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CREATING A NEW GUATEMALA:
THE 1952 AGRARIAN REFORM LAW

A thesis submitted in partial fulfillment
of the requirements for the degree of
Master of Humanities

By

TIFFANY KWADER HARBOUR
B.A., University of Redlands, 1997
M.A., University of Arizona, 1999

2008
Wright State University

WRIGHT STATE UNIVERSITY
SCHOOL OF GRADUATE STUDIES

June 26, 2008

I HEREBY RECOMMEND THAT THE THESIS PREPARED UNDER MY SUPERVISION BY Tiffany Kwader Harbour ENTITLED Creating a New Guatemala: The 1952 Agrarian Reform Law BE ACCEPTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF HUMANITIES.

David L. Garrison, Ph.D.
Project Director

Ava Chamberlain, Ph.D.
Director, Master of
Humanities Program

Committee on Final Examination:

David L. Garrison, Ph.D.

David Petreman, Ph.D.

December Green, Ph.D.

Joseph F. Thomas, Ph.D.
Dean, School of Graduate Studies

ABSTRACT

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In 1952, Guatemala enacted the Agrarian Reform Law Decree 900. The Decree became an instrument for national development through land redistribution and the development of agrarian rights. Although the law was only upheld for eighteen months, the Decree influenced land and labor legislation through today. Struggles for agrarian rights continued throughout the military dictatorship and civil war which plagued Guatemala until the signing of the 1996 Peace Accords. Ideals for land reform originating in the 1952 law continue to have a pervasive influence on the Guatemalan land reform movement. This study is further contextualized and framed with quotes and analysis from José Luis Paredes Moreira's investigation of Decree 900 and its impact in Guatemala. The second section of this project includes an original translation of Decree 900.

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CREATING A NEW GUATEMALA: THE 1952 AGRARIAN REFORM LAW

In Guatemala's October Revolution, 1944-1954, "all [state] governors were replaced. The national police was abolished, and... groups of teachers, students, and Boy Scouts patrolled the streets" (Berger 41). Attempts at political reform were constant, as the revolution sought to democratize the State and move away from nineteenth century standards of law and social order. The primary vehicle for change during this time was the 1945 Constitution, which established State responsibility for developing agricultural activities, protection of private property when it fulfilled a social function, the abolition of servitude contracts on farms, and authorization for workers, organizations, and unions (Sandoval Villeda 222).

One revolutionary change that occurred during the Revolution resulted from a controversial agrarian reform law, Decree 900, the 1952 Agrarian Reform Law. The first part of this study examines this law and its influence in Guatemala to provide a framework and contextualization of the impact it had and continues to have there. The second part is a translation of the Decree.

The Decree sought to establish greater land and labor rights for Guatemalan peasants. Such rights had varied over the eighty years prior to this legislation. A reform law in 1871, for example, removed indigenous groups from their land to work on coffee plantations (Reeves 39). The Guatemalan government seized land from German nationals in the 1940s, and thus Decree 900 became an instrument for national development through land redistribution and the development of agrarian rights. Although the law was only upheld for eighteen months, it influenced land and labor legislation. Struggles for agrarian rights continued to develop along the ideals originating in the 1952 law, which has had a pervasive influence on the Guatemalan

land reform movement. To further contextualize and clarify this study, quotes and analysis from José Luis Paredes Moreira's investigation of Decree 900 and its impact in Guatemala are translated and referenced throughout.

Land in Latin America

To understand the importance of land in Guatemala and the transformation of rights afforded through Decree 900, it is important to outline the distribution of land in Latin America and Guatemala. One of the gravest issues throughout Latin America is the inequality of land distribution. "It is commonly said that the rural poor have been excluded by dominant paths of development," as they are inherently separated from political centers of power, such as the capital city, and without significant landholdings the rural poor are often overlooked or dismissed by those in power (Herring 58). To counter this inequality, agrarian reforms have been proposed, implemented, and often disabled before the reform could take effect. However, "even dead land reforms are not dead. Promises unkept keep movements alive; past failures in implementation are not forgotten. Both become focal points for new politics" (Herring 64). One of the arguments for land reform is to "put the unused and underused lands into the hands of the unemployed and underemployed" or into the hands of those currently working the lands, although they themselves may not possess title (Burns 77). Agrarian reform is often restricted because the elite class and international partners condemn these reforms as stemming from communist or Marxist ideology and thus contrary to democracy. The elites and international partners present such examples as Nicaragua's land reform under the Sandinistas, associating the success of one-third of arable land redistribution as part of the communist revolution. However, from definition to implementation, movements for land redistribution generally seek to enhance

productivity in agriculture and human capital and do not favor one political ideology. The impact of land concentration in the hands of the powerful elite in Guatemala during the 1950s is highlighted here in Paredes Moreira's introduction to his investigation for Institute of Social and Economic Studies at the University of San Carlos in Guatemala.

“El presente estudio constituye un capítulo más, acerca del problema agrario que es de enorme trascendencia para Guatemala, y en general para todos los países cuyas economías dependen principalmente de la explotación de la tierra. Es también significativo el hecho de que en distintos conclave internacionales se haya puesto de manifiesto que las estructuras agrarias anacrónicas son factores que retardan el progreso de los pueblos, con las consecuencias fatales de provocar hambre, miseria y desolación” (11).

“The present study [by Jose Luis Paredes Moreira] constitutes another chapter about the agrarian problem that is of enormous importance for Guatemala, and in general for all of the countries whose economies depend principally on land exploitation. It is also a significant fact that different international conclaves have made clear that anachronical agrarian structures retard the progress of the general population, with the fatal consequences of provoking hunger, misery, and isolation” (11).

Land distribution and thus land reform is limited to agrarian-based societies, those countries with a rural mass populace (Morris 320). As a general social, political, and economic term, Rossi and Plano define land reform as,

*“...major changes in the ownership and utilization of agricultural land. Land reform, also called agrarian reform, is primarily directed at large estates held as private property (*latifundio*), which may be farmed as plantations, by tenant sharecroppers, or as traditional haciendas. In land reform, the land is confiscated or purchased under the authority of public law and then collectivized or redistributed to new owners” (10).*

Decree 900 established and put into place new agrarian institutions and structures. These institutions included organizations such as the National Agrarian Department, the National Agrarian Council, Departmental Agrarian Commissions, Local Agrarian Committees, and the

National Agrarian Bank. These agencies established a new phase of increased productivity and flexibility (Herring 58). The agencies continued and parallel organizations developed after the revocation of Decree 900 and are still in place today.

Montgomery presents four politically-based reasons for land reform. First, reforms can “develop rural political support for a faltering or newly established” political party (69). The second and third include “to anticipate or forestall possible revolution” and “to eliminate or weaken political opposition” (69). Lastly, Montgomery states that land reform may also be a means to establish “ideological purity and consistency” as a means to unify the populace under the ideology of one political system or party structure (70). None of these reasons are contrary to democratic implementation of agrarian reform, nor are these reasons contrary to democratic principles.

Transitioning democracies can wield new reforms in an effort to restructure legacy institutions and implement social and economic changes. “Without state cues, organizational support, and adequate legal backstopping, participation of the rural poor is less likely” and elite and international partner support and acceptance of land distribution is severely limited (Herring 65). If a transitioning or stable democratic state implements and oversees the agrarian reform process, representation of the rural populace and promotion of equality seek to ensure the reform’s success. Representative and democratic institutions can ensure fair policy implementation from the highest levels of government, including the executive, legislative, and judicial branches to the local provinces. Strong institutions enable government reforms and economic development.

A transitioning or consolidated democracy must have some established political strength as agrarian reforms can establish profound change to enhance rural structures, but weak political

institutions can lead to conflict in “personal, partisan, organizational, class, and ethnic differences” throughout the rural areas (Webre 486). Thus, the greatest difficulty “becomes one of finding elements of political support for an agrarian reform from among groups outside the peasantry” (Powell 292). Therefore it is imperative that the institutions created to implement and oversee agrarian reforms mobilize rural masses, but also gain the support and acceptance of the elite and landowning class. Through appropriate legislation, executive support, and social, political or monetary incentives, successful agrarian reforms are possible.

The counterargument to agrarian reform states that such reforms cannot be democratic, that the reforms infringe upon private property rights, and that the reforms are difficult to implement on a large scale. The “Impossibility Theorem of Agrarian Reform” argues that agrarian reform “is politically impossible” due to the following factors: difficulty in organizing action among diverse and geographically separated groups, financial dependencies of groups on limited income sources, varied political affiliations and levels of participation, and greater levels of participation and action by the economic elite and state actors (Herring 58-59). These social, economic and political factors are often cited as the basis for reform failure and few theories present a means or standardized method to ensure reform success. Moreover, this “impossible” approach to land reform also argues that reforms are less viable as there is now greater agricultural and economic diversification in the world economy and increasing urbanization that deemphasizes the need for rural, agrarian reforms. This argument supposes that agriculture is not a viable means of livelihood and that individual or cooperative land ownership cannot be sustainable. In addition, as Paredes Moreira highlights, the cost for agrarian reform is often a burden and too expensive for a nation to want to undertake.

“La verdad es que no existe país alguno que cuente con los ahorros monetarios suficientes para pagar el valor de su propia tierra expropiada. ...una auténtica Reforma

Agraria siempre conlleva un cierto elemento de confiscación en interés general de la sociedad, razón por la que hay que aceptar pagos diferidos a un plazo no inferior a 20 años, a un bajo interés y a precios inferiores a los del mercado, generalmente muy inflados en América Latina” (Paredes Moreira 18).

“The truth is that there is no country which has enough monetary resources to pay the value of expropriated land. . . .an authentic Agrarian Reform always carries with it a certain element of land confiscation for the general interest of society, which is why deferred payments must be accepted over a period of no less than 20 years, under low interest and lower than market prices, which generally tend to be very inflated in Latin America” (Paredes Moreira 18).

If land reforms and implementing institutions are framed decisively and supported by the nation-state, widespread agrarian reforms and land redistribution are possible. First, rural institutional structures must be assessed in each country so that agrarian support structures may be implemented to yield the most successful reform, demonstrated through redistribution of land, sustainable agricultural production, and incorporation of a greater majority of the populace into the political voice. The greatest chance for successful transition is within the ideological construct of democracy. “Democratic transitions, though often fragile, also open new possibilities for reform” as equality, representation, and mass participation are key factors in transitioning to a stable, consolidated democracy (Herring 63). Herring provides Eritrea as an example in which “in newly opened systems, political entrepreneurs seek new bases of support; constraints on mobilization simultaneously decline” thereby providing for rural reform in order to build a more stable and democratic nation and grow economically (63). “Economic development then leads to increased political rights” and thus reforms stabilize the nation-state political structure and ideology (Midlarsky 454).

