GUATEMALA'S 1952 AGRARIAN REFORM LAW: A CRITICAL REASSESSMENT

By DOUGLAS W. TREFZGER

In November 1950, Jacobo Arbenz Guzmán won election to the Guatemalan presidency on a reformist platform advocating agrarian reform. The Guatemala that Arbenz inherited suffered from a seeming economic paradox. Compared to its Central American neighbors, Guatemala was a rich country. It enjoyed Central America's highest gross domestic product, a per capita gross domestic product second only to Costa Rica, and the strongest currency (stable and on par with the U.S. dollar) in the region. Guatemala consistently maintained regional economic dominance in export agriculture, mining and quarrying, and manufacturing.[1]

In spite of its impressive economic indicators, however, Guatemala suffered from a severe misdistribution of land, which in turn contributed to widespread indigence. Approximately 2 percent of the population controlled 72 percent of Guatemala's arable land, while 88 percent of the population held only 14 percent of the land. Of the total privately held land, less than 12 percent was under cultivation. In a country where more than two-thirds of the population participated in agriculture, this meant sweeping poverty, malnutrition, and its accompanying health problems.[2] If ever a country needed an agrarian reform to solve its social ills, Guatemala was that country. In April 1951, shortly after taking office, President Arbenz emphasized the need for such reform:

> All the riches of Guatemala are not as important as the life, the freedom, the dignity, the health and the happiness of the most humble of its people. How wrong we would be if—mistaking the means for the end—we were to set financial stability and economic growth as the supreme goals of our policy, sacrificing to them the well being of our masses...Our task is to work together in order to produce more wealth...But we must distribute these riches so that those who have less—and they are the immense majority—benefit more, while those who have more—and they are so few—also benefit, but to a lesser extent. How could it be otherwise, given the poverty, the poor health, and the lack of education of our people?[3]

The following year, on June 17, 1952, the Guatemalan Congress approved Decree 900, Arbenz's Agrarian Reform Law. During its two years of existence, Decree 900 licensed the redistribution of 603,704 hectares of land to an estimated 100,000 Guatemalan families.[4]

In spite of (or perhaps because of) Decree 900's impact, discussion of Guatemala's 1952 Agrarian Reform Law has been contentious. Early debate vacillated between agrarian reform supporters[5] (often former associates of Arbenz) and anticommunist alarmists, who perceived Guatemala's Agrarian Reform Law as a Soviet tactic for infiltrating the Western Hemisphere.[6] Following a brief interlude during the 1960s, and imbued with the

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critical spirit of the anti-Vietnam movements which called U.S. foreign policy into question, during the 1970s and 1980s, institutional and revisionist histories began to emerge. These works focused on Guatemalan social structures and the role of inequitable land distribution in perpetuation of those structures, while increasingly blaming the United States for the agrarian reform's repeal *vis-à-vis* a CIA-sponsored *coup d'état* in 1954.[7]

Ironically, while exposing the U.S. intervention, since the 1950s, few works have offered a systematic assessment of the 1952 Agrarian Reform Law. There have, however, been notable exceptions. For example, José M. Aybar de Soto, considers the agrarian reform's repeal as a function of imposed dependency linkages with the United Sates. By his calculation, the U.S. intervened to protect its economic interests (embodied by the United Fruit Company), which were perceived as being threatened by the agrarian reform. Piero Gleijeses offers a somewhat different analysis, and implies that the agrarian reform was simply a casualty of U.S. anti-communism. Taking an alternative approach and focusing on internal factors affecting the reform, Canadian historian Jim Handy notes that the agrarian policy spawned domestic conflict over land, which contributed (along with U.S. subversion) to its downfall.

Notwithstanding these varying explanations of why the agrarian reform ended, most authors agree that the policy was succeeding when it was subverted. To support their analyses they generally cite economic and land expropriation data to demonstrate that the agrarian reform law in fact succeeded.[8]

However, statistical information on the magnitude of Guatemala's agrarian reform is a problem in and of itself. Clouding the agrarian reform debate, expropriation statistics have been reported interchangeably and inconsistently in three different systems of land measurement: acre, hectares and *manzanas*. And some statistics vary so drastically as to suggest errors in conversion, entry and even omission (sometimes deliberate). When estimates are standardized into a single unit of land measurement, the problems stand out clearly (see Appendix A). Land reform calculations range from a mere 370,270 hectares to as much as 605,318 hectares. Making matters worse, when economic indices are quoted, they usually appear out of context and often omit important data. In this article, I contend that when seen within their context, the very data utilized to tell a story of land reform success reveal, instead, a pattern of discriminatory land distribution favoring Guatemala's *ladino* minority and the reform's general failure to improve the lives of Guatemalan peasants. To support this thesis, I will briefly overview the stated objectives of the 1952 Agrarian Reform Law; then I will assess the effectiveness of that law, highlighting the reform's discriminator land distribution patterns, in addition to its destabilizing effects on Guatemala's economy, subsequently disrupting the lives of the Guatemalan people.

