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# Prospects for the Social Transformation of Latin America

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James L. Busey

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# PROSPECTS FOR THE SOCIAL TRANSFORMATION OF LATIN AMERICA

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# Prospects for the Social Transformation of Latin America

One hesitates to offer broad generalizations about a region so huge and so diverse as Latin America. If we include only the strictly "Latin" (i.e., Spanish-, Portuguese-, French-speaking) parts, her total area is 5,907,137 square miles, or almost twice that of the United States without Alaska, over three and a half times the size of all continental Europe west of the U.S.S.R. (1,668,305 sq. m.), and over sixty-two times the size of the United Kingdom.<sup>1</sup>

The populations of Latin America range from largely Indian countries such as Guatemala, Bolivia and Peru, through several *mestizo* republics such as Mexico, El Salvador and Honduras, to those that are predominantly European in origin, such as Argentina, Uruguay and Chile. Her topography, resources, climates and other geographical features are as varied as her populations. Republics such as Bolivia are immensely rich in almost every mineral. Others such as Argentina and Costa Rica depend almost entirely on the products of their soil.

## Economic Conditions

However, there is one generalization that can be applied almost uniformly to all of Latin America: most of the region suffers from intense poverty. The average per capita income is no more than \$1,500 per annum, which compares with \$7,216

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<sup>1</sup> Traditionally, the following are conceived to be in "Latin America": Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Venezuela, Uruguay.

for the United Kingdom (1979) and \$11,107 for the United States (1982).<sup>2</sup>

Such figures must be seen in light of the fact that in Latin America very large numbers of people subsist entirely outside the market economy. This means, for example, that for Brazil the per capita annual income is given as \$1,523; but that only applies to people who realize some sort of reportable income. Millions more live by direct subsistence farming, beggary or worse, and so have "incomes" that are statistically indeterminate. Moreover, even so modest a figure as \$1,500 must be seen in the light of the gross disparities prevailing almost everywhere in Latin America between the incomes of people who are incredibly poor and those few who are grotesquely wealthy. Also, such an average includes relatively "fortunate" places such as Costa Rica (\$2,238), Argentina (\$2,331), Uruguay, (\$2,780), Venezuela (\$3,639) and Puerto Rico (\$3,865). This tells us something about the situation of people at the lower end of the scale in such countries as Haiti (\$260), Bolivia (\$510), El Salvador (\$639), Peru (\$665) and Cuba (\$840).<sup>3</sup>

From income averages alone, we can only speculate about the situation relative to housing, nutrition, education or medical care throughout most of Latin America. There is no lack of evidence that these are at about the levels we would expect from our knowledge of income levels, but it would go far beyond the function of this paper to try to cover ground so well

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2 Average per capita income for Latin America is calculated by adding together the reported figures for all the republics and taking the average. A deficiency is that available reports are for different years — e.g. 1980 for one country, 1982 for another and 1979 for still another. Also, of course, there are the usual inaccuracies of reporting, as well as the fact that this provides only a very partial representation of overall economic conditions. For comparative purposes, however, the method is probably acceptable.

3 In Cuba, almost no one functions outside the regular economy, and there are not many people (except some of the political leadership) who enjoy exceptional incomes or privileges. Therefore, the figure of \$840 comes closer to telling us something about the usual income of most Cubans than it would elsewhere in Latin America. It may be said that, in Cuba the poverty is distributed rather evenly.



reported already.<sup>4</sup> No sensitive person who has been to the region can fail to be dismayed by the immense slums in the large cities, the millions of wretched shacks housing large families, the absence of adequate sanitation which can lead one by odour alone to the poverty-stricken shantytowns, and unbelievable living conditions that prevail throughout most of the countryside in all but a very few countries such as Argentina, Uruguay and Costa Rica. All this contrasts sharply with the rich splendour enjoyed by a tiny minority of unbelievably wealthy individuals.

All such sweeping statements about economic conditions in Latin America must be qualified by reservations about some countries, such as Argentina and Uruguay, where there are not so many outward signs of extreme deprivation as elsewhere in the area. But, if seen in the light of their resources and populations, such countries must be seen as extremely deprived. Argentina's great *pampa*, which occupies a huge arc to the north, west and south of Buenos Aires, is about the size of Texas and contains some of the richest black soil on earth. A population of no more than thirty million people lives in an area (1,065,189 sq. m.) of temperate climate twice as large as that occupied by France, West Germany and Spain put together (502,000 sq. m.) yet these three European countries contain five times the Argentine population, with per capita incomes that average \$8,540 annually, compared with \$2,331 for Argentina.

Uruguay, while smaller than Argentina, is not notably different in its fertility, relationship of size to population or per capita annual income.

No other part of the world demonstrates more clearly that profound economic dislocations may have absolutely no relationship to presence or absence of resources, density or sparsity of population, geographical features or anything else other than social malfunction.

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<sup>4</sup> One might begin with James W. Wilkie and Paul Turovsky, eds., *Statistical Abstract of Latin America, 1984* (22nd ed.; Los Angeles: UCLA Latin American Center, 1983).

Bolivia provides us with a startling example. In that hapless republic only 5,600,000 people, or about one-tenth the population of France, occupy 424,165 square miles of area, which comes out as almost exactly twice the area of France. Thus, the population density of Bolivia is 13.2 persons per square mile, that of France 252.19.

As one descends from the high Bolivian *altiplano* toward the tropical lowlands to the northeast, one finds some 8,500 square miles of rich soil where agriculture readily flourishes in the subtropical climate, and there are farms which successfully cultivate potatoes, sugar, coffee, barley, rice, corn, bananas and citrus fruits. Unfortunately, however, large parts of these regions have been given over to the raising of coca, which enters into the drug trade and is dominated by ruthless individuals in league with local officials and leading military and political figures.

More significantly, the better known high mountainous plateaux of Bolivia are extraordinarily rich in almost every mineral — tin, antimony, tungsten, silver, copper, lead, zinc, gas, gold and iron; and her crude oil reserves are thought to come to about 150 million barrels. Bolivia, however, is next to Haiti, the most destitute country of Latin America, with an average per capita income of \$510 annually (1979). By comparison, that of France is given as \$8,980 (1980).

It may be said that France is also possessed of important resources, and of course she is the largest food producer or exporter in Europe west of the U.S.S.R. All this is quite true, so a comparison between Bolivia and, say, Iceland might be instructive. Except for fish and steam fumaroles, Iceland has essentially no resources at all. Her soil is very poor, agriculture is hampered by a short growing season and only some potatoes, turnips and hay are grown for local use. Except for some aluminium (bauxite), one of the most widespread metals on earth, Iceland has no mineral deposits. None of the other minerals so richly available in Bolivia is to be found in Iceland. Her climate, while not as frigid as that of most other sub-Arctic locations, is very wet, windy, overcast, cold and among the most wretched on earth. Her population density of only 5.79 per square mile, with over a third of her 212,000 people

concentrated in Reykjavik, is accounted for by the drawbacks of her location and climate.

Yet, the per capita annual income of Icelanders is estimated at \$9,000 (1979) — that is, like that of other Scandinavians, among the highest in the world.

In Central America, which will receive major emphasis as this paper unfolds, all the deplorable conditions described above for Latin America generally are especially prevalent — though less so in Costa Rica. Even including the Costa Rican per capita income of \$2,238, the average among the five republics is \$1,117 annually.<sup>5</sup>

Even with this very limited survey, and on the basis of figures so potentially deceptive as “annual income per capita”, it should be obvious that there is something radically wrong with the economies of Latin America; and further, that their problems must surely arise from factors unrelated to resources, population density, climate, topography, soil or other physical features.

## **Political Disorder and Dictatorship**

### ***General Introduction***

Political instability and personal dictatorship are characteristic of most of Latin America. During the past decade, fourteen of the twenty republics have endured one or more violent political coups, personal dictatorships of long or short duration, or both.<sup>6</sup> This omits Mexico which has been ruled by what amounts to a one-party dictatorship with some ineffective minor party participation since at least 1928; and by one-man *caudillo* rule back to the 1911-1917 revolution and, before that, to her independence from Spain in 1821; and Brazil,

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<sup>5</sup> Guatemala, \$1,083 (1980); Honduras, \$822 (1980); Nicaragua, \$804 (1980); El Salvador, \$639 (1978); Costa Rican figure of \$2,238 as of 1981. *World Almanac*, n. 2.

<sup>6</sup> Argentina, Chile, Cuba, Bolivia, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru, Paraguay. Exceptions are Costa Rica, Colombia, the Dominican Republic and Venezuela.

where military rulers rotated in office from 1964 to 1985 under a constitution or institutional acts that they imposed.

Bolivia, where no fewer than 190 different attempted coups d'état (*golpes de estado*) have occurred during her 157 years of independent history, provides an extreme example. In the fifteen years since 1969, nine different *golpes* have thrown governments out of office, and there is no sign that the process is about to come to an end.

If one goes back forty years, Mexico is the only country in Latin America that has not undergone some sort of violent political upheaval. Even Costa Rica, renowned for its relative political peace since at least 1902, had a brief revolt in 1948 as well as a short-lived unconstitutional regime during 1917-1919.

