

United Nations
GENERAL
ASSEMBLY

EIGHTEENTH SESSION

Official Records

SECOND COMMITTEE, 907th
MEETING

Tuesday, 29 October 1963,
at 3.20 p.m.



NEW YORK

CONTENTS

	Page
<i>Agenda item 12:</i>	
<i>Report of the Economic and Social Council (continued)</i>	
<i>Adoption of the Committee's draft report on the draft resolution concerning the United Nations Conference on Trade and Development</i>	173
<i>Agenda item 76:</i>	
<i>Means of promoting agrarian reform (continued)</i>	173

Chairman: Mr. Ismael THAJEB (Indonesia).

AGENDA ITEM 12

Report of the Economic and Social Council (A/5503, chap. III, sect. II; A/C.2/L.737) (continued)

ADOPTION OF THE COMMITTEE'S DRAFT REPORT ON THE DRAFT RESOLUTION CONCERNING THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (A/C.2/L.737)

1. Mr. APPIAH (Ghana) introduced the draft report on the draft resolution concerning the United Nations Conference on Trade and Development (A/C.2/L.737).

The draft report was adopted unanimously.

AGENDA ITEM 76

Means of promoting agrarian reform (A/5481 and Add.1 and Add.1/Corr.1, A/C.2/L.734/Rev.1) (continued)

2. Mr. ENCINAS (Peru) emphasized that it was not the intention of the sponsors of the revised draft resolution (A/C.2/L.734/Rev.1) to request international financing for agrarian reform or for the compensation of landowners expropriated under land reform programmes. Peru believed that agrarian reform should be financed locally and nationally.

3. The revised text took into account views expressed by delegations during the informal discussions. Operative paragraph 5 specifically mentioned financing "at the national level". The United Nations had undertaken studies of the national financing of economic development and it should make similar studies for agrarian reform, which was an essential aspect of economic development. The bonds which could be used for financing would be national and issued by the countries concerned. Paragraph 4 was not intended to dictate the work programme of the Committee for Industrial Development but merely to indicate that the study of the industrial development of the underdeveloped countries should include a study of the structural problems of their agricultural sectors. It was important to secure and maintain regional or international co-operation in connexion with land reform

programmes. Paragraph 6 had been revised to cover a broader type of co-operation, involving several kinds of international aid. Paragraph 2 reflected the idea that efforts to achieve land reform should be basically national. Paragraph 3 made it clear that the financial aid requested was not intended for compensation for land expropriation but for agricultural development.

4. The aim of the draft resolution was to draw the attention of the United Nations to the problem of financing, which was impeding the implementation of agrarian reform in many countries.

5. Mr. HSIAO (China) recalled that ever since the adoption of General Assembly resolution 401 (V), it had been recognized that the economic development of the underdeveloped countries hinged upon increased farm production. The importance of land reform to the economic development of those countries could not be overemphasized, and his delegation strongly supported the draft resolution.

6. The Republic of China, whose economy depended heavily upon agriculture, had launched a successful land reform programme in 1949. The reduction of rents at a reasonable rate and the peaceful redistribution of land had resulted in the establishment of a fair agrarian system. The Government purchased privately owned land in excess of a fixed limit and resold it to farmers against payment in kind or in cash by instalments. The value of the land was fixed at two and a half times the annual yield of the principal crop. Although agrarian problems and their solutions differed in the various countries, the exchange of experience would be useful. On the basis of its experience, his Government considered it essential that agrarian reform should come about without violence or class strife. Appropriate legislation and adequate personnel were essential for the implementation of agrarian reform. Technical assistance and training institutes were of paramount importance. Adequate resources and suitable financial organizations were needed to finance the programmes, which required the compensation of expropriated landowners, government investment in development projects and production capital. The public should be enlightened about the significance of agrarian reform and informed of the measures to be adopted.

7. The specialized agencies had made a considerable contribution to land reform programmes in various developing countries. The United Nations should concentrate on studies and the dissemination of information, the training of personnel and the strengthening of resources for financing land reform programmes. His delegation was glad to note from the third report entitled Progress in Land Reform (E/3603/Rev.1) that FAO contemplated certain improvements, including the strengthening of its clearing house activities and the establishment of two regional agrarian research and training institutes in Latin

América and the Far East. It was to be hoped that the Special Fund would establish similar institutes.

8. China was prepared to share its experience of agrarian reform with other States and would welcome visits from nationals of developing countries either on a bilateral basis or through the technical assistance programmes of the United Nations.

