



C O N T E N T S

Agenda item 25:

Economic development of under-developed countries
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Chairman: Sir Douglas COPLAND (Australia).

AGENDA ITEM 25

Economic development of under-developed countries (A/2686, A/2702) (continued)

- (a) **Question of the establishment of a Special United Nations Fund for Economic Development: summary by the Secretary-General of comments of Governments on the report of the Committee of Nine, report of Mr. Raymond Scheyven, and report of the Economic and Social Council (A/2646 and Add.1-5, A/2727 and Corr.1, A/2728, A/C.2/L.232, A/C.2/L.233 and Add.1) (concluded)**

1. The CHAIRMAN put to the vote the draft resolution which the Committee had adopted provisionally, the complete text of which was contained in the Secretariat working paper (A/C.2/L.233).

The draft resolution was adopted unanimously.

2. Mr. JUNG (India), on behalf of the twenty Powers which had jointly submitted it, withdrew the draft resolution contained in document A/C.2/L.228 and Add.1.

3. The CHAIRMAN proposed that the Committee approve the decision of the Drafting Group (A/C.2/L.232, para. 4) that the group of experts be reduced from ten to not more than eight persons and that the financial estimates submitted by the Secretary-General (A/C.2/L.233/Add.1) be revised accordingly.

It was so decided.

4. The CHAIRMAN congratulated Committee members on having approved by a unanimous vote, in the spirit of the Charter of the United Nations, a resolution relating to so important a question. Some had regretted that the question of the establishment of the Special United Nations Fund for Economic Development had not made more rapid progress; but if it was borne in mind what progress had been made in the

case of other equally difficult items, the Committee's accomplishment would surely appear gratifying. It was better to advance gradually on the basis of unanimous decisions than to attempt to push ahead in the face of divided opinions which might lead to the formation of two hostile groups.

5. Mr. SAENZ (Mexico) explained that his delegation had voted in favour of the resolution because it did not think that any opportunity of promoting international co-operation in the economic and financial field should be neglected. His vote, however, did not imply that the Mexican Government was assuming any obligation to contribute to SUNFED.

6. Mr. STRAUS (United States of America) explained that the United States Government was not at that time prepared to make any contribution to a new international development fund. It was only in the event of genuine progress in adequately safeguarded international disarmament that the United States would be prepared to consider making such a contribution. It was in that sense that the United States Government interpreted the phrase "as soon as practicable" in paragraph 1 of the operative part of the draft resolution.

7. It was clear that other countries which would have to be among the main supporters of any effective development fund were not now prepared to contribute to such a fund. That emphasized the correctness of the conclusion arrived at by Mr. Scheyven in his report (A/2728 and Corr.1) that the essential conditions for the establishment of such a fund in the near future did not as yet exist. It also served to underline how far the United Nations was from raising the minimum amount of \$250 million for initial operations, considered necessary by the Committee of Nine.

8. Furthermore, the United States delegation did not consider that the report which Mr. Scheyven was to prepare pursuant to paragraph 5 of the draft resolution would be a blueprint for SUNFED or the basis on which the charter of such a fund might eventually be drafted; rather, it would be a part of the orderly exploration which the United Nations had been making of various ideas relating to SUNFED which might be useful when the fund became a practical possibility.

9. He did not think that to defer the creation of SUNFED was to defer economic development. The United States would continue to extend its support to the under-developed countries and to search for appropriate ways of assisting them.

10. Sir Alec RANDALL (United Kingdom) said that his delegation's vote for the draft resolution should be taken as proof of the interest which Her Majesty's Government had in the economic development of the under-developed countries and of its support for the principle of the Special United Nations Fund for Economic Development.

11. His delegation interpreted Mr. Scheyven's terms of reference as meaning that he should study all the

possibilities concerning the nature and role of SUNFED and submit a review for the consideration of the Economic and Social Council and the General Assembly. After the tenth session of the General Assembly, Governments would be invited to comment on Mr. Scheyven's report. In voting for the resolution, his delegation had not committed the United Kingdom Government in advance to acceptance of whatever views that might be put forward in the report.

12. The experts who would assist Mr. Scheyven should form a very small group, not more than six at most; furthermore they should not represent Governments and should not be chosen on the basis of geographical distribution.

