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An Analysis of the Land Reform Laws In Latin America

Sergio Maturana 1

Historical Introduction

The historical sequence of the agrarian reform laws in Latin America falls into an easy-to-understand pattern. Before 1960 land reform programs in Latin America were products of revolutionary changes in Mexico, Bolivia, and Cuba. In other countries, advocacy of land reforms was usually criticized as advocacy of revolutionary overthrow of existing governments or of communism. Since 1960 many countries in Latin America are attempting to institute land reforms in a more gradual and evolutionary manner. These recent attempts will test the idea whether such reforms can be instituted apart from violent revolutions.

Before 1961, only four countries of Latin America had agrarian reform laws. Mexico incorporated the principal concepts about land reform resulting from the revolution in Article 27 of its Constitution of 1917. Bolivia enacted its Decree Law #03464 on August 2, 1953. On May 17, 1959, Cuba proclaimed its Law of Agrarian Reform in Sierra Maestra. On March 5, 1960, Venezuela enacted its Agrarian Reform Law.

In both the Act of Bogotá, signed in 1960, and the Charter of Punta del Este, agreed upon in 1961, there are strong statements about programs for agrarian reforms. For example, the latter document states in one article:

"The American Republics agree to work....during the coming decade.... to encourage, in accordance with the peculiarities of each country, programs of integral agrarian reform leading to the effective transformation, where required, of unjust structures and systems of land tenure and use, with

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a view to substituting an equitable system of property for the latifundia and dwarf holding system, so that supplemented by timely and adequate credit, technical assistance and improved marketing of products, the land will become, for the man who works it, the basis of his economic stability, the foundation of his increasing welfare and the guarantee of his freedom and dignity."

Under the Alliance for Progress, the United States has promised to assist and encourage all necessary structural reforms and to mobilize external capital assistance totaling at least U.S. $20 billions during the next decade.

Laws of agrarian reform have been enacted in the following countries:

Country	Date	Number of the Law
Mexico	1917	Art. 27, Constitución Política
Bolivia	August 2, 1953	03464
Cuba	May 17, 1959	Law of Agrarian Reform
Venezuela	March 5, 1960	Law of Agrarian Reform
São Paulo State (Brazil)	December 30, 1960	5994
Costa Rica	October 14, 1961	2825
Colombia	December 13, 1961	135
Panama	September 21, 1962	37
Honduras	September 29, 1962	2 (Decree)
Guatemala	October 11, 1962	1551 (Decree)
Peru	November 16, 1962	14238 (Decree Law)
Chile	November 27, 1962	15020
Paraguay 2	March 29, 1963	854

2/ A copy of the Paraguayan Law was received after the completion of this report.

Objectives Stated in the Laws

Based on the laws of Bolivia, São Paulo (Brazil), Chile, Colombia, Costa Rica, Cuba, Honduras, Guatemala, Mexico, Panama, and Venezuela, a number of objectives can be listed:

i) Transformation of the present agricultural structure, through extinction of the latifundia and creation of a better pattern of land distribution.

ii) Improvement of the level of life of the peasant (low income rural people).

iii) Improvement of the agricultural practices to raise production and productivity in rural areas.

While it is possible to make this generalization, the reader should keep in mind particular political, social, and economical differences that call for different modes of framing and, hence, a different outlook and solution for related problems. In stressing the above generalizations about the objectives of the laws, it is intended to point out a more or less unanimous consensus on the diagnosis of the problem: latifundia, unequal land distribution pattern, low agricultural productivity, and low income of the rural people.

Because of the current political and/or economic situation of the country at the time the law was enacted, other considerations not covered by the above objectives but integral to the law, are:

1) The Bolivian law speaks about establishing political and economical democracy in the rural area and promotion of Indian communities. In the last respect, the Bolivian document is one of the few laws that acknowledges and guarantees the communal property of the Indians as well as the private property duly qualified.

ii) The Cuban law is designed to hinder future land acquisition by foreign concerns, reflecting concern about foreign investment and influence.

iii) In the new Guatemalan law, the objectives of limiting and controlling land property to bring social justice to the peasants are combined with guaranteeing of the private property or ownership that fulfills its social function. This concern is also shared, by the way, by a report of the Joint Committee of the Congress of the United States, that says: "Thoughtful persons in the United States are a bit uneasy, moreover, that the objectives of "agrarian reforms" are punitively directed and that we are lending our tacit support, if not encouragement, to a program (The Alliance for Progress) whereby property rights under law are being interfered with." (7, p.6)

iv) A distinct feature of the Panamanian law is the reference to stopping land speculation and the guarantees given to private property. Also there is reference to the concept of integral agrarian reform, that is, a reform concerned not only with tenure, but also with increasing agricultural productivity by a variety of means: rural education, research, extension services, credit, and real estate taxes.

v) The Costa Rican law refers to the conservation of renewable reserves of natural resources and to the promotion of cooperatives for small and medium sized farmers.

vi) The Venezuelan and Honduran laws mention the incorporation of the rural sector in the country's growing economy.

