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Chairman: Mr. Ismael THAJEB (Indonesia).

AGENDA ITEM 12

Report of the Economic and Social Council (A/5503, chap. III, sect. II; A/C.2/219, A/C.2/220, A/C.2/L.729/Rev.1) (continued)

1. Mr. KANO (Nigeria) introduced the revised seventy-five Power draft resolution concerning the United Nations Conference on Trade and Development (A/C.2/L.729/Rev.1). He thanked the representatives of the Soviet Union, the United Kingdom, the United States of America and France for their co-operation in the drafting of the text.

2. Mr. LEE (China) said that China was a developing country which was still a long way from having an industrial economy and whose national per caput income was still very low. His delegation therefore welcomed the spirit which had inspired the joint declaration by representatives of developing countries. It endorsed the general principle that special attention should be given to the developing countries in connexion with trade opportunities, the availability of capital and the prices of primary commodities. The Chinese delegation would therefore vote for the revised draft resolution. China had not offered to co-ponsor the declaration because of the wording of the first of the specific measures proposed, which might give the impression that, in addition to developed countries and developing countries, there was a third category of countries which were neither developed nor developing but were simply different. However, among the countries "having different systems of social and economic organization", there were some which were developing and the aim of the declaration was to facilitate the advancement of all developing countries, whatever their systems of social and economic organization.

3. Mr. CRISTUREANU (Romania) recalled that his delegation had followed with interest the preparations for the forthcoming United Nations Conference on Trade and Development. The development of international trade free from obstacles and discrimination and based on the principle of mutual benefit should be a common cause, since all countries had pledged, under the United Nations Charter, to contribute to the creation of better living conditions and to world peace

and prosperity. The Conference would consider all proposals designed to make an effective and constructive contribution to the normalization of trade between all peoples of the world, which would facilitate industrialization and the improvement of living levels in the developing countries. There were close links between economic development and international trade and, as the representatives of Mongolia and Nigeria had recalled, the Romanian Government had submitted to the Preparatory Committee of the Conference specific proposals relating to those two matters (E/CONF.46/PC/7).

4. One of the proposals concerned the importance and efficiency of long-term trade agreements. Romania maintained relations based on such agreements with twenty-six countries. The agreements had several advantages: they stimulated trade, fitted into the economic development plans of the parties and fostered an atmosphere of confidence and peaceful co-operation. His delegation hoped that its proposals and any similar suggestions to be made would be given due consideration in the Second Committee and at the Conference.

5. His delegation regarded the draft resolution submitted by seventy-five developing countries as a positive contribution to the attainments of the objectives of the Conference, namely, the creation of trade relations conducive to the development of all countries on a sound and equitable basis and the utilization of the potential of all peoples. He hoped that the text would be adopted unanimously.

6. Mr. GHAUS (Afghanistan) said that the revised draft resolution was not controversial and would certainly be adopted unanimously, together with the declaration annexed to it. The text was the result of a compromise. The principles stated and the specific measures proposed therein did not reflect all the views of the developing countries, which had had to concentrate their attention on matters of common interest. However, there were special problems which were of interest to certain countries and which were no less important because they were not mentioned in the declaration. One was the rights of transit and of free access to the sea for land-locked countries, which had already found expression in relevant international instruments and had been recognized by the General Assembly in resolution 1028 (XI). The United Nations Conference on Trade and Development should consider that problem and take practical measures to solve it. That would contribute to the normalization of international trade and the expansion of the trade of land-locked countries. His delegation reserved the right to raise that matter at the Conference and would seek there the co-operation and understanding of all delegations to that effect.

