not specify maximum permissible holdings. It promised instead that the limits would be set within six months by an Executive Decree based on reform agency studies which would consider various factors in each province. Such a study was a difficult task, and although it suggested a laudable intention by recognizing the importance of soil differences, climate, precipitation, vegetation, and land use, it was actually "a proposal to study a vast, broken and often forbidding area, most of it without pretense of roads . . ."10

Jungle lands and the adjacent areas were exempt up to any amount under "direct and efficient" cultivation, plus an area twice as large for use as forest reserve, for extension of cultivation, or for rotation.

Another factor indirectly affecting the actual availability of land is the condition under which public lands and state owned land could be expropriated. Most governmental agencies owned rural lands. The Ministry of Education, Ministry of War, Ministry of Aviation, etc. were, and may still be, owners of large areas with allegedly rich agricultural soil; the law did not provide that these lands be totally and automatically subject to the reform process. Rather, initiative to claim them was left entirely to the state reform agency. Moreover, transfer to private interested parties was not excluded, and serious arguments developed around the scope of the reform law when the government decided to authorize the transfer of some of these lands to both the Reform Agency and to private purchasers. The law proved very unclear in this particular instance, and it obviously lacked adequate flexibility to allow the courts or the enforcement agencies to interpret it in the desired way.

There was some reason to believe that more lands were available for expropriation and redistribution than was suggested by then current estimates. Possibly "hacendados" had declared less area for tax purposes than they actually owned; also, parts of declared pastureland might have been put under more intensive cultivation.<sup>11</sup> But further studies were necessary if the criterion of production capacity of land was to be applied in the redistribution process.

Even if there was more land available for redistribution, however, it seems very likely that the available amount was still insufficient to settle all campesino families in need of land at that time.<sup>12</sup> Moreover, for areas not declared "zonas de reforma agraria," the law contains provisions by which expropriation would have been possible only on small parcels, those of "feudatarios." Nothing was said in regard to additional land which might have been needed to establish an adequate peasant family-land ratio. And thus the minifundio was perpetuated in direct contradiction to the law's objectives.

Another serious legal defect was the lack of a clear definition of water rights, which are particularly important on the Coast. Objectives and criteria for the use of water were relatively well established at one point in the law, but certain qualifications and exemptions again frustrated the stated objectives. Land and water were considered indivisible units on the one hand, but access to water for irrigation of small plots was left dependent on the water demands of the large landholdings with direct access to rivers and ground waters. Article 114, which provides specifications for obtaining grants on water, is only applicable to the "zonas de reforma agraria." Article 113 declared that rights to land and water were indivisible, as stated above, but the law did not indicate clearly enough how the peasants benefitted from the distribution of land; they were not given ownership but "certificates of possession," a legal hybrid of no more practical value than a promise. An amendment

clarifying the legal text or a court decision interpreting it was needed to fill in the blanks.

The statute also lacked a balanced system of sanctions for violations of its provisions. Articles 65 and 240, related to the rejection of the state resolution to expropriate by the affected landowners, and to failure to pay peasants' services in money, are the only clearly established penalties for reluctant landowners, and these are not very stringent. On the other hand, the law provided severe sanctions for peasants failing to comply with the terms of the purchase and sale contract and for those invading agricultural lands.

#### Enforceability

Although the process of reform legally allowed direct dealings between the state agency and the affected landowners, it also provided for judicial and administrative processes.

Administrative agencies were delegated the initiative to 1) establish zones of reform; 2) study the local conditions; 3) plan the process of taking particular units, their subsequent redistribution, and their use by the beneficiaries;<sup>6</sup> and 4) engage in judicial action when the cases so required. Given the socio-economic conditions of the country, the reform was much-resisted and usually required judicial intervention. Judicial action over compensation problems was not supposed to interfere with condemnation, taking, and redistribution proceedings; the main objectives of the law assumed that the reform process should

move as expeditiously as possible. However, the procedural steps regulating administrative action resulted in a schedule which demanded at least thirteen months to implement under ideal conditions--that is, after the National Agrarian Council had authorized the subordinate reform agency, the National Office of Agrarian Reform (ONRA), to act in a given zone. Up to three months more were needed for the National Agrarian Council to pass the resolution urging the Executive to issue the pertinent decree of expropriation. All the procedural phases encompassed three major legal measures and at least four major technical surveys and reports, each of which demanded sixty active days, on the average, with additional time lags for notification, sworn declarations, appeals, decisions, etc. A total time of one year and ten months had been estimated as the usual period to finish a single process, but the first case took three years and two months and some cases have been even longer. Obviously some of the reasons for such delay might be found in 1) the number of requirements established by the legal text, and 2) the structure of the bureaucratic apparatus.