13. Mr. HOWARD (Canada) explained that his delegation had voted for the draft resolution as being the most acceptable compromise between widely divergent points of view. He had made the Canadian delegation's attitude quite clear in his earlier statement (293rd meeting) and his delegation interpreted the provisions of the resolution in the light of the considerations advanced in that statement. In that connexion, he wished to associate himself with the views just expressed by the representatives of the United Kingdom and the United States.

14. He hoped that the conditions which might make SUNFED possible might be realized before too long. He paid tribute to the representatives of both the under-developed countries and the industrialized countries, who had, after long negotiations, submitted a text on which unanimous agreement had been reached.

15. Mr. ENCINAS (Peru) had hoped that the Committee would be able to adopt a resolution of wider scope. He had, however, voted for the present text because it took into account, if only to a small degree, the aspirations of the under-developed countries. World public opinion had been aroused and sooner or later the idea of establishing SUNFED would gain general acceptance.

16. Mr. Scheyven's report would be extremely valuable. Under paragraph 5 of the draft resolution Mr. Scheyven would presumably be free, if he considered it necessary, to consult the regional commissions and to learn from them the views of the inter-governmental regional organs whose operations would be co-ordinated with those of the regional associations concerned.

17. Mr. STEWART (New Zealand) congratulated the Drafting Group on its success in working out a compromise formula. He explained that his delegation's vote for the resolution should be taken neither as a commitment to accept Mr. Scheyven's recommendations nor as approval of the subsequent establishment of SUNFED.

18. New Zealand was aware of the needs of the under-developed countries, but could not assume any commitment to contribute to SUNFED, should it be established. His country had embarked on a long-term programme for the utilization of its natural resources, but lacked the financial means to carry out this programme. It had, as a matter of interest, recently floated loans on the London market for development purposes and had sought and obtained substantial credits from the United States Export-Import Bank. New Zealand had, moreover, given assistance to under-developed countries which were in a more critical position than itself, both within the framework of the United Nations Expanded Programme of Technical Assistance and under the Colombo Plan. He had no doubt that it would continue

to do so within reasonable limits for some time to come, even though this entailed some sacrifice in the execution of its own programme. His Government felt, however, that it could not reasonably expect its taxpayers to support on an increasing scale a policy of borrowing money abroad—from the industrially developed countries—in order to transfer it to other countries in the form of contributions towards the economic development of under-developed areas.

19. Mr. LIRA MERINO (Chile) noted with satisfaction that the idea of the establishment of SUNFED which had first been broached by his delegation, had made some headway with the adoption of the resolution. Admittedly, his delegation would have preferred the Committee to decide to have the statutes of the fund drafted, but it had realized that for the time being it would have to be content with an arrangement that was both convenient and capable of application.

20. He congratulated the Chairman and the members of the Drafting Group on the felicitous result which they had achieved by dint of perseverance and wisdom. His delegation had agreed to the deletion of the paragraph under which the objectives of SUNFED were to have been widely publicized, but it intended to come back to the question after Mr. Scheyven's further report had appeared. Such publicity was necessary in order to impress on the peoples that all mankind would benefit from the investments made in the under-developed countries.

21. Mr. O'NAGHTEN (Cuba) said that he had been happy to vote for a draft resolution which marked a significant step forward towards the establishment of SUNFED. The economies of the under-developed countries could not expand properly unless the fund was established, and he hoped that circumstances would make it possible to give effect to that project in the near future.

22. As regards the material support which Cuba would be prepared to give to the fund, he referred to the reply his Government had transmitted to the Secretary-General on 25 June 1954 (A/2646/Add.2).

23. He paid tribute to the efforts of the delegations that had participated in the drafting of the text which had just received the Committee's unanimous approval. He congratulated the Chairman on the tact and wisdom with which he had conducted a difficult debate.

24. Mr. DURÓN (Honduras) was gratified by the results achieved and paid tribute to the efforts made by the Chairman and the members of the Committee to secure unanimity. The resolution marked a positive step forward and it was very difficult to expect more at the moment.

25. Mr. OZGUREL (Turkey) said that his delegation had always felt that the work preparatory to the establishment of SUNFED should be undertaken without delay, since it would provide clearer and more reliable information and thus bring the ultimate objective within closer range. There was every reason, therefore, to congratulate the Committee on its unanimous adoption of the draft resolution. That was an achievement which augured well for the future, particularly since the adoption of draft resolutions by a simple majority did not always lead to the desired results in connexion with certain international questions, such as the establishment of SUNFED. In conclusion, he thanked all those who had participated in the preparation of the final text.