7. Mr. KOMIVES (Hungary) said that the main concern of the United Nations Conference on Trade and Develop-

ment would naturally be to create a climate favourable to the expansion of the developing countries' trade. However, that would be only one of its tasks and the declaration by representatives of developing countries did not contain all the proposals which would be submitted to the Conference. His delegation therefore considered the remarks on that subject made by the delegations of the Soviet Union and of other countries to be well-founded. It had listened with interest to the statement made at the 903rd meeting by the representative of Nigeria and was glad that the sponsors of the draft resolution had been able to meet the views of other countries. The revised text of the draft was a more balanced presentation of the opinions of the members of the Committee. The Hungarian delegation would therefore support it and hoped that it would be adopted unanimously.

8. Mr. GHEBEH (Syria) said that Syria, a developing country whose economy depended on international trade, attached considerable importance to the success of the Conference. The draft resolution and the declaration before the Committee expressed the aspirations of the developing countries and outlined the measures which the Conference could adopt to solve the problems of trade and development which arose in the world, particularly in the developing countries. However, the latter expected much more from the Conference, and the draft resolution, which his delegation supported, was only a bare minimum. It was to be hoped that the atmosphere in which the declaration had been drafted would also reign at the Conference and that the industrial Powers would work, in the same spirit, for the success of the Conference.

9. Mr. BEN SAOUD (Libya) found it encouraging that it had taken only two days to reach complete agreement on the revised draft resolution before the Committee, which would undoubtedly be adopted unanimously. His delegation thought that the revised text was stronger and would certainly be more effective than the original version.

10. His delegation was somewhat concerned at the appearance for the first time in the Committee's debates of the concepts of "majority" and "minority". There were enough divisions within the United Nations and he appealed to the members of the Committee to try in the future to avoid those dangerous concepts.

11. He emphasized the spirit of co-operation displayed by the representatives of the Soviet Union, the United States, France and the United Kingdom during their discussions with six representatives of developing countries and paid a tribute to Mr. Arkadyev's spirit of conciliation, which had certainly facilitated the achievement of agreement on the amendments. It was to be hoped that the discussions on the other agenda items would be held in the same atmosphere.

12. Mr. ARKADYEV (Union of Soviet Socialist Republics) congratulated the sponsors of the draft resolution and all the representatives who had co-operated in the drafting of the final text. His delegation would vote in favour of the draft resolution which, in its new form, was much more comprehensive and a better reflection of the views of the members of the Committee.

13. The draft resolution and the joint declaration contained many important provisions; the Conference would certainly consider the proposals made and try to find a practical solution to the problems mentioned specifically in the declaration. However, other pro-

blems would naturally come before the Conference. The representative of Afghanistan had raised the important subject of the rights of transit and of access to the sea of land-locked countries, which was of concern to several countries and had still not been settled. The draft declaration on international economic co-operation submitted by the Soviet Union (E/3467) contained an article providing for the solution of that problem which had been supported by the representatives of several countries, including the United States, the United Kingdom and Brazil. It was right that the Conference should devote attention to that problem and to the Soviet Union draft declaration.

14. In a different connexion, the Soviet Union delegation had often pointed out that the Conference would have more chance of success if all countries wishing to make their contribution to it were allowed to participate. One such country was the German Democratic Republic whose desire to participate was justified by the important role which it played in international trade, particularly in trade with the developing countries. His delegation hoped that the Secretary-General of the Conference would find a suitable solution. In addition, the participation of the existing inter-governmental organizations would also contribute to the success of the Conference.

15. Mr. AYARI (Tunisia) congratulated the sponsors of the revised draft resolution and all the delegations which had helped to prepare the final version of the text. He paid a special tribute to the representative of Ceylon who, by suggesting the final wording for one of the amendments, had extricated the Committee from a difficult situation.

16. Mr. EL BANNA (United Arab Republic) emphasized the usefulness of the joint declaration, which constituted a kind of international economic and development charter. His delegation was convinced that if the United Nations made an effort to satisfy the aspirations of the developing countries and encourage international co-operation, it would be able to discharge its responsibilities as regards the economic security of those countries.

