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ECONOMIC COMMITTEE

SUMMARY RECORD OF THE HUNDRED AND FIFTY-FIFTH MEETING

Held at Headquarters, New York,
on Tuesday, 27 April 1954, at 10.35 a.m.

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PRESENT:

<u>Chairman:</u>	Sir Douglas COPLAND	(Australia)
<u>Members:</u>	Mr. BUNGE)	
	Mr. MORALES)	Argentina
	Mr. PETHERBRIDGE)	
	Mr. CORKERY)	Australia
	Mr. BAUDHUIN	Belgium
	Mr. CHEN	China
	Mr. RIBAS	Cuba
	Mr. PSCOLKA	Czechoslovakia
	Mr. AVILES-MASQUERA	Ecuador
	Mr. EL-TANAMLI	Egypt
	Mr. de SEYNES)	
	Mr. LEGATTE)	France
	Mr. PRASAD)	
	Mr. LALL)	India
	Mr. SOLLI	Norway
	Mr. ADIL)	
	Mr. TAFAZZAL ALI)	Pakistan
	Mr. OZGUREL	Turkey
	Mr. SPANDARYAN	Union of Soviet Socialist Republics
	Sir Alec RANDALL)	
	Mr. BARNES)	United Kingdom of Great Britain and Northern Ireland
	Mr. KOTSCHNIG)	
	Mr. STRIBAVY)	United States of America
	Mr. ALFONZO-RAVARD	Venezuela
	Mr. STANOVNIK	Yugoslavia

Representatives of specialized agencies:

Mr. DUNAND	International Labour Organisation
Mr. McDOUGALL	Food and Agriculture Organization
Mr. ARNALDO	United Nations Educational, Scientific and Cultural Organization

PRESENT: (continued)

Representatives of non-governmental organizations:

<u>Category A:</u>	Mrs. LUSARDI	International Chamber of Commerce
	Miss KAHN	World Federation of Trade Unions
<u>Secretariat:</u>	Mr. BLOUGH	Principal Director, Department of Economic Affairs
	Mr. CAUSTIN	Deputy Director, Division of Economic Stability and Development, Department of Economic Affairs
	Mr. ROSENBORG	Special Adviser in charge of Economic Development Group, Department of Economic Affairs
	Mr. DUMONTET	Secretary of the Committee

ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES: (d) LAND REFORM: REPORT BY THE SECRETARY-GENERAL ON THE REPLIES OF GOVERNMENTS TO THE QUESTIONNAIRE ON LAND REFORM; REPORT BY THE SECRETARY-GENERAL ON AGRICULTURAL CO-OPERATION (E/2526 and 2524; E/AC.6/L.94/Rev.1)

Mr. OZGUREL (Turkey) said that the Secretary-General's reports (E/2524 and E/2526) revealed the progress already achieved in the matter of land reform and agricultural co-operatives but they also showed how much still remained to be done. A balance-sheet might well be drawn up for each under-developed country; the obstacles in the way of greater productivity and agricultural advancement would then become clear.

In Turkey, since the passing of the Land Reform Act in 1945, agricultural production had been based on the principle of direct cultivation by the owners. The métayage system and other forms of land tenure had been abolished and farms of more than 500 hectares had been split up and redistributed. Since 1947, when redistribution had begun, the number of peasant families settled on the land annually had risen to 40,000.

In order to increase productivity a great effort had been made to encourage the use of fertilizers and selected seeds and the adoption of the system of crop rotation. Much technical information had been disseminated and the mechanization of agriculture in Turkey had proceeded apace during recent years; some 40,000 tractors had been distributed through producers' co-operatives. By means of an irrigation programme initiated by the State, the cultivable area of the country had increased by 25 per cent in 1952 in comparison with 1949. The granting of credits at low rates of interest had also contributed to Turkey's agricultural development.

As a result of all those measures, the annual production of cereals had rapidly risen and by 1953 Turkey, which up to 1951 had been a grain importer, had become one of the world's large exporters of cereals, with a sale of some three million tons a year.

Netherless much of Turkey remained uncultivated, mainly through lack of water. Irrigation programmes were being intensified and experiments were being made in the cultivation of drought-resistant plants. In general, Turkey's main agricultural problems were its lack of technical personnel and the inadequacy of its capital resources.