As is well known, military or other types of non-constitutional dictatorship are common to the area. Some really famous, brutal dictators include Juan Vicente Gómez (1908-1935) of Venezuela, notorious as "tyrant of the Andes"; Porfirio Díaz (1876-1911) of Mexico; Rafael Leónidas Trujillo (1930-1961) bizarre and ruthless "benefactor" of the Dominican Republic; the Somoza family (1933-1979) of Nicaragua; the dreaded François and Jean Claude Duvalier, father and son (1957 to the present) of Haiti; and Alfredo Stroessner (1954 to the present) of Paraguay, to say nothing of José Gaspar Rodríguez de Francia (1814-1841) and Carlos Antonio and Francisco Solano López, father and son (1844-1869), of the same unfortunate republic. Nor should we omit Fidel Castro (1959 to the present) who functions under rather different slogans but whose tenure and methods do not depart substantially from those of the others.<sup>7</sup>

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7 Harold Eugene Davis, *Revolutionaries, Traditionalists, and Dictators in Latin America* (New York: Cooper Square, 1973); Thomas Draper, ed., *Democracy and Dictatorship in Latin America* (New York: Wilson, 1981); Ernest A. Duff and John F. McCamant, *Violence and Repression in Latin America* (New York: Macmillan [The Free Press], 1976); Hugh M. Hammill, Jr., ed., *Dictatorship in Spanish America* (New York: Knopf [Random House], 1964); James M. Malloy, ed., *Authoritarianism and Corporatism in Latin America* (Pittsburgh: University of Pittsburgh Press, 1977); David Scott Palmer, *The Authoritarian Tradition* (New York: Praeger, 1980); Howard J. Wiarda, ed., *The Continuing Struggle for Democracy in Latin America* (Boulder: Westview Press, 1980).

These are but a few of the most notorious of such personalities, and they by no means exhaust the list. Who, for example, has ever heard of Mariano Melgarejo, who ruled Bolivia from 1864 to 1871, was illiterate and often in a drunken stupor? A companion who may have helped to fill in some of the gaps in his administration was Juana Sánchez, his mistress, said to be as cruel as he was, though sober more of the time.<sup>8</sup>

### *Central America*

All the countries of Central America except Costa Rica are as subject to political chaos, unconstitutional dictatorship or both, as any other part of Latin America.

### *Guatemala*

Until 1966, Guatemala was characterized by long periods of heavy-handed dictatorship punctuated from time to time by shorter intervals of chaotic "democracy".<sup>9</sup> Four dictators (Rafael Carrera, 1839-1865; Justo Rufino Barrios, 1871-1885; Manuel Estrada Cabrera, 1898-1920; and Jorge Ubico (1931-1944) ruled Guatemala directly or through puppet presidents for a total of seventy-five years, or over half the entire life of the republic (1838-1984).

According to one source, Manuel Estrada Cabrera managed

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8 It is told that one day when the British Ambassador called on President Melgarejo to present his credentials, the dictator was sitting at his desk, beside which stood his burro. Melgarejo, being quite drunk, told the ambassador to present his credentials to the burro, which the diplomat hesitated to do. So, the story goes, Melgarejo had both the ambassador and the burro led outside to the plaza in front of the presidential palace where the surprised diplomat was compelled to ride around the plaza several times on the burro, facing backwards. That over, he packed his bags and returned to Britain by the first available means and reported the incident to Queen Victoria who asked, "Where is Bolivia?" "Here it is, Your Majesty," replied the ambassador, pointing to a map. The Queen picked up a chalk, crossed out Bolivia and announced, "Bolivia does not exist!" Bolivians get quite indignant about this story and take pains to deny it ever happened. In 1955, H. Vázquez Machicado published a book in La Paz, entitled *La leyenda negra boliviana: La calumnia de la borradura del mapa* ("The Bolivian Black Legend: The Calumny of the Erasure from the Map").

9 See Thomas P. Anderson, *Politics in Central America* (Stanford: Hoover Institution Press, 1982); and Franklin D. Parker, *The Central American Republics* (New York: Oxford University Press, 1964).

a one-man coup in 1898 by striding into a cabinet meeting chaired by President José María Reina Barrios, laying a revolver on the table and announcing, "Gentlemen, I am the president of Guatemala" — and remained in that office during the next twenty-two years. The same source claims that in December, 1921, a caller at the presidential palace asked: "Is President Herrera in?" and was surprised by the reply, "No, he's out. Orellana is president today!"<sup>10</sup> Carlos Herrera had been president during 1920-1921, but José María Orellana took over during 1921-1926.

From 1966 to 1982, constitutional regimes rotated military personalities and even one civilian in and out of the presidency on the basis of increasingly dubious elections. Since then, the country has experienced three different *golpes* resulting in short-term military impositions.

### *El Salvador*

During the period from 1838 (break-up of the Central America federation) to at least 1920, political life in El Salvador was marked by struggles between the so-called liberals and conservatives, which kept the country in a state of almost chronic agitation and produced no fewer than thirty different presidents, some of them at the rate of two or three per year, others for longer periods. Between two short intervals of relative peace (1919-1927 and 1945-1979) Maximiliano Hernández Martínez ruled from 1931 to 1944 as an unusually brutal dictator who also dabbled in superstition and magic. According to William J. Griffith:

His regime was notable for brutality. He crushed the slightest disturbance, often with "exemplary punishment" to discourage imitators. He wiped out the peasant uprising of 1932 (organized by Communists, but essentially a demand by impoverished peasants for land), slaughtering thousands of harmless *campesinos*. In

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10 Roger C. Hackett, "Some Aspects of Latin-American Politics and Government", *Indiana University Alumni Quarterly*, October, 1932 and January and April, 1933, pp. 9 and 10. Hackett provides many other amusing stories of the same genre.

April, 1944, he strangled in blood a protest against the second extension of his period of office.<sup>11</sup>

After 1950, a sort of semi-constitutional stability interrupted by one successful revolt turned military presidents in and out of office every six years until 1979 when everything went to pieces because of elections which were unusually fraudulent, even for El Salvador. Currently, of course, the country is being even more drastically torn apart by civil war which is characterized by extraordinarily vicious violence from both the extreme left and the extreme right.<sup>12</sup>

### *Honduras*

The political history of Honduras differs in detail but not in character. From 1838 to 1933 the country underwent almost uninterrupted turbulence among military and other factions calling themselves Liberals and Nationals (conservatives). According to Professor Walter Lafeber, since its independence the country has "endured 126 changes of government, 16 constitutions, and 385 coups ..."<sup>13</sup> For example, according to Hackett, President Rafael López Gutiérrez (1919-1924) "weathered thirty-three armed uprisings in two and one-half years, an average of more than one a month".<sup>14</sup>

Then there was the sixteen-year dictatorship by General Tiburcio Carías Andino (1933-1949) followed by three civilian presidents (1949-1963) with an intervening revolt and military

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11 Helen Delpar, ed., *Encyclopedia of Latin America* (New York: McGraw-Hill, 1974), p. 275. On the 1932 uprising, see Thomas P. Anderson, *Matanza: El Salvador's Communist Revolt of 1932* (Lincoln: University of Nebraska Press, 1971).

12 Among a plethora of blossoming studies, see Enrique A. Baloyra, *El Salvador in Transition* (Chapel Hill: University of North Carolina Press, 1982); Joan Didion, *Salvador* (New York: Simon & Schuster, 1983).

13 "The Reagan Administration and Revolutions in Central America," *Political Science Quarterly*, XCIX, 1 (Spring, 1984), 22. This should be taken with a grain of salt because much of the article is biased in the extreme and occasionally inaccurate. I can count only forty-one presidents in the country's history, so "126 changes" seem hardly possible. I think the number of constitutions is closer to eleven or twelve. — JLB.

14 Hackett, "Some Aspects," p. 4.

junta in 1956. This period was followed by the dictatorship of General Osvaldo López Arellano who seized power in 1963. He was overthrown in 1975 "for the honour of the nation" when it was revealed in the United States Senate that he had accepted a bribe of \$1,250,000 from the United Brands Company (formerly United Fruit) to keep down the export tax on bananas. Had not this indiscretion become so well known abroad he might still be dictator-president.

After another military regime, Honduras has been under constitutional civilian presidency since 1982. But this was increasingly subject to military control by the commander-in-chief, Colonel Gustavo Alvarez Martínez, until he was ousted from his position under orders from President Roberto Suazo Córdoba, sent into exile on April 1, 1984, and replaced by none other than Brigadier General Wálter López Reyes, a nephew of Osvaldo López Arellano.<sup>15</sup>

### *Nicaragua*

Though the Somoza family enjoyed by far the longest reign in Nicaragua (1936-1979) they were by no means the first to introduce dictatorship or political irregularities into the country. Struggles between "Conservatives" based in the city of Granada and "Liberals" with their headquarters farther north in León kept the country in disorder through the nineteenth century and well into the twentieth. Tomás Martínez served as Conservative strongman from 1857 to 1867 and José Santos Zelaya as Liberal dictator from 1893 to 1909. Several presidents served for only one or two years each before being shoved out by others.