17. The solution of the problems facing the developing countries would also serve the interests of the developed countries, which would see their economies stimulated, their production rationalized, their markets expanded and their savings made more productive. The delegation of the United Arab Republic hoped that the success of the United Nations Conference on Trade and Development would be achieved in the same spirit of international co-operation.

18. Mr. VIAUD (France) recalled the interest which his delegation attached to the joint declaration. The French delegation would, as recommended in the revised draft resolution, give the declaration earnest consideration, in a sincere desire to co-operate in solving the foreign trade problems of the developing countries. It hoped that the States participating in the Conference would endeavour to conciliate their respective legitimate interests rather than accentuate their differences.

19. The French delegation attached the greatest importance to the paragraph of the declaration which stressed the need for a dynamic international trade policy. It wished to draw particular attention to the passage in which it was stated that: "The removal of obstacles to the trade of the developing countries is important, but the accelerated development of the

parts of the world which are lagging behind requires more than the unconditional application of the most-favoured-nation principle and the mere reduction of tariffs". The French delegation also thought that an effort must be made to adopt more positive and practical measures in order to solve the problems which would be put before the Conference. It welcomed the declaration on the understanding that it did not preclude a detained examination of the proposals to be submitted to the Conference, either by the Secretariat or by Member States. Many of the proposals made in the Preparatory Committee were quite useful and consideration of them would help to achieve the objectives of the declaration itself. The French delegation would vote in favour of the draft resolution and hoped that it would be adopted unanimously.

20. Mr. UNWIN (United Kingdom) congratulated the sponsors of the draft resolution, as well as the delegation of the USSR, on the revised text, which was an improvement on the original version. He recalled that representatives of the Western countries had also been invited to take part in drafting the text which had been submitted. That evidence of a generally co-operative spirit augured well for the future.

21. Mr. FINGER (United States of America) recalled that the objective of the United Nations Conference on Trade and Development was to arrive at constructive measures in the interest of the less developed countries. There was every reason to believe that the Conference would produce favourable results for both the advanced and the developing countries. As the United States delegation had already pointed out at the second session of the Preparatory Committee, it was important that no solution should be excluded a priori and the list of measures advocated in the joint declaration must not be regarded as exhaustive. His delegation assured the sponsors of the draft resolution of its full support.

22. Mr. TELL (Jordan) welcomed the apparently unanimous reception given the draft resolution. Jordan hoped that the special problems of land-locked countries could be discussed at the Conference, and even at the third session of the Preparatory Committee.

23. Mr. SIMHA (India) was happy, as a signatory of the joint declaration and a co-sponsor of the draft resolution, to see that the draft had been favourably received.

24. The representative of Libya had said that the dangerous notion of "minority" and "majority" must not be brought into the Committee's work. In that connexion, he was pleased to note the spirit of co-operation shown by the delegation of the USSR whose efforts, as well as those of the delegations of the United Kingdom, France and the United States, had made it possible to establish a climate of mutual understanding. The text submitted was perhaps not perfect, but it was a good basis for examining the developing countries' problems. As the representative of the United Arab Republic had said, all countries were interdependent and if the Conference helped to raise the levels of living of the under-developed countries, it would also be in the interests of the industrialized countries.

25. New problems would certainly be raised during the Conference but if all the States which participated showed the spirit of co-operation that seemed to

prevail at present, it would be a great success for all mankind.

26. Mr. STANOVNIK (Yugoslavia) agreed that the spirit of co-operation which had developed in the Committee augured well for the future.

27. The joint declaration and the draft resolution would help to create conditions which would enable all countries to have the same opportunities and the same rights. It was known that the best decisions were those which had been adopted, not by a majority, but unanimously. It was therefore particularly encouraging for the sponsors of the draft resolution to note that the group of Western countries shared their concern. He hoped that the same spirit of co-operation would reign at the Conference when it was confronted with even more difficult problems.