9. Mr. ALI (Pakistan) emphasized the close connexion between land reform and the economic and social development of the developing countries. A country's land tenure system influenced the social, cultural and political life of its people. Social and cultural factors had to be taken into account in devising a solution to problems of land reform, and the Governments concerned were therefore best able to plan and implement programmes of land reform and agricultural development. The Government of Pakistan had realized that no progress was possible without a substantial increase in its agricultural productivity and that productivity would not improve unless the anachronistic system of land tenure was thoroughly reformed and modernized. Under its land reform programme, Pakistan had advanced towards a progressive system of land tenure, the impact of which was gradually being felt. Pakistan believed that it was essential to devote attention to increasing the yield from land, as well as improving the land tenure system.

10. The draft resolution dealt with two distinct but related matters: reform of the land tenure system and agricultural improvement. His delegation supported the plea for technical assistance and financial aid for agricultural development. It was glad that the representative of Peru had stressed that there was no intention of requesting international financial assistance for compensation for land expropriation. However, it had reservations regarding the regional or international co-operation mentioned in operative paragraph 6. Pakistan considered that the financing of land reform was a national problem, and paragraph 5 requested the Secretary-General to study national financing. The meaning and significance of paragraph 7 were not clear. It seemed that the technical assistance mentioned therein was covered by the assistance for agricultural development referred to in paragraph 3. His delegation was therefore unable to support the last two operative paragraphs as they stood and hoped that the sponsors of the draft resolution would reconsider them.

11. Mr. JAZAIRY (Algeria) said that the problem of agrarian reform assumed different forms in different continents and even in different countries of the same continent. In North Africa, agriculture was characterized by the existence of two sectors: the large modern holdings, which had generally been owned by the European settlers, and the traditional and archaic agricultural sector. The two sectors had coexisted without ever converging. Algeria attached considerable importance to agrarian reform and its revolution had mainly been a war of the Algerian peasant for repossession of his land. The critical state of agriculture could be summed up as follows: there were 7 million hectares of cultivable land for the 7 million people who lived by farming. The problems of income disparities in different sectors of the population, endemic rural unemployment and the resulting social consequences could be solved only through a reform of the existing agrarian structure. In addition to ensuring a fairer distribution and more rational land utilization, the reform also involved measures to combat erosion

and a bold programme of rural rehabilitation. The agrarian reform was taking place in three stages: the take-over of vacant land, and then of the remaining European-owned land, by self-management committees elected by the workers, and the fixing—by an agrarian law which was in the process of being drafted—of the maximum areas which farming families could hold. That structural reform was needed not only in the modern sector of agriculture, but also in the under-developed sector which the modern sector would support through the creation of investment funds and balanced employment. The results of the agrarian reform programme were being evaluated by the agricultural self-management committees.

12. The developing countries had to face land problems of considerable scope and diversity. Finance was needed not only for the compensation of the former landowners but also for current agricultural work, land improvement projects and infrastructural and rural rehabilitation costs. To single out the problem of compensation in connexion with agrarian reform, which actually covered a much broader field, would mean focusing attention on the problems of the past and neglecting those relating to the future of agrarian reform. In countries such as Algeria where the ratio of population to cultivated land was very high, the reduction of agricultural unemployment or under-employment depended primarily on the level of investment. Indeed, many reform programmes had failed because the farmers had started out with nothing but their land.

13. The problem of compensation would have to be settled by each country adopting measures "in the exercise of its sovereignty and in accordance with international law", as stated in General Assembly resolution 1803 (XVII). The problem of compensation had to be settled by each country; Algeria had signed bilateral agreements and adopted legislation on the subject. But it could not be formulated as an immutable principle officially embodied in inter-governmental agreements providing for international credits or guarantees. The nature of compensation would depend on local circumstances and should take into account the way in which the land had been acquired by its former owners, the income of the owners and the use to be made of the compensatory payment. In addition, the basis of land valuation was often artificial and not comparable in different countries.

14. His delegation welcomed the country studies made in pursuance of paragraph 3 (b) of General Assembly resolution 1526 (XV) and was glad that resolution 1828 (XVII) had drawn attention to the fiscal and financial aspects of land reform. Regional or international co-operation in the financing of agrarian reform should concern itself with agricultural development and not compensation, since foreign aid should concentrate on the financing of the imports needed for development, whereas compensation could be paid in local currency. The problem of compensation must be dealt with individually by each country and its solution would depend primarily on the prevailing political, economic and social circumstances. Bilateral external aid, where required, seemed better suited to that situation than did assistance from the United Nations, which should devote more attention to "the future of agrarian reform" of which he had spoken. His delegation hoped that the sponsors of the draft resolution, who had already taken account of some of its suggestions, would also take the additional observations he had just made into consideration.