Decree 900: The Agrarian Reform Law of 1952

Guatemala's 1952 Agrarian Reform Law had as its foundation the 1945 Guatemalan Consitution,[9] Article 88, which empowered the Guatemalan government to direct the national economy toward benefiting Guatemalan society. Specifically, Article 88 states that:

> It is a primary function of the State to develop agricultural activities and industry in general, toward the end that the fruits of labor shall preferentially benefit those who produce them and that the wealth shall reach the greatest number of inhabitants of the Republic.[10]

APPENDIX A

STATISTICAL INCONSISTENCIES IN MEASURING THE AGRARIAN REFORM LAND EXPROPRIATED BY DEPARTMENT (IN HECTARES)

Department	Monteforte Toledo	Paredes Moreira*	Handy *	CIDA
Guatemala	23,249	25,368	23,907	24,402
El Progreso	10,496	11,150	4,110	10,866
Sacatepéquez	4,358	5,319	3,503	4,397
Chimaltenango	21,263	21,418	3,075	21,270
Escuintla	146,531	150,762	54,809	151,707
Santa Rosa	27,267	27,444	19,371	27,252
Sololá	1,444	1,504	1,441	1,442
Totonicapán	0	0	0	0
Quezaltenango	3,987	6,322	6,800	6,651
Suchitepéquez	30,310	30,704	25,117	30,706
Retalhuleu	12,855	14,347	10,835	14,348
San Marcos	9,568	10,912	9,279	9,614
Huehuetenango	33,633	34,942	26,113	34,944
El Quiché	51,634	53,226	37,443	53,299
Baja Verapaz	16,348	16,466	14,404	16,466
Alta Verapaz	89,994	94,668	106,645	95,286
El Petén	0	0	0	0
Izabal	82,667	82,763	8,178	82,767
Zacapa	1,931	1,830	1,027	1,830
Chiquimula	732	732	428	731
Jalapa	3,156	3,150	3,075	3,151
Jutiapa	12,187	12,291	10,710	12,575
TOTALS	**584,558**	**605,318**	**370,270**	**603,704**

***Note: Paredes Moreira and Handy published their statistics in *manzanas*. The article's author converted their statistics to hectares.**

Sources: **Mario Monteforte Toledo, *Guatemala: Monografía Sociológica*, 2nd ed. (México, D.F.: Instituto de Investigaciones Sociales, UNAM, 1965), p. 417; José Luis Paredes Moreira (1964) cited in Rafael Menjivar, *Reforma Agraria: Guatemala, Bolivia, Cuba* (San Salvador: Editorial Universitaria de El Salvador, 1969), p. 157; Jim Handy, *Revolution in the Countryside: Rural Conflict and Agrarian Reform in Guatemala, 1944-1954* (Chapel Hill: University of North Carolina Press, 1994), p. 94; and Comité Interamericano de Desarrollo Agrícola, *Tenencia de la tierra y desarrollo socio-económico del sector agrícola: Guatemala* (Washington, D.C.: Unión Panamericana, Secretaría General de la Organización de los Estados Americanos, 1965), p. 41.**

In addition to mandating governmental responsibility to the people, the Constitution stipulated that, although recognizing the right to private property, it strictly prohibited the existence of *latifundia* (great estates) and licensed the government to expropriate, redistribute, and admin-

ister land, "In the event of public utility or necessity or legally demonstrated social interest."[11] Of particular importance, the 1945 Constitution also mandated that Guatemala's president "create and maintain institutions" to address and resolve Indian problems. That is, the president had the responsibility of personally assisting and benefiting Guatemala's Indian majority.[12]

Decree 900's objective was, therefore,

> "to liquidate feudal property in the countryside and the relations of production that it originates in order to develop the form of exploitation and capitalist methods of production in agriculture and to prepare the way for the industrialization of Guatemala."[13]

Noting the above constitutional articles in its preamble, Article 3 of the Agrarian Reform Law stipulated a five-part plan of agrarian reform:

1. Develop the peasant capitalist economy and the capitalist agricultural economy in general;
2. Distribute land to landless peasants and peasants possessing very little land;
3. Facilitate new capital investment in agriculture through the rent of nationalized lands;
4. Introduce new forms of cultivation, especially endowing upon the least powerful peasants livestock, fertilizers, seeds, and technical assistance; and
5. Increase agricultural credit for all peasants and agricultural capitalists in general.[14]

With this plan in mind, the agrarian reform relied upon Constitutional Articles 90 through 92 (noted previously) as license to expropriate idle lands and redistribute them for the general benefit of the Guatemalan populace. Described basically, the new Agrarian Reform Law mandated the expropriation, division, and redistribution of idle *latifundia* lands in excess of 85 hectares. In return for having their lands expropriated, landholders would receive compensation in the form of twenty-five year bonds with three percent interest, paid at the declared tax value of their lands.[15] Land would be redistributed under one of three categories: "full ownership; lifetime ownership (usufructo vitalicio); and lease of the property."[16] In any case, a National Agrarian Department (DAN), created by the new law, would determine how expropriated land would be distributed. In addition to the DAN, the Agrarian Reform Law created a National Agrarian Counsel (CAN), Departmental Agrarian Commissions (CADs), and Local Agrarian Committees (CALs). As inferred by their names, each of these committees or commissions would bear some level of responsibility for administering the Agrarian Reform Law, whether at the local, departmental, or national level. Each committee or commission would answer hierarchically to the next, beginning with local committees at the base, and progressing to the National Agrarian Counsel, which would answer to the President himself.[17]