26. Mr. CHAUVET (Haiti) explained that he had voted for the draft resolution because it injected new strength into the idea of SUNFED. He observed that bilateral aid tended to replace assistance under the auspices of international organizations. Admittedly, the text did not fully meet the wishes of the under-developed countries but it had been essential to secure the favourable votes of the industrialized countries. He regretted that the idea of publicizing SUNFED had been dropped, for he had noted that the question of the fund had not been discussed in the Press to any great extent.

27. Mr. HALIQ (Saudi Arabia) said that the draft resolution which had just been adopted was not an agreement on which reservations could be had. Its meaning was very clear.

28. He regretted that the draft resolution did not mention either the question of publicizing SUNFED or the fact that the fund was equally important to the recipient and to the contributing countries.

29. Mr. FISCHER (Union of South Africa) said he had been glad to vote for the resolution which had been particularly difficult to draft, and he congratulated the Drafting Group and the Chairman on their effort.

30. In voting in favour of the draft resolution, his delegation had in no way changed its position. His country, which had but limited financial means to develop its own resources, could not undertake to give SUNFED any material support.

31. He endorsed the interpretation which the representatives of the United Kingdom and New Zealand had placed on paragraph 5 of the text concerning Mr. Scheyven's terms of reference. He was convinced that Mr. Scheyven's report would contain very useful information which would help in working out subsequent arrangements.

32. Mr. MANSOUR (Iran) associated himself with the representatives who had paid tribute to the tact and wisdom which the Chairman had displayed during the debate and which had made it possible to achieve unanimity.

33. All the countries which now faced grave difficulties would not permit themselves to become discouraged; they realized that they had to continue the fight if something positive was to be accomplished. The Committee had adopted the draft resolution unanimously in a spirit which reflected the immortal thought of the Persian poet Saadi: "All men are part of a single body; by their birth they are merged in the same matter. Let but one part harm the whole, and all the others will surely suffer". If the Committee continued its efforts, guided by that thought, it would succeed in converting the project into reality.

34. Mr. UMARI (Iraq) was gratified by the compromise text which the Committee had accepted unanimously. In his view, the text adopted was clear and required no explanation or interpretation. Neither the establishment of SUNFED nor disarmament were the immediate issue. It would therefore suffice to adhere to the text of the draft resolution.

35. Mr. AHMAD (Pakistan) recalled that a majority of the Committee had hoped that they would be able to succeed in establishing SUNFED. The draft resolution adopted represented only a compromise solution, but it was acceptable because it had received the unanimous approval of all the States Members and because it marked a real step forward.

36. In the view of the under-developed countries, the study which Mr. Scheyven and the group of experts were to carry out was likely to lead to a definite and concrete solution. In voting for the resolution, those countries had shown that they appreciated the difficulties of the industrialized countries. They hoped that Mr. Scheyven's efforts would induce the industrialized countries to change their attitude.

37. Mr. JUNG (India) associated himself with the delegations which had paid tribute to the Chairman for his part in the drafting and adoption of the draft resolution.

38. His delegation had always maintained that the United Nations should use every means of promoting the economic development of the under-developed countries and had always supported the idea of the establishment of SUNFED. In voting for the draft resolution, it had resigned itself to accepting a compromise for the sake of unanimity.

39. His delegation did not think that disarmament under international control was a prerequisite for the establishment of SUNFED. Perhaps circumstances would make it possible to establish the fund sooner. The phrase "as soon as practicable" should not therefore be interpreted to mean that the establishment of the fund depended on the progress towards disarmament.

40. Paragraph 5 of the text did not contemplate the drafting of the statutes of the fund, but merely provided for the preparation of certain documents which might eventually be used in their drafting. It was for that reason that his delegation had urged that the words "a full and precise picture" be allowed to stand. Mr. Scheyven's expert assistants would certainly have an important part to play, as Mr. Scheyven had said that their opinions would be embodied in the report. It was to be hoped, therefore, that in the selection of the experts regard would be had to all the interests involved, both those of the under-developed countries and those of the industrialized countries, for only then could their work be effective.