Among other odd events, Nicaragua or at least a part of it was ruled for a few months (1856-1857) by "President" William Walker, a freelance filibusterer from the United States who had been invited in by the Liberals. His inauguration, conducted in English amidst the standing formations of ruffraff and brigands he had picked up on his journey, is said to be

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15 Parker, *Central American Republics*, pp. 111-218; Delpar, *Encyclopedia*, pp. 284-285; James L. Busey, *Latin American Political Guide* (17th ed.; Manitou Springs, Colorado: Juniper Editions, 1980), pp. 13-14; Supplement to same, 1983, p. 8; AP and other news dispatches, April 2, 1984.



one of the more outlandish performances to occur in a region not unknown for bizarre occurrences.<sup>16</sup>

The country was occupied from 1912 to 1933 (with a brief interruption, 1925-1926) by the U.S. Marines. They helped to train Anastasio Somoza in the military arts and, soon after their departure, he rose to the post of commander of the Nicaraguan National Guard — that is, the armed forces of the country. Unable to perform his functions as civilian president independently, Juan Bautista Sacasa resigned from his post in 1936, one year prior to the legal end of his term — and the way was open to the new epoch of the Somoza dynasty. This long period of forty-three years (1936-1979) included exercise of power by Anastasio Somoza García until his assassination in 1956; and by sons Luis Anastasio Somoza Debayle and Anastasio Somoza Debayle (1956-1979), intermixed with five short-term presidents and a junta, who served as puppets during parts of the period.<sup>17</sup> In 1979, as is well known, the Sandinista Front for National Liberation finally brought the dynasty to an inglorious end.<sup>18</sup>

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16 See Alejandro Bolaños Geyer, ed., *Con Walker en Nicaragua* (Masaya, Nicaragua: by the author, 1977); Lawrence Greene, *The Filibusterer: The Career of William Walker* (Indianapolis: Bobbs-Merrill, 1937); Enrique Guier, *William Walker* (San José, Costa Rica: Tipografía Lehman, 1971); Robert E. May, *The Dream of a Southern Empire, 1854-1861* (Louisiana State University Press, 1973); William O. Scroggs, *Filibusterers and Financiers: The Story of William Walker and His Associates* (New York: Macmillan, 1916); William Walker, *The War in Nicaragua* (Tucson: University of Arizona Press, 1985; orig., 1860).

17 Parker, *Central American Republics*, pp. 224-228; Richard Millett, *Guardians of the Dynasty* (Maryknoll, N.K.: Orbis Books, 1977), pp. 169-185 *et passim*; Eduardo Crawley, *Dictators Never Die: A Portrait of Nicaragua and the Somoza Dynasty* (New York: St Martin's Press, 1979), Chapters 11-22, pp. 87-167; James L. Busey, "Mission to Somozaland," *The Nation*, CXC (February 27, 1960), 187-189.

18 See John A. Booth, *The End and the Beginning: The Nicaraguan Revolution* (Boulder: Westview Press, 1981); Thomas W. Walker, *Nicaragua: The Land of Sandino* (Boulder: Westview Press, 1981); same author, *Nicaragua in Revolution* (New York: Praeger, 1982); Henry Weber, *Nicaragua: The Sandinist Revolution* (trans. from the French; New York: Schocken Books, 1981).

### *Costa Rica*

Costa Rica, as we have already observed, provides an almost but not quite complete exception to this dismal political record. Of forty-eight different presidential administrations since the break-up of the Central American federation in 1838, five have been led by military figures for a total of 18 years out of 146. The last such military president was General Juan Bautista Quirós who served very briefly as an interim choice in 1919 after the illegal Federico Tinoco regime of 1917-1919. Remaining Costa Rican presidents have been civilians, most often educators, doctors and lawyers.

Prior to 1889, Costa Rican political processes were not a model of constitutional order and there were several irregular disturbances and transfers of presidential power. Elections were indirect and open, often farcical, and several of the civilian presidents governed under military pressure. However, the only really typical Latin American dictator who ruled for any appreciable length of time was General Tomás Guardia who governed either personally or through puppets from 1870 to 1881. Another general, Próspero Fernández (1882-1885), surrounded himself with distinguished collaborators and contributed notably to the development of Costa Rican education. If one subtracts the fourteen years dominated by Generals Guardia and Fernández, four are all that remain under the other three direct military presidencies.

The final evolution of Costa Rican democracy began with a popular, pro-democratic revolt in 1889. After some attempted irregularities during two civilian terms, 1894-1902, constitutional democracy was well in place. Direct presidential elections were initiated in 1913 and the secret ballot developed during 1926-1953. Except for the period 1917-1919 when the civilian minister of war, Federico Tinoco, ruled without constitutional mandate, and the revolt of 1948 against attempted imposition of a defeated candidate, all presidential terms since 1902 have proceeded regularly and for allotted periods of four years each.<sup>19</sup>

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19 James L. Busey, *Notes on Costa Rican Democracy* (Boulder: University of Colorado Press, 1962, 1963, 1967); same author, "The Presidents of Costa Rica," *The Americas*, XVIII (July, 1961), pp. 55-70; José Francisco Trejos,

## **Explanatory Factors**

It is now appropriate to speculate as to the factors that may help to explain both the distressing economic conditions of Latin America and the endemic political disorder and penchant for illegal dictatorship, usually under military auspices. It would be fortunate if we could isolate some common element which is at least partially responsible for both.

As we shall see, this is not an impossible chore; and in the process we may even be able to offer some tentative explanations for the Costa Rican exception to the Central American norm. Indeed, the exceptional case of Costa Rica provides us with comparative data which facilitate our task.

As may be surmised, this is by no means the first attempt at explaining the Latin American phenomena that we have reviewed. Innumerable other authors since at least the period of independence early in the last century have offered valuable insights which have thrown much light on Latin American economic and political problems, and any attempt to list them all here would go far beyond the scope of this paper. Here, we will summarize a few leading theoretical formulations and then move on to certain refinements of these ideas.

### ***Colonial Tradition***

Of course, a colonial tradition of exploitation and authoritarianism has had influence on contemporary conditions. The Spanish and Portuguese colonial systems of the sixteenth to nineteenth centuries were not known for any special emphasis on popular participation in government or economic egalitarianism. However, most of Latin America has been free from colonial control for over a century and a half; and the same colonial system that produced Paraguay, Peru, Guatemala and Nicaragua also produced Costa Rica and Colombia — and

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*Origen y desarrollo de la democracia en Costa Rica* (San José: Editorial Trejos Hnos., 1939); Carlos Monge Alfaro, *Historia de Costa Rica* (16th ed.; San José, 1980); Charles D. Ameringer, *Democracy in Costa Rica* (New York: Praeger, 1982); Rubén Hernández, *Las libertades públicas en Costa Rica* (San José: Juricentro, 1980); Romero Pérez, *La social democracia en Costa Rica* (San José: Juricentro, 1980); Romero Pérez, *La social democracia en Costa Rica* (San José: Editorial Trejos Hnos., 1977); José Luis Vega, *Poder político y democracia en Costa Rica* (San José: Editorial Porvenir, 1982).

even Chile and Uruguay in happier times than the present, as well as contemporary Venezuela. Also, other parts of the world have known economic and political miseries (e.g., Austria, Botswana, Finland, Ireland, Japan, Singapore, South Korea, Spain, Taiwan) and have been able to evolve into more felicitous forms in less than 150 years.

### ***Foreign Intrusion***

It is a popular theme, especially among Marxists, to blame the United States and, occasionally, other foreign countries for the ills of Latin America. By turning the whole hemisphere into a sort of factory scene where the owner-employer sucks in surplus value from the exploited working classes, and borrowing from Leninist theories on imperialism as the advanced stage of capitalism, Marxists postulate that the "imperialist" nations (today, usually meaning the United States only) grind down the workers and peasants of Latin America — indeed, whole countries — by taking in far more than is ever paid out in wages or investment. This is presumably managed by offering the lowest possible prices for imports, paying the minimum permissible wages where there is direct foreign investment and then charging the highest possible prices for exports and services. Thus, it is argued, Latin America is kept in awful misery; and, conversely, the relative prosperity of the United States (or of other "imperialist" countries) is explained in terms of the poverty of the exploited countries of Latin America and elsewhere in the Third World.

In the sense that U.S. or other foreign companies in Latin America tend to go along with local practice and pay lower wages than they would in their home countries, there is no doubt. Thus, the practices of foreign companies in Latin America reflect the milieu wherein they find themselves. However, it cannot be demonstrated that conditions under U.S. or other foreign employment abroad are worse than those prevailing in locally owned industries or agricultural labour, and considerable argument on this may be made to the opposite effect.<sup>20</sup>

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20 For more detail on this, one may consult Thomas L. Karnes, *Tropical Enterprise: The Standard Fruit and Steamship Company in Latin America*. (Baton Rouge: Louisiana State University Press, 1979).

What is certainly clear is that miserable economic conditions prevailed in Latin America before the United States existed. Large-scale U.S. investment did not begin in Latin America until nearly the end of the nineteenth century, well after the Civil War, and Latin America had suffered from wretched conditions, civil war, revolution and tyranny well before that.

Furthermore, nations which have heretofore undergone comparatively little U.S. or other foreign investment (e.g. El Salvador, Paraguay, Haiti, and, until recently, Ecuador) suffer from every bit as much economic deprivation as do others where such foreign investment is or has been more prominent (e.g. Costa Rica, Honduras, Peru, Bolivia).<sup>21</sup>

Indeed, U.S. economic investment in Canada in 1982 (\$44,509 million) was greater than that in all Latin America put together (\$33,039 million) and this pattern has prevailed for many years. With respect to trade, in 1982 U.S. exports to Canada (\$398,564 million) were greater than those to all the twenty republics of Latin America (\$30,086 million), and the same pattern applies to imports from Canada and from Latin America, respectively \$46,477 million and \$32,513 million. Thus, if U.S. investment and trade practices are responsible for the ills of Latin America, then Canada (with less than one-tenth of the population of Latin America) should surely be the most wretched and poverty-stricken as well as politically chaotic country on earth. However, her per capita income for 1982 is reported as \$10,193 and that for the United States \$11,107 — a difference which confirmed Marxists will no doubt argue is the result of U.S. exploitation of the Canadian people.<sup>22</sup>

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21 Because El Salvador is in Central America, uninformed commentators often assume that there has been a large U.S. rôle in that country in past years. This is not true. Almost all investment in the principal agricultural industries, primarily coffee, has been local. Until the current civil war, no U.S. Marines or other military personnel had ever occupied the country. In the last century, a Salvadoran movement for annexation by the United States resulted in a formal application but this was turned down by President Ulysses S. Grant.