Actual application of the Agrarian Reform Law—that is, the expropriation and redistribution of land—depended upon the following of detailed procedures, which might involve the progressive inclusion of every level of the agrarian reform administrative hierarchy. The agrarian reform committees and counsels, however, did not hold the responsibility for selecting land for expropriation. Rather, this burden fell upon the local population. Stated simply, in order to gain land through the Agrarian Reform Law, Guatemalan peasants would first have to demand the expropriation of that land through official appli-

cation (either written or oral) to their Local Agrarian Committee. The Local Agrarian Committee would then meet with the plaintiff(s), as well as the landholder. Assuming the landholder agreed to the expropriation, the land would automatically revert to the Local Agrarian Committee, which would then divide it and redistribute it to the plaintiff(s). Should the landholder dispute the expropriation, then the case might be forwarded to the Departmental Agrarian Commission, or higher, depending on the flexibility (or lack thereof) of the landholder. If all lower channels failed, the case would be forwarded to President for a final decision, with no further recourse to judicial or other authorities.[18]

In summary, the Agrarian Reform Law held firm roots in the 1945 Guatemalan Constitution. The law stipulated specific objectives for the agrarian reform, namely the development of agricultural self-sufficiency as a basis for later industrialization. As a principle, the Agrarian Reform Law legalized the redistribution of lands for the benefit of the majority, at some cost to the wealthy Guatemalan minority. Officially representing some 53.6 percent of the total population, Guatemalan Indians not only received legal recognition under the new law, but also composed the primary ethnic group within Guatemala's peasant majority. The law created not only a specific set of guidelines for its execution (expropriation, redistribution, indemnization, and legal procedures), but also set up an institutional hierarchy to carry out that execution. On paper, the Agrarian Reform Law looked promising. But how did it affect the lives of Guatemalans?

The Agrarian Reform Law: An Assessment

As noted in the introduction, in assessing the impact of the 1952 Agrarian Reform Law, Handy, Gleijeses and Aybar de Soto focus primarily on the aggregate redistribution of land and the *estimated* total populations that such redistribution affected. According to these authors, Decree 900 mandated the redistribution of more than half a million hectares of land. Aybar de Soto estimates that approximately 24 percent of Guatemala's total population benefited directly from the agrarian reform. Handy's analysis is somewhat more conservative; he indicates that "19 percent of the people eligible to benefit from the law received land" before the overthrow of Arbenz. And Gleijeses hypothesizes that 500,000 Guatemalans directly benefited from the reform. Additionally, both authors agree that the agrarian reform increased both export and domestic-use agriculture. And Handy asserts that Guatemala's Mayan Indian population, in particular, benefited from the agrarian reform. In sum, both Handy and Aybar de Soto agree that the 1952 Agrarian Reform Law was a major success almost immediately and significantly improved the lives of Guatemalan peasants.[19]

A review of statistical data concerning Guatemala's economy and the magnitude of the agrarian reform reveal a somewhat less optimistic picture, however. Such data indicate an erosion of domestic-use agricultural production, continued economic dependency, and ethnocentric bias in the redistribution of land, and a general lack of improvement in the plight of Guatemalan peasants (especially when seen relative to other sectors of Guatemalan society).

General Economic Trends

In analyzing the overall economic effects of Guatemala's agrarian reform project, Handy cites export agriculture data from 1951 and 1954 as proving that Guatemala's agricultural economy "steadily improved from 1951 to 1954." Indeed, he indicates that

"Victor Bulmer-Thomas has estimated that the value of Guatemala's export crops...increased from just under $97 million in 1951 to over $109 million in 1954."[20] This improvement in export agriculture, asserts Handy, holds true for domestic-use agriculture as well.

However, a slightly more contextualized review of Bulmer-Thomas's statistical tables—one that covers the entire 1950 to 1955 period (see Table 1)—reveals a picture of relative economic instability in the export agriculture sector (albeit with an average export sector growth rate of 2.5 percent) and a consistent decline, averaging 1.2 percent annually, in the value added for domestic-use agriculture. Of particular interest, in 1952—the year the agrarian reform began—the value added through Guatemalan export agriculture declined a precipitous 10.8 percent, while at the same time the value added through domestic-use agriculture rose 8.4 percent. The following year, the value added through export agriculture jumped 23.4 percent, seemingly compensating for the previous year's sudden drop. Conversely, domestic-use agriculture again went into decline. This sudden shift in both agricultural sectors may have resulted from a government policy of price stabilization, affected through a mandated shift of export agricultural produce to the domestic-use sector. Ostensibly, by increasing the amount of produce available in the domestic market, the domestic price of food would drop. This hypothesis seems to be confirmed by Guatemala's consumer price index on fifteen primary consumption items for the same period (see Appendix B). The index data for 1952 indicate an average 5.1 percent decline in consumer prices, countered by steady increases in consumer price averages during the years preceding and following 1952.[21]

The Guatemalan government's apparent attempt at self-sufficiency is also manifest in Guatemala's trade balance (see Table 2). The increased emphasis on price stabilization through shifting export agriculture to the domestic-use sector at the outset of he agrarian reform likely caused the decrease in Guatemala's 1952 trade deficit. Critically, however, Guatemala maintained and augmented its trade deficit even as it allegedly sought self-sufficiency.