28. With regard to the comments made by the representative of France, the sponsors of the draft resolution wished to confirm that they had no intention whatsoever of excluding a priori the consideration of measures which were not mentioned in the joint declaration.

29. So far as the special problems of land-locked countries were concerned, the representative of Nigeria had already pointed out that the Conference would certainly study the question of transit, which played such an important role for at least one third of the developing countries; in addition, the "concrete decisions" mentioned in the second sentence of the declaration must necessarily take account of the legitimate concern of the land-locked countries.

30. Mr. MALHOTRA (Nepal) thanked the representatives of Nigeria and Yugoslavia for having drawn attention to the matter of the land-locked countries. The delegation of Nepal had already mentioned that problem during the seventeenth session of the General Assembly (821st meeting) and he hoped that it would be included on the Conference's agenda. Having now been assured that the Conference would seek a solution to the problem, he would not press for its formal submission.

31. Mr. CUHRUK (Turkey) said that his delegation shared the spirit which had moved the sponsors of the declaration. However, since the study being made in Turkey of some of the problems connected with points mentioned in the joint declaration of developing countries had not yet reached a point where his Government could take a definite position, his delegation was unable at the present time to join the sponsors of the declaration and the draft resolution.

32. Mr. KADOTA (Japan) joined the preceding speakers in expressing appreciation to the sponsors of the revised draft resolution.

33. His delegation thought that the joint declaration of developing countries summarized the views and aspirations of those countries with regard to the United Nations Conference on Trade and Development, and he sympathized with those views and aspirations. The Conference would deal with a wide range of problems relating to international trade, focusing particular attention on the question of promoting the trade of the developing countries. In dealing with those problems, his Government would not fail to give careful consideration to the spirit embodied in the joint declaration.

34. While the adoption of the draft resolution did not and should not prejudice the work and deliberations

of the Conference itself, his delegation acknowledged the usefulness of drawing the attention of the participating States to the joint declaration.

35. Mr. PEAL (Liberia) recalled that his delegation, one of the sponsors of the draft resolution, had stressed, during the general debate, the importance of the forthcoming United Nations Conference on Trade and Development. The concerted effort which that conference represented should at least permit emphasis to be placed on the urgent need for international action in the interest of the under-developed countries. That action, made possible by the lessening of international tension, could now, in its turn, contribute towards consolidating the improved political climate.

36. He very much hoped that the Committee could unanimously adopt the draft resolution concerned with that important question.

37. The CHAIRMAN put to the vote the seventy-five Power revised draft resolution (A/C.2/L.729/Rev.1).

The draft resolution was adopted unanimously.

38. Mr. STANOVNIK (Yugoslavia), supported by Mr. KANO (Nigeria) and Mr. FINGER (United States of America), proposed that a report on the question which the Committee had just finished examining should be submitted immediately to the General Assembly.

It was so decided.

Organization of the Committee's work

39. After an exchange of views in which Mrs. WRIGHT (Denmark), Mr. SIMHA (India), Mr. PERERA (Ceylon), Mr. TOURE (Mauritania), Mr. ENCINAS (Peru) and Mr. KANO (Nigeria) took part, the CHAIRMAN stated that the Committee would take up the draft resolution concerning agenda item 76 before the draft concerning item 35.

AGENDA ITEM 76

Means of promoting agrarian reform (A/5481 and Add.1 and Add.1/Corr.1, A/C.2/L.727/Rev.1)