(The structure and functions of the judiciary in the reform process will not be detailed at this point, since its participation is almost incidental. Suffice it to say that its structure does not show any significant departure from the centralized judiciary system so common throughout the Western Hemisphere, and that its function has been described by observers as slow and costly.)

Two main problems emerged in enforcement and related administrative procedures, one in directly administering the legally prescribed reform

process and another in coordinating the reform agency--or agencies-- and other related governmental branches.

On the books, the reform law appeared to stipulate a very complicated administrative machinery. Its center of decisions was the Consejo Nacional Agrario (CNA), under which the Instituto de Reforma y Promoción Agraria (IRPA), a paper union of ONRA and the Servicio de Investigación y Promoción Agraria (SIPA), was placed.

CNA has been criticized for unnecessarily slowing down the reform process with its extremely detailed administrative functions, some of which could have been assigned to ONRA. Some experts even developed doubts about the real need for CNA's existence. No other government agency has suffered more complications in coordinating its administrative components. Furthermore, representation of campesinos' interests has been considered insufficient given the ends in view--peasant access to land and water for agriculture. Only one of the eleven voting members of CNA represented the peasants, and even then he represented only the organized peasants, most likely those of the coastal plantations (25 percent of total estimated campesino population). Other sectoral representation--the landowners' and ranchers' associations, and the labor unions'--had highly conflicting interests. Even though CNA met weekly in Lima, it was a remote organization as far as the peasants were concerned, and unaware of the many serious problems which developed locally in the countryside. The majority of the CNA members from the public sector could be only incidentally involved with agrarian problems since they already had full responsibilities in other institutions.

Financial matters were entrusted to yet another agency--the Corporación Financiera de la Reforma Agraria (CORFIRA)--under the Ministry of Finance and Commerce. CORFIRA was not directly involved in agrarian reform activities, and it is difficult to understand why ONRA could not have managed the needed funds, at least for compensation payments.

SIPA, supposedly a sister agency of ONRA, was to promote agricultural development through research and extension services. In practice, overlapping or opposing lines of activities developed between SIPA and ONRA. Other agencies also expected to perform complementary roles in the reform effort, such as the various branches of the Ministry of Agriculture, the Bank for Agricultural Development, and the Ministry of Labor and Indian Affairs, did not in fact do so.

ONRA had the really central role in the reform process and according to observers it performed very well within the limitations of the funds provided and its operational difficulties. ONRA could not even appoint its own staff--the directors of agrarian reform zones, for instance, were appointed by CNA and although they were part of ONRA's administrative structure, situations like this created confused hierarchical relationships.

ONRA had further difficulties of its own. Originally it was thought that 3 percent of the total annual national budget would cover reform operation, and this idea was put into the legal text. The appropriation for the first year made was only 0.6 percent, far below the promised amount. It is easy to imagine what degree of achievement would, and in fact did, result under these financial conditions.<sup>14</sup> Furthermore, a large percentage of ONRA's budget was allocated to projects other than agrarian reform such as colonization, which took 50 percent of the budget the first year and 30 percent the second year (1965-1966).<sup>15</sup>

Action under the Peruvian Agrarian Reform statute of 1964 was, then, quite limited. Between May 1964 and September 1968, 61 properties with 615,419 hectares were expropriated. Some 313,972 hectares were distributed to 9,224 families, and the rest was supposedly in preparatory stages for redistribution. Another 324 properties with 47,132 hectares were affected in actions under Title XV of the statute. Under this provision, resident laborers and small sharecroppers could get title to the land they tilled, on long payment terms, with fewer formalities than those required for expropriations. Some 128,000 peasants in this category applied by the end of 1966, and 54,800 had received their certificates of possession by that time.<sup>16</sup> According to Strasma, this was the basis for the enthusiastic reports alleging

that Peru had by 1967 carried out a massive land reform, in terms of number of beneficiaries. Unfortunately, he said, this massive creation of minifundia was not accompanied by any provisions for transferring enough additional land to create a minimum family unit.<sup>17</sup> If the total population affected by the conditions predominant in the agrarian sector is considered--some six million people--the number of families actually benefitting means very little.

Much of the reason for failure is found in the absolutely unrealistic financial provisions of the law vis à vis the ground rules laid out for acquisition of privately owned lands. The statute established a down payment (\$20,000 average, all categories considered) which would have demanded not only the three percent share of the national budget promised by the statute but much more than that if the reform was expected to indeed change conditions in the country side. Even worse, the promise of the three percent share of the national budget was never made available. It was estimated that during the period 1964 to 1967, the agency's share was only 0.6 on the average.

A then high-ranking Peruvian official has said that "neither the parliament or the president had the will to carry out an authentic agrarian reform."<sup>18</sup> But even if they had had the will, a badly drafted law and inadequate financing would have precluded effective action.