Working through these difficulties in land reform also requires support in the application of the four defined administrative operations of land reform. Montgomery defines these operations as “(a) initiating changes in ownership of tenancy rights, (b) issuing land titles and enforcing contracts, (c) transferring funds to landlords as compensation and collecting rents or payments from tenants and new purchasers, and (d) adjudicating disputes over boundaries, inheritances, and rights” (63).

Land in Guatemala

Land and labor rights in Guatemala were limited from the colonization period in the 1500s through the late 19th century. Guatemala gained its independence from Spain on September 21, 1821 and in 1825 passed its first agrarian law. By 1880, eighteen laws regarding agricultural production and land were established. As Paredes Moreira outlines below, the organizational structure of land remained as legally recognized private property or portioned for communal benefit.

“Los más conocidos historiadores que lograron hacer penetrar sus estudios a esta época están contestes en que la propiedad individual sobre la tierra únicamente era conocida para las llamadas tierras de jefes y caciques, aunque existían las tierras en forma comunal las cuales indudablemente formaban la mayoría, estas lo eran bajo la forma del “calpulli” término azteca que traducido al español significa “barrio” y el cual sociológicamente se diferencia de nuestros “barrios” actuales en el sentido de que aquellos eran agrupaciones de tipo cerrado unidos por el vínculo del parentesco lo que impedía la entrada de extraños a la organización, lo mismo que la salida de sus miembros para labrar otras tierras” (12-13).

“The most well known historians with studies undertaken regarding this time period (Pre-Colombia) have discussed that individual property was the only land known as claimed territory between owners and caciques, lands existing in the communal form undoubtedly formed the majority of landholdings, but these were under the properties entitled “calpulli” which is an Aztec term translated into English as “Neighborhood” and which is

sociologically different from current neighborhoods in the sense that these lands were grouped units in order to ensure the impediment of strangers from entering into the area, while some of the members of these neighborhood areas left to work other lands” (12-13).

The laws established in the late 19th century did not affect land and labor rights in Guatemala. Their purpose was to maintain limited land distribution. Land remained segmented and controlled by private owners or the communal tracts of land were nationalized as the Guatemalan government increasingly invested in coffee production (Sandoval 220).

The Liberal Revolution of 1871 under the regime of Dr. Mariano Gálvez stimulated coffee politics and sought to promote coffee production throughout Guatemala. Federal or “nationalized” lands provided the majority of this export crop. Dr. Gálvez also introduced or increased the production of such agricultural products as cotton and sugarcane. These export-based crops initiated a more diversified agricultural macro economy in Guatemala, primarily worked by tenant farmers and indigenous peoples on large private estates or nationalized land. During the Liberal Revolution, estates and other landholdings were organized and registered for the first time in the Registry of Immovable Property, seeking to establish land registration and national agrarian order (Paredes Moreira 17). Registered lands fell primarily into two segments: lands registered to the private estate holders and nationalized lands registered as State property. This type of registration limited, if it did not forbid, the registration of land to indigenous people and communities.

The 1879 Constitution excluded the indigenous population, the primary workforce in Guatemala, from citizenship (Reeves 159). Spanish and mestizo rights to land were restricted through the nationalization of land for the increased emphasis on coffee production. From the 1870s until the October Revolution, the indigenous and mestizo population constituted the great

majority of the rural workforce in the coffee and sugarcane fields and in national improvement projects, such as highway construction (Cambranes 300). Agricultural production allowed for tenant farmer-style employment, while improvement project employment was more variable.

Guatemala's concentration of nationalized land for coffee or other national agricultural production was only encroached upon by large private land owners and corporations. Prior to the October Revolution, most of the private land was held by foreign individuals or corporations. As Paredes Moreira highlights, Title IV of the Constitution of 1945 attempted to restructure land definitions and holdings, the two groups most affected being German citizens and corporations such as the United Fruit Company.

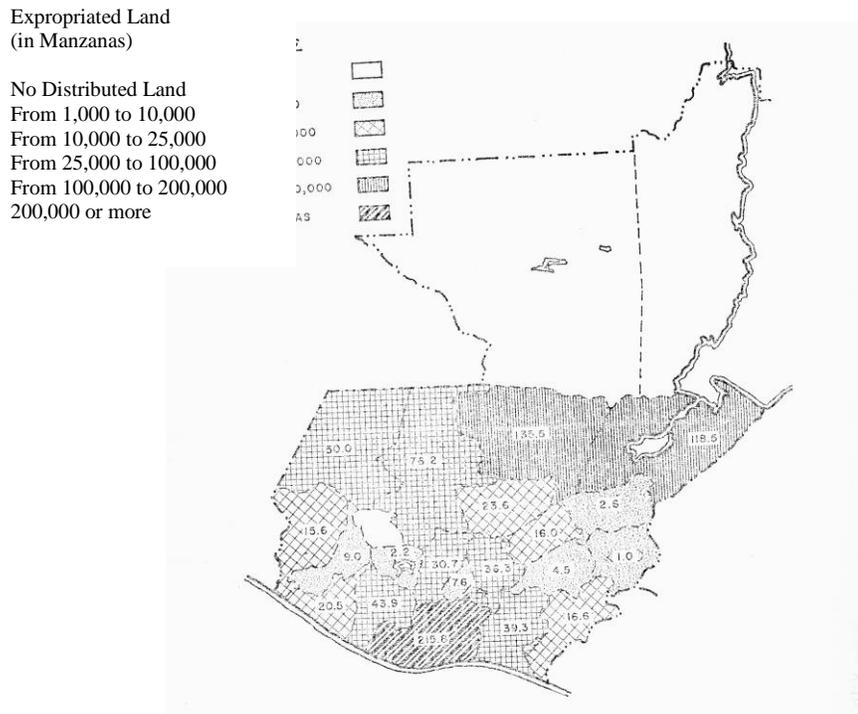
“...Se emite la Constitución de 1945 que en su Título IV sobre el régimen económico y hacendario disponía entre otras cosas, la obligación del Estado de fomentar las actividades agropecuarias... beneficiaran... al mayor número de habitantes de la República; y en su Artículo 90, al reconocer la existencia de la propiedad privada y garantizarla, lo hizo solo “como función social”. El mismo título prohibió terminantemente los latifundios...” (Paredes Moreira 48).

“... In the Constitution of 1945, Title IV arranged among other things the economic regime and land owners, the State obligation included the fostering of farming activities... to benefit... the greatest amount of inhabitants of the Republic; and in Article 90, the Constitution recognized the existence of the private property and guaranteeing it only of it held a “similar social function”. The same Title finally prohibited the existence the *latifundio* (or large estate)...” (Paredes Moreira 48).

The majority of land until World War II was held by individuals and corporations from Germany and the United States. German landholdings through the 1940s included property expanses up of to 313,046 hectares until they were confiscated in 1940 by the government (Menjivar 130). The American corporation, the United Fruit Company (UFCo), remained one of the few foreign corporations with extensive landholdings into the 1940s (Sandoval 220). The UFCo was the largest and most powerful banana producer, with the largest expanse of territory

equaling 221,862 hectares (Cambranes 312). Land concentration determined a rigid class structure reflective of a caste system which permitted little mobility between laborers and land owners (Menjivar 126).

Figure 1 . Expropriated, Private Land by Guatemalan Department, Conforming to Decree 900 (Paredes Moreira 58)



Developed By: C.G. Herrera

One difficulty in estimating the exact extent of land tenure in Guatemala is that there are various forms of measurement of land. There are different measures used in Guatemalan censuses, tax records, and property titles; there is no standard measurement for government reporting (See Table 1. Guatemalan Terms of Measurement and Equivalent Size). The most common measurements and their size equivalent include the vara, cuerda, manzanas, and caballería.

1 vara	0.8359 meters
1 cuerda	50 varas
1 squared vara	0.6987 squared meters
1 squared cuerda	2,500 squared varas 0.17468 hectares 4 squared cuerdas
1 manzana	10,000 squared varas 0.6987 hectares 4 squared cuerdas
1 caballería	645,816.125 squared varas 258.3265 cuerdas 45.125 hectares 64.5816 manzanas

“...El Primer Censo Agropecuario de 1950 que puso al descubierto el desequilibrio en el régimen de tenencia de la tierra, al existir grandes extensiones sin aprovecharse, como propiedad de pocas personas, en marcado contraste con los números población rural carente de ella” (Paredes Moreira 15).

“The First Agropecuary Census of 1950 exposed the inequality of land, showing that large amounts of undeveloped land in the hands of a few people, in marked contrast with the large number of people in rural areas with no land at all” (Paredes Moreira 15).

The need for agrarian reform in Guatemala is exemplified in that the pattern of ownership inherited from the colonial era forced more than 50 percent of the population to live in the margins of society (Sandoval 211). Moreover, “approximately 2 percent of the population controlled 72 percent of Guatemala’s arable land, while 88 percent of the population held only 14 percent of the land” (Trefzger 32). Land reform pushed during the 1940s tried to provide a more equitable distribution of land and also a means to increase agricultural production efficiency, as only 12 percent of the land owned by large estates or private owners was tended (Trefzger 32). The reform measures outlined in the Constitution of 1945 and Decree 900 would

call for land to be transferred from the hands of owners into the hands of those whom worked the estate (Sandoval 213). Redistribution of land also projected greater yields of subsistence crops for Guatemala and export crops to benefit the national economy. The greatest campaign for land redistribution and inclusive agrarian reform began during the presidential campaign of Jacobo Arbenz Guzmán in 1950.

The Reform

The October Revolution, 1944-1954, transformed Guatemalan politics. Two presidents served during this period, Juan José Arévalo and Jacobo Arbenz Guzmán. President Arévalo's election represents the introduction of political democracy to Guatemala, as his election is considered the first fair and democratic election in Guatemala's history since independence. President Arévalo's election is also important as he returned from exile to run against the incumbent and continue the initiatives proposed by the October Revolution, headed by Jacobo Arbenz Guzmán.

President Arbenz won the November 1950 election because of his campaign for agrarian reform (Trefzger 32). President Arbenz continued the democratic transition through political and economic reforms, moving the country to more a democratic, capitalist society (Gleijese 454). Agrarian reform as proposed by Arbenz was not contradictory to the new democratic, capitalistic objectives as the primary aims were to ensure representation, to ensure rights for citizens, and to promote production in the worldwide capitalist economy of the 1950s. Arbenz stated during his election campaign: "All of the riches of Guatemala are not as important as the life, the liberty, the dignity, the health, and the happiness of the most humble of its inhabitants" (Cambranes 309). Eight years into the October Revolution and after numerous studies and much debate,

President Arbenz pushed forward the agrarian reform project, later called Decree 900, to the Guatemalan Congress in 1952 (Handy 380).

