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Latin America a Victim of Land Monopoly

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One would not expect to find involuntary poverty in South America. Generously endowed with mineral deposits and possessing fertile plains and valleys, this vast sub-continent extends to nearly eight million square miles. Here, surely, are abundant opportunities for thousands of millions of people to secure for themselves and their families full, rich and happy lives. And yet the total population is only some 160,000,000—about 200 persons to the square mile—most of whom drag out their lives in squalid poverty, beset by ignorance and disease.

Present day conditions result so largely from past economic policies of personal aggrandisement that it may be profitable to glance very briefly at the historical background in South America.

Most of the early adventurers who followed Columbus to the New World had no intention of settling there. They were members of a mixed society, permeated with hatred, avarice and jealousy, the product of several invasions of the Iberian Peninsula, in which proud, ruthless aristocrats mercilessly exploited the landless. Having endured the perils of the Atlantic crossing, these adventurers climbed mountains and penetrated forests in search of El Dorado, not hesitating to massacre the native Indians in their lust for gold. Emulating their masters who had divided up Spain and Portugal, they carved out for themselves vast landed estates, many of which are still to be found to-day.

The savageries of the Europeans, and the diseases which they brought from the slums of the Old World rapidly diminished the Indian population. Faced with a shortage of "native labour," the new aristocrats imported slaves. Fertile land was so abundant that little heed was paid to principles of sound cultivation. Virgin land was cleared, crops were planted and neglected until harvest time. After so cropping for a few seasons, the land was abandoned and new sections were cleared. Requiring little or no capital investment, this method of production yielded high returns and has remained understandably popular with large landowners up to present times. In a sentence, South America's economic problems may be summarised as being due to a synthesis of *latifundia,* speculation in land values and inadequate capital investment.

To appreciate the extent to which vast estates have ruled South America, consider the situation in a number of political sub-divisions, each separated from the rest by tariff and other barriers to the free exchange of wealth.

Argentina. Two thousand landowners between them hold one-fifth of the whole country (135 million of the 690 million acres) and this includes the most fertile land. Total population is about 17,000,000 (official estimate 1950). In the province of Buenos Aires (population 3,500,000) fifteen families own one-tenth of the land, and another 305 families hold a further three-tenths. The three largest estates are 1,250,000 acres, 950,000 acres, and 575,000 acres respectively. In Santa Fe province, 189 estates average approximately 62,000 acres: one company—La Forestal—owns 2,772,310 acres; other estates measure 410,000, 388,000 and 290,000 acres respectively. One English company owns four estates covering nearly 300 square miles.

Brazil. With a population exceeding 50,000,000 less than one acre per head (approximately 46½ million acres) is under cultivation. This is only 3 per cent of the total area of the country. According to Dr. Josué De Castro in his *Geography of Hunger* (Gollancz), Brazil is divided up into 1,900,000 properties, while France with a much smaller acreage is divided into 4,000,000 properties. During the past few years there has been much urban expansion. The *New York Herald Tribune* (Brazilian Commerce and Business), Paris, March, 1953, reported that "as Brazil's ten largest cities grew by 55 per cent in the 1940-50 decade, land prices soared. In Rio, located between mountains and the sea, real estate in fashionable suburbs costs as much as in downtown New York. This situation also exists in parts of Sao Paulo."

Professor Preston James, of the University of Syracuse, in his book *Latin America* (Cassell) writes that "those with money have been able again and again to find ways rapidly to increase it—most recently in the sudden increases in land values in the growing urban centres." He remarks that after the depression of 1930, surrounding Sao Paulo were miles and miles of unoccupied residential sub-divisions, laid out optimistically in the boom years prior to the slump. "The modern period," asserts Professor James, "is marked by the concentration of speculative fever in these very cities where increasing population, rapid new construction, and rapidly rising land values are bringing new wealth. The cities, viewed in this perspective, offer no small part of the answer to the riddle of empty Brazil."

Venezuela. When General Gomez was dictator from 1909 to 1936, the country was virtually his private estate. He owned no less than 126,500,000 bolivars' worth of real estate, worth more than £5 million at the time (1935). Exercising his dictatorial powers he was not content with being the largest landowner in South America but monopolised also the Venezuelan cattle industry by imposing a fantastically high tax on all herds that crossed provincial boundaries.

Other facts concerning land ownership in Venezuela show that in 1932 in the state of Miranda 85 per cent of the land was owned by 182 families. In Yaracuy 78 per cent was owned by 57 landowners and 84 per cent of the Federal District was owned by 19 landlords. The Andean Petroleum Company own roughly 4,450,000 acres, and the Largo Petroleum Company 4,000,000; most of this land is unused.

