

United Nations
GENERAL
ASSEMBLY

EIGHTEENTH SESSION

Official Records

SECOND COMMITTEE, 908th
MEETING

Wednesday, 30 October 1963,
at 3.10 p.m.



NEW YORK

CONTENTS

	Page
<i>Agenda item 76:</i>	
<i>Means of promoting agrarian reform (con- tinued)</i>	177
<i>Organization of the Committee's work</i>	181

Chairman: Mr. Ismael THAJEB (Indonesia).

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)

1. Mr. CRISTUREANU (Romania) said that land reform was directly and indissolubly linked to economic development. The continued existence of feudal agricultural systems in the developing countries was one of the factors which kept them in a state of backwardness. Land reform must be based on the interests of the people as a whole and not on those of a minority. The way in which land reform was carried out was the concern of each State, but the developing countries could benefit from the experience of the more advanced States as well as from United Nations assistance.

2. Romania had once had a feudal system of agriculture, but the land reform which had been started in 1945 had swept it away and had had far-reaching economic and social consequences. The process of transformation from individual farms to collective undertakings using the most modern agricultural techniques had been completed in 1962. Whereas in the 1930's there had been one tractor for every 3,700 hectares of cultivable land, in 1965 there would be one for every 100 hectares. Economic progress in the rural areas had been accompanied by educational, cultural and social advances.

3. Romania was eager to share its experience of land reform with the developing countries and was playing an active role in the international bodies concerned with that matter. His delegation welcomed the initiative taken by Costa Rica and Peru in bringing the subject before the Committee and endorsed the statement in the preamble of the two-Power draft resolution (A/C.2/L.734/Rev.1) concerning the persistence of obsolete systems of land tenure and cultivation. It also agreed that the United Nations and its specialized agencies should give special attention to requests for assistance in land reform but had serious doubts about requesting the Secretary-General to undertake a study of the financing of land reform. There was a danger that such a study might involve interference in the domestic affairs of States. Since experience

had shown that the execution of land reform programmes had never been conditioned by the problem of finance, it might be better to exclude any reference to that subject from the draft resolution.

4. Mr. MINAI (Iran) expressed whole-hearted support for the draft resolution. Iran had launched a vast programme of land reform which affected no less than 75 per cent of the population. While realizing that such a programme required the mobilization of all available domestic resources, Iran would greatly appreciate any advice or assistance from outside. The development of agriculture was essential for industrial progress. The main difficulty in the developing countries was not only to achieve an adequate rate of investment to produce a regular rise in per caput income, but also to reduce the imbalance between the agricultural and industrial sectors. Agriculture should be developed in the early stages of economic growth since it must provide food for the population and also generate savings for investment in the non-agricultural sector. At the same time, the rise in agricultural income would stimulate the market for manufactured goods. Redistribution of land in itself would not raise productivity; new institutions had to be built to ensure dynamic growth. Iran's land reform programme called for the redistribution of land in 15,000 villages but its most difficult task would be the creation of such new institutions. It hoped that the adoption of the draft resolution would help to achieve the aims of the developing countries in the matter of land reform.

5. Mr. MONTENEGRO MEDRANO (Nicaragua) said that inequalities in land distribution and tenure had sparked important revolutionary movements, especially in Latin America. If it was to fulfil its purpose, land reform must be integral. It was not merely a question of giving land to the peasants, since the "minifundia" were just as inefficient as the "latifundia"; the State must provide the new owners with technical information, credit, markets, communications, schools and other social services.

6. Nicaragua was a predominantly agricultural country but its farming techniques were primitive. Mechanization would bring about a radical transformation, and the Government was already implementing a democratic land reform programme in the hope of raising the living levels of the rural population and increasing productivity. Under the agrarian reform act, promulgated in 1962 by the Nicaraguan National Congress, the State was empowered to expropriate "latifundia" which were not properly cultivated and transfer land to the rural population against compensation.

7. His delegation firmly believed that land reform would help to eradicate from Latin America and the entire world the centuries-old exploitation of the rural masses and would further economic development. The United Nations must play an important

role in that process of liberation by helping to provide financial and technical aid. For that reason, Nicaragua supported the draft resolution.