Mr. ALFONZO-RAVARD (Venezuela) said that Venezuela was carrying out a programme of land reform of a purely technical nature. The legislative aspect was governed by the National Agrarian Statute and the practical aspect by the National Agrarian Institute. The two main objectives were the rational development of the country's natural wealth, sufficient to supply domestic needs, and the modernization of agriculture through the gradual abandonment of outmoded laws and techniques. The results so far had been very encouraging.

The representative of the United Nations Food and Agriculture Organization had drawn attention in his statement to the disadvantages of effecting land reform if the level of productivity of the country as a whole were to be sacrificed in the process. That had not been the case in Venezuela, where the production of rice, potatoes, maize, cotton, sugar and other crops had exceeded all expectations. That was due mainly to the Government's policy of establishing agricultural settlements, or colonies, through the intermediary of the National Agrarian Institute. There were twenty such centres, one of the most important being that of Turen, which had been established in 1949 and covered an area of 200,000 hectares of fertile alluvial land. In that settlement, land had been distributed in large and small lots, the latter to local "conuqueros", formerly nomadic cultivators. There were many European immigrant families among the settlers. Turen possessed an administrative centre and three Rural Improvement Centres responsible for health, education and recreational activities. Settlers were provided with agricultural equipment and the settlement possessed heavy machinery for clearing, levelling, road building and similar work. In addition, settlers were granted credits, the use of which was supervised by the Institute; a total of about 10,000,000 bolivars (3,000,000 dollars) had been granted in 1953. As a result, the Turen settlement had become one of the country's main maize-producing centres; the production of other crops, such as rice, beans and sesame had also increased.

Economically and socially, the results of Venezuela's land reform policy had been beneficial both for individuals and for the country as a whole: the former enjoyed a higher standard of living and the latter greatly increased production.

Mr. MORALES (Argentina) said that land reform was not simply a technical question: it affected every aspect of the life of rural communities. Many complex problems had to be solved before agriculture could contribute substantially to economic and social development: productivity must be raised and selective production introduced; a rational utilization of the soil must be arrived at and the rural population must be assured a fair standard of living. Moreover, any programme of land reform must have regard to the particular circumstances of each region and a preliminary analysis must therefore be made of the existing conditions. In that connexion, the Secretary-General's reports were very valuable in the detailed information they offered. They revealed that the assistance of the international community in the matter of land reform could best be given by the compilation of information on experiments carried out in various parts of the world for the use and guidance of those contemplating land-reform measures and by the study and assessment of the particular problems of any given country upon its deciding to introduce a land-reform programme.

Argentina, being primarily concerned with agriculture and cattle-raising, had its own peculiar problems, but the basic objective of its long-term planning was to raise the living standards of the rural population and to satisfy consumer needs while at the same time allowing for exports. The Government recognized the importance of land ownership but it did not neglect its social aspects. The utilization of land was determined according to the needs of the country as a whole, although the State sought to act as a guide rather than as a taskmaster.

The aim of the Government's fiscal policy was to ensure greater productivity by raising taxes on land which was improperly exploited. In that connexion a system of credit facilities had been introduced recently by the Government, with a view to improving the utilization of land resources and readjusting the patterns of productivity. The system was flexible and progressive without being revolutionary. Every attention was given to the educational and social aspects of

land reform and persuasion was the keynote of the Government's policy. During the first year of operation the total sum allocated in credits had amounted to 800 million pesos (more than \$100 million). The credit system was based on the fundamental needs of the country and its aim was to ensure the highest possible productivity. The system helped to provide the cultivator with greater security and it enabled peasants to own their land permanently.

In the sphere of marketing, the Government's policy had been to eliminate the middleman and thus help to increase the profits of the cultivator. In that way the peasant's financial security had been still further strengthened. Recently, it had been decided to transfer governmental activities in the field of marketing to co-operative organizations. Encouraging results had been obtained and it was to be hoped that the co-operatives could also play a part in foreign, as well as domestic, marketing. In that way the producers would become increasingly autonomous and free of governmental intervention.

