

POLITICAL DEADLOCK inside El Salvador's Constituent Assembly – between parties of the Right and Centre, on the vital issue of land reform – is jeopardising elections set for March. There are growing fears that if polling does take place, it would inevitably be accompanied by violence. Left-wing guerrillas would be quick to exploit such a crisis, much to the embarrassment of President Reagan in Washington. PETER POOLE reports:

Flashpoint

WHEN the right-wing Roberto D'Aubuisson accuses someone of having links with left-wing guerrillas, it is tantamount to a death sentence.

So claim the U.S.-backed Popular Democratic Union, which is fighting to preserve El Salvador's land reform programme against a political onslaught from the Right.

As thousands of trade unionists demonstrated against proposed changes in the reform laws, D'Aubuisson, who is President of the Constituent Assembly, levelled his accusation against Samuel Maldonado, a prominent union representative.

There were immediate fears for Maldonado's life: but D'Aubuisson had disclaimed responsibility for the acts of right-wing death squads.

ONE change in the reform laws would enable landowners to split their holdings among family members, reducing the size of each plot to less than the minimum for redistribution.

The land reforms were introduced in 1980.

● Within one year, 5,000 peasants were dead.

● Others who successfully claimed ownership of land they formerly tenanted were driven off their plots by the thousand.

● Most of the country's collectives – established under Phase One of the reform – have collapsed; those that survive suffer from low productivity levels.

Against their backcloth of economic collapse, the landowners and their terror squads expect to make major inroads into the laws on which the Reagan Administration had pinned its hopes for peace in El Salvador.

MEANWHILE, one immediate consequence of the dispute

over land reform has been to jeopardise the chances of holding elections in March.

Only after a new constitution has been approved by the Assembly can the electoral commission begin the task of registering voters.

But political differences over land reform have deadlocked the Assembly and held up debate on the constitution.

The final nail . . .

PORTUGAL'S revolutionary government seized land and distributed it to poor peasants in 1975.

Since then, however, the country has swung to the Right, and now the government of Sr Mario Soares is preparing to complete negotiations for entry into the EEC.

The final nails in the "agrarian reform" coffin are about to be driven in, with a more methodical return to its original owners of part of the land seized from them.

Some poor peasants will benefit, however, with the distribution to them of non-nationalised or unoccupied land.

The price of rent

NAIROBI'S squatter families are going without food to pay their rents.

Phillip Amis reports that Kenyan landlords enjoy returns on their capital of between 50 and 200 per cent.*

Tenant families live in garden shed-like structures, the owners of which are known as "wabenzi" – as in owning a Mercedes-Benz.

Research shows that 38 per cent of the families in these rat-infested structures are not able to buy food to meet their basic nutritional requirements.

World Bank officials have tried to regulate the squatter settlements. Mr. Willy Mutunga of the Law Department, University of Nairobi, helped World Bank consultants to draw up building-by-laws in a bid to regulate this part of the housing sector. He is now in detention.

*Phillip Amis, 'The landlords and profit Kenya can't afford', *The Guardian*, London, Oct. 21, 1983.

S. KOREA

New tax to curb land deals

SOUTH KOREA continues to harrass speculators by taxing the profits from land deals.

New measures were announced as the government restated its belief that land speculators threatened economic growth.

The country aims for a 7 to 8 per cent rise in gross national product during the 1984-86 period.

In a hard-hitting speech, Mr Jin Nyum, the assistant economic planning minister, warned that the government should no longer allow an atmosphere that encouraged speculative investment in real estate.

Capital, he told the Federation of Korean Industries, should be allowed to flow into productive investment.

Mr. Jin, who is regarded as a rising star among Korean economic technocrats, spoke as the Office of National Tax Administration (ONTA) announced tougher measures against land speculators.

In a statement, the ONTA said that it would launch special tax investigations in areas where land prices were rising steadily or where real estate changed hands frequently.

The ONTA has multiplied by up to 20 the standard value of real estate in 253 "special tax zones".

This will now lead to heavier taxes on capital gains from real estate deals. The tougher tax penalties have been made retroactive to last September 7.

The increased standard value is applied to those who do not file tax returns on capital gains from real estate transactions, or those who make falsified tax reports.

The ONTA said: "If speculative buying or selling takes place, if a sudden rise in real estate prices occurs, intensive tax investigation will be conducted to ferret out speculators and their accomplices."

And it bluntly warned: "ONTA will never allow such speculative investment." The standard value of real estate will be readjusted every month or every quarter, in a bid to thwart land speculation.

● For the first time in Korean history, a bigger portion of bank loans went to individuals than to corporations, according to a Bank of Korea report. In the first half of 1983, individuals borrowed 1,195.9 billion won – to invest in housing and agricultural real estate – compared with corporate borrowings of 903 billion won.

LAND REFORM