8. Mr. SOUSSANE (Morocco) pointed out that most of the developing countries were predominantly agricultural; the rehabilitation of their farm sectors would inevitably stimulate their economies. The agricultural structure varied from country to country. In some, the land was in the hands of a few owners who exploited the peasants; in others, the profits of agricultural production were repatriated to foreign companies. In Morocco, two agricultural sectors existed side by side, one modern and based on international markets and the other backward and made up mostly of small holdings. In both sectors, land reform was essential. In Morocco, 70 per cent of the inhabitants were engaged in agriculture but their annual income was so low that they did not constitute a sufficiently large market for goods manufactured in the towns. Even a small increase in the income of the rural population brought about as a result of land reform would help increase that potential market. The purpose of the Government's land reform programme was to increase agricultural productivity and achieve a better distribution of national income. Its main concern had been to group farms into co-operatives so as to facilitate the purchase of equipment and the marketing of products.

9. His delegation welcomed the draft resolution. The revisions already made had cleared up certain doubts in the mind of his delegation but the text would be further improved if the amendments suggested by the Tunisian representative (907th meeting) to operative paragraphs 3, 5 and 6 were accepted.

10. Mr. BRILLANTES (Philippines) said that his country had instituted a comprehensive land reform programme the object of which, in the words of the President, was to make the tenant a free man and a more productive farmer. His delegation therefore welcomed the draft resolution but suggested that operative paragraph 2 should be worded as follows:

"Urges the Member States concerned, in order to forward their economic and social development, to carry out without delay the necessary institutional reforms regarding their agrarian structure, in order to co-ordinate their agricultural development with their industrial development".

That change would make clear the essential link between land reform and economic development mentioned in the preamble. With reference to paragraph 5, the issuance of bonds was not the only method of financing land reform programmes. For example, his country used the method of issuing preferred shares in the Government-operated land bank. Finally, with regard to paragraph 6, the sponsors might consider including the regional economic commissions among the bodies with which the Secretary-General would collaborate.

11. Mr. PUGA (Chile) said that the developing countries needed all the resources they could get in order to carry out effective land reform programmes. For example, in Chile, the Land Settlement Fund had been in existence since 1927 but the results it had achieved were disappointing, mainly owing to the lack of resources. As a result of a recent amendment to the Constitution, compensation to expropriated landowners could now be paid over a period of time rather than in a lump sum. But, unfortunately, Chile, like many

other developing countries, lacked resources even for such financing. Since it could not issue bonds to landowners, it was forced to finance its land reform programme from the budget. Chile was doing its best to mobilize its own resources for land reform but urgently needed external aid. Those who objected to such external financing should realize that they were in fact perpetuating the régime of the big landowners in the under-developed countries. His delegation was prepared to support the draft resolution provided it did not prejudice any requests which the developing countries might submit to the United Nations for external assistance in their land reform programmes.

12. Mr. CARANICAS (Greece) noted that the purpose of the draft resolution was still not entirely clear.

13. In his introductory statement (905th meeting), the representative of Peru had mentioned the existence in the under-developed countries of enclaves where living levels were higher than in the surrounding rural regions. While in Latin America and other parts of the world, land reform concentrated on transferring ownership from large proprietors to tenant farmers or on the redistribution and resettlement of land, in Europe there was a tendency towards consolidation into larger, more efficient family-size units. In Greece, land reform, involving the expropriation and redistribution of large estates, had started in 1917 and been gradually completed over the last fifteen years. Because of special local conditions and crops, there could be no uniform pattern of land reform. Having succeeded in raising agricultural incomes, the Government was now aiming at the reconsolidation of farm ownership and land.

14. Greece realized that farm incomes could be stabilized or raised by means of structural improvements and by the transfer of agricultural workers into the industrial and tertiary sectors. However, the transfer sometimes had its dramatic aspects, particularly when the absence of any infrastructure impeded the creation of new employment opportunities and when the exodus left behind an empty and decaying region. There was a limit to the extent to which public investment could lead to structural improvements for agricultural development. On the other hand, agricultural output and investment depended on government policy with regard to farm prices, marketing and storage services, taxation and similar matters.

15. The basic question faced by Latin America was that of land reform, in the sense not only of the redistribution of large holdings but also of a fuller and better use of land, improved farming methods and higher productivity. It was also important that the rural population should retain its earnings, since it constituted a vast potential market for the products of growing industries. Agrarian reform had gained increasing acceptance as an essential prerequisite for agricultural development, since the prevailing land tenure system in most Latin American countries allowed the use of only a fraction of the available land and kept agricultural incomes at subsistence level. The Report on the World Social Situation, 1963 (E/CN.5/375/Rev.1) described the influence of agrarian reform in several Latin American countries. With certain exceptions, the agrarian economy was essentially an area of free enterprise, free acquisition and accumulation of land, and social injustice. It was to be hoped that the Latin American agrarian reform programmes would be successful.