22 Figures derived from Hana Umlauf Lane, ed., *The World Almanac and Book of Facts* (New York: Newspaper Enterprise Association, Inc., 1984), pp. 105, 140, 116 and 484.

The argument about U.S. exploitation of Latin America as a cause of her economic deprivation may be politically expedient for some circles, but comparative analysis fails to support it.

In terms of a deleterious U.S. impact on political events, the evidence is mixed. One may argue about possible U.S. influence in the Brazilian revolt of 1964 or the Chilean of 1973,<sup>23</sup> but it should be noted that effective U.S. military or diplomatic interpositions have generally been confined to northern Latin America.

There, the marines presided over an uneasy peace in Nicaragua from 1912 to 1933, broken only by attempts of followers of Augusto César Sandino to throw them out; but then, the rise of Anastasio Somoza to power in 1933 and to the presidency in 1936 followed on the heels of the departure of the U.S. Marines. There is less obvious connection between the emergence of Rafael Leónidas Trujillo as tyrant-dictator in the Dominican Republic in 1930 and the departure of U.S. Marines from that republic in 1924; but both Somoza and Trujillo received training from the marines, and a lot of unseemly coexistence prevailed between the two dictators and U.S. diplomatic personnel following their rise to power.<sup>24</sup>

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23 A principal work which pins blame on the United States for the Brazilian revolt of 1964 is Robert Wesson, *The United States and Brazil: Limits of Influence* (New York: Praeger, 1981). On the Chilean revolt, there are many. One might consult Robert J. Alexander, *The Tragedy of Chile* (Westport, Conn.: Greenwood Press, 1978); John C. Leggett et al, *Allende: His Exit and Our Times* (New Brunswick, N.J.: New Brunswick Cooperative Press, 1978); Ian Roxborough et al, *Chile: The State and Revolution* (New York: Holmes & Meier, 1977).

24 Busey, "Mission . . ."; Bruce J. Calder, *The Impact of Intervention: The Dominican Republic During the U.S. Occupation, 1916-1924* (Austin: University of Texas Press, 1983); Robert D. Crassweller, *Trujillo: The Life and Times of a Caribbean Dictator* (New York: Macmillan, 1966); Crawley, *Dictators Never Die*; Bernard Dietrich, *Somoza and the Legacy of U.S. Involvement in Central America* (New York: Dutton, 1981); Ramón A. Ferreras, *Cuando la era era era ("When the Era was an Era")* (Santo Domingo: by the author, c. 1981); Jesús de Galíndez, *The Era of Trujillo* (Tucson: University of Arizona Press, 1973); Albert C. Hicks, *Blood in the Streets: The Life and Rule of Trujillo* (New York: Creative Age Press, 1946); Walter Lafeber, *Inevitable Revolutions: The United States in Central America* (New York: Norton,

In the case of the Dominican Republic, the return of the marines in 1965 was followed by the longest period of constitutional stability in the history of the republic. Thus, the U.S. may have redeemed itself in some small measure for whatever hand it had in the persistence of the gruesome Trujillo dictatorship.

More to the same effect could be said about the dictator Fulgencio Batista of Cuba, in and out of power at various times from 1950 to 1959; and, in a sort of perverse way, the United States probably contributed to the rise to power of Fidel Castro (1959 to the present) as well as of the *sandinistas* of Nicaragua (1979 to the present). There is no evidence that U.S. occupation of Haiti from 1915 to 1934 had either positive or negative effects on a republic which quickly resumed its more normal practices of chaos alternating with brutal tyranny.

Of course, this omits other direct and indirect U.S. impositions, as in Panama, Mexico, Guatemala and elsewhere. Also, there have been intrusions by other foreigners in both northern Latin America and South America. For example, there was very direct and quite demanding British and French intervention into Argentine affairs during the earliest years of her struggle for independence and union, from 1808 to at least 1838. The French did not help Mexican tranquility when they invaded the country during 1838-1839 and, in 1864, imposed the so-called Emperor Maximilian on a fabricated Mexican throne. Despite all this, it seems likely that the overall turbulence and authoritarianism of Latin America would proceed along quite nicely, with or without help from the United States or other foreign powers. In most countries of Latin America, the absence of any U.S. or other foreign intervention for long periods of time has done nothing to calm or regularize their political habits.

#### ***Turbulence, Ignorance and Deprivation***

There can be no doubt that turbulence itself, as well as long periods of grasping tyranny, have been disadvantageous to the

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1983); Neill Macauley, *The Sandino Affair* (New York: Quadrangle, 1971); Millett, *Guardians of the Dynasty*; Germán E. Ornes, *Trujillo, Little Caesar of the Caribbean* (New York: Thomas Nelson & Sons, 1958).

solution of economic problems, as well as conducive to more of both turbulence and tyranny. Also, the immense contrasts between the poor multitudes and the few who are enormously wealthy cannot but contribute to the turbulence.

Generally low levels of education are certain to have negative effects on either economic development or political stability and constitutional government. Outside of Costa Rica, illiteracy afflicts at least 50 per cent of the Central American population. In Costa Rica, schools are everywhere and 90 per cent of her people are reported as literate.<sup>25</sup> Aside from Argentina, Cuba, Chile and Uruguay in the rest of Latin America, no other republic can claim so high a level of education. The more usual rate of literacy in Latin America ranges around 60 per cent of the population, but of course all such official figures, Costa Rican or otherwise, are open to question. Low levels of education have their impact on economic levels; and in reverse, may themselves result from economic maladjustment and political disorder.

### ***Other Factors***

Other factors too numerous to delineate here probably play their rôles in specific instances—cultural barriers between European and Indian, climate in some cases, geographical barriers in others, past battles and deep hatreds inspired by previous events, perhaps an influence of religious philosophy or Spanish-Portuguese traditions in some instances and so on. However, for each of these possible factors one may find one or more Latin American republics whose conditions are not improved by their absence—or, conversely, are making remarkable economic and political progress despite the presence of one or more of these elements.

Therefore, the time has now come to analyze the possible impact of one factor, prevalent almost throughout Latin America, upon both economic deprivation and political unrest combined with persistent authoritarian rule. That is the factor

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<sup>25</sup> *World Almanac*, p.489; Mavis, Richard and Karen Biesanz, *Los costarricenses* (San José: Editorial Universidad a Distancia, 1979), Chapter 8, pp. 389-453.



of land monopoly, a phenomenon so important that it deserves a leading category in this paper.

### **Land Tenure**

In a masterly essay, Fred Harrison points to the rôle of land monopoly, especially in Third World countries largely dependent on agriculture, in keeping down wages among both agrarian and industrial workers.<sup>26</sup> Land monopoly creates a special class of extremely wealthy, powerful, non-productive individuals who come to play dominant rôles in any socio-political system.

#### ***General Introduction***

Traditionally, and to a large extent to the present day, these theoretical formulations describe almost exactly the condition of most of Latin America. In Argentina, some 6 per cent of the total number of properties contain over 1,000 hectares (2,471 acres) each and cover about 75 per cent of the total cultivable land of the country. What is perhaps even worse, this extremely rich black soil is largely given over to extensive cattle grazing rather than to the raising of needed food crops, because the land monopolists find it easier and less expensive to utilize their vast holdings in this manner, and have by now developed an important world market for their beef exports.

For the most part, the same general pattern prevails throughout the region. In Brazil, less than 1 per cent of farm properties have over 1,000 hectares each, but occupy 40 per cent of the cultivable land. In Chile, the figures are given as 1.3 per cent of properties having over 1,000 hectares and occupying 72.7 per

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26 Fred Harrison, *Land Reform or Red Revolution* (London: Economic and Social Science Research Association, 1980), pp. 5 et passim. It should be noted here that in this paper there will be much stress on agrarian land tenure. This occurs, not because I am unaware that any sort of land monopoly, urban, agrarian or otherwise, can have deleterious effects on a society — but because the principal economic activity of Latin America is usually agricultural, so that whatever affects agriculture has important results throughout Latin American societies. Also, agrarian land tenure in Latin America is the only type that has been studied extensively and about which much is known.

cent of the land; in Peru, 0.3 per cent of such properties covering 60 per cent of the land; in Uruguay, 5.2 per cent on 58 per cent of the land; and in Venezuela, 1.3 per cent on 72 per cent.<sup>27</sup>

There were sweeping transformations of this pattern in Mexico beginning in the 1930s and in Bolivia after 1952, as well as the programme of land collectivization in Cuba after 1959 and that of distribution of land previously held by the Somozas in Nicaragua. There are some other less significant modifications of the old colonial-tenure system in Venezuela, Colombia and Peru. One may question whether land monopoly by the political state in Cuba is an improvement over the previous system. In any event, to a large extent the same semi-feudal features still prevail in most of Latin America as did a generation ago when a United Nations estimate in 1951 reported that only 1.5 per cent of the total number of farm properties, averaging *more than 15,000 acres each* contained half of the total agricultural land in Latin America.<sup>28</sup> The exact statistics have changed somewhat, more in some countries than in others, but the fundamental generalization is still valid: a tiny minority not only pockets the economic rent produced by whole nations, but also controls most of the socio-political centres of power and makes impossible the development of

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27 Derived from James W. Wilkie and Stephen Haber, eds., *Statistical Abstract of Latin America, 1984* (Vol. 22; Latin American Center Publications, University of California at Los Angeles, 1983), Table 502, p. 56. It is clear there are some limitations to this type of analysis, and it is also important to know how many properties of what size occupy the *remaining* portion of the land of a given country — assuming there is enough remaining portion to be significant. However, if doubts remain on this score, one should consult Solon Barraclough, *Agrarian Structure in Latin America* (Lexington, Mass.: D. C. Heath & Co., 1973), which utilizes seven case studies (Argentina, Brazil, Chile, Colombia, Ecuador, Guatemala, Peru) and confirms that this pattern of concentration of land ownership prevails almost throughout. Of course there are special cases such as Cuba or Mexico — or Haiti, which is plagued, not by land monopoly, but by microscopic properties called *minifundia*, as well as forest removal and devastating land erosion, to say nothing of 90 per cent illiteracy and unremitting tyranny.