41. The draft resolution represented a significant advance over earlier texts, and in 1955, after the General Assembly and Governments had considered and commented on Mr. Scheyven's report, the General Assembly perhaps could decide to draw up the statutes of the fund.

42. Mr. STANOVNIK (Yugoslavia) said that for the second time during the current session an important draft resolution had been adopted unanimously. The First Committee had unanimously adopted a draft resolution on disarmament (A/C.1/752/Rev.2) at its 702nd meeting and there was every reason to hope that a third draft resolution, relating to the peaceful uses of atomic energy, would also be adopted unanimously.

43. The task of Mr. Scheyven and the group of experts was to overcome the last difficulties which still stood in the way of the establishment of SUNFED. The complete and accurate picture which their report would give would enable still-hesitant Governments to reconsider their positions. Besides, conditions might well improve in the near future, which would facilitate such a change of attitude.

44. His delegation regretted that the paragraph relating to publicity for SUNFED had been deleted from the final text, but it had been happy to note that the Secretary-General had just published a pamphlet on

financing the economic development of the under-developed countries through the United Nations¹.

45. He congratulated the Chairman, whose initiative in the Drafting Group had made it possible to reach a generally acceptable solution.

46. Mr. EL-TANAMLI (Egypt) welcomed the adoption of the draft resolution and hoped that the Governments which still opposed the establishment of SUNFED would review their attitudes in the light of the Committee's discussions. He also hoped that the under-developed countries would comment on the statutes of the fund, when drafted, and that the Secretary-General would continue to keep the matter in the public eye. He agreed with the Indian representative that the interests of all the countries concerned, whether under-developed or fully developed, should be taken into account in the selection of the experts who would assist Mr. Scheyven; he hoped, therefore, that the group would comprise four experts acting on behalf of the under-developed and four acting on behalf of the fully-developed countries. He added that consultations should be held not only with the specialized agencies concerned but also with the Technical Assistance Board. He was sure that Mr. Scheyven would present a full and accurate picture which would subsequently be of assistance in the drafting of the statutes.

47. The CHAIRMAN thanked the representatives who had offered him their congratulations. In his opinion the function of a chairman in an international organization was always to seek unanimous agreement. As the draft resolution had been adopted unanimously, Mr. Scheyven would be able to approach his task with specific terms of reference which clearly defined his responsibilities. The Committee had not yet completed its task, but it was better to let time do its work than to make over-hasty decisions.

(d) Land reform (A/C.2/L.234) (continued)

48. The CHAIRMAN welcomed Mr. Siles Zuazo, Vice-President of the Republic of Bolivia, and invited him to take part in the debate on land reform.

49. Mr. SILES ZUAZO (Bolivia) said that while the Government of the Bolivian Revolution viewed the nationalization of the mines as one of its most important and most audacious victories, it attached no less importance to the land reform which had enabled it to end the four-centuries old condition of servitude of the rural population of Bolivia.

50. The accomplishment of the noble purposes of the Charter of the United Nations was hampered largely by the poverty in which the greater part of mankind lived and by the steadily widening disparity between the living conditions of the peoples of the industrialized and of those of the under-developed countries. Before that state of affairs would improve, some extremely complex problems had to be tackled: the position of the landless peasants, the inefficient use of natural resources, and the difficulty, experienced by Governments and farmers alike, of obtaining the funds necessary for modernizing agriculture and increasing the area of land under cultivation.

51. United Nations studies, reports and resolutions on the application of broad economic principles agreed, in

a general way, that a faulty agrarian structure was bound to hinder the economic development of the under-developed countries. He referred in that connexion to the provisions of Economic and Social Council resolution 370 (XIII), as endorsed by General Assembly resolution 524 (VI) on land reform.

52. In the Secretary-General's report entitled *Progress in Land Reform* (E/2526), which was based on the replies of States Members to a carefully-prepared questionnaire, the Secretary-General had pointed out that Governments had widely differing approaches to land reform. For the majority of the under-developed countries, however, land reform meant primarily the redistribution of the land.

53. Because Bolivia's experience in land reform was very recent, the Secretary-General's report did not deal with it in detail. Accordingly, the Committee might wish to hear a brief description of the circumstances in which Bolivia's land reform had been carried out.