However, some would be doomed to failure because of their preoccupation with legislative detail.

16. The Report on the World Social Situation stated, in chapter XI, section IV, that the newer legislation was generally both comprehensive and complicated. No quick results could therefore be expected from Latin American legislation on land reform. Such legislation should not be limited to the redistribution of large estates but should also deal with the organization and improvement of agriculture at all levels and the training and education of farm workers.

17. Mr. GUILIEN (Guatemala) said that agrarian reform was of vital importance to the agricultural countries, which were unable to meet their production targets because of unsatisfactory systems of cultivation. The successful, democratic and peaceful solution of the agrarian problem was vital to the economic development of Latin America in general. The political independence of Latin American countries had brought little change in the system of land tenure established during the conquest of America. Subsequent liberal revolutions had achieved a fairer distribution of land but had not eliminated rural poverty or "latifundia". Attempts had been made in all Latin American countries to remedy that situation by means of agrarian reform. The first efforts of that kind in Guatemala had not been entirely successful because the "latifundia" expropriated had been given only in usufruct to the new owners, who thus had little interest in developing them. In addition, expropriation against the issuance of bonds redeemable over twenty-five years had been effected arbitrarily and the system of "minifundia" was uneconomical. Agrarian reform had been regarded as political propaganda instead of a factor conducive to economic production.

18. Subsequent Governments had sought a better solution to the agrarian problem. Current efforts were concentrated on three types of settlement: agricultural development zones, rural plots and agrarian communities. The reforms involved the provision not only of land but also of agricultural equipment and social services. The land redistributed was the land to which the farmer was in fact entitled but of which he had been deprived by an obsolete system of land tenure, or which he had legally acquired by barter or by expropriation against payment. The land, which was sold at a low price payable over ten years, was held in dominion and not in usufruct. Technical assistance and social services were provided free of charge, the National Agrarian Bank provided credits and the National Housing Institute solved housing problems.

19. However, the Government of Guatemala was encountering serious obstacles to its agrarian programme, mainly of a financial nature, and would welcome technical and financial assistance from the more developed nations. It therefore supported the joint draft resolution.

20. Mr. BINGHAM (United States of America) expressed his delegation's full support for land reform, which was of key importance for the success of any development programme. The United States had pledged, under the Act for International Development of 1961 and the Charter of Punta del Este, to encourage agrarian reform and give assistance when appropriate. Agriculture would continue to be of vital importance for the developing countries, as indeed it was for most developed countries. To increase land

productivity and at the same time improve the economic status of those who worked the land should therefore be an important objective of economic development.

21. Land reform involved more than the redistribution of land and consisted of a whole series of inter-related measures to transform agricultural systems. Physical and economic surveys, credit, agricultural extension services and revisions of land taxation systems and the laws of land tenure were also needed. The redistribution of land should be based on sound planning and accompanied by measures enabling the beneficiaries of the programme to farm with a reasonable chance of success. Some reform programmes tragically failed because they were not accompanied by such measures or because of unsuitable land settlement, inadequate training or other shortcomings.

22. The United States believed that technical and economic aid could assist in many aspects of agrarian reform and it had given bilateral and multilateral assistance in various types of surveys and in the establishment of agricultural credit facilities and the improvement of extension services in developing countries. However, international financial aid was not an appropriate way of assisting in the redistribution of land and it was fortunate that the draft resolution did not seek external financial assistance for the redistribution process or international guarantees for bonds issued in payment for redistributed land. The United States recognized that in many cases land reform programmes would require land redistribution. It had provided technical and financial assistance to help meet the foreign exchange costs of many activities essential to land reform and its reservation therefore related only to the appropriateness of international financing for the actual purchase and redistribution of land.

