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EL SALVADOR: THE POLITICS OF LAND REFORM

Summary

We believe that prospects are favorable for land reform to continue in El Salvador, but not without occasional lapses and implementation problems. The land reform issue is subject to heated dispute, almost as much within the parties as among them. Moderates and hardliners of every stripe in each group seek to varying degrees to maintain, expand, limit, or reverse the process of all reforms--financial, commercial, and agrarian. Nevertheless, in our judgment, the final referee will continue to be the military, whose leadership appears convinced that reforms--particularly for the moment agrarian reforms--must continue if the government is to receive the domestic and international support necessary to rebuild the economy and win the war against the insurgents. [redacted]

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The interests of the tiny aristocracy aside, the issue of agrarian reform in El Salvador has rarely been whether it was necessary, but rather how to go about it in a strongly capitalist country with such scarce land resources. Virtually all agriculturally productive land is privately owned. Although half was controlled by a handful of elites before March 1980, the remainder was worked extensively by middle class, lower middle

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class, and peasant farmers, whose production is vital to export earnings as well as domestic food supply. [] 25X1

The interests of this latter group--land-oriented center-right sector of society--traditionally have been represented by the National Conciliation Party (PCN), which--despite its virtual dissolution following the October 1979 coup--emerged from the 28 March election with a significant 14 of 60 seats in the constituent assembly, the senior vice-presidential post, and four government ministries. The PCN has habitually been split between moderates and hardliners over the issue of agrarian reform. As the official military electoral vehicle for two decades, some of its executive and legislative representatives in government pushed forward land reform bills that proved too modest for liberal opposition parties and too radical for hardline conservatives both in and out of the party. US Embassy reporting suggests that currently, the PCN remains divided over how best to implement land reform, but since the election, party leaders have moderated their strident public attacks on reforms and now appear convinced of the need to support the process in principle in order to rebuild their ties to the military and strengthen their popular support. [] 25X1

The ultra-rightist National Republican Alliance (ARENA) also has moderated its position on land reform. An electoral phenomenon created only last year around a core of extreme rightists tied to wealthy exiles in Miami, ARENA managed to win over many PCN members and their constituents with promises to defeat the insurgents in three months and roll back "Communist" land reform. According to US Embassy sources, however, the party's failure to dominate the constituent assembly and capture the provisional presidency has precipitated defections by party hardliners and moderates alike, limited its political clout, and reduced its funding by wealthy backers. In addition, its obstructionist tactics have alienated the military high command. To avoid political isolation, ARENA leaders now publicly embrace land reform, although we believe that most probably hope to limit its effects over time. This effort could be undercut, however, by such political realities as ARENA's need for greater grassroots support to compete in future elections, the commitment of the military to protect the reform process, and the ability of the PCN and the Christian Democrats (PDC) to exploit the reform issue. [] 25X1

The PDC is the clear champion of land reform in El Salvador, and we believe it will attempt to build on that image as it prepares for national elections. Nevertheless, it too faces a

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dilemma. By failing to gain majority control of the constituent assembly, the PDC is obliged to choose between working with the two conservative parties in a government of national unity-- wherein it is responsible in equal measure for government policies--and the riskier course of active opposition. US Embassy reports suggest that while trying to maintain its own center/center-left constituency, the party recognizes that it must recruit enough center-right voters to gain the edge in the next elections, thus making its defense of land reform more problematic. US Embassy reports demonstrate that PDC leaders recognize the problems inherent in implementing land reform and favor some revisions in procedures and timetables. We believe, however, that they are unlikely to support any legislation that might be perceived as a reversal of the process. [] 25X1

Ironically, the armed forces stand to become the chief guardian of agrarian reform. Although conservative in orientation, the military demonstrated its political acumen following the 28 March election by moving decisively to arbitrate among the warring civilian political parties and prescribe a new government. [] have 25X1 pointed out that senior officers are becoming increasingly pragmatic and recognize that the international perception of their commitment to land reform is critical to El Salvador's continued receipt of foreign military and economic support. US military intelligence reporting also demonstrates that senior officers recognize the importance of grassroots support in defeating the insurgents. Finally, Defense Minister Garcia's presumed presidential ambitions--in our judgment--require that he also view agrarian reform as a political issue. He and other senior officers have stepped up public statements defending the land reform as inviolable and a sacred pledge of the armed forces. [] 25X1

The military has begun to react to negative international opinion generated by the suspension last month of new land distribution under Phase III of the agrarian reform. This week, members of the high command presided at ceremonies in various cities where hundreds of new provisional and permanent land titles were awarded to peasant beneficiaries. [] 25X1 [] reports that Garcia recently instructed [] 25X1 military commanders to pressure the government agency responsible for distributing land titles to expedite the processing of claims. US Embassy, military intelligence, [] 25X1 reporting also shows that Garcia is increasingly upset over illegal evictions of peasant farmers by some landowners, and has directed military units in some areas of the country to intervene by returning evicted peasants to their land. [] 25X1

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We believe that prospects for continued land reform in El Salvador are favorable, but in fits and starts. Some conservatives are likely to try to restrict the process through legal and extra-legal actions, and even liberals may feel compelled to acquiesce in some changes in order to spur production of sorely needed cash crops and to reassure investors and planters. It is our judgment that policy in the assembly is likely to be decided more often by the ability of the PCN to swing its votes to either side of the aisle than by any orderly and continuing compromise among the three major parties. The pace of implementation, therefore, will depend largely on the resolve of the armed forces, which is in turn directly affected by its appreciation of El Salvador's need for international-- particularly US--backing.

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SUBJECT: El Salvador: The Politics of Land Reform

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