15. Mr. CHOCRON (Venezuela) said that, for most Latin American countries, land reform meant the beginning of the economic development process. Venezuela realized that without land reform, its economy would continue to depend on its main export, petroleum. The aims of its land reform act were to transform the agrarian structure and to associate the rural population with the economic, social and political development of the nation through the replacement of latifundia by a fair system of land ownership and utilization. The National Agrarian Institute was responsible for the redistribution of land; by the beginning of 1964, its operations would have benefited 100,000 families, or more than 300,000 persons. The Agricultural Bank provided credit for farmers and there were more than 200 agencies responsible for agricultural extension services. In collaboration with other official bodies and small and medium-size co-operatives, the Agricultural Bank also organized marketing systems and fixed minimum prices for farm and fishery products. The land reform programme was beginning to show favourable results in terms of farm output. Although Venezuela was customarily regarded as a producer only of minerals, it was now, thanks to land reform, self-sufficient in maize, rice, potatoes, sesame and sugar-cane. In 1963, it had even exported small quantities of those products to its neighbours.

16. Venezuela was therefore glad that land reform was included in the Committee's agenda. In 1962, it had fully supported the Bolivian text which had subsequently been adopted by the General Assembly as resolution 1828 (XVII). The draft submitted by Costa Rica and Peru reaffirmed the aims of that resolution and commanded his delegation's support. In particular, he believed that land reform should be one of the objectives of the United Nations Development Decade, that the recommendations in operative paragraph 3 concerning financial aid for agricultural development were important, that the studies called for in paragraphs 5 and 6 would be extremely valuable and that the request made to the Committee for Industrial Development in paragraph 4 should prove extremely helpful to the developing countries.

17. Mr. CHAVEZ GONZALEZ (Ecuador) welcomed the inclusion of the question of land reform in the Committee's agenda. He was ready to support the draft resolution as it stood but hoped that the sponsors would consider all the suggestions that had been made and would produce a revised text with a view to achieving unanimity.

18. Mrs. GINOR (Israel) said that balanced economic growth required the development of a modern agricultural sector parallel to the development of industry. FAO had estimated that world food output could be increased three or four times by the introduction of scientific production methods in agriculture. But, in many countries the agrarian structure—unequal land distribution, fragmentation of holdings, exorbitant rents and insecurity of tenure—constituted a serious obstacle to modernization.

19. The under-developed countries realized the importance of land reform but were faced with many political and financial difficulties. The redistribution of land was a tremendous undertaking. Public investment in land improvement schemes was necessary and farmers needed technical guidance as well as credit. The distribution of land to small farmers brought added problems, for they often found it difficult to improve their holdings through lack of both money and

knowledge. Such deficiencies could be made up by co-operative arrangements. In Israel, for example, the large co-operative farms ("kibbutzim"), in which the land and other means of production were the common property of all members, were operated according to modern economic principles. Their very size facilitated mechanization and rationalization. On the other hand, the co-operative village ("moshav") had retained the small-holding system and therefore appealed to more individualistic farmers. It overcame the characteristic limitations of the small farm by frequent recourse to co-operative techniques and a large measure of mutual aid.

20. Both forms of settlement—the "kibbutz" and the "moshav"—formed part of agricultural and settlement planning on a regional and national basis. Regional planning ensured the provision of adequate educational, cultural, health and other social services, as well as economic services. It enabled farming to be combined with other sources of income and particularly with industry. It facilitated the pooling of capital, manpower and equipment. It counteracted excessive urbanization by strengthening the economic and social infrastructure of the rural areas. It also furthered the decentralization of industry. In Israel, the system of regional settlement was based on mutual co-operation between agricultural settlements, consisting of between 50 and 100 farms with a very restricted range of services, rural centres, consisting of between 100 and 150 families of professional and technical workers, and towns, which formed the administrative and economic centres of the region.

21. Israel was ready to share its experience of land reform with other countries and realized that land reform was part of the over-all problem of economic growth. The draft resolution acknowledged the complexity of the subject and suggested steps which would encourage further progress. Her delegation was glad to support it in its revised form.

22. Mr. EL BANNA (United Arab Republic) welcomed the initiative taken by Costa Rica and Peru in submitting the draft resolution. The programme of land reform carried out in the United Arab Republic had been most successful. It had resulted in a fairer distribution of agricultural wealth, the conversion of landless farmers into landowners, increased productivity, the accumulation of savings for investment in industrial development, and improved social stability.

23. Land reform had a bearing on the sovereign rights of nations, rights which were recognized by the United Nations. Experiments in land reform should be conducted with land owned by the local inhabitants and not by colonial Powers or usurpers who had deprived the rightful owners of their land.

24. Even though the Peruvian representative had explained that the draft resolution excluded the international financing of agrarian reform, operative paragraph 6 still mentioned such international financial agencies as the International Bank and the Special Fund. His delegation would welcome a clarification of that point. He would also welcome an explanation of the term "agricultural development" in operative paragraph 3, for it was not necessarily the same as agrarian reform.