“... Decreto 900 que contiene la Ley de Reforma Agraria, el cual trataba de solucionar este agudo problema mediante realizaciones efectivas de transformación agraria. Desafortunadamente esta medida que constituía el inicio de un racional desarrollo económico para el país se vio frenado por los intereses políticos y de clase, que al verse afectados... conseguir su anulación” (Paredes Moreira 15).

“...Decree 900 which contains the Agrarian Reform Law, tried to solve this acute problem by effectively accomplishing agrarian transformation. Unfortunately this measure, that constituted the beginning of a rational economic development for the country, was stopped by political and class interests, because they saw themselves as affected... [and they] secured the law’s cancellation” (Paredes Moreira 15).

Several politicians, private landholders, and agricultural-based corporations argued that the draft legislation was unconstitutional. Those opposed to the Decree stated that the law would violate property rights through land confiscation without demonstrated public interest or appropriate compensation to the land owner (Berger 66). They also argued “that the implementation of the bill would disrupt the economic well-being of the nation, destroy employer/ employee relations, and increase soil erosion” (Berger 66). To preempt further public opposition to the reform, Congress quickly passed the legislation. Congress held two sessions a day and met on Saturdays and Sundays for five weeks until the bill was passed 39 to 0 at 1:45 am, 17 June 1952 and was signed by President Arbenz that afternoon (Berger 68-69, Gleijese 350).

The intent of Decree 900 was to replace the feudalist, agricultural system with a capitalist system (Berger 65). The reform would acquire land from private owners or national holdings and redistribute it to cooperative groups or individuals. National lands were redistributed under lifetime tenure (Berger 65). Private lands “to be expropriated included uncultivated land, land

not cultivated directly by or for the owner, land rented in any form, land needed for rural settlements, certain municipal land, and land with water sources not rural settlements, certain municipal land, and land with water sources not being used for irrigation, industrial, or cultivation purposes” (Berger 65). Lands exempt from redistribution included property of 221 acres or less, land at least two-thirds cultivated up to 664 acres, communal lands of indigenous groups, capitalist development lands, properties within 5 kilometers of urban areas, and national forest reserves (Berger 65, Gleijese 351). “The law stipulated that expropriated land would be compensated for with twenty-five-year agrarian bonds, based on the tax value of the property” (Berger 65). In order to determine which private and national properties would be acquired for redistribution were determined by a set of commissions outlined by President Arbenz and Decree 900.

“Este plan vino a constituir el prolegómeno político económico y social de lo que un año más tarde: el 9 de mayo de 1952, vendría a ser su proyecto de Ley de Reforma Agraria de Guatemala. ...abrió a la discusión pública su contenido, pero infortunadamente esta discusión fue canalizada hacia el aspecto político, abandonándose el económico-social en el cual únicamente participaron limitadísimas instituciones responsables y un aun más escaso numero de personas con conocimientos técnicos libres de todo sectarismo” (Paredes Moreira 49-50).

“This plan came to constitute the economic and socio-political discussion a year later: May 9, 1952, of what would become the Agrarian Reform Law of Guatemala. ...it opened up to public discussion the content of the Reform, but unfortunately this discussion was channeled towards the political aspect, abandoning the economic-social one in which only the responsible institutions participated on a limited basis and even fewer people with technical knowledge and free of sectarian agendas” (Paredes Moreira 49-50).

Outlined in Decree 900, Title IV listed the associations developed to implement the agrarian reform. These included the President, the National Agrarian Department (DAN), the National Agrarian Council (CAN), Departmental Agrarian Commissions (CADs), and Local

Agrarian Committees (CALs) (Trefzger 35, Menjivar 148). DAN determined the distribution of expropriated lands and CAN was the only organ to report directly to the president. Lands to be expropriated were not chosen arbitrarily. In order for land to be reallocated, an individual or cooperative would submit a denouncement, or official request for a particular tract of land, and upon an approval survey by the land reform organization a new title would be issued reassigning the land from the previous owner to the individual who submitted the denouncement. DAN initially distributed national farms and idle public land, leaving private properties intact (Berger 69). These organizations provided a means of participation within the land redistribution process. As of October 1952, 3,000 denouncements were registered with CAN (Handy 382). CALs became powerful organizations with distribution control over land and resources in their constituency (Handy 709). Over 3000 CALs existed by 1954 (Grandin 306). Decree 900, Articles XIII and XIV also reviewed lands connected by private roads for national acquisition and for later redistribution (Gleijese 360).

“Corrido todo el procedimiento de expropiación y adjudicación de tierras, los comités agrarios locales eran los encargados de cumplir con los acuerdos de expropiación y cesión de las tierras afectadas, manteniendo posteriormente el control y vigilancia, tanto sobre los beneficiados, para establecer si cumplían con los objetivos de la ley, como sobre la producción agrícola o pecuaria... correspondía pagar sobre el valor de sus cosechas, para esta determinación debían tener en cuenta los precios a que los agricultores habían vendido sus productos en la región, cobrando finalmente las cantidades aprobadas por el Departamento Agrario Nacional” (Paredes Moreira 25-26).

“Through all the procedure of expropriation and appropriation of land, the local agrarian committees were the ones in charge of fulfilling the expropriation agreements and ceding of affected land, maintaining control and monitoring, over the beneficiaries, to fulfill the objectives of the law, and also over agricultural or cattle production... they had to pay for the harvests, determining the prices that the farmers had gotten in the region, finally changing the amounts approved by the National Agrarian Department” (Paredes Moreira 25-26).

“Corridos estos trámites y con la respuesta del propietario, la Comisión Agraria Departamental resolvía, aprobando, improbando o modificando la proposición del Comité Agrario Local” (Paredes Moreira 27).

“Through these proceedings and with the proprietor answer, the Departmental Agrarian Commission solved, approved, disapproved or modified the proposals of the Local Agrarian Committee” (Paredes Moreira 27).

In the eighteen months that the law was active, one-sixth of the arable land was expropriated and state support for farmers included credit, education, and agricultural programs. The credit program was for individual and cooperative purchase or lease of lands as loans and there were rare and costly (Glejese 356). Such programs were seldom extended to rural farmers before the reform. In February 1953, the Guatemalan Congress established the National Agrarian Bank (BNA) and the National Mortgage Credit Union (CHN) (Glejese 356). Between their inception in 1953 and 1954, the BNA and CHN approved \$11,881,432 in loans, representing one-sixth the national budget for this period (Glejese 357-358, Glejese 466). These institutes provided loans in twelve and six month increments at a long-term fixed rate of 6 percent with an average loan of \$225, double the national income per person in 1950 (Glejese 357). Loans were repaid in one or a combination of three traditional forms of repayment, to include harvest products, production from a preordained segment of land, and cash (Sandoval 239). Payments consisted of 3 percent of the annual harvest value for a lifetime tenure, also known as vital usufruct¹, or 5 percent of the harvest value for purchased lands (Glejese 351).

¹ The concept of lifetime tenure, also known as vital usufruct (*usufructo vitalicio*) originated from the “experience and reality lived throughout Guatemala as well as other similar countries; because it is well known that the granting of property offers with it the danger that when beneficiaries stumble upon a moment of financial hardship in their mortgage or sell their property, that sooner or later these lands return to the hands of few people, regularly large land holders or moneylenders” (Paredes Moreira 19-20).

Land loans had a high rate of repayment, as exemplified through a 90.4 percent repayment between March and November 1953 (Glejese 467). Other programs were also established in support of the land reform law.

A rural literacy campaign was also implemented during this period in support of the agrarian reform. The program was incorporated as an essential part of the agrarian reform, the reasoning being that if the rural workers knew how to read, write, petition for land, receive credit, and understand the cultivation processes and agricultural markets, the agrarian reform would succeed (Glejese 361). Technical assistance was also provided through the Agricultural Production Programs Office, providing education on agricultural production, local agrarian committees, and rural unions (Glejese 360). Rural organizations became legal in 1948, although strikes during the harvest remained illegal (Handy 705). Decree 900 sought to stimulate the participation of rural land workers and labor organizations in the agricultural economy and in the reform, not as a means to impose agrarian transformations from the top down (Glejese 352).

Lands affected by this reform included national territories and private properties in 20 of the 22 departments throughout Guatemala (Menjivar 155). The law supported the redistribution of 16 percent of Guatemalan lands, which benefited 100,000 families, approximately 500,000 people in a population of 3 million (Trefzger 43, Handy 381). According to Adam's survey, demographics of land recipients were divided: 81 percent mestizo and 19 percent indigenous (Trefzger 41). Of the 341,191 private agricultural properties in Guatemala, only 1,710 were affected (Glejese 353). Some of the largest redistributions of land and title during this period derived from the confiscation or reallocation of private land holdings.

The largest private land holder in Guatemala, the United Fruit Company (UFCo), had 165,182 hectares of its 221,862 hectares acquired and redistributed (Cambranes 312). Lands

from the private estate of Ernesto Leal Pérez were also acquired; however, Leal petitioned the courts for a formal review as to the legality of the agrarian reform and redistribution of private properties (Berger 70). The UFCo and Leal property battles created commotion at the highest levels of the Guatemalan government as the cases required action by the Supreme Court and Congress. In order to uphold the acquisition of land, the Guatemalan Congress removed four dissenting Supreme Court judges and replaced these judges with those in favor of the Agrarian Reform Law. The law was upheld on account of Article 90 of the 1945 Constitution, which required private property to be recognized and guaranteed only if it fulfilled its social function (Sandoval 222). Fallow and underutilized lands were not seen as supporting the welfare of the populace, the development of national agricultural economics, or fulfilling the social function of the land.

Lands determined to be uncultivated or underutilized and under petition by a rural worker, were considered for redistribution. Lands were not confiscated without compensation. Private land owners and corporations received 3 percent agrarian bonds for the value of the acquired land (Gleijese 460). Bonds matured in twenty-five years. The value of the land was determined by the land value claimed on the previous year's tax statement. In order to make all property available to be reviewed and cultivated, all private roads were nationalized in 1952 (Gleijese 462). Restricted access had limited land review by the agrarian committees and landless rural workers. Full review and access to land provided a means to assess and convert properties.