Regardless of the Guatemalan government's 1952 effort at promoting a smooth and rapid transition into agrarian reform, by 1953, and for all practical purposes, Guatemala's

TABLE 1:

VALUE ADDED BY EXPORT AND DOMESTIC USE AGRICULTURE, 1950-1955 (1970 PRICES IN THOUSANDS OF US DOLLARS)

Year	Export Agriculture	Percent Change	Domestic-Use Agriculture	Percent Change
1950	93,740	N/A	229,660	N/A
1951	96,961	3.4	222,339	(3.2)
1952	86,467	(10.8)	241,033	8.4
1953	106,690	23.4	233,010	(3.3)
1954	109,462	2.6	232,038	(0.4)
1955	108,922	(0.5)	226,878	(2.2)

Source: **Victor Bulmer-Thomas, *The Political Economy of Central America since 1920* (Cambridge: Cambridge Univ. Press, 1987), pp. 316-319.**

APPENDIX B

GUATEMALA, CONSUMER PRICE INDEX FOR FIFTEEN ITEMS BY DEPARTMENT, 1950-1955 (1950=100)

Department	1950	1951	1952	1953	1954	1955
Guatemala	100.0	110.6	108.4	109.8	119.1	123.3
El Progreso	100.0	115.4	112.9	115.7	122.5	113.1
Sacatepéquez	100.0	112.0	106.5	107.7	116.1	122.3
Chimaltenango	100.0	111.2	104.2	106.0	115.2	120.6
Escuintla	100.0	109.9	105.7	106.7	110.3	115.0
Santa Rosa	100.0	108.8	104.4	109.0	114.5	118.0
Sololá	100.0	107.6	97.7	101.3	121.2	120.1
Totonicapán	100.0	111.6	104.0	106.1	123.7	123.3
Quezaltenango	100.0	110.2	104.1	106.9	120.4	118.5
Suchitepéquez	100.0	108.6	102.2	105.1	111.8	120.9
Retalhuleu	100.0	112.7	108.6	108.4	120.4	124.9
San Marcos	100.0	111.7	106.0	107.7	123.0	123.5
Huehuetenango	100.0	116.0	108.7	111.6	121.1	123.4
El Quiché	100.0	112.7	105.8	110.1	128.0	125.6
Baja Verapaz	100.0	107.7	104.5	103.2	111.8	116.4
Alta Verapaz	100.0	114.3	107.4	109.4	122.3	128.2
El Petén	100.0	99.4	97.4	96.1	98.5	96.5
Izabal	100.0	106.0	104.9	102.0	104.4	112.9
Zacapa	100.0	105.2	102.5	105.7	113.1	101.7
Chiquimula	100.0	114.1	115.0	113.7	115.0	123.5
Jalapa	100.0	105.9	100.7	105.0	112.1	109.1
Jutiapa	100.0	110.7	103.7	111.5	123.0	118.6
TOTAL	**100.0**	**110.6**	**105.0**	**107.3**	**117.6**	**120.0**

Note: **The fifteen items used for this index compose the basic subsistence basket for Guatemala. This includes: black beans, maize, rice, salt, pork lard, pork, coffee, sugar, potatoes, plantains, dried chiles, aguardiente, gas, blankets, and straw hats.**

Source: **Guatemala, Dirección General de Estadística, *Guatemala en Cifras, 1956* (Guatemala: Dirección General de Estadística, 1956), p. 88.**

economy returned to its previous aggregate trends. Indeed, there is no indication in Guatemala's aggregate economic data that the agrarian reform promoted the economic self-sufficiency desired as a basis for capitalist development. As indicated in Tables 1 and 2, a more plausible thesis is that, aside form a short diversion in 1952, Guatemala remained in a situation of international dependency.[22]

Ethnocentric Land Reform

Jim Handy contends that the Guatemalan revolution greatly improved the lives of "poor peasants, both Mayan and Ladino."[23] Indeed, he asserts that one of the most important achievements of Decree 900, the agrarian Reform Law, was the redistribution of land to "over 100,00 landless peasants (*most of them Indian*)."[24] This contention shares the additional support of Susanne Jonas and Charles Brockett, both of whom believe that the

TABLE 2:

REAL VALUE OF GUATEMALAN EXPORTS & IMPORTS, 1950-1955 (1970 PRICES IN THOUSANDS OF US DOLLARS)

Year	Exports	Imports	Trade Balance	Percent Change
1950	97,221	119,891	(22,670)	N/A
1951	90,593	115,531	(24,938)	10.0
1952	97,221	106,812	(9,591)	(61.5)
1953	101,641	113,352	(11,711)	22.1
1954	95,012	124,251	(29,239)	150.0
1955	103,850	150,409	(46,559)	59.2