A brief purusal of the objectives enunciated in the laws leads us to consider the achievement of economic and social development as well as political stability.

The majority of them favor small, privately owned, "family farms". As is mentioned in the Panamanian law, land is not the only requisite. Low income rural families also require credit, technical assistance, and other services. In other words, what is needed is the so-called integral reform. The only departure from the idea of family farms is encountered in the laws of Mexico and Bolivia, which authorize the ejido and Indian communal tenure. Even the Cuban law advocates the family estate (patrimonio familiar). It freezes the ownership patterns of the already existing small owner farms and creates new owners of previous renters, share croppers, and squatters. The original intent of the Cuban law was to foster productive cooperatives for all of the small units.

Another point of agreement is that of abolishing or reducing the number of latifundia. The definitions agree that latifundia are farm properties in which land is idle or is not properly exploited. Such property is not to be protected since it is not fulfilling its social function. As a supplement some laws define more precisely guarantees and rights of private property, whose owners are managing their land in a manner that satisfies their social responsibilities. One of the basic tenets of most of the laws is the belief that land ownership should fulfill a social funtion, meaning restriction on the absolute right of landowners to dispose of its land as they see fit. Society is interested in the proper utilization of the land from the economic point of view of achieving the best use of this resource. On the other hand, it is interested in eliminating possible abuses or infringements upon landless people which result from the power of large landowners. A brief presentation of the provisions of the laws is presented under the following topics:

1) What land is subject to expropriation?

2) How are the present owners to be compensated?

3) What criteria are used to determine the amount of compensation?

4) What kind of payments are going to be made by the beneficiaries?

5) What kind of institutions are expected to carry out the reform programs?

6) What type of financial arrangements are provided for the programs?

The size of the programs, the resources committed, the time involved, and other related subjects are not discussed in this paper.

A. Categories of land which may be used for distribution

1) Public land: State of São Paulo (Brazil); Colombia, Costa Rica; Cuba; Chile; Guatemala (including National Farms); Panama; Venezuela.

2) Land which may be expropriated

a) Private idle land: São Paulo; Colombia (land idle during the last ten years); Chile (for farms worth more than 20 economic units*); Costa Rica; Cuba; Guatemala (for farms over 50 hectares); Honduras; Panama (for farms over 100 hectares).

b) Private land not properly exploited: Colombia (for farms over 200 hectares); Costa Rica (agricultural land dedicated

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* The value of one economic unit shall not be greater than 20 times the yearly salary of the white collar workers of the private sectors in the Santiago Department. The new units to be created will have a size not larger than one economic unit, thus implies the desire of fostering a rural middle class, with a minimum annual income equivalent to the salary of a white collar worker in the city. (Assuming a 5% interest return on the investment of land and other fixed capital of the new farms.)

to livestock activities); Chile (for farms worth more than the value of 20 economic units); Guatemala (farms over 100 hectares without crops or whose livestock index is below the official figure to be established); Honduras.

c) Private lands worked indirectly by renters, share croppers, etc.: Colombia; Costa Rica; Cuba (any size); Chile;

Venezuela uses the criteria listed in points a, b, and c, to define land which is not fulfilling its social function. Farm properties over 150 hectares which fall into the above categories may be expropriated.

d) Farms over a certain size (regardless of use): Cuba (farms over 400 hectares, except that for farms which produce sugar cane, rice, or livestock, or any other crop that requires more than 400 hectares for its economical rational use, the limit is raised to 1,340 hectares); Venezuela (after the supply of land in the above categories has been exhausted, any farm over 150 hectares could be affected, if additional land is needed to alleviate an acute and severe problem.)

e) Land required for program of development of new farms: The laws of Colombia, Costa Rica, Chile, Guatemala, Panama, and Venezuela provide that the land required to start or expand programs of development of new units (parcels or farms) will be subject to expropriation, even though it does not fall in the categories listed above.

3) In addition, in Chile and Panama governments may offer to purchase any suitable land which private owners are willing to sell to it.