The reform in Guatemala sought to create new rural work opportunities, improve agrarian investment, increase production, diversify agriculture, redistribute production resources, and to promote participation from rural farmers in the democratization and development of the

countryside (Sandoval 215). The social and terrestrial goals for agrarian reform legislation to create a more equal society, realign political power, and improve national economic function (Sandoval 213). The reform worked to transform the rural area without the use of foreign capital, mobilizing rural workers into active Guatemalan citizens (Gleijese 453). As Gleijese further stated, “In [Guatemala]’s long history ...only one president – Jacobo Arbenz – had addressed the issue of land reform” (453). The reform was implemented as a peaceful means to transform the traditional agrarian society into a capitalist, pluralistic society; however, realization of these goals came to a temporary standstill with the law’s repeal in 1954.

Subsequent government positions regarding agrarian reform varied greatly; however, agrarian policies and reform incentives continued following Decree 900’s repeal. With the support of UFCo and the U.S. Central Intelligence Agency, President Carlos Castillo Armas overthrew the Arbenz administration. President Armas instituted an authoritarian regime and repealed all the political and economic reforms from the October Revolution (Berger 85). Many of the relevant documents supporting the agrarian reform were destroyed during the coup (Gleijese 355). New agrarian laws under President Armas would vary in composition and objective from those of previous administrations.

The Repeal

As Handy asserts, Decree 900 dramatically transformed the rural areas by inspiring new power relations in the countryside (Gould and Gudmundson 249). New land proprietors and power relations created concern among the traditional agriculture circles. With the lack of foreign loans and the reallocation of national resources to civic projects and land redistribution, agricultural production began to decline (Gleijese 349). The flight of capital, the loss of both

agricultural investment and agricultural yields, had limited effect due to the high market value of coffee in the mid-1950s (Glejjeses 477). To limit land redistribution, the power of agricultural committee organizations, and the restructuring of the agricultural industry, Decree 900 was repealed eighteen months after its implementation.

Six days after repeal, the majority of land expropriations were annulled, returning land titles to the original proprietors (Sandoval 226). Moreover, national territories were restored to state administration (Sandoval 226). Land returns were significant as one-sixth of the total arable land in Guatemala had already been redistributed when the Agrarian Reform Law was repealed (Glejjeses 465). Of the 765,233 manzanas expropriated, 603,775 manzanas were returned (Handy 386). The largest beneficiary of the land return was the UFCo and its subsidiaries. However, UFCo received only 368,481 manzanas of the 529,939 manzanas originally expropriated (Handy 386). The repeal and restoration of land titles were an important first step in the Castillo Armas' presidency.

With the repeal, large land owners, corporations, and sectors of the government desired to nullify the law and subsequent effects. President Armas subsequently created his own Agrarian Commission to review "the national agrarian situation and recommend a new agrarian bill" (Berger 93). Subsequent laws were drafted to pacify the citizenry over the repeal of Decree 900. Two new laws in 1956, Decree 31 and Decree 559, were to substitute the 1952 Agrarian Law. Decree 31 created the Department of Colonization and Agricultural Development to replace DAN; however, these committees were to be solely comprised of government officials and removed peasant farmer access to the land authorities (Sandoval 226, Melville 94). Decree 559 permitted the continued acquisition and redistribution of land over the subsequent five years without affecting large private farms (Berger 93, Sandoval 226). Although established under an

authoritarian regime, Decree 559 continued reforming parts of Guatemala's agrarian organizations and laws.

Land affected under the new Decree, often uncultivated and isolated properties, was represented by "Zones for Agrarian Development" (Berger 94). Land for expropriation in these zones included state-acquired private property and underused or unused national lands. "The Decree encouraged large landlords with idle lands to either cultivate them or donate or sell them to the state for use in the zones projects" (Berger 94). Unlike Decree 900, only property greater than 219.6 acres could be redistributed under Decree 559 (Berger 94). Although a varied form of land distribution became supported by the Armas administration, the primary objectives of Decree 900, to include agrarian rights and developing the rural areas, were abolished.

Beginning in 1954, President Armas revoked national support for union development and action. Agricultural worker unions lost financial and governmental resources (Fernandez 144). Loss of support affected rural organizations as "by 1954 there was a functioning peasant league affiliate in every major village and in many smaller aldeas" (Handy 710). Beyond resource restrictions, rural workers became stereotyped as communists and participation in unions was threatened by the national government. More than 4,000 participants in 1952 Agrarian Reform, mostly union members, were arrested as "communists" or assassinated during the Armas' administration (Handy 386). Despite the financial and political obstacles in the pursuit of agrarian reform, Decree 900 objectives of agrarian rights and development of the rural areas would continue to be gradually pursued in subsequent decades while more aggressive pursuit of these objectives followed the Guatemalan Civil War, 1960 to 1996.

Persistent Reformation

Decree 345 in 1965 promoted the “fundamental obligation of the State to dictate the measures necessary to bring about the greatest possible good for the inhabitants of the nation” through the continued review and writing of agrarian legislation. As Handy recalled, the emphasis of “the process of Reform and Counterreform from 1952 to 1957 were simply another battle in the larger fight for land, that in Guatemala has been ongoing for generations and would not end easily” (395). During the eighteen months of the reform, approximately 602,000 hectares were redistributed and in 1967, fifteen years after Decree 900 was instituted, the last parcels of land expropriated under the Decree were returned to the original owner. Under new legislation enacted between 1955 and 1982, nearly the same amount of land redistributed during an eighteen month period, a sum of 664,525 hectares, was redistributed to the benefit of 50,267 families (Fernandez 137). New legislation continued in the distribution of national territories, credit, and technical services during the decades following the 1952 reform although significantly limited and not pursuant of national agrarian reform objectives (Sandoval 228). (Reference Table 2 for total area of land distributed between 1955 and 1982). The struggle for agrarian rights continued in the subsequent decades following the law’s repeal.

President	Period	Hectares Distributed
Castillo Armas	1955-1959	199,655
Ydígoras Fuentes	1959-1962	165,197
Peralta Azurdia	1963-1966	4,523
Méndez Montenegro	1967-1970	64,508
Arana Osorio	1971-1974	182,228
Laugerud	1975-1978	43,417
Lucas García	1979-1982	104,652

Decree 1653 in 1966 introduced the expropriation of land to cooperative organizations. By 1973, 130,518 hectares were distributed to 26 cooperative associations.

As Paredes Moreira points out, Decree 559 enacted in 1956 sought to remedy some of the national issues of idle land, but the objective was not the advancement of agrarian rights and the development of the rural areas. Decree 559 only served to fulfill agrarian reform objectives as far as land owners were willing to donate or sell tracts of their land for the nationally sponsored agrarian projects (Berger 94). Moreover, land owners defined their own tracts of land as cultivated or idle, leading to fewer idle lands being identified during this period. Likewise, new organizations developed during this period were tax-based and pursued objectives adopted for nationalized lands, developments contrary to the proposed goals of Decree 900.

“... el 25 de febrero de 1956 se emitió un nuevo Estatuto Agrario, el Dto. 559 que haciendo uso del sistema impositivo al gravar las tierras ociosas al mismo tiempo que utilizara el procedimiento de colonización a través de las zonas de desarrollo agrario pretendió corregir nuestra anacrónica estructura agraria, lo que ha resultado en un nuevo fracaso, ...máxime si se compara con los logros que se habían acumulado con la aplicación de la Ley de Reforma Agraria, Dto. 900...” (Paredes Moreira 23)

“...On February 25, 1956 a new Agrarian Statute, Decree 559 was enacted, making use of the tax system which burdened idle land at the same time as using the procedure of colonization in agrarian development zones to correct the archaic agrarian structure, which has resulted in a new failure, ...especially when compared to the accomplished achieved through the application of Agrarian Reform Law, Decree 900...” (Paredes Moreira 23).

“Esta nueva entidad [la Dirección General de Asuntos Agrarios] que vino a sustituir el extinguido DAN, en aplicación de esta nueva ley encaro en forma distinta el problema agrario mediante la creación de una tímida última instancia de expropiar las tierras ociosas de particulares después de haberlos gravado con impuestos progresivos, y el parcelamiento en las zonas rurales que se baso fundamentalmente en la existencia de las tierras nacionales.” (Paredes Moreira 142)

“This new organization [the Principal Directorate for Agrarian Subjects] replaced the restrained DAN (National Agrarian Department), in the application of this new law a

different form of the agrarian problem arose from the last case of expropriated, idle lands of individuals after having the lands taxed with progressive taxes and the parceling of countryside land that was essentially based on the existence of national lands” (Paredes Moreira 142).

One benefit of the new agrarian laws of the late 1950s was the promotion of agrarian community development. With over one-fifth of the newly redistributed land under new title, individuals worked in small groups and formed cooperatives to maximize land productivity and ensure representation in agrarian matters (CNOG 39). In 1963, the Guatemalan government established the National Agrarian Transformation Institute (INTA) to promote infrastructure development and to support the relocation of families petitioning for land into newly available areas (CNOG 39-40).

Legal reforms in support of agrarian transformation since the Armas administration included Decree 1551, the Agrarian Transformation Law, and Decree 579, the Agrarian Statute (Sandoval 228). The Ydígoras Fuentes government implemented Decree 1551 in 1962 in response to the requirement levied against the Guatemalan government to implement an agrarian reform law by the U.S.-sponsored Alliance for Progress (Wittman 30). Alliance for Progress funds aided to alleviate some of the country’s fiscal crisis; however, most of the redistributed land during this period was in frontier, inhospitable territory (Wittman 31). Although Decree 579 remained in effect into the 1990s, the Guatemalan constitutions of 1956, 1965, and 1985 restricted the expropriation of land if expropriation was intended to fulfill an agrarian reform objective (Sandoval 234). Lands were qualified differently for redistribution between the 1950s and the 1980s. Although not aggressively acted upon initially, lands again became available for expropriation under the objective of agrarian reform in the Constitution of 1986 (Sandoval 233).

Decree 226 restricted the maximum size of land estates, primarily determined by land use (CNOOC 40). The National Coordinator of Campesina Organizations (CNOOC) notes however that access to these lands was limited by the Ministry of Defense until 1990 as the height of the Guatemalan civil war extended between 1960 and 1990, with final resolution and peace accords being signed in 1996 (40). Greater access to land by individuals and cooperatives was obtained upon the signing of the peace accords in 1996 at which time INTA was dissolved and the Land Fund (FONTIERRA) was established (CNOOC 41).

The 1996 peace accords emphasized the need for land to serve a social function. “These agreements emphasized the Guatemalan government’s duty to restore land to indigenous communities, to eliminate gender discrimination in land allocation, and to promote measures to regularize the legal codification of communal landholdings” (Wittman 23). The peace accords, supported by the CNOOC, again implemented the small farmer and indigenous rights while challenging “the 1955 and 1985 constitutional definition of private property upheld by every government since 1954” which had restricted redistribution of land to small farmers, indigenous groups, and others so that the land fulfilled a social function (Wittman 34).