28 Cited in Alexander T. Edelman, *Latin American Government and Politics* (Homewood, Ill.: The Dorsey Press, 1965), pp. 215-218 et passim. In its time, the Edelman book was one of the best available on the subject.

stable constitutional democracy. This latter contention will be developed more fully in later pages.

In some instances, so-called "land reform" may not have fundamentally changed anything, except to transfer power from landholders into other tight circles. In Cuba, as implied above, previous monopolization by a few Cuban and foreign owners has been changed into monopolization by the political state or class, wherein the National Institute of Agrarian Reform (INRA) manages huge *haciendas* now called "people's farms". In Mexico, roughly half the agricultural economy is now under the auspices of cooperative *ejidos*, and the other half in private hands; but both types are very much dominated by political pressures if they are to receive credit from nationalized banks, especially the *banco ejidal*, to say nothing of marketing services such as roads and the nationalized railways, all of which are not only subject to central political control but also to immense corruption.

### ***Central America***

Patterns of land distribution in most of Central America are similar to those we have described for the rest of Latin America. For purposes of closer analysis of this region, we will turn our attention, not only to (1) percentages of surface occupied by the great estates but also to (2) proportions given over to tiny properties of five hectares (12.35 acres) or less which are normally inadequate for family sustenance and, more significantly, (3) proportions of farms of five to five hundred hectares, which are of moderate-to-large but not enormous size; and are usually sufficient to provide both for sustenance and for commercial crops and thus some promise of adequate human life.

Because of certain unusual features to be discussed later, analysis of Costa Rican land distribution will be postponed until we can review patterns of land tenure in the other four republics of Central America. First, they will be seen in conjunction and then briefly described separately.

The dictum of Henry Clay, that "Statistics are no substitute for judgment", and of Navy Commander Holloway H. Frost (1889-1935) that "There are three kinds of lies — lies, damnable lies and statistics", should serve as warnings as we

approach statistical reports from Central America. Though compiled by the most reputable and competent institutions and individuals, they are drawn from reports of official government sources or from UN data which are themselves largely dependent on the same governments for their information. Especially outside of Costa Rica, government agrarian enumerations can be easily influenced by political considerations favourable to dictatorial regimes, and in any event may be less than totally accurate. If anything, their tendency might be to present their countries' situations in the best, rather than the worst, light.

Also, even the most dependable reference (*Statistical Abstract of Latin America*, n. 4 and 27) must depend on sources that are two decades or more out of date — e.g., El Salvador, 1971; Guatemala, 1964; Honduras, 1966; Nicaragua, 1963. There may be some merit to this in that at least they purport to show conditions of land tenure prior to current disturbances. Finally, such statistics tell us nothing about conditions of individual properties in terms of fertility, location, use, topographical conditions, altitude, prevailing weather or types of crops.

Even so, we present below a summary of the reports from each country, with a very few corrections where sources had obviously made their own mathematical errors.

TABLE 1  
AGRICULTURAL LAND TENURE IN GUATEMALA, EL SALVADOR  
HONDURAS, NICARAGUA

	0-5 hectares		5-500 hec.		Over 500 hec.		Totals
	Number	%	No.	%	No.	%	No. (100%)
<i>Guatemala</i>							
farms	364,879	87.4	51,515	12.3	950	0.20	417,344
1000s of hectares	642	18.7	1,566	45.3	1,242	36.00	3,550

	0-5 hectares		5-500 hec.		Over 500 hec.		Totals
	Number	%	No.	%	No.	%	No. (100%)
<i>El Salvador</i>							
farms	236,751	86.9	35,475	13.0	206	0.10	272,432
1000s hec.	288	19.6	1,138	65.1	289	15.30	1,715
<i>Honduras</i>							
farms	120,441	67.5	57,253	32.1	764	0.40	178,361
1000s hec.	300	12.4	1,453	60.0	1,163	27.60	2,916
<i>Nicaragua</i>							
farms	51,936	50.8	47,770	47.70	1,495	1.50	102,201
1000s hec.	133	3.5	2,116	55.3	1,574	41.20	3,823

*Source: Statistical Abstract, Table 502, pp. 56-57, with corrections of percentages where necessary. I freely admit that readers may still find errors.*

The above table tells us nothing about the numbers of plots owned by individual owners. For example, the figures for Nicaragua (1963) were gathered during the Somoza dictatorship when the Somoza family was reputed to have bought up over a quarter of the cultivable land of the country and was not highly renowned for statistical reliability. The figures for El Salvador were obtained in 1971, during the administration of Colonel Fidel Sánchez Hernández, when the Salvadoran military establishment was undertaking some mild social reform or at least trying to gain a reputation for doing so. Also, El Salvador has been long regarded as a country where a few individuals are likely to own large numbers of *fincas* and *haciendas* around the country.<sup>29</sup>

<sup>29</sup> See R. Bruce McColm, *El Salvador: Peaceful Revolution or Armed Struggle* (New York: Freedom House, 1982); Thomas P. Anderson, *The War of the Dispossessed* (Lincoln: University of Nebraska Press, 1982); William H. Durham, *Scarcity and Survival in Central America: Ecological Origins of the Soccer War* (Stanford University Press, 1979). Specific pages on this topic will be cited below.

Assuming there is any validity to the above statistics, an important step at this stage is to add the hectare areas of all four countries and take averages of percentages, as follows:

TABLE 2  
COMPOSITE OF AGRICULTURAL LAND TENURE IN GUATEMALA,  
EL SALVADOR, HONDURAS, NICARAGUA

	0-5 hectares		5-500 hec.		Over 500 hec.		Totals
	Number	%	No.	%	No.	%	No. (100%)
farms	774,007	79.7	193,013	19.95	3,415	0.35	970,338
1000s hec.	1,363	11.41	6,318	52.86	4,268	35.73	11,943

Source: *Ibid.*

At least this gives a summary of the overall situation thought to prevail in the four republics of Central America above Costa Rica, at the same time that reports for individual countries permit an analysis of each. It will be seen that, in the larger areas we have summarized, about 0.35 per cent of the total number of farms are thought to occupy 35.73 per cent of the cultivable area. Of course, a very few immense *haciendas* can be expected to occupy a huge portion of a national domain, so it is even more significant to determine how the rest of the land in the region is distributed.

It will be noted that, at the other end of the scale, 774,007 microscopic minifundia below five hectares in size constitute 79.7 per cent of total number of farms, though only 11.42 per cent of cultivable land (1,363,000 hectares out of a total of 11,943,000). So, of the total number of farms in the four countries, how many and what percentage are what might be called viable but not immense economic units, that is, *fincas* with at least five hectares but not over 500 hectares each? For the region in question, not over 20 per cent (193,013) of total

farms can be said to be in this category. The remainder are either enormous haciendas employing thousands of *campesinos* (peasants) or tiny plots insufficient for a family to keep body and soul together. Their owners must, in most instances, find other employment or live in hopeless penury. Let us now examine other reports on individual countries.

#### *Guatemala*

In Guatemala (as also in Honduras), the American fruit companies have disposed of most of their land, which is now held by individual cultivators, but buy the crops of local producers and ship the fruit to market as well as offer advice which can amount to supervision in the growing of such crops.<sup>30</sup> Large coffee plantations dominate the scene on the Pacific side of Guatemala and account for one third of her exports. Especially in the highlands of Guatemala, the Indian majority of the population ekes out a miserable existence farming on little *minifundia* below five hectares in size, usually owned by *ladinos* (whites or light mestizos, from "Latins") who collect the rent and charge for tools and seed. As shown in Table 1, only about 12 per cent of all farms are neither in this category nor in that of the huge *haciendas*.

#### *El Salvador*

In 1980, the transition government of José Napoleón Duarte promulgated a *ley básica* (basic law) which was designed to get one third of El Salvador's 1,715,000 hectares of cultivable land into the hands of 210,000 landless peasant families.<sup>31</sup> However, the civil war and socio-political turbulence have thrown the whole reform programme into chaos. Utilizing terror, violence and murder, former landlords have tried to reoccupy "their" estates, and the frightening conditions of the countryside drive peasants off their new lands and either into the arms of the Marxist guerrillas or into the cities.

Until recently in that unhappy republic, and to a lesser extent to this day, there was much truth to the popular

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30 Delpar, *Encyclopedia*, p. 61; and see Thomas L. Karnes, *Tropical Enterprise*.

31 McColm, *El Salvador*, pp. 16-17.

conception that "fourteen families" — of course, each one encompassing many people — owned most of the land and therefore ruled the republic through their military surrogates. - The rest of the population of four and a half million could either come to terms with one of those families or survive by begging, brigandage or emigration.