54. Before the discovery of the Americas, the Inca Empire had extended over the territories now occupied by the Republics of Bolivia, Peru and Ecuador. The wise Inca rulers had set up an agricultural economy which, despite the rudimentary methods employed, ensured the welfare of 11 million inhabitants through a system of collective cultivation of the land. The Spanish colonists had overthrown the existing order and had imposed on the New World, by violence, the feudal system then prevailing in Europe; under their influence the local economy concentrated on mining and the Indians suffered extortion and slavery. When the American peoples of Indian origin had freed themselves from the Spanish yoke in the nineteenth century, the lot of the agricultural workers had not improved greatly; while statute law had granted them equal rights, they had continued in fact to be dominated by a creole minority, whose serfs they had remained, and they had continued to lead an existence unworthy of human beings.

55. The Government of the Bolivian Revolution, on coming to power in April 1952, had been faced with the paradox of a people of more than 3 million living in abject misery while the country's enormous potential riches had enabled three families of mineowners to amass vast fortunes and to secure an economic—and therefore political—power superior to that of the State.

56. Under the rule of the tin barons, Bolivia had been nothing but an enormous mining concern endowed with the world's most modern physical equipment but in which 60,000 miners had been condemned to a starvation wage and tuberculosis while the agricultural labourers had continued to work the land of the *latifundia* with implements which had not improved since Inca times. The mineowners had been interested only in extracting the raw material, which they had exported systematically, leaving in the country, by way of taxes, ridiculously small sums which had been scarcely sufficient to pay the bureaucracy and the army which had helped to secure their tyrannical reign. Similarly, the great landowners had owned about 70 per cent of the arable land and had lived parasitically on the work of the Indians who had had to give them their labour free of charge in exchange for the right to cultivate plots which hardly produced enough for a poor livelihood. The landowners had not been interested in investing funds in order to improve the cultivation of crops which cost them practically nothing; they had found it cheaper to import food not grown on the high plateau from

¹ *International Aid in Search for Development Funds*, published by the Department of Public Information, New York, 1954.

abroad with the foreign currency which they had procured at a preferential rate of exchange than to have it brought from the inaccessible or almost inaccessible areas in the east of Bolivia. In those circumstances, there had been no hope of progress in agriculture; land reform had been impossible in the face of the opposition of the feudal oppressors of the people. As a consequence, 2 million peasants had been condemned to live on the fringes of the nation, bereft of all social and political rights and a prey to ignorance and poverty.

57. To deal with that situation, the Revolutionary Nationalist Movement had drawn up a programme for making the Bolivian people master of its own economy. The programme called for the nationalization of the important mines, the integration of the rural population into the national life through land reform, the construction of roads to connect the lowlands and highlands; the diversification of production; and the free participation of the population in the country's economic activity which was to benefit all equally. Immediately upon accession to power in April 1952, the Government of the National Revolution had introduced universal suffrage and in October of the same year it had nationalized the great mining undertakings. On 2 August 1953, it had promulgated the legislative decree on land reform.

58. Bolivia's land reform was not a limited operation: it took into account all the economic, political, social and cultural factors which affected the life of the rural population. According to the most recent census, that of 1950, 70 per cent of the private agricultural estates had been in the hands of 4.5 per cent of the landowners; some estates covered an area of more than 6 million hectares; only 1.5 per cent of the arable land was cultivated by the owners themselves. The Indians, who formed the bulk of the rural population, had been entirely dispossessed and had no political or economic rights. The decree on land reform therefore began by proclaiming the right of the nation to ownership of the soil, subsoil and water resources of the Republic. It recognized and guaranteed private ownership of land only in so far as such ownership played a useful part or contributed to the freedom and well-being of the people.

59. The introductory provisions of the decree announced the abolition of the *latifundia* and provided for their redistribution among the peasants. Whether a property was a *latifundium* was determined not by its size, but by the fact that it was neglected or badly operated or by the fact that its owner drew an income from it without taking any personal part in the work of exploitation. Thus, Bolivian legislation founded the right to ownership of the land on work.

60. The decree's other provisions granted the rural worker an elementary right, the right to a *solar campesino*, so that nowhere in Bolivia would there be a single peasant without a small plot of land on which he could build a home to shelter his family.