Chile. Official statistics for 1932 showed that 0.3 per cent of the farmers owned more than half of the 180,000 farms in the Central Valley and other fertile areas, while three-quarters of the farmers between them owned less than onetwentieth of these lands. In the province of Curico 83 per cent of the land is owned by 437 estates; in Aconcagua 183 estates cover 98 per cent of the area, whereas in Los Andes one estate covers 99 per cent. In Val Pariso the entire municipality of El Melon is one estate!

A leading agricultural expert in Chile, Adolfo Matthei, has given a vivid description of the extent and effects of land speculation in his country. The following translated excerpt from his book *La Agricultura en Chile y la Politica Agraria Chilena* is taken from *Latin America in the Future World* (Farrar & Rhinehart, Inc., New York, 1945):

> " Instead of intensifying their productivity, many Chilean landlords continue to increase the extent of their properties, for purely speculative ends. Their hope is to see the value of their lands fictitiously raised by some such contingency as the possible construction of a railroad near or across their domain. For the same reason, some of the landowners will hold on to their properties in spite of the fact that they are in no position to exploit them themselves because of a lack of capital. Others will try to monopolise all the land in the districts, preferably that having easy access to a public road, a river, a canal, etc. In the achievement of this objective they will not hesitate in forcing the small farmers of the vicinity to sell their establishments. This circumstance has resulted in many small proprietors having to abandon their productive agricultural holdings and migrate to the cities in search of some other means of livelihood. More often than not they have ended up by swelling the ranks of unemployed urban labour."

Three companies between them own almost 8,000,000 acres, most of which is held idle.

Cuba. According to an official report in 1939, 75 per cent of the most fertile land was controlled by only 1,167 concerns, of whom 799 specialised in cattle, 187 in coffee and 181 in sugar.

Bolivia. The 1950 census showed that 4.5 per cent of rural landowners monopolised 70 per cent of all privately owned land.

Puerto Rico. This American dependency suffers no less than other South American countries from the depredations of land monopoly. For instance less than one per cent of all farms comprise about one-third of the total farm land, including the best alluvial soil. But it has not always been so. During Spanish rule, according to *Latin America in the Future World,* more than three-quarters of the arable area of the island was in smallholdings (average 12 acres per farm) devoted to the production of sizeable amounts of local food requirements. And in 1899 a United States census Commission reported that " this general ownership of farms has unquestionably had a great influence in producing the contented condition of the people of this island, as contrasted with the restlessness of Cuba, where a large proportion of the cultivated area was in the hands of a comparatively few landlords."

In general terms, the effect of land monopoly on the economies of the various countries that comprise South America has been twofold:

1. Large estates are under-manned and poorly cultivated: low production, low wages and widespread unemployment are the inevitable consequences.
2. General reliance on mono-culture so restricts the range of commodities exported that even minor fluctuations in world demand can have most serious results. The rigidity of a single-crop economy based on land monopoly, and accompanied by resultant shortage of capital, effectively prevents rapid change to another mode of production. Unemployment spreads and poverty deepens.

What is being done to solve this problem? There have been attempts to break down the size of the estates. One Argentinian attempt to encourage small holdings was the creation of special credit facilities, through the agency of the Banco Hipotecario, the official Mortgage Bank. Landowners then made huge profits selling land at prices so high that many of the small farmers were unable to pay off their mortgages. As a result of foreclosures by 1945 the Banco Hipotecaria owned more than 5,000,000 acres, and had mortgages on 39.55 per cent of the land area of Buenos Aires province and on more than 10 per cent of the land in five other provinces.

The lead given by Mexico in instituting programmes of so-called "land reform" is being followed increasingly throughout South America. At the beginning of this century 70 per cent of Mexico was owned by less than one per cent of the population. Land reform has mitigated the dismal poverty of the people to some extent but unfortunately such beneficial results that these schemes may yield are necessarily short-lived. After a while, unless an ever-increasing number are permitted to remain landless, estates are divided and re-divided until they are too small to work profitably. Then the small farmers go bankrupt and the evils of land monopoly are once again apparent. This tendency has already become apparent in several countries, a case in point being Costa Rica where more than 12,000 farms in 1942 were of less than 2½ acres in extent.

In these so-called "land reforms" we see the continuation of the private appropriation of the rent of land, so that far from being destroyed land monopoly is entrenched, to continue menacing the well-being of the peoples of South America.

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