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There are also special provisions of the laws not included in the categories above, such as the following:

a) The Colombian law permits expropriation of land required to increase the farm size of minifundia to create economic size units. The Chilean law authorizes the expropriation of minifundia land to consolidate fragmented holdings.

b) The Cuban law mentions that after a year from the promulgation of the law, sugar cane land that still belongs to foreign share holding corporations will become subject to expropriation.

c) Under the Costa Rican law uncultivated land in possession of landowners who have occupied areas in excess of those granted to them by the government could be subject to expropriation.

d) The Mexican law affects all land that was transferred from villages, "rancherias", communities and congregations, to others through whatever legal means, during the period from 1876 to 1915. This, in effect, voids due process of law during this preceding period. Land within a radius of seven kilometers could be granted to villages requesting it, excepting 100 hectares of the best land ("Primera Categoria") or its equivalent which could be kept by the former owner. Land belonging to the church was also affected.

e) The Bolivian law established a more complicated system. All latifundia were expropriated. (It defined latifundia as large farms, whose land was idle or not efficiently exploited, or where rent was obtained from serfs.) Furthermore, the more efficient large farms that use capital, modern techniques, and are paying cash wages, were to be reduced to a certain maximum size varying from 400 to 2,000 hectares according to the region. Large farms of lower efficiency which had made some capital investment and

were being managed by the owner or a close relative, were to be reduced to a median size (from 24 to 600 hectares). In tropical and subtropical zones, besides establishing a maximum and median size (defined for each zone), farms that are over 1,200 hectares must set aside, without compensation, 100 hectares of their land for dwelling houses of colonos. Each colono must receive one hectare for his family.

B. How are the present owners to be compensated?

1) Cash payments and annual installment payments on principal: São Paulo; Guatemala (five equal annual installments, 4% interest on yearly outstanding debt); Honduras; Chile (purchase: 20% cash down, 80% in 10 years, readjustable, 4% interest a year; expropriation: 100% cash payable within one year after price settlement); Panama - (purchase: cash; expropriation: cash or 4% bonds if the owner prefers).

2) Bonds: Cuba (20 years, 4-1/2% interest); Mexico (no compensation for the land reverting back to the villages; states are authorized to issue bonds to compensate for other categories of land); Bolivia (25 years, 2% interest annually).

3) Mixed systems: Colombia - expropriation: for idle lands (bonds B, 25 years, 2% interest), for improperly or indirectly managed lands (cash 20% down and 80% in eight years, 4% interest); for other land (cash 20% down, 80% in five years, 6% interest). For the last two categories the owners could claim payment in Bonds A, (15 years, 7% interest); Venezuela - according to value of the expropriated land --

less than 100,000 Bs.	100% cash
100 - 250 thousand Bs.	40% cash
250 - 500 thousand Bs.	30% cash
500 - 1 million Bs.	20% cash
more than million Bs.	10% cash

In any case, as a minimum, Bs. 100,000 will be paid in cash and cash payment will also be made for the value of the farm improvements in those instances that the social function is being fulfilled. Moreover, the owners of idle or indirectly managed land will receive Bonds A (20 years, 3% interest), while the other cases will receive Bonds B (15 years, 4% interest).

C. What are the criteria for determining compensation?

In general, the criteria range from full market value to tax assessed value in the cases where some sort of compensation is established.

São Paulo - market value.

Colombia - the price will be established by a commission of experts of the INCORA, the Geographical Institute, and the land owner (Article 61).

Costa Rica - the price shall not exceed the value declared for tax assessment purposes.

Chile - in the case of purchased land the owners will state the value of land offered through the public bidding; the expropriation value will be established by the Corporation, following a quite elaborate judicial procedure in case of contest by the owner.

Guatemala - the price will be established by two experts (official and owner's representative) without any regard to the tax assessment value or any other public document.

Honduras - the price will be based on the tax assessment value, the productivity, the value of the improvements made, and any other relevant criteria from the National Agrarian Institute.

Cuba - previous tax assessment value, including improvements made since assessment and excluding increases in value due to public investment.

Bolivia - tax assessment values based on cadastral resources.

Mexico - tax assessment values.

Panama - for purchases the value will be established by a three member commission (two governments officers and one representative of the owner) -- for expropriated land the landowner will receive an advance cash payment which shall not exceed the tax assessment value during the last five years; the final payment will be adjusted according to the regular expropriation procedure as established in the former laws.