Source: **Victor Bulmer-Thomas 1987, pp. 330-332.**

agrarian reform mobilized Indians and involved them in peasant organizations working to demand land expropriation and redistribution. This, they argue, not only gained Indians an increasing part—and even majority—of the land redistributed, but it also had the additional effect of strengthening Indian communities.[25]

I do not take issue with the assertion that the agrarian reform likely strengthened Indian communities. Without doubt, Indians mobilized in favor of the agrarian reform. Probably the best example of such mobilization is the case of Guatemala's department of Alta Verapaz, where in 1950 Indians made up 93.4 percent of the population.[26] During the agrarian reform, Alta Verapaz registered the second highest level of land expropriations and redistributions in the entire country. In fact, 20.1 percent of the total expropriations for Guatemala took place in that department (see Appendix C). This could not have occurred without substantial Indian mobilization, and it certainly benefited a large number of Indians living in the department, in addition to strengthening their communities.

That Indians benefited from the agrarian reform, therefore, is a foregone conclusion. Such was inevitable, given the fact that Indians had always been the majority in Guatemala's population. That the majority of Guatemala's population was Indian, however, does not mean that the Decree 900's greatest beneficiaries were Indian. Indeed, upon closer examination of available data, the land reform seems to have favored an increased concentration of land in the hands of Guatemala's *ladino* (*mestizo*) minority.

A close analysis of data on Guatemalan land expropriations by department during the agrarian reform reveals this apparent ethnocentric bias in land redistribution (see Appendix C). In my analysis, I calculated both the percentage of land expropriated from private sources by department and each department's proportion of land expropriated relative to Guatemala's total expropriation. I then utilized Guatemalan census data to classify each department as either Indian or *ladino*. Given Guatemala's 53.6 percent Indian population, I made the cutoff for classification at a rather generous 50 percent. That is, if a department had at least a 50 percent Indian population, then I classified it as an Indian department. As indicated by Appendix D, this proved to be a expeditious process, particularly in light of he fact that, based on my methodology, the departments classified as *ladino* had a *ladino* population proportion in the range of 72.1 to 90.6 percent.

Based on the above classifications, I determined that of Guatemala's twenty-two

APPENDIX C

EXPROPRIATIONS UNDER DECREE 900 BY DEPARTMENT (IN HECTARES)

Department	Privately Owned Land	Land Exprop.	% Dept. Land Exprop.	% Total Land Exprop.
Guatemala	152,400	24,402	16.0	4.0
El Progreso	78,990	10,866	13.8	1.8
Sacatepéquez	30,271	4,397	14.5	0.7
Chimaltenango	109,537	21,270	19.4	3.5
Escuintla	442,552	151,707	34.3	25.1
Santa Rosa	242,408	27,252	11.2	4.5
Sololá	30,535	1,442	4.7	0.2
Totonicapán	19,798	0	0.0	0.0
Quezaltenango	131,673	6,651	5.1	1.1
Suchitepéquez	169,608	30,706	18.1	5.1
Retalhuleu	127,022	14,348	11.3	2.4
San Marcos	215,285	9,614	4.5	1.6
Huehuetenango	216,722	34,944	16.1	5.8
El Quiché	176,363	53,299	30.2	8.8
Baja Verapaz	138,856	16,466	11.9	2.7
Alta Verapaz	446,745	95,286	21.3	15.8
El Petén	4,957	0	0.0	0.0
Izabal	191,195	82,767	43.3	13.7
Zacapa	107,308	1,830	1.7	0.3
Chiquimula	69,980	731	1.0	0.1
Jalapa	88,845	3,151	3.5	0.5
Jutiapa	168,037	12,575	7.5	2.1
TOTALS	**3,359,087**	**603,704**	**18.0**	**99.8***

***Note: Percentages for land expropriations are rounded to the nearest tenth, hence the 0.2 percent margin of error.**

Sources: **Comité Interamericano de Desarrollo Agrícola, *Tenencia de la tierra y desarrollo socio-económico del sector agrícola: Guatemala* (Washington, D.C.: Unión Panamericana, 1965), p. 41; Guatemala, Dirección General de Estadísticas. *Guatemala en Cifras, 1956* (Guatemala: Dirección General de Estadísticas, 1956), p. 33; Jim Handy. *Revolution in the Countryside: Rural Conflict and Agrarian Reform in Guatemala, 1944-1954* (Chapel Hill: University of North Carolina Press, 1994), p. 94; and José M. Aybar de Soto, *Dependency and Intervention: The Case of Guatemala in 1954* (Boulder: Westview Press, 1978), p. 263.**

departments, eight were ladino and fourteen were Indian. In percentages of departments, this translates roughly as meaning that 36.4 percent of Guatemala's departments were *ladino* and 63.6 percent were Indian. As an additional insurance of accuracy, I calculated the populations of these departments as proportions of Guatemala's overall population; ladino departments had 35.8 percent of Guatemala's overall population, while Indian departments held 64.2 percent. I then totaled the amounts of land expropriated by ethnic classification with interesting results (see Table 3).