Experience had shown that the subject was so complex that any international action in the matter of land reform should be undertaken only at the request of the Government concerned and only when a practical programme had been drawn up in accordance with the country's needs. Financing should be directed to specific programmes. The problem could not be studied in isolation but should be integrated within the general economic development of the country concerned. The role of FAO was paramount: both its direct assistance and its studies should be intensified. In that connexion he drew attention to the report published by FAO in September 1953, describing the inter-relationship between agrarian reforms and agricultural development. The documents now before the Committee showed that it was essential to maintain the closest co-operation with FAO.

The draft resolution before the Committee (E/AC.6/L.94/Rev.1) represented an important and useful step towards the solution of the problems of land reform. There again emphasis was laid on co-operation with FAO, while the suggestion that a central repository of information should be established was extremely useful. Argentina was intensely interested in the problems of land reform and co-operatives and was glad to pass on its experience to other delegations.

Mr. SPANDARYAN (Union of Soviet Socialist Republics) said that although the problem of land reform was becoming increasingly acute the progress made so far towards a solution had been insignificant. That fact was borne out by the Secretary-General's report entitled "Progress in Land Reform" (E/2526), which showed that in many countries, particularly in Asia, there had been very few practical achievements. Large areas of land were still in the hands of private owners and monopolies, with the result that the peasants were deprived of ownership and were generally impoverished, a situation which hampered food production and interfered with the development of under-developed countries.

The crisis in the United States economy had caused a further aggravation of the position of land workers, especially in the under-developed countries. It had occasioned a further drop in their income and in agricultural production generally. Thus according to the Wall Street Magazine the decrease of \$.20 per pound in the price of Singapore rubber, combined with the successful competition from synthetic rubber, had more than halved the purchasing power of 500,000 small rubber producers.

The Secretary-General's report, "Rural Progress through Co-operatives" (E/2524), contained violent attacks on the Soviet system of collective farms, whereas those collectives were in fact built on the principle of free and voluntary co-operation. Stalin himself had said that the policy of the collectives was based on the volunteer principle, with due regard for each particular region. The owners of the collectives were the peasants themselves. The statement in the report that Soviet collectives were not based on voluntary support was completely untrue.

The successes of Soviet agriculture spoke for themselves. The Soviet agricultural system was the most progressive in the world. It was socialist in character and comprised 94,000 collective farms and 8,950 machine and tractor stations. Between 1933 and 1940 agricultural production had increased 77 per cent, whereas during the same period production in the United States had risen by only 7 per cent. Between 1940 and 1952, in spite of war difficulties, the production of agricultural goods at comparative prices in the USSR had risen by 10 per cent. The area cultivated was increasing steadily, as were the numbers of livestock.

Soviet agriculture was highly mechanized. During 1953 more than 80 per cent of the basic work on the collective farms had been done by machinery. For the years 1953-1955 the Soviet Union was contemplating large-scale plans to expand agricultural production still further and to increase mechanization. During the period 1954-1957, 750,000 additional tractors would be brought into operation, together with other agricultural machinery and trucks. Maintenance and repair bases were being expanded and more than 100,000 agricultural specialists had been sent to rural areas. Research was being still further encouraged and the forthcoming exhibition in Moscow would show the achievements of Soviet agriculture.

Mr. AVILES-MASQUERA (Ecuador) said that the item under discussion did not refer only to the redistribution of land; it was also connected with other factors which varied from country to country and from area to area within each country. The Council's recommendations could not follow any standard pattern because each country had its own problems depending on its geographical situation, ethnic structure and history. That did not mean that similar areas did not present certain common features, but considerable caution should be exercised in approving recommendations which might be applicable to some areas and not to others.

Land reform should form part of general economic development policy and should be related to other matters such as land-tenure systems, the division of estates, public corporations, communications, migration, diversification of production, financing and credit.

He required more time to study the complex problems raised in the commendable report on land reform (E/2526) and would present his views later in detail. The purpose of the report was twofold: to draw the attention of Governments to the need for finding effective methods for improving the utilization of agricultural resources and to make the experience of various countries generally available.

Ecuador, with its varied topography - the tropical coastal area, which produced bananas, cocoa, cotton, rice and oil seed, the Andine plateau, where grain, vegetables and fruit were grown, and the Eastern area - would be more prosperous and could export a greater variety of products if its agricultural situation could be improved. The lack of adequate communications and the vestiges

of the outdated land-tenure system made it difficult to introduce speedy changes. Solutions were being sought and energetic and continuous efforts were being made to raise the living standard of the people. In that connexion he drew attention to the study on the economic development of Ecuador (E/CN.12/295) prepared by ECLA.