Although the military takeover of October 1968 was not directly connected with the agrarian situation, the new government did concentrate

on expropriation of a number of rural landholdings. On June 24, 1969 it enacted the Agrarian Reform Decree, Law 17.716, one of the most radical and far reaching documents of its kind yet to appear in South America. Within two days after the president had made clear that the law would be the cornerstone of a national program of integration and basic structural reform, the eight most important agro-industrial firms of the country, "the pride and source of power of the Peruvian oligarchy and of foreign corporations," were ousted from their holdings. Their properties covered about 225,000 hectares of irrigated lands on the coast--80 percent of the cultivated coast land--and involved more than 15,000 workers, mostly in sugar cane production. Plans were put forward immediately to reorganize the seized land into cooperatives in which the field and factory workers, staff, and technicians would participate. Meanwhile, the land was administered by the government, and production continued without interruption.<sup>19</sup>

Though not too much can be said of the implementation possibilities of the new law so soon after its enactment--and nothing of its potential for success--certain descriptive aspects can be catalogued. To a large extent, the new decree reformulates the previous law and adds certain stringencies, drastically reducing procedural red tape, eliminating exceptions to expropriation of privately owned land, centralizing decision making and executive functions, lowering appraisal standards, reducing the cash down payment on compensation, and extending the categories of land and types of management brought under 20-30 years deferred payment. Both very small landholdings and very large ones are considered

wasteful forms of tenure and are therefore prohibited by the law. Sharecropping and tenant farming are also proscribed, as well as any kind of ownership of agricultural land by joint stock companies, corporations of limited liabilities, corporations, etc. Agrarian associations such as indigenous communities and farmers' cooperatives are exempted.<sup>20</sup>

The largest irrigated property permitted is 150 hectares on the coast, and 15 to 55 hectares in the mountains or high jungle. Twice as many hectares are allowed on drylands of the above areas. No pasture holdings of less than 500 to 1,000 hectares will be subject to expropriation.

The law specifies "family farm unit" criteria of minimum size. This minimum unit is defined as the amount of land, directly farmed by its owner and family, necessary to a) fully absorb the family labor force, b) provide a net income adequate to the family's self support, and c) enable the farmer to meet his land payment installments while enjoying a margin of savings.

The complex administrative structure set up in 1964 was reorganized. Zonal offices of agrarian reform are now subordinate to the General Administration of Agrarian Reform and Rural Settlement (DGRAAR), which is directly under the Director Superior of the Ministry of Agriculture, who is second in command to the Minister of Agriculture.

The bulk of administrative responsibilities rests on DGRAAR, which is vested with full legal capacity to plan, execute, and follow up the process of reform in Peru. A number of public institutions have been assigned minor collateral roles.<sup>21</sup>

In a significant innovation, the law created agrarian courts and special committees for the temporary management of expropriated large agro-industrial complexes. If any matter falling under agrarian jurisdiction is brought before any other court or judge, improper venue may be pleaded, and the action must be transferred to the land judge within the proper jurisdiction.

Special local committees are now supposed to ensure the orderly transfer of large properties during the initial reform process. Among the members of these committees are representatives of the Ministry of Agriculture and the Agricultural Bank, eligible workers on the land, and appointed government administrators.

Again, as in the previous statute, cooperatives are to receive preferential treatment in acquiring land from the reform agency and absolute priority for agriculture credit and technical assistance. In order to avoid excessive fragmentation of farm lands, the new law provides for the organization of indigenous communities into cooperatives.

The lowering of appraisal standards and down-payment levels has been a practical and effective way of strengthening the state's capacity to act on a more significant scale. In the case of the recently expropriated sugar cane plantations and industrial installations on the coast, payments have presumably been made at an average of U. S. \$25,000. The balance is to be paid in agrarian reform bonds of up to thirty years maturity. All livestock are still, as before, to be paid for in cash. Recipients of agrarian reform lands must pay for such properties in cash within a maximum period of twenty years from the date of adjudication.

Failure to pay two consecutive annual amortizations is cause for repossession by the reform agency.

In sharp contrast to the slow and difficult reform process preceding it, the new government has begun its action swiftly. The total land area of these nine sugar estates taken was estimated at 380,000 hectares, of which 92,000 hectares were under cultivation in 1968.<sup>22</sup> Together, these plantations account for almost 65 percent of the total cane area in Peru and for about half the total cultivated land in the two important agricultural provinces of Lambayeque and La Libertad. Most of these plantations are modern and mechanized. Furthermore, the government has begun to expropriate other haciendas which exceed the legal limits. The official reform program for 1970 calls for the expropriation of approximately 1,255 additional units totaling one million hectares or more.