61. The decree recognized five different types of landed property. A small-holding was one which supplied the needs of the owner and his family; a medium-sized holding was one which was worked with the assistance of wage-earning labourers and whose produce were intended primarily for the urban markets. Thirdly, the Bolivian land reform legislation defined the rural community, which was a very ancient institution, as a producer unit, freely formed and based on the principle of collective labour. Attempts had been made for some

centuries to replace it by a system of individual ownership, but they had failed to overcome the communal instinct of the Indian farmers. The reform law had therefore granted those communities the right to recover the lands from which they had been evicted in 1900. Finally, there were the rural co-operative undertaking and the agricultural undertaking, which were essentially commercial in character and as a result of recent investments would no doubt contribute in large measure to the diversification and strengthening of Bolivia's economy. It was expected that by the end of 1955 there would be almost 1,000 co-operatives in Bolivia.

62. Bolivia's problems had been as much the result of the maldistribution of land as of the inhuman living conditions imposed on the peasants by the owners of the *latifundia*. In 1953, bonded service and unpaid work had been declared unlawful. But the most revolutionary measure had been that introduced on the same day on which the legislative decree on land reform was promulgated; it granted the peasants who had been living as serfs under the old régime full ownership of the plots of land they cultivated. In addition, the vast State lands had been distributed in the same way as the old Indian properties, landless peasants being given priority.

63. It was important to note that all the rights proclaimed by the Bolivian land reform legislation were granted to all inhabitants without distinction; they could be exercised by any person over the age of eighteen years, irrespective of sex or nationality, who was working, or proposed to work, on the land. In abolishing the feudal system introduced by the mine owners, the Bolivian Revolution had intended that the country's territory should belong, not simply to a privileged minority, but to all workers prepared to co-operate in the common effort to establish an era of freedom, well-being and progress.

64. The authors of the Bolivian land reform law had been concerned to avoid an excessive fragmentation of the land; for that purpose they had, firstly, followed a policy of consolidation of rural holdings and, secondly, provided that all agricultural workers would be entitled, apart from any land granted them elsewhere, to fifty additional hectares in the eastern part of Bolivia where the great State lands were situated.

65. Bolivian land reform was not concerned merely with promoting agricultural production. It was intended, by the cancellation of personal debts of agricultural workers, by the definitive abolition of serfdom and by the grant of land ownership to the peasants, not only to solve economic problems but also, and above all, to make every one who worked on the land a free man in every sense of the word. In order to enable him to defend that freedom and his rights, the State recognized rural trade union organizations, which could be either independent or affiliated to the leading national associations; they had already proved themselves as extremely effective instruments of land reform.

66. In introducing land reform, the Government of the Bolivian Revolution had had to cope with certain difficulties. Firstly, it had had to float a new issue of securities in order to finance the operation of the mines, for their former owners had withdrawn their capital at the time of nationalization. Secondly, the Government had had to face a considerable drop in the price of tin on the world market, which had fallen from a peak of \$1.80 a pound during the war in Korea to a low of \$0.78 a pound in 1953. Owing to its financial difficulties,

the Government had been unable to acquire the equipment, seed, insecticide and fertilizer necessary for improving the yield of cultivated land, to develop the road network, to carry out construction work and to expand the public services.

67. In carrying out its land reform, however, Bolivia had received valuable assistance from the United States Government under the Point Four programme as well as technical assistance from the United Nations.

68. Anxious to help landowners to overcome the economic difficulties they were encountering in cultivating their land, the Government of the Bolivian Revolution had reorganized the system of bank credits. It had also drawn on its scanty foreign currency resources to the extent of millions of dollars for the purpose of promoting production in the fertile areas of the east; and, with the help of the United States Export-Import Bank, it had built a 500-kilometre road which linked the western and eastern parts of the country. Similarly, in order to diversify production, it had invested a considerable part of its foreign currency resources in petroleum undertakings, so that in 1953, Bolivia had been able to satisfy its own fuel requirements and even to export a certain amount to neighbouring countries.