FONTIERRA allows for a minimum yearly percentage of the population to obtain redistributed lands, while promoting market-assisted agrarian reform (CNOOC 42). The difficulty thus far encountered by FONTIERRA is getting access to arable land for redistribution and bureaucratic processes, limiting the productivity of land and laborers. During the civil war, when a military dictatorship was in power, the agrarian institutions created limited access and redistribution of land and subsequently, the laws and legacies of these institutions continues to impede the new democracy’s ability to access and expropriate land. The greatest push for agrarian restructuring in Guatemala was outlined in the Socio-Economic Aspects and Agrarian

Situation (ASSA) included in the 1996 peace accords, which outright called for new agrarian legislation within the new democracy (CNOOC 58).

New reforms and new agrarian institutions similar to those established through Decree 900, are once again encouraged in order to foster land reform under Guatemala's new transitioning democracy and assure the use of land for social function. The objectives and directives outlined in Decree 900 have now carried over into new land legislation proposals. Although stifled for a few decades, Guatemala now pursues land programs, and supports the right to organize, work, to earn a decent wage, and to own land. These goals were first outlined in Decree 900.

Decree 900

The Congress of the Republic of Guatemala

Whereas:

One of the fundamental objectives of the October Revolution is the necessity to bring about a substantial change in property relations and forms of land exploitation, with a need to conquer the Guatemalan economic backwardness and to sensibly improve the livelihood of the masses;

Whereas:

The concentration of land, in few hands, not only weakens the social function of the property, but produces a considerable disproportion between the many farmers who do not own it, despite their capacity to produce from the land, and a few landowners who own land in such disproportionate amounts without cultivating the land to its fullest extent or in proportionate means that justifies possession of the land;

Whereas:

In agreement with Article 90 of the Constitution, the State recognizes and guarantees the existence of private property in its social function for reasons of public necessity or utility or national interest, without further legal obligation;

Whereas:

The expropriation and nationalization of German properties as indemnities for war must be the first step in modifying agrarian property relations and introducing new forms of production in agriculture;

Whereas:

Laws enacted to force the leasing of idle land have not satisfied the essential needs of the great majority of the Guatemalan people;

Therefore:

Based on Articles 67, 88, 90, 91, 92, 93, 94, 96 and subsections 15 and 25 of Article 137 of the Constitution of the Republic,

The Congress of the Republic of Guatemala Decrees:

The Following Agrarian Reform Law

Title 1

General Dispositions

Article 1 - The Agrarian Reform of the October Revolution intends to eliminate the feudal property structure in the countryside and develop relations of production that originate to develop the land to the form of operational and capitalist methods of production in agriculture and to prepare the way for the industrialization of Guatemala.

Article 2 - All forms of servitude and slavery are hereby abolished, and unpaid services provided by peasants, tenant farmers, and agricultural workers are prohibited. Rent payment through work and relocation of indigenous workers, no matter what kind of work they do, is also prohibited.

Rent and payment in kind will only be allowed on land not worked and that which is not affected by the Agrarian Reform, payments are not to exceed a rent of 5% of the harvest.

When the rent is paid in cash for the land discussed in the previous paragraph, the rent is also not to exceed 5% of the value of the harvest.

Article 3 - The main objectives that the Agrarian Reform must fulfill are:

To develop the rural, capitalist economy and the agricultural, capitalist economy in general;

To equip the farmers, tenant farmers and agricultural workers with land who do not own land or who own very little;

To facilitate the investment of new capitals in agriculture by means of the capitalist renting of nationalized lands;

To introduce new forms of cultivation and entitlements to include labor cattle, fertilizers, seeds and necessary technical attendance, especially for the less well off farmers; and

To increase the agricultural credit for all farmers and capitalist agriculturists in general.

Article 4 - The land allotted for expropriation will be organized to fulfill the objectives discussed in the previous articles and within this law; lands will remain nationalized and incorporated to the Nation. The State, by means of the National Agrarian Department, will grant subsistence

lands or lease of these lands for an established period for each case to the farmers, tenant farmers and agricultural workers that petition the State. Capitalist farmers will be the only petitioners considered for lease of these lands.

The National Agrarian Department will also be able to execute the parceling of property to the farmers, tenant farmers and agricultural workers, of land extensions no greater than eighteen hectares (25 manzanas), but in this case the expropriation will be made in favor of the beneficiaries and not to the benefit of the Nation.

Article 5 - The expropriation of land for social welfare, as decreed by this law, will honor previous indemnifications, the amounts to be covered by “Agrarian Reform Bonds” redeemable as determined by law.

Article 6 - The amount of indemnification will be based on the fiscal declaration of registered goods as of May 9, 1952 and will be paid in proportion to the extension of land expropriated.

In the case where there is no fiscal property declaration, the indemnification will be calculated in accord with the average fiscal value registered for adjacent or proximate lands.

Article 7 - As for expropriations complaint with this law, the smallest tract of land that cannot be encroached upon is reviewed in subsection a) of Article 10.

Article 8 - For purposes of this law, a single property will be considered property if it does not include distinct properties registered under different numbers with the same proprietor named in the Registry of Immovable Property.

Title II

Awarding, Usufruct and Renting

Chapter 1

Affected Goods

Article 9 - Goods affected by the Agrarian Reform:

Land that is uncultivated;

Land that is not worked directly or on behalf of the proprietor of the land;

Land that is under lease in any form;

Land necessary to form a city or communal place as discussed in this law;

Property of the State deemed “National Property” or real estate of peasant nationals, except for those lands exempt by this law;

Municipal lands as determined by law;

Excesses of land in which previous denouncements resulted in resolution of private, municipal, rural goods or lands; and

Water excesses not used by property owners in the irrigation of their lands or for industrial goals; as well as rationed water quantities that exceed the necessary requirements for their crops.

Article 10 - Notwithstanding those goods listed in the previous article, the following goods are not affected by the Agrarian Reform:

Peasant lands up to 90 hectares, 25 areas, and 13 meters² (2 caballerías), whether under cultivation or not;

The peasant properties greater than 90 hectares, 25 areas, 13 centiáreas (2 caballerías) and 13 meters² and less than 200 hectares, 75 areas and 40 centiáreas square meters (6 caballerías) that have two thirds parts under production;

The territories of Agrarian Communities commonly referred to as Indigenous Communities, Community Lands or Farm Lands;

Private and rented lands in which there are established agricultural companies with economic or technical production such as coffee, cotton, citronella, tea of lemon, sugar, banana tree, cane, tobacco, rubber, Peruvian bark, fruit trees, grass, kidney bean, cereal, subsistence crops or other items whose production is destined to satisfy internal or external market demands. Exempt lands are those which do not directly serving an agricultural business or that under exploitation through a system of personal benefits or substitution or to complete deficient wages.

The renting of cultivated land forms part of a capitalist, agricultural company, allowing for free employment;

The industrial or commercial facilities or establishments of the agricultural businesses of individuals, the municipality, the State, or the Nation, as well as the farms determined by the National Agrarian Department;

The land destined for grazing cattle companies and their subsidiaries, when the permanent and rational use of the land is verified as achieving this objective;

The lands adjacent to the capital city, within five kilometers of the city's perimeter, and lands in the departmental and municipal capitals, in which through mutual agreement of the National Agrarian Department and the corresponding municipality take into account the absolute and relative population of the area. National territories or municipal lands that can be divided in accordance with the law are excluded; and

The forest reserves as determined by law.

Article 11 - For the effects of this law the following are defined as forest reserves:

The great national forests and the virgin forest of the Departments of the Petén, Izabal, Alta Verapaz, El Quiché, and Huehuetenango, as classified by the National Agrarian Department;

Fifteen percent of the forests or virgin forest of the national territories or private lands, should be reviewed in a preferential way to form a topographical unit with the rest of the property, to include a tree line extending 50 meters around lakes, 25 meters on either side of rivers, brooks, streams or other water sources intended for public use and 50 meters around water sources destined for any agricultural business or service;

Precious lumbar forests destined for construction and industrial use that are under current exploitation and conform to a good technique, verified in an evident manner. The existence of suitable facilities is indispensable in regards to the application of a good technique; and

The forests that are on land whose incline is greater than 30 degrees.

Article 12 - For the effects of this law, there will be no differentiation between natural or legalized persons who own property or rent land in the country, when there are active contracts with the State established prior to the date of the promulgation of this law.

Chapter II

Urbanization of Small Villages

Article 13 - With the objective to carry out the established constitutional articles in order to obtain the defined rights and eradicate all personal subjugation of workers by land owners or their representatives, an urban population is declared a small village within rural areas whenever the lands consist of more than fifteen families. If despite this declaration the areas discussed resides in conjunction with small village constructions intended for general use, such as buildings for administration, industrial warehouses, facilities, collective shelters of temporary workers, galleries and other constructions, the owner of this property maintain conserve the property as is.

Article 14 – Declare for public use the paths or roads that transverse between rural farms, declared public townships, small urban villages, another farms, highways or public centers.

This article also declares for public use: approved volumes of water destined for or currently satisfying irrigation necessities, electrification, or for another collective utility use.

For the normal fulfillment of this article: easements or water access rights of any terrain, whether private, municipal or national is declared free of all obligations or rent.

The waterways used for purposes mentioned in the previous paragraph will be constructed under the vigilance of the National Agrarian Department to prevent and to control damages that may be caused by construction of the aqueducts or by water en route.

The rational handling and accomplishment of water sources should be restricted to specific topics, regulations, and cases expanded upon by the National Agrarian Department.

Article 15 – In the lands destined for the populations referenced in Article 13, lands should have a base size of 436 meters² and 712 milsimos (625 varas²) for lands granted to each petitioning family and reserve the necessary terrain for roads, avenues, parks, public squares, schools, sports fields, markets, houses of worship and public buildings. Further regulations will establish competent authorities to manage cemeteries. The delineation of this terrain should be made with inputs from the respective Local Agrarian Committee. For effects of this law, the marital coexistence of man and woman constitutes a family, as well as the coexistence of one or more children with one of the parents or coexistence common law marriage.

Article 16 – In the case where two or more joint households live together on the same farm where more than fifteen families reside, the determination of the population center will be made by majority vote of those residents. If no agreement can be reached through this process, the Departmental Agrarian Commission will make the final decision.

Article 17 – If the interested parties prefer a different tract of land than that which they inhabit, they can proceed to establish a place in the designated location, whenever the location meets the best conditions for settlement and does not agricultural production. The designation of land will be determined with input from the Local Agrarian Committee.