Venezuela - the value of the purchased land shall be fixed considering the following: the average production of the last six years; the tax assessment value; the transactions figures available for the farm being expropriated or other similar farms in the region -- the value of the expropriated land shall be decided in court.

D. What types of payments will be required from the beneficiaries?

São Paulo - expropriation cost plus value of the improvements made afterward.

Bolivia - the tax assessment value will be paid in twenty-five years.

Colombia - the cost of the expropriation, plus the improvements made, plus a maximum charge of ten pesos per hectare (administrative overcharge) will be paid in fifteen years in cash, but the first two years only 2% interest will be paid, principal repayment and a 4% interest charge will start in the third year -- in some cases free parcels will be granted to qualified poor workers.

Costa Rica - the cost value will be payable in twenty-five years, starting with the fifth year; but a deduction of 5% of the total value will be made for each individual living in the household of the beneficiary -- in any case, the yearly payment shall not exceed 5% of the value of the production of the parcel (estimated through regional averages).

Cuba - not specified, but supposedly free.

Chile - cash payment readjustable yearly according to the fluctuation of the price of the white wheat of the Center -- the cost value of the land plus improvements made will be paid with a cash down payment of 5% and 25 to 30 annual installments.

Guatemala - the cost of expropriation plus cost of improvements will be paid in cash, 10% down and the rest in twenty years -- the value of seeds or cattle stock provided will be repaid in three years.

Honduras - cost but not including charge for public services repaid in ten to twenty years in equal terms, without down payment.

Mexico - none.

Panama - none specified.

Venezuela - free when conditions justify -- when sold to new owners the price includes cost of expropriation plus improvements plus financial help for production during the first year -- the settler is not charged for social capital expenditures -- five percent of the total value is deducted for the wife and each relative that lives with the family -- repayment of the debt will start after the third year, payment will be made for a period of 20 to 30 years -- the annual payment will not exceed 5% of the gross sales of the farm -- the beneficiary who pays half the debt and obtains more than normal production will have the right to redeem the remaining debt.

E. What kind of institutions are given responsibility to administer land reform programs?

São Paulo. The Secretary of Agriculture will carry out the provisions of the law in addition to his normal duties. A Council of Agrarian Revision (Consejo de Revisión Agraria del Estado) will advise and provide opinion on the decrees related to the application of the law.

Bolivia. The National Service of the Agrarian Reform (Servicio Nacional de Reforma Agraria), directed by the President of the Republic will carry out the programs with the assistance of the following institutions:

i) The National Council of Agrarian Reform (Consejo Nacional de la Reforma Agraria), head planning and executive office.

ii) The Agrarian Judges (Jueces Agrarios) will administer the legal aspects.

iii) The Rural Boards (Juntas Rurales) will be the local agencies for the programs. (Of the four permanent members, the President of the Board will be appointed by the Executive, another one will be a representative of the union, one will be a surveyor and the last one will be a municipal representative.) Another member is added to the board to represent the workers and peasants of the farm being dealt with.

Colombia. INCORA, the Colombian Institute of Agrarian Reform (Instituto Colombiano de Reforma Agraria) will be the executive office.

The Agrarian Social Council (Consejo Social Agrario) will be the

advisory body on agrarian policy.

The Agrarian Attorneys (Procuradores Agrarios) will be in charge of the legal aspects.

The Regional Development Corporations (Corporaciones Agrarias de Desarrollo) will be in charge of the economic development of the river basins and will be in charge of the measures delegated by INCORA. Their directing boards will be made up of representatives of INCORA and other public officers, together with representatives of the neighborhoods of the region, taking into account the political parity.

The Sectional Councils of the Agrarian Reform (Consejos Seccionales de Reforma Agraria), local bodies composed of the representatives of local government, farmers, cooperatives, Acción Comunal (the Colombian community development programs), coffee growers, professional people, politicians, small farmers, farm workers, will make reports and recommendations to INCORA.

Municipal Committees (Comités Municipales) report to the Sectional Councils on the local problems and the possible measures to be taken. (They are constituted by a priest, the Credit Agent, two municipal representatives and one member of the local board of Acción Comunal.

Cuba. The National Institute of Agrarian Reform (Instituto Nacional de Reforma Agraria) INRA, will be the office in charge of the study and execution of the programs.

Local delegates of INRA will be in charge of districts.

Land Tribunals (Tribunales de Tierra) will adjudicate legal questions.