TABLE 3:
LAND EXPROPRIATIONS BY ETHNIC GROUP
(IN HECTARES)

Ethnic Group	Land Expropriated	%Total Land Expropriated	Land Expr. Per Capita
Ladino	311,399	51.6	0.31 H/cap
Indian	292,305	48.4	0.16 H/cap
TOTALS	603,704	100.0	

Sources: **Guatemala, Dirección General de Estadísticas 1956, p. 33; Jim Handy 1994, p. 94; and José M. Aybar de Soto 1978, p. 263.**

Table 3 indicates two major trends. First, *ladino* departments, with 35.8 percent of Guatemala's population benefited from a disproportionately high 52.6 percent of total land expropriations. Conversely, the Indian departments, with 64.2 percent of the total population, benefited from only 47.4 percent of the total land expropriations. Second, when calculated in terms of redistribution ratios per capita, there is a clear-cut bias in favor of the *ladino* departments. Indeed, *ladino* departments appear to have benefited from a redistribution ratio that was double that of Indian departments.

My calculations gain additional credence when compared with the results of Richard N. Adams's survey of peasant activists jailed in the wake of the 1954 CIA-sponsored *coup d'état* and the abrogation of the Agrarian Reform Law (see Appendix D). Of the people that Adams surveyed, approximately 38 percent had received land under Decree 900. And of that 38 percent, approximately 81 percent were ladino, as opposed to approximately 19 percent Indians.[27]

In summary, while Indians certainly benefited from the agrarian reform, particularly through agrarian mobilization efforts, which unified their communities and gained them land, Indians received disproportionately fewer benefits from the agrarian reform. Guatemala's *ladino* minority, conversely, likely received the lion's share of the land redistributed. And ethnocentric bias, it seems, existed in the expropriation and redistribution of lands under Decree 900.

The Plight of Rural Labor

The effects of the agrarian reform on Guatemala's rural labor remain, as yet, virtually unexplored. Ironically, data do exist which, although somewhat fragmented, give some idea of the plight of rural labor during the reform. In his landmark sociological study, published originally in 1959, Mario Monteforte Toledo, chairman of Guatemala's Agrarian Studies Commission for President Arbenz, published data on wages for several different economic groups, including agricultural workers. Richard N. Adams converted these data into salary indices, which can easily be compared with Guatemala's Consumer Price Index for the same period (see Table 4).[28]

As noted in Table 4, the trend in salary indices versus the Consumer Price Index is telling. Prices on basic consumption goods increased by an average of 3.9 percent during the 1950-1955 period, sustaining only one drop (5.1 percent) in 1952. As indicated earlier, this price drop likely resulted from a government price stabilization policy. At the same

APPENDIX D

GUATEMALAN POPULATION BY ETHNIC GROUP AND DEPARTMENT ETHNIC CATEGORY, 1950

Department	Ladinos	Indians	Percent Indian	Ethnic Category
Guatemala	359,399	79,514	18.1	Ladino
El Progreso	43,390	4,482	9.4	Ladino
Sacatepéquez	29,130	30,994	51.6	Indian
Chimaltenango	27,237	94,243	77.6	Indian
Escuintla	104,099	19,660	15.9	Ladino
Santa Rosa	99,542	10,294	9.4	Ladino
Sololá	5,104	77,817	93.8	Indian
Totonicapán	3,216	96,138	96.8	Indian
Quezaltenango	59,740	124,473	67.6	Indian
Suchitepéquez	40,151	84,252	67.7	Indian
Retalhuleu	32,165	34,696	51.9	Indian
San Marcos	64,051	168,540	72.5	Indian
Huehuetenango	53,473	146,628	73.3	Indian
El Quiché	27,817	147,094	84.1	Indian
Baja Verapaz	27,537	38,776	58.5	Indian
Alta Verapaz	12,504	177,308	93.4	Indian
El Petén	11,449	4,431	27.9	Ladino
Izabal	45,566	9,466	17.2	Ladino
Zacapa	56,177	13,359	19.2	Ladino
Chiquimula	42,998	69,843	61.9	Indian
Jalapa	37,186	38,004	50.5	Indian
Jutiapa	111,676	27,249	19.6	Ladino
TOTALS	**1,293,607**	**1,497,261**	**53.6**	**8 Ladino 14 Indian**

Source: **Guatemala, Dirección General de Estadística, *Guatemala en Cifras, 1956* (Guatemala: Dirección General de Estadística, 1956), p. 26.**

time, rural wages (indicated above as Group A) actually dropped below their 1950 level through 1952, and in 1953, they began to rise again. However, rural wages never fully recovered until after the agrarian reform's official repeal in 1954. Additionally, the six-year average indicates that rural wages only increased by an average of 1.8 percent, never keeping pace with the increasing cost of living.

This insufficient change in income contrasts sharply with income in three other economic sectors. Based on the economic categorizations listed in Table 4, laborers in Economic Activity Group B had an average salary increase of 6.3 percent. And those in Groups C and D sustained average annual salary increases of 4.7 and 10.7 percent respectively. All three groups' annual salary increases surpassed cost of living increases.