69. When a United Nations technical assistance mission had been sent to Bolivia in 1950, the first recommendation contained in the report (ST/TAA/K/Bolivia)² of the group of experts presided over by Mr. Keenleyside had related to the reorganization of administrative authorities and of the public services. The state of affairs then prevailing had certainly not facilitated the task of the Government of the Bolivian Revolution; the fact that almost two-thirds of the population were illiterate had also not helped matters. The Government had had great difficulty in finding the judges, rural inspectors and surveyors required and in recruiting the staff of the various bodies responsible for administering the reform decree of 2 August 1952. Inevitably, delays had occurred which, on a number of occasions, had led to expressions of impatience, particularly in the more densely populated regions.

70. It should, however, be noted that land reform in Bolivia had not been accompanied by any internal struggle or bloody incident. It had been the result of judicious measures taken by statesmen with a high sense of duty.

71. Nor, as had sometimes happened elsewhere, had the Bolivian land reform been accompanied by a decline in production. On the contrary, the righting of an age-old injustice, the exercise of freedom and the participation of the people in public affairs, had all heightened the sense of responsibility of the former serfs. During the first year of reform, some regions which had also enjoyed favourable weather had doubled their production; in the least favoured regions production had, in some cases, risen by 30 per cent.

72. Before concluding, he proposed, on behalf of the delegations of Bolivia, Costa Rica, Egypt, Indonesia and Pakistan, a draft resolution (A/C.2/L.234) on land reform. The Bolivian delegation had hoped to propose something more ambitious than that draft resolution and had intended to submit to the Committee, as a model, the declaration adopted by the last Inter-American Indigenist Congress, which had met at La Paz in August 1954. That declaration proclaimed the right

of the Indian populations to land and freedom, to universal suffrage, to equality of treatment, to joint trade unions and co-operatives, to fair remuneration, to social welfare, to the benefit of the services operating in the public interest, to the respect of cultural traditions and to education at all levels. Bolivia would have liked to see that American doctrine extended to all the under-developed countries. The draft resolution which it was sponsoring jointly with four other delegations was largely based on that declaration and the Bolivian delegation was proud to be one of the sponsors.

73. Mr. LIRA MERINO (Chile) said the Chilean delegation had always taken a keen interest in the problem of land reform, both in the Second Committee and in the Economic and Social Council. The solution of that problem could have a positive effect on the settlement of other economic problems in the under-developed countries, and without an improvement of the system of land tenure the standard of living of peasants could hardly rise, nor could productivity generally increase. The under-developed countries were all the more anxious to solve that problem because their populations were growing rapidly and they might, unless the rate of their agricultural production was increased, have to face a food shortage.

74. Chile had taken vigorous action to develop agriculture and to enable peasants to own or cultivate land under fair and reasonable conditions. It had launched a series of programmes with the financial backing of the new State Bank and the technical and economic assistance of international bodies such as the Institute of Inter-American Affairs, the Food and Agriculture Organization (FAO), the Organization of American States, and others. In the provinces of Ñuble, Concepción and Chillan it had started, as a pilot-project, an agricultural development programme for training technicians who would later be transferred to other regions to supervise the carrying out of similar programmes. It was also preparing a five-year national agricultural development plan, in collaboration with a mission of representatives of the International Bank for Reconstruction and Development and FAO and the mission of the Economic Commission for Latin America. For that purpose, the President of the Republic had asked for the financial help of the Bank, pointing out that without foreign help the plan could not be put into operation. The object of the plan was to improve the diet of the population, to reduce the disequilibrium of the balance of payments through lower food imports and to raise the standard of living of the rural population through increased agricultural income and productivity.

75. To give effect to those plans, the Chilean Government had reorganized the Ministry of Agriculture and had made it responsible for laying down a co-ordinated policy for agricultural production. It had also established the Consejo de fomento de investigaciones agrícolas and had increased the budget of the Ministry of Agriculture from 200 million pesos in 1953 to 800 million in 1954.

76. In 1953, the Ministry of Agriculture and other development bodies had sponsored a number of national and regional agricultural development schemes for the reclamation of marshlands, the creation of new pastures, the development of agricultural industries such as the manufacture of sugar, dairying and the construction of cold-storage plants for meat. In addition, it was part of the Government's agricultural development programmes to popularize advanced methods of cultivation

² United Nations Publication, Sales No.: 1951.II.B.5.

and soil conservation and to encourage agricultural co-operatives and local producers' associations.