Land reform measures had been adopted in Ecuador concurrently with reform in social legislation, which was among the most advanced in Latin America. At the moment an agricultural census was being taken with the technical assistance of certain specialized agencies and in co-operation with certain national bodies. The inventory of the country's physical resources, accompanied by agricultural maps and a cadastral survey, would be valuable in assessing Ecuador's potentialities. It would be premature to anticipate the results of the inventory and survey. There were areas where the land was owned by a small group of persons and others where labour was in short supply, while in yet others there was a lack of communications. Special plans were required for the development of wide stretches of State-owned fallow land. A systematic scheme for exploiting such land had been initiated, which, if properly carried out, would constitute a valuable advance in land reform and raise production.

Accordingly the legislation on fallow land had been reviewed to prevent such land being monopolized by a small number of land owners; it would later be supplemented by legislation on land tenure which would eliminate the irregularities of the rural land transfer system and bring the cadastral record into conformity with the register of land ownership. The greatest problem in the exploitation of the fallow land was the construction of roads to penetrate into the unpopulated or unproductive areas.

He had had occasion to refer to the Vial Plan which was in process of implementation, financed by national funds and foreign loans. Referring to the public funds used for that purpose, the President of Ecuador had stated that, if a special effort on the part of the State led to an improvement in land holdings, to which the individual had not contributed, it was only fair that the society which had produced such improvement should benefit therefrom, the individual to some extent, to compensate the efforts made by the State.

Ecuador would benefit from the experiences of other States but wished to find its own solutions. It deeply appreciated the technical assistance which it received and had confidence in its own institutions.

He welcomed the constructive spirit shown in the report on rural progress through co-operatives (E/2524). In Ecuador the establishment of co-operatives was encouraged by the State, which granted tax concessions and credit facilities.

He commended the initiative of the Indian and Egyptian representatives in submitting their joint draft resolution (E/AC.6/L.94/Rev.1), on which he would comment later.

Mr. ALI (Pakistan) congratulated the Secretariat on its reports (E/2526, E/2524). The analysis had been objective despite the variety of conditions prevailing in the various countries covered by the survey.

Unless a cultivator was assured a reasonable share in the produce of the land which he tilled, he would not do his best; there was therefore, in addition to the political and social considerations, a sound and economic argument for land reform to eliminate past injustices. Efforts must be made to integrate land reform in the general development programme. Although purely economic considerations might justify delaying land reform in order to fit it into an integrated programme of economic development, social and political considerations and the important matter of incentives militated in favour of expediting it.

The land tenure problem varied from one country to another and indeed in the different areas of individual countries. In countries of recent settlement, such as the United States and Australia, the absence of drawbacks which were prominent in other parts of the world, such as South East Asia, was noticeable. The one important objective of all land reform in the Western European countries was that of establishing peasant farms large enough to support the family who tilled the soil.

Over 90 per cent of the people of South and South East Asia depended upon agriculture. The problem was so acute that no measure of land reform or increase in agricultural productivity could raise the living standard of the labourer to a desirable level. It was essential to diversify and increase production to conform to the general employment situation in the countries of that area. Greater emphasis must be laid on cottage industries.

His Government was fully conscious of the importance of co-operatives in agricultural production. The results so far achieved in Pakistan were satisfactory and the Government was considering extending the co-operative system to other suitable areas.

A village aid programme had recently been instituted in Pakistan, under which villagers were taught to help themselves by co-operative action. Training centres were being established throughout the country to train workers for about one year in multi-purpose development practices in agriculture, animal husbandry, health, sanitation, education, cottage industries, co-operation and social welfare. It was hoped gradually to cover the entire country under that programme.

One of the most important methods of raising the living standard of cultivators was to increase agricultural production and productivity. There was also a vital need to place food production on a more stable basis. His Government had appointed an Agricultural Inquiry Committee under the chairmanship of Lord Boyd-Orr. The Committee had made a number of recommendations regarding the provision of fertilizers at subsidized rates, improved seeds, credit facilities, double cropping, crop rotation and mechanized agriculture, which were being progressively implemented. An Agricultural Development Finance Corporation had also been set up to finance and promote the development and modernization of agriculture. The Corporation also granted loans for mechanized farming, water lifting equipment, production and distribution of improved varieties of seeds and the production of chemical fertilizers.