The proprietors are authorized to transfer the residents to a different place from the location from which they actually occupy, whenever such a move is done at the cost of the proprietor, that the new land meets the best conditions for settlement and that the workers accept the new location. Residents cannot be moved if the proprietor has not completed the urbanization of the land and the annexing of such houses.

Article 18 – The houses and land included in established, small, urban settlements that are at the moment occupied by workers or those persons who moved into these small villages, will be expropriated by the State, the lands may be expressly solicited by individual workers through indemnification payment over a term of twenty-five years with agrarian debt funds and with the objective of freely awarding land to the petitioners that inhabit the lands. Houses cannot be detached or separated from the property awarded, even if these are not included in the total value of the property. Houses not expropriated will continue to be held under the same property restrictions and hold the same obligations of the land prior to expropriation, such as reparations or direct lease payments owed by the users.

If an awardee leaves the small village, the Local Agrarian Committee will give the land to another person who solicits it and who is not a proprietor of property in the same small village.

Eviction from the land will be prevented solely through presentation of a request for expropriation of the land to the Local Agrarian Committee.

Article 19 – As referenced in the previous Article, the value of houses takes into consideration the value entered for as it appears in the legally authorized inventory of 9 May 1952, accounting for depreciation that the land has suffered since the appraisal.

If there is no inventory registered, the price will be established by appraisal through mutual agreement between the proprietor of the property and the Local Agrarian Committee. If they do not agree on the value of the land, the Departmental Agrarian Commission will set the value.

Article 20 – By virtue of the present law, water for domestic use is considered a public service that is supplied or in the future will be supplied to the small, urban villages. In the rural locations where there is electricity, this service will not be interrupted and the tariffs will be determined by the National Agrarian Department.

Chapter III

National Property and Land

Article 21 – The territories of “National Property”, if solicited democratically by the majority of its workers of that location, the lands can be distributed among them, agreeing to lifetime usufruct for said parcels of land in the following portions:

Cultivated lands will consist of a minimum of 4 hectares (5 manzanas) to a maximum of 7 hectares (10 manzanas), or lands not worked but cultivatable will consist of a minimum of 11 hectares (15 manzanas) to a maximum of 18 hectares (25 manzanas).

When the cultivated parcel does not consist of a total of 7 hectares (10 manzanas), the parcel will be augmented with an uncultivated area, but cultivatable, proportional or equal to the land extension in size up to 18 hectares (25 manzanas) for distribution to the beneficiary.

Workers will also be able to decide through democratic majority as to the formation of agricultural production cooperatives, in which they will only work cultivatable lands. But if the workers do not opt for either of the two forms indicated in this Article, agricultural businesses comprising of the installations and industrial establishments and commercial businesses and cultivated lands with production destined for market will pass to form a part of the patrimony of permanent plantations specified in Article 28 of this law.

The portioning of land as referenced in this Article is organized to form cooperative lands or societies, when the land is available it will be subject to special regulation.

Article 22 – In general, the agricultural workers and the farmers without land or with little, residing in any location throughout the Republic, also have a right to solicit for a lifetime usufruct agreement for “National Property”, as awarded and referenced within the previous article, providing deference to the awarding of land greater than 25 manzanas, in relation and subject to conditions of this Article.

Article 23 – With the intention of maintaining the economic unit of the “National Property” in its worked form, the usufructuaries will not be able to substitute crops with other items without

previous authorization from the National Agrarian Department and these items will be subject to review by the technical director that provided the leased land to them.

Usufructuaries will not be able to sub-lease parcels of land obtained.

Whoever violates these dispositions will lose the granted usufruct of the land.

Article 24 – Cattle of any class, equipment, instruments, fertilizers, seeds, tools and agricultural machinery of “National Property” will transfer to the authority of the National Agrarian Department and the Department will be charged with aiding in the development of small farmer and worker economies and those benefiting from this law.

The mandate of this Article refers to those properties that are distributed in usufruct or to cooperatives.

Article 25 – Natural Guatemalans have the right to solicit a free usufruct agreement for six years within the open areas of the Petén Department, up to one extension of land consisting of 353 hectares, 76 áreas and 96 centiáreas (30 caballerías). After this initial term, if the recipient of these lands has obeyed this law concerning the promotion of cattle production, according to the National Agrarian Department, the owner will have the right to transform the land under established lease terms. However if at the end of the second year of the initial period, the livestock or cattle have not been raised in reasonable accordance to the National Agrarian Department, the free usufruct agreement will cease, the land will be seized, and the land will be

expropriated to a new solicitor of the land who can guarantee use of the lands in agreement with this Article.

Article 26 – Uncultivated lands of the State, except for the forest reserves, could be adjudged in accordance with National Agrarian Department specifications, under conditions of this Article.

Article 27 – All “National Property”, whether national lands or nationalized lands, will be adjudged in usufruct parcels to awardees who submit three percent (3%) of the annual harvest value each year to the National Agrarian Department until the agrarian debt is redeemed.

Article 28 – The industrial and commercial facilities and establishments of “National Property”, as well as the land used for their location will pass to form part of the patrimony of those agricultural or mercantile organizations that form fifty-one percent (51%) of the capital or State stocks and up to a maximum of forty-nine percent (49%) that form private Guatemalan capital. As to this effect, interested parties will solicit the National Agrarian Department, the constitution, and the organization of the entities referenced in this Article. Private stockholders will care for the administration of these lands.

Article 29 – The establishments and companies to which the previous Article alludes, when acquiring primary materials or products to their benefit, should do so in preference of the harvest of the usufructuaries, of the cooperatives, and the lease holders referenced in Articles 21 and 22 of this law. When the State determines it to be convenient, the State will designate a delegate

who will supervise price setting in order to guarantee that prices are determined equitably with respect to the producers.

Article 30 – Only office workers, such as accountants, secretaries, typists, public officials, doormen, and craftsmen will have the right to receive the indemnification referenced in the third paragraph of Article 85 of the Labor Code.

Nevertheless, said persons can opt to rent lands that conform to this law instead of the indemnification.

The preferential right to obtain “National Property” in lifetime usufruct or lease, which this law grants to the workers not included in the previous paragraph, replaces the worker’s right to be compensated for unemployment.

Workers also do not have the right to reclaim indemnification for are those public officials dismissed from their duties who held administrative, director, or positions of confidence.

Article 31 – The Department of National Rural Lands and Intervention remains impotent in reference to lands known as “National Property”, limiting the Department’s functions to the administration of goods under the Department’s care while expropriation continues.

Chapter IV

Large Feudal Estates and Municipal Land

Article 32 - Private property, greater than 200 hectares, 75 areas and 40 centiáreas (56 caballerías), that are not cultivated by its proprietors or on behalf of them, rented in some form or exploited through a system of personal loans or for substitution or completion of deficient salaries, throughout any part of the three years prior to this law, the land will be considered an estate and should be expropriated in favor of the Nation or in favor of the farmers and workers referenced in this Article. Once expropriated, the land will be granted as private property to agricultural workers, tenant farmers or farmers without land or very little, as decided through democratic majority or the land may be nationalized and granted with lifetime usufruct to the aforementioned persons.

Once the needs mentioned in the previous paragraph are satisfied and if land is still available for distribution, it will be preferentially rented to the farmers, tenant farmers or agricultural workers, or to the Guatemalan capitalist agriculturists under the conditions and proportions as established by this law.

The usufructuaries will pay 3% of the value of the annual harvest or each harvest to the National Agrarian Department, but proprietors will pay 5% of the value of the annual harvest or each harvest.

Article 33 - If there is disputed land between the municipalities and the agrarian communities, the lands are to be adjudged to the later, in the locale chosen by the communities and in perpetual usufruct, for as long as the land is needed.

If the conflict resides between individuals and agrarian communities over land not cultivated, whether affected by this law or not, land will be distributed in favor of the agrarian communities.

Chapter V

Rented Property

Article 34 - Any person, whether a farmer or not, that puts forward capital will have the right to petition for the lease of national lands, whenever he puts forward a percentage of capital to guarantee the investment required to exploit the petitioned land, to include those lands that will remain under the control of the National Agrarian Department as needed in order to operate them. In no case will the said percentage of investment capital be less than 15% nor greater than 25%.

Article 35 - Also, upon request, the farmers, tenant farmers and agricultural workers will be able to acquire the right to rent small parcels of national lands as determined by this law, for those lands that do not currently have a usufructuary.

Article 36 – No natural or legal person will be able to rent property greater than 279 hectares and 50 areas (equal to 400 manzanas) and for this property, the renter will not pay more than 5% of the harvest per year. Payments to the state should be made in cash. Correspondence to the National Agrarian Department will establish the necessary contracts and will stipulate the amount of capital required, as is established in Article 91 of the Constitution of the Republic.

Article 37 – The lease period will be for a minimum of five years and is not to extend for a period greater than twenty-five years and will be able to be extended at the end of each period. Subleasing of these lands is prohibited. If at the end of the second year, the renter has not produced an effective yield to demonstrate the effective use of the land, the National Agrarian Department will be able to terminate the contract, with cause, allocating the land to another applicant.

Chapter VI

Allocations of Domestic Capital

Article 38 – Lands provided as stipulated and conforming to Articles 4 and 32 will not be confiscated nor placed under embargo, for a term no greater than twenty-five years, to include the period of time in which the land is allocated; but the proprietors will be able to rent the lands.

The usufructuaries of national or nationalized lands will lose their right to the land if in the term of two years the usufructuaries do not dedicate the adjudged lands to cultivation. The reclaimed lands will be given in usufruct to other applicants.

Article 39 – Usufructuaries will not concede their rights to a third- party but appropriate the lands through lease in a way that is accountable and approved by the National Agrarian Department. The usufruct of the national or nationalized lands granted in favor of particular persons ceases upon the death of these persons. The children, the widow, or those who were economically dependent on the usufructuary will have preferential right in acquiring usufruct of the same lands held by the usufructuary.

Title III

Regarding the Agrarian Debt

Chapter I

Constitution

Article 40 – The premise “of the Agrarian Debt” includes the value of stock, utilities, rents, fines and entitlements derived from harvest yields, as well as other goods which remain at the disposal of the National Agrarian Department as stipulated by this law and as assigned by the National Congress or the President of the Republic, according to each case.

Article 41 – The Agrarian Debt Fund will serve to cover the value of indemnity, allowances, technical assistance, and credit for persons receiving expropriated property or persons benefiting from this law.

Chapter II

Indemnities

Article 42 – Once the procedure for law for land redistribution is concluded, coordinating and setting the expropriated land value based on the information maintained in the Office of the Fiscal Inspection Records, as such, the National Agrarian Department will cover the corresponding amount with “Agrarian Reform Bonds”.