In a valuable study, Professor William H. Durham argues that the so-called Soccer War of 1969 between El Salvador and Honduras was not necessarily caused by a scarcity of land which impelled Salvadorans to flock into Honduras, but by the distorted distribution of land in El Salvador.<sup>32</sup> More specifically, his point is that with the introduction of coffee and cotton as commercial crops in the late nineteenth century, land became more monopolized than previously, Indian communal land being absorbed into the big new estates, and that this transformation converted agriculture from basic food needs to export crops. In the middle of this century, the effect has been to drive landless and hunger-stricken Salvadorans into other countries, especially adjacent Honduras; but for precisely the same reasons, Honduras was no better able than El Salvador to take care of those thousands of desperate migrants.<sup>33</sup> Durham's study provides a wealth of detail on the subject and leaves no doubt about the hopelessly inequitable patterns of land distribution in both El Salvador and Honduras.

Professor Thomas P. Anderson, a most distinguished specialist on Central America, deals in his book *The War of the Dispossessed* as much with the political events of the war as with the economic causes for it, but comes to the same conclusions for the same reasons.<sup>34</sup> Professor Anderson's sources on land tenure claim that, in the 1960s, 2 per cent of the population owned 60 per cent of the land, which may not be in conflict with our Table 1 if we assume several instances where one owner controls numbers of different pieces of property. He claims that 145 estates held a fifth of the nation's land, which is

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32 Durham, *Scarcity and Survival*, pp. 38-51 *et passim*.

33 *Ibid.*, pp. 112-116.

34 Anderson, *The War*, pp. 32-35.



different from our showing that, in 1971, 206 estates held over 15 per cent of the land;<sup>35</sup> but, either way, the fact of land monopoly and the predominance of large *haciendas* and tiny *minifundia* are obvious.

#### *Honduras*

Honduras has acquired something of a reputation for less than usual land monopoly in her almost inaccessible hill country where very poor farmers are said to depend for their livelihood. However, our table shows that less than one third of all farms contain between five and 500 hectares to provide some sort of decent living for their owners. This is admittedly a better situation than those in Guatemala or El Salvador, but one which is far from providing satisfactory sustenance for more than a small portion of her agricultural population.<sup>36</sup>

#### *Nicaragua*

In Nicaragua before the Somozas, a few great land-owning families centred around the city of Granada, called themselves Conservatives and dominated a huge portion of the land of that part of the country. To the northwest, another small cadre of landlord families lived in and near the city of León and were known as Liberals. Because of the unending feuding and violence that prevailed between these so-called Liberals and Conservatives, the capital was moved in 1858 from León to Managua, more or less between the two cities.

From 1936 to 1979, the Somoza family not only ran the government but also came to own at least a fourth of the arable land, to dominate a very large portion of the commercial, banking and industrial institutions of the country, to monopolise the only national airline and steamship companies and even to buy up large parts of devastated downtown Managua at bargain prices after the earthquake of 1972, as well as buy emergency supplies donated by other countries and then re-sell

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35 *Ibid.*, p. 33.

36 *Ibid.*, pp. 53-54; Durham, *Scarcity and Survival*, Chapter 4, pp. 102-126 and especially pp. 110-123.

both the land and the supplies for a profit of about \$50 million.<sup>37</sup>

The Somozas, who deemed themselves to be of the Liberal Party, were able to work out an uneasy accommodation with the Conservatives of Granada and had to permit the Conservative family of Pedro Joaquín Chamorro to publish an opposition daily, *La Prensa*, though with many harassments and frequent shut-downs as well as arrests and other torments visited on Chamorro himself. Indeed, it was the murder of this courageous editor-publisher on January 10, 1978, that brought essentially all elements of Nicaragua to their feet in support of the *sandinista* revolution, then in progress against the Somoza regime, and assured victory for the revolution.<sup>38</sup>

Between the two of them, the Liberal and Conservative families of Nicaragua managed to illustrate quite nicely the important rôle of land monopoly in setting the configurations of a Latin American republic. Before the *sandinistas*, politics centred around struggles between the éoteries of families who controlled the land.

Table 1, above, shows land tenure as reported by the *Statistical Abstract of Latin America, 1984*, but based on Nicaraguan figures of 1963, during the Somoza reign. Readers should bear in mind the very real possibility that the figures may be far from accurate, as well as that the Somozas as well as other families made it a practice to obtain control over numerous properties.

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37 Alan Riding, "Building a New Nicaragua from the Rubble," *Denver Post*, February 3, 1980, p. 26; *La Prensa* (Managua, Nicaragua), September 29, 1979, p. 12; August 24, pp. 1, 10; August 31, pp. 1, 10; October 3, pp. 1, 9; October 5, pp. 1, 10; October 10, pp. 1, 10.

38 James L. Busey, "Nicaragua and *La Prensa* After Somoza", paper presented to conference of Caribbean Studies Association, Curaçao, Netherlands West Indies, May 8, 1980. Interestingly enough, *La Prensa* is now published by Chamorro's son, of the same name, and subsequent to the revolution has been harassed as much as previously. To date, it has been shut down ten times since the revolutionary victory of July 20, 1979. AP dispatch, *Diario las Américas* (Miami, Florida), April 7, 1984.

Thus, the countries of Central America that we have examined provide illustration of the significant rôle played both by land monopoly and by distorted distribution patterns in what might otherwise be satisfactory economic as well as political conditions.

If more evidence is needed, it is provided by Costa Rica.

### *Costa Rica*

For various historical reasons, but largely because the Indians of the area were too ferocious to be enslaved and valuable mineral resources for export were non-existent, early settlers on the *meseta central* of Costa Rica had to do their own work, so the land became better distributed than elsewhere in Central America.<sup>39</sup> As in the rest of Central America, agriculture is still the most important economic activity and directly involves about one third of the population of 2.3 million; also, as elsewhere in the region, a farm of five hectares (12.35 acres) is usually the minimum needed for the basic support of a family. Here we find a pattern that has similarities to those we have already reviewed, but closer examination reveals differences important enough to suggest some explanation of Costa Rica's rather unusual economic and political characteristics.

At first glance, this seems similar to other tenure arrangements we have reviewed elsewhere in Central America in that 795 *haciendas* (mostly cattle ranches on the Guanacaste Peninsula and some fruit plantations on both coasts) constitute about one per cent of the total number of farms and occupy 36 per cent of Costa Rican agricultural territory.

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39 In the mid-eighteenth century, Governor Carrani y Menán reported that every inhabitant had to raise his own food—including even the governor himself. Another governor, Diego de la Haya Fernández, reported to the Crown on March 15, 1719, that "... each resident must sow and cultivate whatever his household needs to use and consume for the year. Even the governor must perform this labor, for if he didn't he would perish." Carlos Monge Alfaro, *Historia de Costa Rica* (9th ed.; San José: Trejos Hnos., 1959), p. 129; Francisco Montero Barrantes, *Elementos de historia de Costa Rica* (San José: Tipografía Nacional, 1892), p. 106. Cited in Busey, *Notes*, p. 54.

TABLE 3  
AGRICULTURAL LAND TENURE IN COSTA RICA

	0-5 hectares		5-500 hec.		Over 500 hec.		Totals
	No.	%	No.	%	No.	%	No. (100%)
farms	35,243	46	40,960	53	795	1.0	76,998
1000s hec.	59	1.8	1,940	62.2	1,123	36.0	3,122

*Source:* Biesanz, *Los costarricenses*, p. 141. Here, we must use the magnificent Biesanz sociological study because it is based on the Costa Rican agricultural census of 1973 (vs. 1963 for the *Abstract*); and also because, in the case of the *Abstract*, tables on Costa Rica do not make a separation between farms of 200 to 500 hectares and those from 500 to 1000, so are not comparable with our *Abstract* reports on other countries. The findings of the two works do not differ significantly from each other in other respects and originated in the same sources but at different times and with different classifications. One may assume that in a stable constitutional democracy such as Costa Rica there may be greater accuracy in such official reports than elsewhere in Central America. A classic work by John and Mavis Biesanz, which can never be entirely out of date, is *Costa Rican Life* (Columbia University Press, 1941).

However, in contrast to much larger percentages in other Central American republics, averaging 79.7 (Table 2), the tiny minifundia of Costa Rica comprise 46 per cent of her total number of farms.

When we come to the small-to-large *fincas* of between five and 500 hectares, the differing pattern of Costa Rican agricultural life is immediately apparent. In contrast to a norm of about 20 per cent in the rest of Central America, in Costa Rica some 40,960 such farms constitute 53 per cent of the total number. In this comparison, the figures reported from Nicaragua could be troublesome but, as we have explained, are not likely to provide an accurate portrayal of the pre-*sandinista* situation in that country.

Also, most of the Costa Rican small-to-medium-sized (and

therefore economically viable) farms are family-owned affairs, not a matter of several properties under one owner such as the Somoza family. After recognizing that the immense *haciendas* do occupy a large part of Costa Rican territory, the Biesanz team reports:

One must recognize, nevertheless, that between these two extremes there exists a very large number of properties of medium size. Fifty-three per cent of agrarian properties consist of *fincas* from 5 to 500 hectares; 39 per cent are in *fincas* of 5 to 50 hectares.

The most productive type of property, is the family *finca*; it utilizes a minimum of paid labor, except perhaps a few dozen *peones* during harvests; it is dedicated to a type of cultivation that requires intense labor; it uses fertile soil and produces for its owners some cash profit.<sup>40</sup>

From other statistics offered by Biesanz, we can assume an average of six persons per family,<sup>41</sup> so that something like 240,000 people are dependent on largely family-owned and operated farms. These constitute about one-third of the some 700,000 to 800,000 Costa Ricans who are dependent on agriculture for their livelihood and who themselves make up about one-third of the republic's population.

Similar ownership patterns may be found in other sectors of the economy where over a fifth of the population are *patrones* (employers) or working for themselves. Over half of Costa Ricans own their own homes.<sup>42</sup> For Latin America, this is phenomenal. At its base lies a distribution of land ownership

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40 Biesanz, *Los costarricenses*, p. 142.