The land granting program proposes to reach 65,000 families on 1.8 million hectares--about 80 percent of which are in the Coastal region.<sup>23</sup> Plans for future action indicate that agrarian reform will also move to the Sierra region.

Most observers feel that the Peruvian military regime clearly intends to make drastic and rapid changes in the agrarian sector. To do so, it has successfully removed most of the legal obstacles posed by the statute of 1964, and it has also made the necessary minimum administrative arrangements for efficient action in the field.

FOOTNOTES

<sup>1</sup>Law 9.125, Article 1, as cited in Francisco Oliart, "Land Tenure and Political Power in Peru," MLI Thesis, University of Wisconsin, 1969, p. 71.

<sup>4</sup>These categories were set up to consider: 1) type of management --direct-personal or indirect-absentee and 2) the value of the land as determined by a special procedure on a scale ranging from 50,000 to 200,000 soles oro. Three classes of bonds were issued: A, B, and C to compensate for the balances in each category. These classes were yearly redeemable over periods of 18, 20 and 22 years with an interest rate of 6, 5 and 4 percent respectively. For instance, if a land in full and efficient production, under direct-personal management of its owner with an appraised value of 270,000 soles, was taken under the agrarian reform law, compensation was to be paid as follows: 200,000 soles in cash, and 70,000 s

The bonds were tax exempt and the Executive was expected to obtain the financial backing from international monetary organizations.

<sup>1</sup>However, candidates were subject to a process of selection based on: 1) age, 2) family work capacity, 3) number of dependents, 4) experience in agriculture, and 5) education. Another priority-privilege was established in regard to the location of the potential beneficiaries. Thus, the peasants working on a given land at the moment of the taking were granted absolute priority in the adjudication of that land. Peasants active in invasion of agricultural lands were expressly excluded from the benefits of this law.

Adjudications were made under the terms of a purchase-and-sale contract by which the state did not relinquish dominion over the land until all the following requirements were met by the beneficiary:

1) dwell on and personally work on the land with his family, 2) pay the stipulated installments, 3) participate in cooperatives when so instructed by the corresponding state agency, and 4) follow the technical and administrative instructions when so provided by the reform agency. The lack of dominion over the adjudicated lands is a legal safeguard against the early resale of these lands by the peasants.

<sup>4</sup>Unión Panamericana, La Administración Pública como instrumento de desarrollo, Peru (Washington, D. C.: Departamento de Asuntos Públicos de la Unión Panamericana, 1966).

<sup>5</sup>R. J. Owens, Peru (London: Oxford University Press, 1963), pp. 68-69.

<sup>6</sup>Richard W. Patch, The Peruvian Agrarian Reform Bill, American Universities Field Staff, West Coast South America Series. (New York: AUFS, 1964), p. 20.

<sup>7</sup>Terry McCoy, "The Politics of Agrarian Reform in Peru," unpublished ditto, Land Tenure Center, Madison: University of Wisconsin, 1965, p. 30.

<sup>8</sup>Comité Interamericana de Desarrollo Agrícola (CIDA), Una evaluación de la reforma agraria en el Perú (Washington, D. C.: 1966), p. 5.

<sup>9</sup>McCoy, "The Politics of Agrarian Reform in Peru," p. 3; Oliart, "Land Tenure and Political Power in Peru," p. 83.

<sup>10</sup>Patch, The Peruvian Agrarian Reform Bill, p. 4.

<sup>11</sup>CIDA, Una evaluación de la reforma agraria en el Perú, p. 22.

- 12 CIDA, Una evaluación de la reforma agraria en el Perú, p. 9.
- 13 CIDA, Una evaluación de la reforma agraria en el Perú, p. 22.
- 14 John Strasma, "Los Estados Unidos y la Reforma Agraria en Perú," unpublished mimeograph, Lima, Peru, 1970, pp. 106-107.
- 15 Strasma, "Los Estados Unidos y la reforma agraria."
- 16 Ibid.
- 17 Ibid.
- 18 Edmundo Flores, "Land Reform in Peru," The Nation, February 16, 1970, pp.
- 19 Flores, "Land Reform in Peru."
- 20 John K. Hatch, "Land Reform and Revolution in Peru," unpublished paper (Madison, Wisconsin, 1970).
- 21 Iowa-Peru Mission, "Preliminary Analysis of Agrarian Reform Law No. 17.716," T-4 (Lima, 1970), pp. 97, 18.
- 22 See the Peruvian Times, Lima, November 14 and December 5, 1969; January 2 and February 13, 1970.
- 23 Thomas F. Carroll, Land Reform in Peru SR/LR/C-6 (Washington, D. C.: Agency for International Development, 1970), p. 28.