40. Mr. ENCINAS (Peru), introducing the draft resolution submitted by the delegations of Costa Rica and Peru (A/C.2/L.727/Rev.1), pointed out that the history of the highly developed countries revealed the wide range of the problems involved with the development of the agricultural sector, problems which it had been found possible to solve only within the framework of modern industrial society. During the second half of the twentieth century, most of the under-developed countries would have to overcome similar difficulties in their turn. Their position was aggravated even more by the fact that their economic structure was characterized by considerable inequalities owing to the creation of centres of expansion as a result of an economy based on the international market. Thus, in those countries, enclaves had come into being in which the standard of living was appreciably higher than in the surrounding rural regions. As had formerly been the case in the developed countries, such an imbalance provoked a massive exodus of the population towards the urban centres, and the ensuing dislocation of the traditional agrarian structure had dangerous repercussions on the general equilibrium of the nation. Any analysis of the reasons for economic instability and the inadequacy of the growth rate in the under-developed countries revealed a vicious circle which must be broken at all costs

and which was most marked in agriculture. In that sector, production was not increasing quickly enough and savings did not suffice to produce investments which, in their turn, would bring about a rise in production. Since in many countries the population was constantly soaring, such a situation frequently led to grave upheavals.

41. That was particularly true in Peru where for agricultural, technical and financial reasons, only 10 per cent of the land was cultivated. A considerable flow of the population towards the expanding areas had taken place. In addition to the accelerated urbanization which had resulted, with all its attendant economic and social ills—the population of the capital, Lima, had increased fivefold in thirty years—the agricultural sector had suffered seriously from that state of affairs. "Invasions" of landed property by the peasants had caused serious disturbances. Confronted by that situation, the Government was trying to regularize the development of agriculture by effective, democratic and peaceful means.

42. He described the conditions under which the prevailing land system had been constituted in Peru. During the Spanish conquest and colonization, the indigenous inhabitants had been expelled from most of their ancestral lands. Their efforts to regain possession, after the proclamation of the Republic in 1824, had been greatly hindered by the absence of documents of ownership, by administrative deficiencies and by further conflicts—wars of independence and civil wars. Those conditions had led to invasions of landed properties, which had spread to a great extent lately: during the last six years, the peasants had invaded some 70,000 hectares of land, often after violent clashes with the forces of law and order. At the same time, the nation was realizing more and more clearly the need for reform, for technical reasons linked with the economic development of the country as well as for moral and social reasons. In July 1963, a new Government had come to power and had decided to remedy the situation by legal means.

43. The invasions were by no means peculiar to Peru. Similar phenomena had occurred in the eighteenth and nineteenth centuries in England and in several Western European countries, as well as in the twentieth century in Mexico, Russia, Japan and Italy. They generally coincided with the decisions taken by the authorities of those countries to institute agrarian reform. Indeed, agrarian reform was an essential condition for building a modern, industrial society, the only way of furnishing a solid basis for the progress and prosperity of the people. So long as agricultural bottle-necks existed, so long as domestic markets had not been built up, so long as economies of scale were not possible, industrial development was seriously hampered.

44. To remedy that situation, the Peruvian Government had undertaken a bold policy of land reform. In the first place, it had decided to expropriate 80,000 hectares of land, which had been subsequently distributed either to the peasants or to communities. More recently, it had concluded with two large firms, one of which was a foreign undertaking, an agreement for the expropriation of 300,000 additional hectares which would be distributed among the peasants, with a period of twenty years for payment.

45. At the same time, the Government had built many centres to provide farmers with tools and

agricultural equipment for the purpose of raising the technical level of agriculture. So far, 6 million soles had been spent on that project. An office of community development had been set up at the ministerial level; its task was to use all the means available to the community for carrying out land reform programmes. Finally, for 1964, the budget of the Ministry of Agriculture had been raised to some 750 million soles, which represented a considerable increase in the credits allotted by the Government to the agricultural sector; the appropriation under that heading had already risen steadily from approximately 195 million soles in 1959 to more than 420 million soles in 1963.