23. Mr. FRANZI (Italy) said that Italy attached considerable importance to land reform and had devoted particular attention to that question during the post-war period. The process of agrarian reform had virtually no end, since technical and economic reforms should be followed by educational activities. In addition, agrarian reform should be considered in relation not only to agricultural development but to the over-all economic development of a country. Agrarian reform should be followed by the redistribution of land to produce viable production units. Land redistribution had to be accompanied or followed by a whole series of complementary measures, including pre-investment activities, infrastructure development and a policy designed to change the land tenure system and the utilization of land. That sequence was essential if the agriculture of a country was to pass from the subsistence level to the stage of commercialization, which alone could bring about a substantial increase in agricultural income and a supply of agricultural products at remunerative prices for the domestic and international markets.

24. In many countries, the system of land tenure still prevented rational exploitation of the land and consequently impeded economic development. The most common obstacles to agricultural development were the unequal distribution of property, the underutilization of land and the absence of legal provisions governing land tenure. A series of reforms was needed to remedy that situation and their nature would depend on the adequacy of the supply of land

and the different types of farming practised in the country. Agrarian reform should be accompanied by arrangements for providing the new owners with credit facilities. Sales co-operatives, vocational training and technical assistance, tax concessions, social and health services could also help. Coercion should be avoided and the consent and co-operation of all the parties concerned should be enlisted for agrarian reform. Italy had learned from experience the value of processing, production and sales co-operatives.

25. The draft resolution before the Committee implied that the financial aspects of agrarian reform had not been covered in Secretariat studies. However, the third report entitled *Progress in Land Reform* (E/3603/Rev.1) considered the problem of financing land reform. The question of how the new owners were to be taxed gave rise to social and economic problems. Unfortunately, a number of countries had been unable to adapt their systems of taxation to the new situation created by agrarian reform. That was particularly regrettable because agrarian reform provided an excellent opportunity for a re-evaluation of agricultural income in the interest of a fair taxation system. Most countries provided the beneficiaries of agrarian reform with the funds needed for their activities. The question of the price to be paid for the redistributed land was complicated on the one hand by the need for the Government to recuperate at least part of its expenditure on expropriation and, on the other hand, by the need to avoid placing excessive financial burdens on the new owners. Italy did not require repayment of more than 10 per cent of the Government expenditure, as it considered that the outlay would be compensated by increased farm income and, consequently, by the creation of new national wealth.

26. His delegation supported the draft resolution in principle and could accept some of the suggestions made at the preceding meeting by the representative of Tunisia.

27. Mr. HAMID (Iraq) said that his country attached considerable importance to agrarian reform, which it regarded as the corner-stone of economic development. Agricultural reform, which implied the redistribution of land to nationals of the country and not to foreigners, should not be confused with agricultural development. The organization and financing of agrarian reform were exclusively a matter of government policy. He hoped that the sponsors would take into account the comments made on the draft resolution, so that a text could be adopted unanimously.

Mr. Fernandini (Peru), Vice-Chairman, took the Chair.

28. Mr. JANTUAH (Ghana) said that as land was the primary source of human subsistence, anyone who controlled the land controlled the life, happiness and freedom of the community. It was therefore gratifying to note that the draft resolution recognized the need for the redistribution of land in the economic and social interest of the State as a whole. That was an aspect which had become imperative in some African countries. It would clearly become inevitable in other African countries where the settler minority had appropriated all the available fertile land; it was to be hoped that, when such countries came to tackle that phase of land reform, they would be able to count on the maximum combined effort of the United Nations

to facilitate effective, democratic and peaceful land reform, as stated in the draft resolution.

29. In Ghana, as in many other African countries, land was the common property of all its citizens and reform was more concerned with improving the use and management of land, introducing or strengthening a country-wide centralized plan, and replacing agricultural individualism by co-operation than with the expropriation and redistribution of land. Ghana's cocoa exports, which amounted to nearly £70 million annually, constituted more than 60 per cent of the country's total exports and represented 42 per cent of total world output, were mainly the product of the labour of its patriotic farmers working on small holdings. There were two farm institutes in Ghana which provided scientific instruction in agricultural techniques. Agrarian reform was also promoted by the United Ghana Farmers' Council Co-operatives, which managed some 1,456 modernized co-operative societies, and by the establishment of State farms by the State Farms Co-operation. Nevertheless, land reform still presented many problems which Ghana, like any other developing country with limited financial and technological resources, could not hope to solve without assistance.

30. His delegation therefore associated itself with those which had acknowledged the great importance of the ideas contained in the draft resolution and was prepared to support any resolution along those lines which was acceptable to the majority.