Chile. The Superior Council of Agrarian Development (Consejo Superior de Desarrollo Agropecuario) will be in charge of the programs directed by the law. The Agrarian Reform Corporation (Corporación de la Reforma Agraria) will administer the subdivision of farms and consolidation of minifundia. The Agricultural Development Institute (Instituto de Desarrollo Agropecuario)

will be in charge of the programs of credit and technical assistance to small and medium sized farmers.

Besides these main institutions the law assigns other functions to several offices.

The President of the Republic is authorized to make amendments to the minimum salary dispositions and to the rural cooperative laws, as well as to exempt from import duties insecticides, spare parts of agricultural machinery, and grant subsidies to the application of pesticides and fertilizers.

The Directorate of Land and Public Lands (Dirección de Tierras y Bienes Públicos) is singled out to help in clearing and making good the titles of small farmers. The Directorate of Agriculture (Dirección de Agricultura) will be in charge of the revision of tenancy terms.

The Land Corporation of the province of Aysen (Corporación de Tierras de Aysen) will be in charge of making reports about proposed settlers.

The Corporation for Housing (Corporación de la Vivienda) and the Institute of Rural Dwelling (Instituto de la Habitación Rural) will be in charge of providing credit and technical assistance for houses and the fostering of rural villages and family gardens.

Guatemala. The National Institute for Agrarian Transformation (Instituto Nacional de Transformación Agraria) will apply the law. The President of the Republic will appoint the president and two vice presidents of the board of directors of the Institute, and the Ministers of Agriculture (Agricultura), Communications and Public Works (Comunicaciones y Obras Públicas), Economy (Economía) and Public Health (Salud Pública) will each appoint one representative.

Honduras. The National Agrarian Institute (Instituto Agrario Nacional) will be administered by a Director and a Sub-director, appointed by the President of the Republic for a six-year term. It will be advised by a National Agrarian Council (Consejo Agrario Nacional) of five permanent members.

Mexico.

i) An office depending directly on the National Executive Office.

ii) A consultive body of five persons appointed by the President of the Republic.

iii) A mixed state board, composed of representatives of the federal government, the state government, and the peasants.

iv) Private village executive committees.

v) One Ejidal Commisariat for each center of population that includes ejidos.

Panama. An Agrarian Reform Committee (Comisión de Reforma Agraria), inter-departmental office attached to the Ministry of Agriculture will have the responsibility of applying the directives of the law. The Executive will appoint a General Director in charge of the program.

Venezuela. IAN, the National Agrarian Institute (Instituto Agrario Nacional), will be the planning and executive office. Out of five directors, two will be representatives of the peasant organizations and one of the agricultural professionals.

F What types of financial arrangements are provided for the programs?

São Paulo. A property tax for rural holdings of a progressive nature is established, according to size of farms (ranging from 2% of the value for the first hundred hectares to 6% for more than 5,000 hectares). This rate could be decreased if the farmers demonstrate good management according to minimum conditions established. This tax will be used to attend the expenses of the reform. It is also intended to discourage extensive use of land in large properties.

Bolivia. No specific provisions are made in the law. In a law-decree of 1954, a tax on each hectare granted, maintained, or given back was established; a sealed stamp tax was also used to help finance the programs.

Colombia. An Agrarian National Fund of no less than 100 million pesos will be included every year in the regular budget. National and foreign loans will be secured for the fund. The bonds will be issued by the government for the fund. "A" Bonds will be issued annually for 200 million pesos up to a total of one billion pesos; "B" Bonds will be issued for no less than five million per year up to a total of 200 million.

For a five year period, the law authorizes raising up to 1.7 billion pesos in local and foreign loans and other revenues. By Latin American standards this is an amount of money that could permit a considerable program.

Costa Rica. The program will be financed from annual appropriations in the national budget, from receipts from lease of national lands and forests, and from the revenue of a progressive land tax that ranges from 1/4% for the farms below 250 hectares to 2-1/2% for farms above 5,000 hectares. Also issue of bonds and loans is authorized, each up to a limit of twenty million dollars. (U.S.).

Chile. The ordinary budget will include the administrative expenses of the Agrarian Reform Corporation, and the Institute for Agricultural Development. Besides, yearly appropriations will be included for the Agricultural Regional Plans. National and foreign loans are also authorized.

A National Agrarian Reform Fund is established, to accumulate the revenues that accrue to local and foreign institutions connected with the programs. (The Corporation and the Institute are the legal heirs of the assets and obligations of the former Caja de Colonización and Consejo de Fomento e Investigaciones Agrícolas.) As such they are in charge of national and semi-public farms.