41 *Ibid.*, pp. 336-343.

42 *Ibid.*, pp. 138, 289. In 1959, I performed research in Costa Rica during three months, which depended on documents and studies made in the country by official agencies and scholars. Though of course the results differed in detail from contemporary findings, the overall patterns were to exactly the same effect: more land and other property is owned by a larger proportion of the population than elsewhere in Latin America. Busey, *Notes*, pp. 60-72. More recent research in Costa Rica during a shorter period of ten days in 1980 provided further confirmation of these findings. Without any statistical backing, simple observation of town and countryside, where separate family homes are to be seen everywhere, indicates a unique style in Costa Rican life. Since at least the eighteenth century, travellers have reported to the same effect.

which, while not perfectly equitable, is at least an improvement over that of most of the rest of Latin America.

### *Land Tenure and Politics*

It is quite likely that the rather more equitable distribution of land in Costa Rica contributes in some degree to the unusual political stability of the country. It is notorious that, in all of Latin America, constitutions were borrowed wholesale from the U.S. Constitution of 1789 — with presidential system, so-called check-and-balance system among the three branches, statements on civil rights and, in some instances (Mexico, Brazil, Argentina, Venezuela), even the whole concept of the federal system, which had emerged in the United States out of controversies between small states and large states and perhaps even from practices of the Iriquois Indian nation, neither of which were to be found in Latin America! In Argentina, her constitutional framers even borrowed the unworkable notion of an electoral college — now substantially defunct in the United States — for the indirect election of their presidents, and their renowned Constitution of 1853 contains important phrases and paragraphs lifted directly out of the U.S. Constitution, translated into Spanish.

The point is that such constitutions, whether or not appropriate to the United States, were total misfits in nations having none of the social features of the United States and dominated by tiny minorities of landowning elites. Even in the United States, the pretensions of a slaveholding elite did not correspond to most of the ideals of either the Declaration of Independence or the U.S. Constitution, and resulted in the terrible Civil War of 1861-1865. Then it took another century, accompanied by numerous demonstrations and considerable violence, to more or less straighten out the matter of racial equality and rights. Had there been more such incongruities between constitution and laws on the one hand and socio-economic realities on the other, one can expect that there would have been more political turbulence in U.S. history than has actually occurred.

Costa Rican constitutions, providing as they do for a presidential system, have always borrowed from U.S. theory on

presidential system, checks and balances, individual and political rights and so on. The Constitution of 1949, now in effect, goes farther and, through a system of decentralized authority, largely dilutes the role of the president to a much less significant one than is found in presidential systems, especially in Latin America. Its famous Article 12 provides that "The Army as a permanent institution is proscribed." The constitution contains all sorts of ingenious sections designed to protect the sanctity of elections, to guard against tyranny and to guarantee that all civil rights shall be observed. In many ways, the Costa Rican Constitution, even more than others before it, reflects rather accurately the relatively egalitarian and sociologically democratic nature of the society.

If there is validity to this theory that constitutions and laws incongruent with socio-economic reality contribute to political chaos, and that harmony between the two elements minimizes disorder, it means that there are three possible ways to avoid hopeless conflict between constitutional aspirations and socio-economic reality. One is to adjust the legal-political system to the actual economic and social configuration, as was done with remarkable success during the reign of Pedro II of Brazil from 1840 to 1889. The monarchy under the Portuguese Bragança family accorded with the political experience of Brazilians as they had known it under Portuguese rule and, while governing in as enlightened a manner as possible, it let itself be guided in large measure by the economic elites of the time.

A second device is to disregard constitutions and laws, rule by naked force and change government in the same manner. This has been the pattern throughout most of Latin America.

A third is to have the good fortune to have a socio-economic system that is not too far out of line with the aspirations of the constitutional system. This is largely the case in Costa Rica where peace and constitutional democracy usually prevail.

Fred Harrison points quite rightly to the inadequacies of almost any programme of simple, immediate land distribution.<sup>43</sup> It does not take care of new members of the society who

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43. Harrison, *Land Reform or Red Revolution*, pp. 15-18, 22-23 *et passim*.

can make their claim to land already in private possession, it does not adequately answer the question of justice, it does not assure that lands may not again fall into fewer hands through sale, and it is only over a very long period of time that such division can overcome the new problems of marketing, roads, adequate machinery and technical competence, credit and all the host of other needs formerly adjusted to a system of immense *hacienda* agriculture.

However, such a system might be more workable if deeply entrenched for long periods of time, with all the habits of inheritance, transportation and marketing which may be developed over many years. In Costa Rica, a system of rather better distributed land than usual has been in existence since settlers first came to the region in 1560. Of course it is not fully just, because many participants in the system can make a valid claim, either to a piece of land or to a share in the unearned value arising from both rural and urban lands. However, the phenomenon of more or less accidental distribution of all types of land means that a very large number of people cannot be easily pushed around, and this can have important impact on the rights of all.

In any event, our examination of land tenure systems elsewhere in Latin America suggests most strongly that they provide a large part of the explanation for both extreme poverty and for almost continuous political disturbance. If confirmation were needed, it is provided in part by the exceptional socio-political system of Costa Rica, which also displays an unusual though by no means perfect pattern of land distribution.

### **Prospects for Social Transformation**

There are many, no doubt, who would agree with Fred Harrison's point that the best remedy for countries suffering from land monopoly is a system which will collect for public use the unearned values arising from land ownership, without disturbing possession or use of the land by its present owners; and further, which will relieve the productive forces of society, including farmers, of the burdens of other tax impositions.<sup>44</sup>

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44 *Ibid.*, pp. 21-31.



The prescription, as one sloganeer once put it, is that "instead of paying taxes to the State and rent to the landlords, let's pay rent to the State and no taxes."

In theory, this is certainly the remedy for Latin America. Whether it can be accomplished in fact is a question deserving of the most serious consideration. Let me mention and briefly describe the problems, without attempting to provide all the substantive data required to present their many facets.

### ***Obstacles***

#### ***Marxism***

Revolutionary movements and young idealists offended by social inequity are dominated by Marxist theory. The *fidelistas* of Cuba, the *sandinistas* of Nicaragua and the Frente Martí de Liberación Nacional (FMLN) of El Salvador illustrate the point.<sup>45</sup>

In Peru, a violent Marxist-Maoist type of movement called Sendero Luminoso (Shining Path, of all things) utilizes extraordinarily violent terrorism to play havoc, especially in the southern parts of the country. Whether we refer to the Montoneros of Argentina or the Tupameros of Uruguay, both of

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45 The FMLN provides an umbrella for coordination of the principal revolutionary groups now struggling to overthrow the government of El Salvador. Within the FMLN, by far the largest unit is the FPL, or Fuerzas Populares de Liberación Farabundo Martí. The name Martí is not that of José Martí, liberator of Cuba of the nineteenth century, but of Agustín Farabundo Martí, leader of the Communist Party of El Salvador who was largely responsible for the uprising of 1932 and who was executed by the regime of Maximiliano Hernández Martínez. The hammer and sickle decorate the banners of both the FMLN and the FPL, as well as other supporting but smaller segments of the FMLN, and their mode of expression is overwhelmingly Marxist in orientation. The FPL proclaims itself to be a creation of the Communist Party of El Salvador. The FDR, or Frente Democrático Revolucionario, shares with the FMLN an important role in the revolutionary process but does not directly engage in fighting within El Salvador. Its function is to secure support from democratic socialist movements of Europe and elsewhere. It is a member of the Second (Socialist) International and does not become involved with outside Communist movements. In the event of victory by the FMLN, it will not be the unarmed FDR that will determine the course of events in El Salvador. Negotiations between the Duarte government and the guerrillas, begun in mid-October 1984, may change these projected configurations in important ways.

whom had a lot of responsibility for the military suffocation of democracy in those countries in the 1970s, we are talking about Marxist movements.

In Colombia, the sickening violence wrought until recently by the FARC (Fuerzas Armadas Revolucionarias de Colombia) and M-19 (Movimiento 19 de Abril) is the work of Marxists. During 1970-1973, it was hoped by many that the problems of Chile would be corrected under presidency of Salvador Allende, leader of the Chilean Socialist Party, actually an extreme Marxist party somewhat to the left of the Communist Party of Chile.

In 1965, rebels overthrew an illegal civilian junta in the Dominican Republic, and soon thereafter the country was occupied by OAS forces composed primarily of U.S. Marines. The rebels themselves were soon overrun by Marxists. After their defeat their leader, Francisco Caamaño Deñó, fled to Cuba where he spent the rest of his life.

In each country, similar examples are available. Wherever profound movements for social transformation are in progress, they are either Marxist or soon overwhelmed by Marxist leadership. The *apristas* of Peru (APRA: Alianza Popular Revolucionaria Americana), who emerged in the 1920s from Marxist origins, soon moved in another direction; but, compared with what they were in the days when they were led by the electrifying Víctor Raúl Haya de la Torre, they have become less frightening to civilian and military elites. On April 14, 1985, they succeeded in winning the presidency for their candidate, Alán Gabriel García Pérez.

Despite their cries of "Land for the Landless", Marxists are never satisfied to distribute it to needy peasants, much less to just collect its economic rent and free the productive elements of society from burdensome taxation.<sup>46</sup>

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<sup>46</sup> Actually, the first measure among ten proposed by the *Communist Manifesto* of 1848 was, "Abolition of property in land and application of all rents of land to public purposes" (New York: International Publishers, 1948, p. 30). This was curious since land itself was only rarely mentioned elsewhere in the *Manifesto*, which instead stressed industry, the "bourgeoisie",

The other side of the coin is that despite all the clamour for land reform, almost no one in Latin America has ever heard of the ideas of François Quesnay, Robert Turgot, or Henry George and his single tax.