Mr. Thajeb (Indonesia) resumed the Chair.

31. Mr. RENAUD (France) said that the number of statements made in the Committee demonstrated the importance attached to land reform. The debate had centred around the financial aspects of land reform. There was also a technical aspect, and there was no doubt that international and bilateral assistance was useful in setting targets, determining bases for distribution and assuring the maintenance of the productivity of land and capital. Technical assistance could also play a major part in the implementation of over-all development plans and the training of the necessary cadres.

32. The financial aspect of land reform reflected the alternatives offered by the reform. The alternatives were mainly political and the choice was therefore a matter for the government concerned. The State must bear the main responsibility for carrying out land reform programmes and for the alternative selected. If it proved necessary, the State could request assistance in order to finance certain technical aspects of reform. That financial assistance should not be provided for land reform itself, but for the over-all modernization of agricultural structures, of which land reform was only one element. His delegation therefore had some reservations regarding the paragraphs of the draft resolution which referred to financing and would like paragraphs 3, 5 and 6 to be amended along the lines he had indicated.

33. While he agreed that land reform was closely connected with industrialization, it was difficult to see how the Committee for Industrial Development, which was composed of industrial development experts, could competently examine the question of land reform. Some amendments would therefore also have to be made to operative paragraph 4. If the draft resolution was amended to take account of the points he had made, his delegation would support it.

34. Mr. UNWIN (United Kingdom) said that his Government recognized that land reform was frequently necessary in order to promote agricultural development and balanced economic development as a whole. But conditions varied from country to country and he wondered whether it was generally correct to say, as in preambular paragraph 6 of the draft resolution, that the problem of financing was the greatest problem impeding land reform, or that it had international repercussions. He doubted whether either of those statements was universally true. With regard to operative paragraph 4, he questioned the appropriateness of linking industrial development so closely with land reform. It seemed to him that land redistribution normally preceded, and should be co-ordinated with, agricultural development, rather than with industrial development. In that connexion, he drew attention to Economic and Social Council resolution 975 D (XXXVI), paragraph 6 of which seemed to him to cover the request made to the Secretary-General in the draft resolution under study.

35. Many speakers had pointed out that land reform was a means to an end and not an end in itself. The United States representative had, for example, spoken of many other measures which normally followed the implementation of land reform programmes and had suggested that financing might be available for them. It was also his understanding that the President of the International Bank had said recently that the Bank intended to grant credits in the near future for agricultural development. The conclusion seemed to be that financing was available to support development plans, which might include land reform, but not for land reform itself, which was only part of the process. The wording of operative paragraph 6 was, therefore, somewhat misleading. He hoped that the Tunisian representative's interpretation of paragraph 6 was correct and that the financing mentioned in that paragraph was related to agricultural development following land reform and did not refer to recourse to international financing for land reform itself.

36. Mr. KOMIVES (Hungary) agreed with all those who supported the idea that special assistance in the

form of surveys and agricultural extension services should be given to countries carrying out land reform. The implementation of land reform and compensation for expropriated land fell entirely and exclusively within the competence of the country concerned. Many States had successfully solved the financial problems connected with land reform on their own without any substantial reduction in the resources devoted to current economic development plans. However, the introduction of outside factors into the financing of land reform programmes would create many problems for the government of the country concerned and, in the final analysis, the implementation of land reform would depend on those outside factors and not on the government itself. He therefore called upon the sponsors of the draft resolution to consider the statements made by various speakers so as to reach a more balanced text.

Organization of the Committee's work

37. Mr. FRANZI (Italy), supported by Mr. AYARI (Tunisia), said that the Committee should postpone its consideration of the draft resolution on the enlargement of the economic, social and co-ordination committees of the Economic and Social Council (A/C.2/L.735 and Corr.1) in view of the fact that the question of the enlargement of the Security Council and of the Economic and Social Council was at present pending in the Special Political Committee.

38. He suggested that the Chairman should get in touch with the Chairman of the Special Political Committee as soon as possible and ask him to inform the Second Committee of the results of the Special Political Committee's debate on that item.

39. The CHAIRMAN said that he had spoken to the President of the General Assembly and the Chairman of the Special Political Committee on the matter. Since the Special Political Committee had already adopted a time-table for the consideration of the items on its agenda, he would draw the attention of its chairman to the point that had just been raised.

The meeting rose at 6 p.m.