46. The first act of the new Peruvian Government, after its constitution, had been to submit a land reform bill to the Parliament. It covered all public and private lands which were not worked directly, which had been abandoned or which were worked inadequately. The reform would not apply to land worked directly i.e. utilized land the area of which did not exceed a maximum varying between 150 and 5,000 hectares, according to the region, the nature of the land and the mode of cultivation. Within those limitations, the provisions of the law would be applied to a proportion of the land in question, calculated at a rate rising from 20 to 100 per cent, according to the nature of the land. In the case of farms worked with a high degree of efficiency, the proportion would not exceed the limits which the undertaking would consider necessary to ensure economic viability, provided that the firms responsible undertook to facilitate the progressive participation of technicians, employees and workers in the profits, capital and management of the undertaking. The lands subject to reform would either be expropriated, sold or taken over by the State. The expropriation would be carried out according to the normal legal procedure and the value of the land would be determined by a jury, one of whose members would represent the owner. The value would be calculated on the basis of average productivity during the previous five years. The owners would receive in compensation registered bonds in the "Land Fund" ("Deuda Agraria") repayable in twenty years and bearing 5 per cent annual interest. The land would be allocated to private individuals, communities or co-operatives. The beneficiaries would refund the price of the land over a minimum period of twenty years with an annual interest of 2 per cent. They would receive State aid and would undertake to live on their land and work it directly. Land holdings that were unduly fragmented would be consolidated. Finally, the Land Reform Office would undertake to put land at the disposal of indigenous communities and help them to develop it.

47. Such, in brief, were the general intentions of the Peruvian Government with regard to land reform. On its side, the opposition had submitted to Parliament a bill which, in its general outline, was not appreciably different from the Government's, thus showing that most Peruvians desired a reform of that nature and were prepared to participate actively in its application.

48. The bill would, of course, give rise to many difficulties, particularly with regard to financing the bonds. Some questioned the suitability and legality of

the method chosen. Yet the Governments of many Member States of the United Nations had already used such means to finance the compensation of expropriated owners both in agriculture and in industry. Moreover, the Peruvian Government did not possess sufficient liquid assets to purchase the land directly. Precisely those countries that were compelled to institute land reform were materially unable to do so. Even on the very improbable assumption that direct financing would be possible, it might give rise to inflationary pressure the consequences of which would be difficult to foresee. For its part, the Peruvian Government intended to carry out agrarian reform according to legal, democratic and peaceful methods but also under conditions of fiscal and monetary stability.

49. The application of the programme would require sacrifices from the whole population. In particular, there was likely to be a temporary drop in the level of agricultural production brought about both by the change in the land tenure system and by the relative increase in the purchasing power of the rural population. But such disturbances would be of short duration if the Government applied a judicious and rational policy and if international aid played the decisive role which it should.

50. To be effective, any international programme of economic development should make provision for the application of positive land reform measures. In fact, land reform should be the primary objective of aid programmes, particularly of the Alliance for Progress. With that in mind, the Peruvian delegation had submitted a first draft resolution (A/C.2/L.727). The Costa Rican delegation had submitted a similar draft (A/C.2/L.728). Following an exchange of views, the two delegations had decided to submit a joint draft (A/C.2/L.727/Rev.1).

51. That draft resolution declared that the United Nations should make a supreme combined effort to facilitate effective, democratic and peaceful land reform in the developing countries, for, in the view of the sponsors, the final aim of land reform was to raise the levels of living of vast sectors of the population. It was therefore of the utmost importance that special attention should be given, as stated in paragraph 2 of the operative part, to requests for financial aid for land reform made by the developing countries which had committed national resources and funds to solve the agrarian difficulties of their respective territories. Paragraph 3 requested the Committee for Industrial Development to include in its programme a more extensive co-ordination and integration of industrial development with land reform. Finally, the General Assembly would request the Secretary-General to include the financing of land reform among the questions he was to study under General Assembly resolution 1526 (XV) and also to study the feasibility of achieving international agreements to facilitate the financial operations required by the developing Member States in connexion with land reform.

52. He hoped that the reasons he had just given would convince Member States of the importance of land reform for the economic and social transformation of the under-developed countries.

The meeting rose at 12.55 p.m.