Guatemala. Besides the national farms and public land reserves the Institute will receive an appropriation in the national budget and will receive 50% of the payments from the parcels and whatever other revenue accrues as a result of the law.

Honduras. At the disposal of the land reform authorities is the affected national and ejidal land, an annual budget of no less than $1,000,000 (U.S.), the yield of the Agrarian Bonds that the Government will issue and place at the disposal of the Institute, national or foreign loans, and the sales and other revenues from public lands.

A progressive tax will be established on the land that is declared idle or not properly managed. The first year the tax will be 3% on the value declared; the rate will increase to 40% in the fifth following year.

Mexico. Sources of income for land reform purposes are not mentioned in the Constitution, Article 27. In 1920 a law authorized the executive to issue 50 million pesos in bonds redeemable in twenty years, at five percent interest a year.

Panama. The National Budget will include the necessary appropriations. The Executive is authorized to contract local and foreign loans up to fifty million dollars. The National Budget will include every year at least $600,000 for administrative expenses.

Venezuela. The law authorizes the issue of bonds of type A, up to 100 million bolivares, of type B, up to no more than 100 million bolivares. Type C Bonds will be negotiated in the market and their revenue will be used for expenses other than land payment, except in those cases where it is necessary to compensate large farmers who are fulfilling their social function but whose land still has to be expropriated. Besides the above sources, appropriations for land reform purposes will be made in the national budget.

The above review of the laws can be summarized with the following conclusions.

Agrarian reforms attempt to introduce social justice and economic development to the agricultural sector.through elimination of the latifundia and the creation of a broader pattern of land distribution. As a consequence, it is expected that the measures will provide a climate for political stability and will enhance the possibilities of overall economic progress, increasing the food supply of the country, and providing raw material and purchasing power for industrialization. To achieve these ends, the laws define latifundia, or affected land, by using four criteria: (i) idle private land, usually in farms larger than a given size; (ii) private land not properly exploited (some of the laws are more explicit, mentioning land without crops or with extensive livestock activities; others leave the definition to the interpretation of the institution in charge of the

program); (iii) private land worked indirectly through renters and other similar systems; (iv) farms above a certain size, no matter what their land use. The last criteria is used only in the laws of Cuba, Mexico, and Bolivia. The Venezuelan law also applies this concept as a last resort.

Of crucial importance, possibly making the difference between a declaration of principles and a real program is the matter of compensation for expropriated land. Almost all Latin American countries are restricted by their limited governmental revenues and by the needs to support public services demanded by growing populations. On the other hand, land prices are relatively high. However, only in four cases (Costa Rica, Cuba, Bolivia, Mexico) is the value of compensation to expropriated owners limited to the values at which the land was assessed for tax purposes.

One way of eliminating the necessity of direct financing is payment in bonds. This procedure permits the state to become only an intermediary guarantor of payments, collecting the debt payments from the beneficiaries and paying the expropriated landowners.

Provision for bond issues is included in the laws of Colombia, Costa Rica, Honduras, Mexico, and Venezuela. No payments to landowners have been made in the case of Bolivia or Cuba.

Another requisite is that the beneficiaries should be able to afford to start farming and later on should have payment capacity to meet the obligations assumed. In this respect, almost all of the laws are quite liberal, except possibly those of São Paulo, Chile, and Guatemala. (São Paulo establishes either outright cash payment or installments; non-payment of two installments cancels contract. Chile requires 5% down payment and 30 years to repay remainder. Guatemala requires 10% down cash payment and 20 years to repay the remainder.)

Almost all of the countries have considered it desirable to set up special offices or authorities. In Bolivia, Mexico, and Colombia the peasants have some representation on local committees. In the last the representation is more indirect--through local authorities. The majority of the countries created an autonomous office closely connected to the President of the Republic, with some kind of central planning and executive action from top to bottom. Only very few of the countries considered have had experience in colonization schemes so it is anticipated that there will be scarcity of experienced personnel.

All told, land reform laws and administrative regulations which have the objectives described above should spell out the following objectives and procedures:

1) Number of families to be benefited.
2) Income and payment capacity of the new farms and value of the land.
3) Area and value of the land to be expropriated.
4) Financial arrangements to pay for the land, if some compensation is provided.
5) Administration requirements and availability of personnel, and expenses of the institutions in charge of the program.
6) Possible effect of the new programs on production and productivity.
7) Possibilities of local investment and flight abroad of the compensation given to expropriated landowners.
8) Expected consequences on the demand for consumption and production goods from the farmers receiving land under the reforms.

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