Article 43 – In order for the Executive Branch to complete the previous article, the National Agrarian Department remains the faculty authorized to write bonds, which will be characterized by the following:

Bonds will be referred to as “Agrarian Reform Bonds”;

The lending total for all bonds will total ten million Quetzals;

The series and the nominal value of each bond will be determined by the bond’s respective regulations;

The interest rate will be three percent annual interest, payable through mature annuities;

The maximum lending term of the bond will be twenty-five years, but different bond series will have different terms;

The bonds will be paid upon maturity; but the emissary, in accordance with the accumulation of resources in amortized funds, will be able to make projected decisions;

For the payment affecting the value of the bonds in the first term, the values, products, and rents of the Agrarian Debt Fund and associated general rents of the Nation will be covered as of the date of publication of this Decree and annual amounts will be assigned by the National Congress of the Republic as part of the National Budget;

Guarantee: full backing of the State;

The financial agent will be the Bank of Guatemala.

Article 44 – The National Agrarian Department will inform the Ministry of Property and Public Credit and the Bank of Guatemala will oversee the usufructuaries’ products, stocks, and leases affecting the land on the monthly basis, in order to complete their obligation as the financing agent.

Article 45 – The Bank of Guatemala, in order to pay financial obligations and other expenses originating because of this operation, remains authorized by this law to service the Agrarian Debt to automatically separate products and assigned rents. The Bank of Guatemala will oversee deposits where the affected resources accumulate and in the case of government default where monies will be deposited into the “Common Fund”, funds accessible by solicitation and authorization of the Ministry of Land and Public Credit. All monies that the National Agrarian Department collects will be deposited in the Bank of Guatemala.

Article 46 – The bonds that cover the value of the indemnities of the expropriated lands will have to be paid in accordance with the following scale:

For properties:

From	Q1.00	to	Q100.00	50% annually
From	101.00	to	1000.00	25% annually
From	1001.00	to	5000.00	20% annually
From	5001.00	to	15000.00	10% annually
From	15000.00	to	30000.00	6% annually
From	30000.00 +			4% annually

Article 47 – The Executive Branch will provide the necessary regulations for the best fulfillment of the financial aspects related to this law.

Article 48 – From the time when the Executive Branch distributes the bonds under the protection and in accordance with this Decree, the bonds constitute a national public debt; this does not prevent the lending of small loans, nor the redistribution of land due to its social nature and as an imperishable good of an expropriated product.

Chapter III

Technical, Credit and Allowance Assistance

Article 49 – The National Agrarian Department will be able to allocate lands and funds, through consultation with the National Agrarian Council and segments of the Agrarian Debt Fund. These lending funds include economic or technical aid, of Article 34, necessary for usufructuaries and renters within the agrarian communities. Economic aid may consist of adjudication, its just price, and the most favorable repayment conditions possible for labor cattle, seeds, farm tools, or agricultural machinery. In order to give technical aid loans, the loans should be advised and accounted for with the collaboration of the Ministry of Agriculture. The Institute of Production Promotion and other analogous institutions, autonomous from the State, will lend all class of facilities upholding this objective.

Article 50 – In the opportune time, in agreement with the resources available and as necessities demand, the National Agrarian Bank will develop, authorize, and concede credit up to the amounts determined by law, fundamentally aimed at the small rural laborer economy, equipment, and allowances for agriculturists, up to the amounts determined by law.

Article 51 – When reviewing the expropriation of goods on default mortgages, the goods revert back to those entities allowed under Article 716 of the Civil Code, 3rd Edition. If the expropriation will not affect all of the property, the mortgage will remain for that portion not expropriated.

Judicial action will not be able to be executed against the State in order to affect a third-party mortgage right that could have been leveraged against other expropriated goods. The Registry of the Immovable Property will cancel the mortgages that take into consideration those goods or any other obligations that are affected, except for established servant debt or the continuation for those contracts not yet established, but will be inserted into the registry of new properties.

Title IV

Agrarian Reform Agencies – Nature

Functions of the Agencies

Chapter I

Agencies

Article 52 – The Agrarian Reform agencies include the following:

The President of the Republic;

The National Agrarian Department;

The National Agrarian Council;

The Departmental Agrarian Commissions; and

The Local Agrarian Committees.

The nature and function of each of these Agrarian Reform agencies remain determined by this Title.

Article 53 – The National Agrarian Department will be facilitated by a director, assistant directors for subordinate sections as established by internal regulations, and availability of administrative personnel as needed. The director and assistant directors will be nominated by the President of the Republic and the remaining personnel by the Director of the Department.

Article 54 – The National Agrarian Council will be composed of nine members, including the Director of the National Agrarian Department, who will preside over the Department by law. In his absence, the National Agrarian Department will be presided over by the individual who has seniority in the Department. The majority of the Council members will be nominated by the President of the Republic, including members from each one of the following agencies, institutions, and organizations: one from the Ministry of Agriculture; one from the Ministry of Economics; one from the General Directorate of Statistics; one from the Bank of Guatemala; one from the General Association of Agriculturists; one from the General Confederation of Workers; and two from the National Confederation of Farmers. If any of these represented entities do not provide a member to the Council, the Council will remain composed of those members already nominated. If over the course of time any of these represented entities merge or dissolve, the delegate of the new entity or entities remains the designated person for this proposed council.

Article 55 – The members of the Council will be able to be removed by the President of the Republic for reasons such as bad conduct, incapacity, or negligence in the fulfillment of their

duties. Their emoluments will be responsible for each of the entities or institutions that they represent.

Article 56 – In each department, except Petén, a Departmental Agrarian Commission will function with a composition of five members and be presided over by a representative from the National Agrarian Department. Commission members will be nominated by the Director of the National Agrarian Department, the proposed composition of the department remains divided among each one of the following agencies, institutions, and organizations: one from the National Agrarian Department, one from the governing department, one from the General Association of Agriculturists, one from the General Confederation of Workers, and one from the National Confederation of Farmers. They will be able to be removed in form and for enumerated causes as listed in the previous article and the replacement for their position will be responsible for the entities and institutions that they represent.

Article 57 – In each municipal, village, or rural farm, where there are lands affected by the Agrarian Reform, there will be a Local Agrarian Committee composed of five members elected by committee. The committee members will be nominated as follows: one by the Governor of the Department, one by the respective municipality, and three by the Organization of Farmers or by the farm union or by the local business. In the case where there are no farmer organizations or unions or where an organization comprises both aspects, an election will be held to determine a representative for the farmers and agriculture workers, determined by majority vote of farmers and agriculture workers, gathering under popular assembly and with representation of the

General Confederation of Workers of Guatemala and the National Confederation of Farmers of Guatemala.

Article 58 – A member of the National Agrarian Council must adhere to Article 6 of the Constitution of the Republic of Guatemala. In order to be a member of any agency of the Agrarian Reform, the individual must be a Guatemalan citizen. The National Agrarian Council, the Departmental Agrarian Commissions, and the Local Agrarian Committees will have members nominated by Secretaries as their own sector necessitates.

Chapter II

Attributions and Functionality

Article 59 – The President of the Republic, as the supreme and executive agent of the Agrarian Reform, will definitively resolve questions that originate from the application of the law.

Article 60 – The National Agrarian Department will function as a dependency of the President of the Republic. The Department will have the following attributes:

- To develop the regulations for the application of the Agrarian Reform;
- To calculate and deliver indemnities as to conform with this law;
- To grant property titles to the new proprietors and to grant respective titles to those interested parties for the use of lifetime usufruct of the land as given to farmers, agricultural workers and tenant farmers or to perpetuate the usufruct of the agrarian communities;
- To sign rental contracts with those persons receiving nationalized lands;

To organize technical aid and agricultural credit for farmers, with the intention that these loans will function as the lending basis of the National Agrarian Bank; and
All of that which is conferred by this law, or which is derived from the executive nature of this Department.

Article 61 – The National Agrarian Council and the Departmental Agrarian Commissions have the responsibilities to administratively revise the expropriation, adjudication of property records, review of usufruct, and review conformity of leases as established by norms in this law.

Article 62 – Local Agrarian Committees responsibilities include:

Within their respective jurisdiction, each committee is responsible for creating an inventory and registry of lands susceptible to the Agrarian Reform, such as the forest reserves;

To carry out an organized registration of the farmers throughout the jurisdiction, to include the proprietors, usufructuaries, or renters benefiting from the Agrarian Reform;

To transmit correspondence to all solicitors petitioning land and adjudication of the usufruct of the land; to notify all respective parties affected by the application of the Agrarian Reform Law;

To inform the National Agrarian Department, responsible for the land in question, on a quarterly basis; and

To administer the laws and the regulations put forth by the National Agrarian Department.

Chapter III

Procedures

Article 63 – The records regarding expropriation and adjudication of property or of usufruct will be transacted and completed before the agencies established in Chapter I, Title IV of this law. The record will be initiated through verbal or written solicitation before the Local Agrarian Committee for the applicable Agrarian Reform lands within its jurisdiction.

All juridical acts, documents, and judgments that are conducted before Agrarian Reform agencies or before judicial or administrative authorities in relation to the application of this law and of its regulations and derived disposition of this law remain exempt from document and stamp taxes.

Article 64 – A solicitation received by the Local Agrarian Committee will be deemed valid following visual inspection, within the required period of three days in order to provide due diligence in this legal proceeding. The Departmental Agrarian Committee will support a good faith petition of nationalized lands and the adjudication of property for usufruct by the petitioners.

Article 65 – The Departmental Agrarian Committee will hold a formal hearing with those presenting a good faith petition within five days of receiving the petition document.

Article 66 – In order to call a formal hearing, the proprietor of a good faith petition must state:

First name, family name, address, and nationality;

Conformity or non-conformity with the dates required of a good faith land petition, rectifying any dates in question;

Annotations of mortgages, embargos, demands and grievances levied against the buildings or furnishings on the property; and

Conformity or opposition is essential to the process of land distribution and nationalization. The proprietor, or whoever legally represents him, will document whether the property title was deeded and registered with the “Registry of Property” and present those documents that it considers advisable to justify the proprietor’s claim to land.

The third parties that will be affected, as affected by nationalization, will be able to appear during the formal hearing of the petition in order to make a claim as to their rights.

Article 67 – In order to carry out the transfer of property where there was opposition by the proprietor to the good faith petition, a review of the petition will be completed within eight days after receipt of the appropriate and required paperwork referenced in part d) of the previous article.

Article 68 – Article 64 is achieved upon the proprietor’s consent or without it as in the case presented in the previous article. The Departmental Agrarian Commission will resolve each case by approving, modifying, or disapproving the Local Agrarian Committee proposal. The resolution should be dictated within three days, without a possibility of a deadline extension, after which time the terms of resolution are finalized.

