

Latin America's Slow Progress



PROFESSOR James L. Busey of the Department of Political Science, University of Colorado, spoke to a group of faculty members at the Henry George School in New York on June 27th, paying a tribute to Latin America in the struggle it has waged to achieve stable liberty.

Unless the problem of land monopoly can be somehow solved, he said, one cannot but be pessimistic about the future economic structure of Latin America, for it would be hard to find an area less conscious of the ideas of Henry George. The wonder is that in the face of so many profound obstacles any forms of democracy at all have developed.

Democracy is a rare flower which emerges in a very special soil, said this specialist on Latin American problems. All of the following ingredients must be present to insure success: long experience in self-government; reasonably high standards of living; literacy and cultural achievement; harmonious and widely distributed social and economic relations; the presence of some frontier of opportunity; and enlightened leadership (some saying this last is the most important).

During the Indian epoch there was forced labor on land and in mines entirely controlled by a central authority. This was a highly stratified society, and land was all in the possession

of the Inca or Aztec emperor.

Spain and Portugal offered little in the way of democratic experience.

In the colonial epoch vast grants were made to royal favorites. At first Brazil was divided into twelve great estates including the allotment of Indian lands. Some called this feudalism—others called it slavery.

In what was termed the "independence" epoch there was development of peonage and final destruction of remaining Indian communal lands.

Professor Busey made it clear that he is not one to attribute everything to *one* single answer—society is too complex. But if any one factor can be said to have played a dominant role in Latin America it is the system of land tenure. The system of deliberate, willful land monopolism is an accepted policy of the state and can be seen as directly or indirectly opposed to most of the necessary ingredients mentioned above as being absent, but necessary, to a successful democracy.

In Guatemala 2.2 per cent of the people own 70 per cent of the land—there are 22 owners with over 23,000 acres. In Brazil 1.5 per cent of land holdings account for 48.4 per cent of the farm area. In Bolivia, in 1950, 4.5 per cent of landowners had 70 per cent of all private landed property.

Mexico in the late 19th century reflected this typical condition: in Chi-

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huahua 7 concessionaires received a total of 35 million acres, in Durango 5 million acres were shared by two persons, and in other parts of North Mexico a single company got more than 12 million acres. It was said that some 3,000 persons owned the entire republic, and that the state of Chihuahua was owned by a dozen families.

Henry George points out that "the wealth produced in every community is divided into two parts by what may be called the rent line, which is fixed by the margin of cultivation, or the return which labor and capital could obtain from such natural opportunities as are free to them without the payment of rent." But in Latin America there have been no free opportunities open to labor and capital. Essentially *all* the land has been monopolized.

As a consequence the producer has no recourse but to do the landlord's bidding. Workers are given a bare subsistence wage, if that, and glad to get it. There is a sharp cleavage between the few parasites who have enriched themselves on the basis of

their land monopolies, and the huge mass of groveling, poverty-stricken people entirely dependent upon them.

There is little chance for the emergence of new or enlightened leadership since a large part of the population is excluded from social participation. These masses quite naturally turn to beggary, robbery, pillage and revolution.

What reforms can be expected? As may be supposed from current news reports, no visible social movement is likely to institute non-collectivist land reform. Monopoly, whether private or public, is ingrained in the consciousness, since neither Adam Smith nor Henry George ever really penetrated Latin America.

In any new industrialization program much depends upon the resources and sites which are monopolized. New commerce, trade, and the rise of new economic groups, may conceivably modify somewhat the grip of land monopoly in these countries. Also, the new movement onto unused lands, especially in Panama, though it has not been thoroughly studied, may be significant.

Letters, continued

point that would cover the marginal cost of production. Which has the causative relation to price—our subjective valuation, which suddenly changed; or the cost of production, i.e. the labor involved?

Labor is a much more stable factor on which to pin prices, and if it is not the cause why do we have these prolonged strikes? Why doesn't manage-

ment grant the raises requested and let prices remain stabilized?

It seems to me that when we divorce the market from labor we also divorce it from the productive process—like raising chickens without eggs. This is an important topic and I'd like to hear more.

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You're not coming to the annual conference of the Henry George School in Detroit? Then you'll want to enjoy it and benefit from it vicariously by reading the August and September issues of The Henry George News.