In summary, in contrast with other labor sectors, Guatemala's rural labor failed to keep pace with the increasing cost of living. Indeed, even in 1952, with the drop in prices during the agrarian reform's first year, rural wages continued to drop. And although rural

TABLE 4:

GUATEMALAN SALARY INDEX IN FOUR ECONOMIC CATEGORIES AND CONSUMER PRICE INDEX, 1950-1955 (1950=100)

Year	A	B	C	D	Price Index
1950	100	100	100	100	100
1951	85	103	104	102	111
1952	82	111	109	110	105
1953	90	120	114	134	107
1954	97	127	120	149	118
1955	106	135	126	164	120

A = Agriculture (including payment in kind), forestry, hunting, and fishing.
B = Extractive and manufacturing industries, building and construction, transportation and communications, hotels and personal services.
C = Commerce.
D = Public services and other general types (medical and religious services, education, arts and sciences.

Sources: Richard N. Adams, *Crucifixion by Power* (Austin: University of Texas Press, 1970), p. 387; Guatemala, Dirección General de Estadística 1956, p. 88.

wages began to rise again in 1953, they never caught up to the increased cost of living. In a country where 75 percent of the population lived and worked in rural areas, this inability to keep pace with rising costs certainly had a negative impact.[29]

Conclusion

In his 1951 inaugural address, Guatemalan President Jacobo Arbenz reiterated the importance of agrarian reform to his new government:

> Our government proposes to begin the march toward the economic development of Guatemala, and proposes three fundamental objectives: to convert our country from a dependent nation with a semi-colonial economy to an economically independent country; to convert Guatemala from a backward country with a predominantly feudal economy into a modern capitalist state; and to make this great transformation in a way that will raise the standard of living of the great mass of our people to the highest level.[30]

By the end of Arbenz's abbreviated presidency, his administration had written an impressively egalitarian agrarian reform law and implemented it, redistributing almost 16 percent of Guatemala's private land to an estimated 100,000 families. Had the agrarian reform functioned in accordance with Arbenz's inaugural proposals, Guatemala might have broken the chains of dependency and semi-feudalism, while improving the lives of Guatemala's rural majority and integrating Indians into the Guatemalan nation.

Notwithstanding overly optimistic and, frankly, erroneous analyses of the 1952-1954 agrarian reform, the fact remains that Decree 900 failed. When critically analyzed within their context, statistical data from the period support this conclusion. Hence, in spite of Arbenz's best intentions and efforts (and even before his 1954 ouster), Guatemala remained a dependent country, reliant on export agricultural production and an inadequate domestic-use agricultural sector. A land tenure system that had long marginalized Guatemala's Indians continued to primarily benefit a ladino minority—even before the agrarian reform was officially repealed and rolled back—as land expropriations and redistributions followed an apparently ethnocentric pattern. Additionally, rural wages continued to offer insufficient means of support for most rural families.

Polemicists continue to rage over what might have happened had Arbenz not be ousted and the agrarian reform continued. If given sufficient time, would the economy have stabilized, while freeing Guatemala forever form the bonds of dependency? Might the agrarian reform have equitably redistributed land to Guatemala's Indians? And would rural wages have eventually sprung up to a level consistent with cost of living increases?

The realm of counter-factuals offers enticing paths for debate, but historians and social scientists cannot live in the world of "What ifs?" Real people, like the people of Guatemala, live in the here and now, not in the distant and sometimes unforeseeable future, and even less so in the world of counter-factual debate. Hence, whatever economic "bumps" might have been smoothed over in the long run likely proved insurmountable to the average Guatemalan, as the agrarian reform produced mixed and often negative short-term results. Perhaps a clearer understanding of the impact this had on the lives of Guatemalan peasants might offer an explanation as to why no major pro-Arbenz uprisings occurred in the wake of the president's untimely ouster. Clearly, the 1952 Agrarian Reform Law remains an open case, one worth further critical investigation.

ENDNOTES

[1] Victor Bulmer-Thomas, *The Political Economy of Central America since 1920* (Cambridge: Cambridge University Press, 1987), 308-337.

[2] Jim Handy, *Revolution in the Countryside: Rural Conflict & Agrarian Reform in Guatemala, 1944-1954* (Chapel Hill: University of North Carolina Press, 1994), 82-83; Richard H. Immerman, *The CIA in Guatemala: The Foreign Policy of Intervention* (Austin: University of Texas Press, 1982), 28-29; Stephen Schlesinger and Stephen Kinzer, *Bitter Fruit* (New York: Anchor Books, 1982), 38.

[3] Arbenz cited in Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954* (Princeton: Princeton University Press, 1991), 150.

[4] Ibid., 155-156; Comité Interamericano de Desarrollo Agrícola (CIDA), *Tenencia de la tierra y desarrollo socio-económico del sector agrícola: Guatemala* (Washington, D.C.: Unión Panamericana, Secretaría General de la Oraganización de los Estados Americanos, 1965), 41.