Argentina and the Dominican Republic are partial exceptions to this rule. Until his death in 1982, Mauricio Birabent of Argentina led the Social Agrarian Party which espoused doctrines based on single-tax ideas.<sup>47</sup> More recently, Dr. Héctor R. Sandler has formed the People's Party (Partido del Pueblo) and is publishing a Buenos Aires newspaper, *Democracia*, to advance the same point of view. A leader in this movement is Dr. Antonio Manuel Molinari. A distinguished Argentine architect, Juan Carlos Zuccotti, advocates reforms based on Henry George's philosophy and has important contacts among Argentine journalists and other influential figures; but, as a consequence of earlier exile, he still resides in the United States where his efforts concentrate on Argentine exiles abroad.

In the Dominican Republic, a school teaching economics based on the theories of Henry George, claims that since 1966 it has put several thousand students through its courses, many of them influential in public affairs.

However, the movements that make the headlines in Latin America are Marxist. Even in the Dominican Republic, the Communist Party occupies one of the most conspicuous party headquarters in the country, a block from the Santo Domingo Sheraton Hotel. For almost all Latin Americans, Marxism offers the only path to social transformation. It is the only known message. This has serious security implications for the United States, because Marxist movements invariably invite collaboration from Marxist allies abroad, notably the U.S.S.R.; but not even the United States has had the wit to search for

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"capital", the "proletariat", and other concepts that remained undefined. Despite their lack of any introductory explanation, Marx and Engels thought it important to focus on land as Priority No. 1.

47 Here, the term "single tax" is employed because it was used by Robert Turgot (1727-1781; *impôt unique*), Blas Infante Pérez of Spain (1885-1936; *impuesto único*), Henry George (1839-1897) and all other leaders of the movement when it had its greatest impact around the world.

alternative solutions to the horrendous problems of Latin America.<sup>48</sup>

American and British "single taxers", like others in the United States and United Kingdom, are not often familiar with Latin America, much less adept at Spanish or Portuguese. There is a very small group in Spain, remnants of an earlier period when they were led by Blas Infante Pérez (1885-1936) who combined the idea of an *impuesto único* with that of autonomy for Andalusia; but they have all they can do to keep from disappearing entirely, let alone make contact with their counterparts in Latin America.

Therefore, and despite the apparent applicability of the *impuesto único* to Latin America, a first problem is to carry the message over the shouting of the Marxist revolutionaries and to find the people who can do so. Also, of course, contemporary followers of Henry George, whether in the United States or elsewhere, tend to be hampered by a certain mental paralysis when it comes to taking political action.

#### *Corruption*

Even assuming that some sort of single-tax programme could be adopted anywhere in Latin America, the problem of corruption could easily subvert it.<sup>49</sup> Many years ago, Professor Rosendo Gómez aptly referred to the phenomenon as "the concessionary view of public office"—that is, that public office is occupied for the personal profit of its holder, not for

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48 See Luis E. Aguilar, *Marxism in Latin America* (Rev. ed.; Philadelphia: Temple University Press, 1978); Donald L. Herman, ed., *The Communist Tide in Latin America* (Austin: University of Texas Press, 1973); Rollie E. Poppino, *International Communism in Latin America* (Glencoe, Ill.: The Free Press [Macmillan], 1964); William Ratliff, *Castroism and Communism in Latin America, 1959-1976* (Stanford: Hoover Institution Press, 1976); William E. Ratliff, ed., *Yearbook of Latin American Communist Affairs* (Stanford: Hoover Institution Press, annual); Robert Wesson, ed., *Communism in Central America and the Caribbean* (Stanford: Hoover Institution Press, 1982).

49 See n. 47 on term "single tax". Among followers of this point of view, the problem of incompetence in use of political means has produced inadequate results, which in some quarters have been blamed on the presumed deficiencies of the term "single tax".

any particular service that might be performed for the general public.<sup>50</sup>

In Argentina, there is a popular saying among office-holders: "Don't be a fool! Take advantage of your opportunities while they are available!" Attitudes of this type abound and are confirmed by personal observation. In Latin America, I have seen drivers who have violated the law hand over wads of money to police agents, and I have been told by border inspectors, "Nos entendemos, ¿no?" ("We understand each other, don't we?")—which means a tip is expected, not that we both understand Spanish. At one time at the border station at Nuevo Laredo, inspectors posted signs in English which said, in effect, that they were only earning so many pesos per day, so help would be appreciated.

José López Portillo of Mexico rose from his earlier post as a professor of economics to become Minister of the Economy under President Luis Echeverría Alvarez and then president from 1976 to 1982, and left that high office as one of the richest men in the republic. Adolfo Ruiz Cortines, president of Mexico from 1952 to 1958, carried on a campaign against corruption; but it is widely reported that when he left office, his wife owned most of the dime stores of the country.<sup>51</sup>

When Jacobo Arbenz of Guatemala was overthrown by followers of Carlos Castillo Armas in 1954, he took refuge in Mexico—but not before loading a truck with \$3 million in gold ingots which were transported to the Mexican Embassy for later shipment, along with Arbenz and his wife (and, presumably, a cut for the Mexicans). Not to be outdone, Juan Domingo Perón of Argentina is reported to have transferred \$800 million to Spain in 1955; and Marcos Pérez Jiménez \$500 million from Venezuela to Florida in 1958. Pérez Jiménez was later extradited to Venezuela where he was tried for plundering the public treasury and sentenced to a luxurious suite in

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50 R. A. Gómez, *Government and Politics in Latin America* (New York: Random House, 1962), p. 19.

51 On Mexico, more in the same vein may be found in Kenneth F. Johnson, *Mexican Democracy: A Critical View* (Rev. ed.; Praeger, 1978), pp. 166-167, 236-237 *et passim*.

Caracas. In 1973, Argentines showed their gratitude to Perón by re-electing him by a 62 per cent majority, and he returned from Spain to the hysterical huzzas of his massed supporters; but on July 1, 1974, he had the good grace to die before again emptying the treasury.<sup>52</sup>

What we call corruption arises from a colonial experience upon which we cannot dwell here;<sup>53</sup> but the point is that an effective single-tax system requires equitable assessment procedures, freedom from coercion by owners of the land, impartial preparation of tax notices, collection which is impervious to threats, bribes or other pressures and, finally, that the money itself go into the public treasury, not into the private accounts of officials. This is a stupendous problem which lies in ambush to thwart the best possible reforms in the realm of single-tax theory.

#### *Chaos*

Another problem is the political chaos already discussed. Before a suitable system of single-tax reform can get off the ground, there can be one or more revolutions which can sweep the whole thing out of the door. How, for example, can one imagine adoption of a tax shift, from production to land values, in a country such as Bolivia?

#### *Inadequate Preparation*

If we reflect on the confusion of assessment procedures among the various local governments of the United States — and presumably other countries about which I am not well informed — we cannot but wonder what would happen if a single-tax reform were to be adopted almost anywhere in Latin

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52 Busey, *Latin American Political Guide*, 3rd ed., 1958; 16th ed., 1975; entries on Guatemala, Argentina, Venezuela, as well as others.

53 Corruption developed in Latin America, not because Spain or Portugal were especially corrupt countries, which they were, and are, not; but because they (especially Spain) attempted to control the conduct of the tough, often uneducated *conquistadores* who were likely to be quite unprincipled in their determination to plunder the Americas and their inhabitants. The only method available to colonial rulers was to issue a myriad of minute, detailed regulations, so all-encompassing that the only way to get anything done was to pay off the officials.

America. In most of the region, for example in the Dominican Republic or Peru, there is no such thing as a property tax of any kind. How does one introduce scientific assessment of land values only, to a country that has never heard of a property tax? Furthermore, in Latin America other than a few republics, there is no fully developed merit system or protected civil service in any modern sense. Even where these do exist, they may be swept away by sudden shifts in the patterns of political power.

Though there are many highly competent and dedicated people in the civil services of Latin America, in many instances working against formidable odds, there is but little assurance of continuity in office, much less the educational preparation needed to perform such a specialized rôle as that of tax assessor or appraiser, tax collector or the treasurer or auditor who controls accounts. This is not to say that such people do not exist; but one may question whether they exist in sufficient numbers in each country or can stay in office long enough to put any sort of long-range single-tax programme into effect. Of course this does not preclude such a possibility from occurring in specific countries where very able civil service people are available, such as in Argentina, Costa Rica, Venezuela and a few others.

#### *Oligarchies*

Finally, the very oligarchies that such reforms would be designed to root out would pose the most threatening obstacles to their implementation. These rich and powerful individuals can threaten or bribe officials and, as we have witnessed in El Salvador, are not above murder if it is thought to suit their designs. These are precisely the persons who are likely to be most influential in political circles.

#### *Conclusion*

It seems clear, then, that land monopoly lies at the root of much of the economic tribulation as well as socio-political chaos of a large part of Latin America. It is also theoretically likely that a shift to a physiocratic solution would help to resolve many of the most grievous problems of the area. It is by no means clear that such solutions can be put into effect, except

possibly in the Dominican Republic or in Argentina where there has been some influence along the lines of Henry George among important individuals in the public services.

Once such a programme could be put into effect in one Latin American republic, and kept in place long enough to have a beneficial impact, it is conceivable that others of the more advanced countries would take interest and try similar experiments.

Otherwise, it would appear that the obstacles to such a turn of events in Latin America require much more discussion among advocates than they have thus far enjoyed.



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