

GUATEMALA

President with a tightrope land tax strategy

PAUL KNIGHT REPORTS



VACANT AT YOUR PERIL

LANDOWNERS in Guatemala have been trapped by the cunning tactics of the first civilian president in 30 years.

The CIA overthrew the last legitimate government in this central American country. Since then, many people have died under successive repressive military juntas.

Fifty thousand have perished since 1978, as the army tried to crush guerrilla liberation movements.

Now, in the December elections, Marco Vinicio Cerezo Arevalo has been elected with a mandate to reform the country's social and economic institutions.

Shrewdly, however, he has calculated that he stands a better chance of making progress on behalf of the majority of the poverty-stricken population if he does not antagonise the right-wing groups – and especially the landowners.

So, rather than threaten landowners with "land reform", he has talked of "concerted development." In pursuit of this objective, he has promised not to confiscate or buy land from families with large estates.

Instead, development will take the form of a tax on the value of vacant land! Stephen Kinzer, reporting in the *New York Times* on December 16, explained the impact of this fiscal policy:

"Many wealthy owners use only part of their sprawling plantations, allowing vast areas to lie fallow. If the new Congress approves a heavy tax on such land, some owners could be forced to sell part of their holdings or allow peasants to lease them.

"The measure would also represent the first serious attempt in years to

force landowners to pay their share of taxes, itself a radical departure in Guatemalan politics."

LANDOWNERS know that, if land was made available to the hundreds of thousands of landless labourers, the level of wages would rise because they would have to compete for the services of migrant workers.

"But experts say no substantial progress can be made against poverty as long as no land is available for the 75% of the population that, according to Mr. Cerezo's figures, live without access to life's basic necessities," reports Mr. Kinzer.

Mr. Cerezo knows that he is walking a tightrope that is suspended above a deep political abyss. If he takes a wrong step, he will fall into oblivion.

But he is a man of courage. Before returning from exile in 1980, he held a press conference in Washington at which he decried the violence perpetrated by his country's government. Within weeks of returning to Guatemala, he was the target for an assassination attempt: he narrowly escaped death from a hail of bullets from a passing police car.

His Christian Democratic Party will now attempt to introduce reforms that will ensure progress for the mass of people while somehow retaining the constitutional support of the military and the group that has traditionally exercised ultimate power in Guatemala – the landowning elite.

Land

FOR THE past forty years the Labour Party's attitude to the Land Question has been the despair of its friends and the near-delight of its enemies, writes *BERT BROOKES*.

Up to World War II, the Party seemed to see its way clearly. The private ownership of land was condemned as unethical and unjust, the shameful sequel of a Great Robbery of the people.

It was seen as a relic of the age when Jack touched his forelock to his master and when the natural order was for an idle, "landed" upper class to live in pomp and affluence on the backs of those who, often in poverty and privation, actually produced the wealth of nations.

During those pre-1939 years, the Party knew exactly what had to be done to correct the tilted scales. In two brief periods of government (1924 and 1929-31) they announced plans to re-establish the people's right to their country's natural resources by taking land-rent into the public treasury; and in 1931 they took firm action in Parliament to achieve this.

As Philip Snowden said, referring to his ill-fated Finance Bill:

*"By this measure we are asserting the right of the community to the ownership of the land. If private individuals continue to possess a nominal claim to the land, then they must pay rent to the community for the enjoyment of the privilege and they cannot be permitted to enjoy that privilege to the detriment of the community... Land is different from all other commodities. It was given by the Creator, not for the use of Dukes, but for the equal use of His children."*¹

It was the great political let-down of the century when, in 1945, with Labour in unfettered power at Westminster for the first time, the Attlee government threw away its opportunity to right an age-old wrong by producing, not the taxation of land values but an ineffective, regressive, unworkable Development Charge² which had no hope of serving any of the Party's ideals.

And what is more, when, under Harold Wilson, they had further chances, they threw them after the first with more levies on development³ which once again got them nowhere.

THE GREAT fiasco of British politics in the years since 1945 has been the Labour Party's obsession with the nationalisation of enterprises such as the coal mines, the railways, steel, electricity and gas for which the