[5] See, for example, Juan José Arévalo, *Guatemala: La democracia y el imperio* (Buenos Aires: Editorial Renacimiento, 1955); *Fábula del tiburón y las sardinas* (Santiago: Ediciones América, 1956); *Antikomunismo en América Latina* (Buenos Aires: Editorial Palestra, 1959); Guillermo Toriello, *La batalla de Guatemala* (México, D.F.: Cuadernos Americanos, 1956); Manuel Galich, *Por que lucha Guatemala: Arévalo y Arbenz: dos hombres contra un imperio* (Buenos Aires: Elmer Editor, 1956).

[6] As examples of this trend, see Daniel James, *Red Design in the Americas: Guatemalan Prelude* (New York: John Day, 1954); John Martz, *Communist Infiltration in Guatemala* (New York: Vantage Press, 1956); Ronald M. Schneider, *Communism in Guatemala, 1944-1954* (New York: Praeger Publishers, 1959); Nathan L. Whetten, "Land Reform in a Modern World," *Rural Sociology* 19 (December, 1954): 329-336; Jorge del Valle Matheu, *La verdad sober el "caso de Guatemala"* (Guatemala, 1956); and Carlos Samayoa Chinchilla, *El quetzal no es rojo* (México, D.F.: Arana Hermanos, 1955).

[7] Richard Newbold Adams, *Crucifixion by Power: Essays on Guatemalan National Social Structure, 1944-1966* (Austin: University of Texas Press, 1970); Immerman; Gleijeses; Susanne Jonas-Bodenheimer, "Test Case for the Hemisphere: U.S. Strategy in Guatemala, 1950-1974" (Ph.D. diss., University of California, Berkeley, 1974).

[8] José Aybar de Soto, *Dependency and Intervention: The Case of Guatemala in 1954* (Boulder: Westview Press, 1978); Gleijeses, 134-170; Handy.

[9] Congreso de la República de Guatemala, *Decreto 900: Ley de Reforma Agraria* (Guatemala: Librería Jurídica, 1996).

[10] República de Guatemala, *Constitución de la República de Guatemala, 1945*, Article 88.

[11] Ibid., Articles 88, 90, 91, 92, 93, 94, and 96.

[12] Ibid., Article 137, Paragraph 15; Aside from the allusion to Constitutional Article 137 in its Preamble, the Ley de Reforma Agraria only mentions Guatemala's *indígenas* in Article 2, where all forms of servitude and slavery are abolished. Nonetheless, the inclusion of Article 137 might be interpreted to imply that the Indians would be targeted as the primary beneficiaries of the reform.

[13] Ley de Reforma Agraria, Preamble.

[14] Ley de Reforma Agraria, Article 3.

[15] See Articles 9 through 12, 21 through 37, and 42 through 48 of the Ley de Reforma Agraria. See also, Gleijeses, 150-151; Immerman, 65l; Aybar de Soto, 230-231; Handy, 90.

[16] Aybar de Soto, 230.

[17] See Title IV, Chapters I and II of the Ley de Reforma Agraria, for an outline of this hierarchical organization.

[18] See Chapter III, "Procedimientos," Articles 63 through 83, of the Ley de Reforma Agraria, 181-184, for a detailed outline of these procedures.

[19] Aybar de Soto, 278-284; Handy, 93-96, 204-205.

[20] Handy, 95.

[21] Guatemala, Dirección General de Estadística, *Guatemala en Cifras, 1956* (Guatemala: Dirección General de Estadística, 1956), 87.

[22] My assertion that Guatemala remained in a state of economic dependency runs counter to Aybar de Soto's argument that agrarian reform actually lowered importation as domestic-use agricultural production went up; see Aybar de Soto, 280-283; see also Charles D. Brockett, *Land, Power, and Poverty: Agrarian Transformation and Political Conflict in Central America* (Boulder: Westview Press, 1991), 100.

[23] Handy, 205.

[24] Jim Handy, *Gift of the Devil: A History of Guatemala* (Boston: South End Press, 1984), 129; emphasis added.

[25] Susanne Jonas, *The Battle for Guatemala: Rebels, Death Squads and U.S. Power* (Boulder: Westview Press, 1991), 36-37; Brockett, 102-103; for an in-depth discussion of the strengthening of Guatemalan Indians and closed corporate communities during the agrarian reform, see Jim Handy, "The Corporate Community, Campesino Organizations,

and Agrarian Reform: 1950-1954," In *Guatemalan Indians and the State, 1540 to 1988*, ed. Carol A. Smith (Austin: University of Texas Press, 1990), 163-182; and Jim Handy, "Class and Community in Rural Guatemala: Village Reaction to the Agrarian Reform Law, 1952-1954," Occasional Papers Series (Miami: FIU Latin American and Caribbean Center, 1985).

[26] Guatemala, Dirección General de Estadística, 26.

[27] Richard N. Adams (Stokes Newbold pseudonym), "Receptivity to Communist Fomented Agitation in Rural Guatemala," *Economic Development and Cultural Change* 5 (July 1957), 356.

[28] Mario Monteforte Toledo, Guatemala: Monografia Sociológica, 2nd ed. (México, D.F.: UNAM, 1965), 474; Adams, 387.

[29] Guatemala, Dirección General de Estadística 1956, 26.

[30] Jacobo Arbenz cited in Handy, *Gift of the Devil*, 115.