77. With regard to agricultural credit, the State Bank, established in 1953 through the amalgamation of a number of official credit institutions, had placed 54 per cent of its assets at the disposal of its agricultural loan service. The bank co-operated with the Ministry of Agriculture and granted loans to producers who contributed to the implementation of the development plans. In 1953 and 1954, Chile had received technical assistance from FAO as well as United States assistance under the Point Four programme. In addition, the Organization of American States had launched an agricultural extension programme in the San Vicente area and the Rockefeller Foundation, in close co-operation with the Chilean authorities, was carrying on its work of spreading knowledge of agricultural methods and sanitation in the Aconcagua valley.

78. With the object of raising the standard of living of agricultural workers the Chilean Government had, during 1953, fixed a minimum wage for farm labour and had acted to improve housing conditions and to develop education in rural areas.

79. Land reform could not be confined to the redistribution of land; it had to be co-ordinated with economic and social development programmes. The land problem had to be solved with the following factors in mind: Firstly, the defects in the agrarian structure of the under-developed countries and the outdated methods used in working the land were the cause of their economic backwardness. Secondly, land reform had to aim at achieving that the land was worked under equitable social conditions and to economic advantage. Land reform could, therefore, not be confined to the redistribution of landed property. Thirdly, land reform had to be studied and carried out as an integral part of a country's economic development and in step with its industrial development. The problems arising out of a country's agrarian structure were closely connected with other problems which were responsible for the backward state of its economic structure. Fourthly, conditions varied fundamentally between one country and another. Different systems of land tenure and the varying social, historic, geographic and legal factors which determined conditions in each country and which would influence any solution had to be taken into account. Fifthly, special financial assistance to the under-developed countries had to be increased if the objective in view was to be achieved.

80. His delegation whole-heartedly supported the terms of Economic and Social Council resolution 512 C (XVII).

81. Mr. SHELDON (Byelorussian Soviet Socialist Republic) said that land reform was not a new item; for years it had been realized that action was needed to remedy the defects in the agrarian structure in numerous countries, where some sort of feudal or semi-feudal system still prevailed, often aggravated by the fact that large areas were occupied by plantations belonging to

foreign monopolies. In those countries, the development of agriculture could be assured and the lot of the agricultural population improved only if that system were abolished.

82. The General Assembly and the Economic and Social Council had adopted several resolutions concerning land reform. But it was clear from the Secretary-General's report entitled *Progress in Land Reform* that little was being done in practice to introduce the envisaged reform. In most under-developed countries, the land was still largely in the hands of big landowners, who charged their tenants or share-croppers excessive rents. Agricultural credit was limited and, generally speaking, the rate of interest remained excessively high. The hardships of small farmers were further aggravated by the fall in the prices of agricultural produce and the consequent reduction in income. Land reform was an urgent need, particularly as some 80 per cent of the population of the under-developed countries lived by agriculture. Land reform was a prerequisite to any improvement in the standard of living of the rural population.

83. As an illustration, he cited the example of the People's Republic of China, where land reform had rescued the peasant from exploitation and hunger and had enabled him to realize his age-old hopes. Over 300 million peasants had received 47 million hectares of land. Under the Kuomintang régime almost three quarters of all the arable land had belonged to wealthy peasants, constituting only 8 to 10 per cent of the rural population. Twenty per cent of that population had been farmers with medium-sized holdings and 70 per cent small landowners, tenants or share-croppers. At the moment, farmers working medium-sized holdings accounted for 50 and in some areas even 80 per cent of the rural population. This year the production of cereals was expected to increase by 150 per cent and that of cotton by 280 per cent above the 1949 levels. The People's Republic of China now exported certain foodstuffs; it had concluded a five-year agreement with Ceylon providing for the annual export of 270,000 tons of rice to that country. Large irrigation projects had been completed and millions of hectares of arable land had been successfully protected against floods. The standard of living of the population of the People's Republic of China had risen; its purchasing power, which had increased by 20 per cent in 1953 as compared with 1952, was expected to increase by a further 13.8 per cent in 1954 in comparison with the previous year.

84. Before the land reform, the position of the Chinese peasants had been substantially the same as that of peasants in most under-developed countries. The achievements of the People's Republic of China thus showed how the desired results could be achieved, as long as the methods of land reform were adapted to the individual characteristics of each country and the reform was co-ordinated with general economic development.

The meeting rose at 6.10 p.m.