He then outlined the history of land reform during the seven years of Pakistan's independent existence. In order to eliminate the hardships resulting from the grossly unjust traditional land-tenure system, reforms had been undertaken at various times in the course of the last seventy years. The epoch-making Land Reform Law, adopted in 1950, had abolished the stagnant and stultifying system. That law was designed to abolish permanent settlement, to vest proprietary rights in the tenants, to prohibit subletting, to rationalize rates of rent and to abolish middlemen. Provision had been made for the payment of compensation in return for the interests which it was desirable to acquire. Other prominent features of that land reform measure were that only a co-operative society or a person using power-driven equipment could acquire more than 33 acres of land,

that provision was made for the consolidation of holdings, that land held in excess of the prescribed amount was acquired by the Government and transferred to landless peasants and owners of uneconomic holdings, and that the rent of land could be increased at long intervals at a reasonable and rational rate.

Before the independence of Pakistan, absentee landlordism had given rise to several anti-social practices such as forced labour and the unduly large share of the landlord in the produce of the land. Under land reform, security of tenure, fair rents, the granting of proprietary rights and the abolition of forced labour and of illegal exactions were among the progressive measures introduced in West Pakistan.

His Government had thus embarked on an imaginative policy of liberal land reform based on practical measures to raise the level of agricultural output. Action had also been taken to educate the rural population in the co-operative spirit. His Government was being aided in that connexion to some extent by international agencies, to which it was grateful.

In view of the variety of land-tenure systems throughout the world, it was rather difficult for an international body to recommend any common pattern of land reform, but the United Nations could continue to serve a useful purpose by collecting relevant information in the various countries so that each could profit from the experiences of the other. One method, by which international action could render substantial assistance in solving the pressing problem of land reform, was to promote the granting of foreign loans at low rates of interest.

Mr. ARNALDO (United Nations Educational, Scientific and Cultural Organization) explained that, as far as land reform was concerned, UNESCO's policy was to assist the organizations with primary responsibility in that field namely the United Nations, FAO and the ILO. UNESCO had thus participated in the meetings of the Inter-Agency Technical Working Group, under the auspices of FAO, and in the preparation of the land reform questionnaire and of the plan for the study on co-operatives.

After consultation with the United Nations, FAO and the ILO during the session of that working group in April 1952, it had been agreed that UNESCO could most usefully contribute to international effort in that respect by expanding programmes for training teachers and educational leaders in techniques of mass education, especially in rural areas (Council resolution 370 (XIII), paragraph 5 c (vii)) and by undertaking studies in the social sciences mainly designed to supplement the work of FAO.

He also drew attention to resolution 3.242 adopted by the General Conference of UNESCO at its seventh session in December 1952, under which UNESCO, in close co-operation with the United Nations and the other specialized agencies concerned had initiated several studies relating to law, co-operatives and sociological conditions. With regard to its legal studies, UNESCO proposed to issue a report which would constitute a representative selection of the principal legal statutory techniques which had been applied to effect land reform. For that purpose it had invited the co-operation of the International Committee of Comparative Law. In connexion with its study of co-operatives, UNESCO had requested the International Co-operative Alliance to study the part played by co-operatives in civic education. UNESCO had also asked the International Association of Political Science to study the methods used by local governments in rural areas with some emphasis on co-operatives.

As far as its sociological studies were concerned, UNESCO had initiated intensive community studies which would eventually cover land reform in three typically different countries. Those studies were to be chosen as representative of three situations: the case of a country in which land reform had been completed; that of a country whose Government was considering land reform; and that of a country in which land reform was being undertaken.

The Italian Government had agreed to allow such a study to be undertaken in certain Italian communities throughout 1954 and 1955 under the guidance of the Director of the Economic and Political Land Institute of Italy. That initial project might serve as a model for similar studies in other areas. All those studies would, it was hoped, provide the United Nations and the specialized

agencies with further knowledge of the social impact of industrialization on rural populations and of the social consequences of land reform; they would be made available to the Council when completed.

UNESCO considered that land reform should be studied not only in the light of its impact on productivity but also, as the Pakistan representative had pointed out, in relation to the general social and political situation.

The meeting rose at 12.55 p.m.