Article 69 – In order to object to this resolution, a repeal proceeding convenes before the Departmental Agrarian Commission, with acknowledgement by the National Agrarian Council. The Council will be required to hear interested parties within fifteen days with the possibility of a single deadline extension of three days, at which time the Council will resolve the situation,.

Article 70 – The subsequent recourse in administering a repeal decision by the Departmental Agrarian Commissions or the National Agrarian Council will have to transpire within eight days.

Article 71 – National Agrarian Council decisions will be settled in cash, taxed by the appropriate Council, and the President of the Republic will be notified of such resolutions.

Article 72 – The resources of revoking, repossessing, or cash settlement should transpire within three days notification of the resolution.

Article 73 – If the owner of the good faith petition agrees with the decision handed down by the Departmental Agrarian Commission or if shared resources of the expropriated lands are refused, the petition document will be elevated to the President of the Republic, overseen by the Minister of the Interior.

The governing agreement will be transcribed into the Registry of Immovable Property, which also contains the nationalization of expropriated lands and the adjudication decrees of private tracts of land.

Article 74 – Exhausting all previous procedures, the petition document will pass to the National Agrarian Department for processing and execution of final decisions in conformity with the attributes described in Article 60. The Local Agrarian Committee will be in charge of transferring possession of said lands to the beneficiaries or usufructuaries of the property in usufruct and lease.

Article 75 – The persons described in Article 34 will solicit a land lease from the National Agrarian Department, a petition which will be resolved within ten days. If the resolution is favorable to the petitioner, the appropriate Department will announce the decision to the respective, interested party. In case of the contrary, the solicitor can impose a judgment for repossession before the same governmental office. If the said judgment is refused, the President of the Republic will definitely resolve any petition through a cash settlement.

Article 76 – Those persons described in Article 35 can solicit a land lease through the procedure outlined in the previous Article or through direct solicitation to the Local Agrarian Committee. Upon receipt of the appropriate information, the Departmental Agrarian Commission will resolve the petition in due course. The committee will proceed in determining an appropriate course of action, whether repossession, revocation, or cash settlement in conforming to the details outlined in this Chapter.

Article 77 – When there is a request soliciting national property, petitions will be presented by the Local Agrarian Committee to the National Agrarian Department. The National Agrarian

Department will respond to the petition by declining or approving the request in accordance with Articles 21 and 22.

Article 78 – If the petition includes industrial installations, commercial property, or those goods not included within the Agrarian Reform as referenced in Article 28 of this law, the National Agrarian Department, prior to resolving this case, will request information from the Local Agrarian Committee or the Departmental Agrarian Commission.

Article 79 – In the case where there is lease of uncultivated “Property”, the same procedures established in the previous Article will be followed.

Article 80 – In the case where there is opposition to the National Agrarian Department’s resolution, such as those resolutions presented in the previous Articles, the recourse of repossession can be used as an intermediary solution and if this resolution is declined, a cash settlement will be proposed, a solution which will be made known to the President of the Republic.

Article 81 – If a land conflict arises between an agrarian community and a Municipality, either of these parties can present a petition for land before the Departmental Agrarian Commission. The Commission will resolve the petition within eight days after hearing all parties in a single formal hearing in order to determine whether the lands will continue to be common municipal property or be definitively passed to the community. Opposition to the Commission’s resolution will be presented through the repeal process and acknowledged by the National Agrarian Council.

Article 82 – With a signed resolution, as referenced in the previous Article, the National Agrarian Department will extend a usufruct land title to the beneficiary community.

Article 83 – Expropriated goods, without alternative recourse, will be registered into the Registry of Immovable Property through a governmental expropriation agreement communiqué as referenced in Article 73.

Title V

Sanctions

Article 84 – Who in whatever form commits falsehoods or simulations, intending to impede the application of this law, will be fined with pecuniary fines ranging in value from 100 Quetzals to 2000 Quetzals, according to the case and without prejudice of who will have committed these actions as determined by this law. The fines will be applied by the Departmental Agrarian Commissions on behalf of the National Agrarian Commission, with monies destined for the Agrarian Debt Fund.

Article 85 – Those who in any manner impede or try to impede the application of this law through coercion or any other crime, before or after the expropriation of a property is decreed, will be penalized with a fine equal to 20 percent of the indemnity value to which they have rights. The crimes will be judged without prejudice by the common courts.

Article 86 – A crime is committed when coercion, pressure, or physical impasse produces an impediment to the public use of roads referred in Article 14 or produces an impediment to the

use of public services presented in Article 20 of this law. The crime will be punished with a doubling of the fine that the Penal Code assigns to this crime.

Article 87 – Public officials and employees of the Agrarian Reform agencies are public officials and employees and they will be judged as such if in the fulfillment of their duties they commit a crime or felony under the law.

Article 88 – For those that conceal information or commit falsehood in order to elude the tax obligation presented in Article 26 or for those new proprietors or those who have completed a lease contract under Article 32 will lose the rights that they would have acquired, without prejudice of being required to pay further penalties.

Article 89 – Those who incur prohibitions under Article 39 will lose the usufruct of the land; the same occupants affected under that Article will also incur restrictions under Article 37.

Article 90 – Except for crimes and felonies acknowledged through correspondence with the justice tribunals, all other infractions will be reviewed by competent agencies of the Agrarian Reform. All applicable fines, derived from this law, will be deposited into the Agrarian Debt Fund.

Article 91 – The proprietors that oppose the application of the Agrarian Reform Law, through violent or subversive means, will have their lands expropriated in their entirety, without legal limitation and by acknowledging that such procedures will gravely alter the order of the rural

areas. The indemnity will not be paid and authorities will immediately occupy the property or properties in question.

Title VI

Transitory and Final Dispositions

Article 92 – All the goods, rights, and actions that were expropriated and nationalized by the State agencies starting in 1944, pertaining to foreigners or national claims such as war indemnities, will be definitively and immediately registered in the name of the Nation.

Article 93 – Decree 630 of the Congress of the Republic regulates to material objects of this law. Records of actual exclusion in transmission can continue their course, but if they are resolved in place, instead of reclaiming the lands, farms, agricultural or industrial installations, indemnities will be paid with Agrarian Debt Bonds for a value equivalent to those lands or farms having been registered up until 9 May 1952. Agrarian Debt Bonds will compensate the value of those agricultural or industrial installations according to the last inventory, taken place prior to 9 May 1952. Indemnity values can be adjusted for those goods having suffered depreciation since the date of inventory until the moment of indemnification.

Article 94 – The Director of the Agrarian Department will transfer industrial and commercial establishments from the Department of National Property to societies or companies referenced in Article 28 of this law, through the application of the Agrarian Reform through the expropriation of land and the payment of bonds to land owners. Lands under the “National Property” title will

be utilized by the National Agrarian Department to make provisions and allowances to usufructuaries, parcel land owners, or cooperatives by distributing “National Property” lands.

Article 95 – “National Properties” will be transferred to the National Agrarian Department, as affected properties organized under the Agrarian Reform, these lands will be free of all debt and obligation and the liquidation of that property will be done in conjunction with the Ministry of Land and Public Credit through the Court and Accounts Comptroller and overseen by the National Agrarian Department. Those agencies will dictate the necessary means to liquidate land and goods as soon as possible.

Article 96 – Payments for “National Property” will be made to the National Mortgage Credit Bank. In order to continue cultivating the agricultural products through the present agricultural year, the usufructuaries and renters of those lands under cultivation should submit the agricultural maintenance investment value to the National Agrarian Department to which the land and products correspond. Agricultural merchant businesses that are organized in accordance with Article 28 of this law, should sell their harvests to the usufructuaries or renters to which this Article refers with proportional payments and deductions as appropriate. The deductions will be overseen by the National Agrarian Department, rotating among administrators or business managers that are responsible for completing such transactions.

Article 97 – In accordance with Article 92 of the Constitution of the Republic, this law is a public right because of the material the law regulates and therefore the law should always be interpreted in the sentiment of public interest prevailing above private interest, as in those

substantive reforms referring to the nature of the resolutions to which the application of the law is dictated as well as the exclusion of other resources that may not have been properly established in this law.

Article 98 – The acts and resolutions of the Agrarian Reform agencies are not purely administrative as these agencies are acting authorities of the Executive and subsequently, no more resources will befall the agencies than those established by this law. The authorities that administer other resources, whether they are ordinary or extraordinary, or different than those established here, or those who usurp public functions will incur penalties as established in the Penal Code.

Article 99 – The qualifying exception of large estates, as established in Article 32, is that according to this law the lands must have been rented or utilized during any part of the previous three years, defined as land having been cultivated by the owners or on their behalf.

Article 100 – Land proprietors that have acquired land after 9 May 1951 and that have already begun to exploit the land through rational means remain exempt from this law for a period of two years for extensions of land no greater than 200 hectares, 75 areas, and 40 centiáreas (6 caballerías).

Article 101 – For the effects of this law, Agrarian Reform agencies will consider a single farm as affected property if it has been subdivided through contracts registered with the Registry of Immovable Property after 9 May 1952.

Article 102 – Those affected by this law should understand that reference in this law to natural persons as applicants or awardees of property, in usufruct or lease, always signifies natural Guatemalans or naturalized Guatemalans, according to each case. When the persons are legal, they will also have to be Guatemalan in accordance with the law.

Article 103 – To defer the occasional administrative expenses required to implement this law, the National Agrarian Department will work with the President of the Republic as to the corresponding budget for function of the Department. This budget will be elevated to the Congress of the Republic for incorporation into the Proposed General National Budget.

Article 104 – The rights and obligations acquired through Decrees 712 and 853 of the Congress of the Republic will function as substitute laws as long as the land objectives of the Agrarian Reform is not applied to include those rights and obligations.

Article 105 – All the laws remain denounced, to include dispositions or accords regarding material already distributed under this law or altered by this law.

Article 106 – Those currently serving under active military obligation will be able to solicit lands and dwellings on property, by means of a simple letter for either for lifetime usufruct or lease and enjoy all the benefits that this law establishes.

Article 107 – This Decree will become active the day it is published in the Official Record, it will have retroactive effect, for that reason it is declared of national necessity and use, or for reasons of public order as voted and approved in accordance with Article 49 of the Constitution of the Republic.

Pass to the Executive Branch for approval and implementation.

Julio Estrada de la Hoz

President

Marco Antonio Villamar C.

Secretary

Alfonso Fortuna

Secretary

Given in the Palace of the Legislative Branch in Guatemala on the sixteenth day of June in the year 1952, the eighth year of the Revolution.

Record and implement.

J. Arbenz

The Ministry of Economy and Labor

Roberto Fanjul

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