25. Mr. RAMAHOLIMIHASO (Madagascar) warmly supported the draft resolution. Land reform could have beneficial repercussions on the economic advancement of the developing countries. It was a delicate

problem often involving a clash with well-established traditions. But it must be tackled, particularly in the developing countries where the population explosion made it essential for the State to adopt measures to ensure the fairer distribution of land. It could take the form of the development of abandoned land, the rehabilitation of badly utilized land and, as an exceptional measure, the redistribution of land to the poorer sectors of the population.

26. As General Assembly resolution 1828 (XVII) recognized, the implementation of land reform was an integral part of economic and social development. With the help of fiscal and financial reforms, it could also help to raise the level of living of the rural population. As implied in operative paragraph 4 of the draft resolution, there was a close relationship between industrial development and land reform, particularly in the developing countries.

27. The real solution of the problem could be found only at the governmental and administrative level. The State would have to decide whether to take land away from those who were not putting it to proper use and hand it over to other individuals more capable of developing it. It must also consider whether the land should belong to the owners or the farmers. As pointed out in the draft resolution, one of the great obstacles to economic, social and cultural development was the persistence of obsolete systems of land tenure cultivation. It was for Governments to overcome those obstacles and to consider all the demographic, economic and legal problems involved.

28. Mr. AYARI (Tunisia) said that, while the matter of financing land reform programmes was undoubtedly very important, the African countries had encountered greater difficulties in the organization and administration of those programmes. He considered, therefore, that the revised draft resolution should not give priority to financing. He wished to suggest some amendments and hoped that the sponsors would take them into consideration. Operative paragraph 3 should be changed to read as follows:

"Invites the Member States and all competent international bodies to strengthen their technical assistance to the developing countries which are carrying out land reform programmes, and to study ways and means of making financial assistance available to the developing countries with a view to financing their agricultural development within the framework of their land reform programmes;"

Technical assistance would thus be dissociated from financing.

29. The word "notamment" in the French text of operative paragraph 5 should be deleted since bonds were not to be regarded as the principal method of financing a comprehensive land reform programme, but rather as one of the available means. He therefore suggested that the words "of undertaking at the national level the financing of a comprehensive land reform programme, including financing by bonds" should be replaced by the words "for the national financing of an agricultural development programme, including the issuance of bonds,".

30. With respect to operative paragraph 6, he suggested that the words "to facilitate the financial operations required by the developing Member States in

connexion with their land reform programmes" should be replaced by the words "to examine the financial problems which the developing Member States are likely to encounter in connexion with their land reform programmes". That amendment was required because the financing of land reform programmes was a national problem which should not be discussed in an international body.

31. Mr. SIMHA (India) said that he was in very broad agreement with the views which had been put forward. India had had much experience in land reform programmes which, like those of many other countries, were designed to increase productivity and eliminate exploitation. The principal features of the land reform programme were the following: abolition of semi-feudal tenures; reform of tenancy, including reduction and regulation of rents, security of tenure and conferment of ownership on tenants; establishment of a ceiling on land holdings; and consolidation of holdings. The land reform programme was integrated with agricultural development as a whole. In that connexion, the Government had also taken considerable interest in promoting credit co-operatives and other types of institutions. While considerable progress had been made, India had found that the major problems were those of administration and management rather than of financing.

32. Turning to the draft resolution under consideration, he thought it should be made clear that financing for national land reform programmes must come from the Governments concerned. External assistance should be of a technical nature. In that connexion, he endorsed the Tunisian amendments to operative paragraph 3. With regard to that paragraph, he suggested that the words "to devote particular attention" should be replaced by the words "to give favourable consideration". He wondered whether paragraph 6 was necessary, since the need for international and national action was already mentioned in paragraphs 3 and 5. Paragraph 7 could also be deleted. His suggestions were not formal proposals and the deletions to which he referred would not change the substance of the draft.

33. Mr. VIDAL ZAGLIO (Uruguay) said that his country had been engaged for many years in an intensive land reform programme and that a national land settlement institute had been established.

34. Operative paragraph 5 of the draft resolution should be amended in order to make it clear that the reference was to national and not international bonds. He supported the Tunisian representative's amendments to paragraph 6 and would also support any other proposal designed to ensure that the land would belong to those who worked it.

35. Mr. PERERA (Ceylon) said that the intention of the sponsors of the draft resolution, that land acquired for land reform should not be internationally financed, might be better conveyed by placing the words "at the national level" after the words "the financing" in operative paragraph 5.

36. Mr. GONZALEZ (Costa Rica), supported by Mr. ENCINAS (Peru) said that the sponsors of the draft resolution would give careful consideration to all the suggestions made with a view to incorporating them, as far as possible, in their revised draft.

The meeting rose at 5.40 p.m.