

Not for Sale in Peru

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NOW that the Government is pushing economic development in the Amazonian drainage basin in eastern Peru, the land grabbers are registering their ownership of jungle land at a rapid rate. It does not matter that the Indians have occupied the land for thousands of years. As they have no written and registered titles of ownership, the land is being taken away from them. There are defenders of the Indians' rights to their land, but they have to fight not only the powerful land grabbers and their friends in Lima, but also local government officials who favor the new land owners and speculators.

—From the *CIDA Study*

THE LARGE land-owners in Peru are sensitive to criticism. Recently this august body—they form a major part of the oligarchy that dominates Peru—prevailed upon the powers that be to withdraw from sale an erudite and fascinating book. After a few early copies had come off the press the book was “not for sale” anywhere in Peru. It is now wrapped in mystery and almost impossible to locate elsewhere.

Jacobo Brodsky and Jacob Oser¹, however, who were engaged on a study of the whole Peruvian economy, tracked down one of the very few copies that slipped through the net. The forbidden fruit is a *CIDA Study*² on land tenure in Peru, and it makes it clear that existing systems must go if the country is to go forward. The present system, it points out, actively prevents progress.

It is common knowledge, of course, that in Peru there exist extraordinary concentrations of land ownership. Many of the biggest farms originated during the colonial period, others during the republican era, often enough under the protection of the state. The Peruvian Government owns a great deal of land but has lost much more to private ownership, largely through concessions or illegal appropriation.

Messrs. Brodsky and Oser quote various instances of land take-overs and industrial “shotgun weddings.” The stories are hair-raising. Take, for example, the story of the Valley of Chicama, one of the richest agricultural areas on the coastal belt. Largely given over to the production of sugar cane, it produces 45 per cent of Peru's sugar. In this area alone *four* latifundias (landed properties) share between them the control of 90 per cent of the workable area of the valley. One of

these, Casagrande, cultivates 51 per cent of the whole.

This staggering concentration of power emerged over the year from successive groupings of farms, and during the process numerous small operators were displaced. The pattern is analogous perhaps to the land enclosure movement in Britain. Casagrande combines fifty-three such farms. What forced the small proprietors to sell out? One lever used was the illegal appropriation of their irrigation waters.

Casagrande is controlled by the Gildemeister family and is supported by international capital. It was therefore in a position to absorb not only the numerous small farms in the valley but to take over what was then the second largest sugar enterprise in the country. By 1937 the expansion rate was nothing if not alarming. Eight more sugar farms were acquired in a neighbouring valley plus two large farms cropping rice and cotton. Gildemeister & Company became the largest sugar company in South America (perhaps the largest in the world) and controlled some 30 per cent. of sugar production in Peru. It also owned its own seaport (Port Chicama) for exporting its products and importing

¹Report published in *The American Journal of Economics and Sociology*, October, 1968. Robert Schalkenbach Foundation, New York.

²*Land Tenure and Socio-Economic Development of the Agricultural Sector, Peru*. Published by the Pan American Union, Secretary General of the Organization of American States, Washington, D.C. 1966. It is listed as a CIDA publication—Comité Inter-americano de Desarrollo Agrícola.

machinery and much else besides for the exclusive use of the plant. In due course it was to acquire vast stretches of land for raising cattle and cutting timber. Altogether this enterprise now owns more than half a million hectares of land.*

Another concentration of landed property occurred in the copper mountains, centred on the village of La Oroya. Here in 1922 a small smelting plant was installed which was soon to be the cause of unrest in the whole district. The smoke, which had no outlet except down the rich fertile valley, was highly toxic and was soon affecting the health of the local people, upsetting agriculture and poisoning livestock by the hundreds. Countless crops of potatoes and barley, and acres of

IN PERU the top 10 per cent of the spending units receive 60 per cent of the disposable income. Only 8,760 spending units, one-fourth per cent of the total, receive 35 per cent of the income. This distribution of income is more unequal than in any other developing country for which comparative information is available.

—From the CIDA Study

*1 hectare = 2.47 acres.

pasturage, were ruined by lead and arsenic deposits, killing hundreds of sheep, cattle and horses. 700,000 hectares were affected. By 1924 four communities were wiped out.

There were, of course, strong protests from the local people. Numerous claims were made against the Cerro de Pasco Copper Corporation, but it was not until 1925 that the corporation was compelled to install a purifier to remove the noxious elements from the smoke. And only in 1942 was the whole plant made safe—twenty years after the original catastrophe. The company had meanwhile found a solution to all the claims. It simply bought up the land—greatly depreciated in value—at bargain prices. Eventually the corporation controlled property within a radius of thirty kilometres around the smelting plant, most of which had been acquired well below its true economic value from the defenceless farmers.

Today, the Cerro de Pasco Copper Corporation also controls a great agricultural enterprise. Could it be, asks a leading agricultural journal, that in 1922 the corporation was unaware of the effects the toxic smoke fumes were going to have? Similar problems had preoccupied other smelters for years. The answer, of course, would have been to site the plant elsewhere.

Alternatively, it is suggested, the corporation must have acted on a preconceived idea of acquiring the surrounding land to establish the great agricultural enterprise that exists in their control today, and to make sure of a large supply of cheap labour for work in the copper mines.

A new and formidable concentration of land ownership is being created in the unworked lands of the Peruvian jungle. This has emerged after various Government concessions, but there is no room here to tell in full the scandals of unfulfilled obligations, the failures and the mistrust, the administrative manipulations.

Another rich proprietor is the Catholic Church, although there is no precise information regarding the amount of land it holds. And enormous areas of land, including some of the most important farms, are controlled by foreign firms. About 10 per cent of farm land, including no less than 70 per cent of sugar cane country, is under foreign ownership.

Brodsky and Oser point out the close relationship between the system of land tenure and education. In

rural areas Peruvian children cannot go to school because schools and teachers simply do not exist for them. Some of the luckier ones walk for one or two hours to get to their schools, but absenteeism is high especially at harvest time. The long distances they must travel accounts for the fact that children attend school at much later ages than elsewhere, and although there is a constitutional obligation for land owners to provide schools at centres of work, they often fail to do so. Illiteracy thus makes it difficult to adopt modern techniques on the farms.

Poor diets and poor health predominate. The death rate is high. Doctors and nurses are as rare as gold dust and scarcely exist outside cities.

In western Peru scarcity of water is the major problem. The land owners there also control the waters for irrigation. There is much abuse in the control of the headwaters and there is unbelievable wastage.

The CIDA study is depressing, but it floodlights the economic causes behind the depression and this is no bad thing. When the promised investigation of the Peruvian economy is completed by Brodsky and Oser, let us hope that it will be published outside the control of the Peruvian land owners.