UNITED STATES POLICY REGARDING LAND REFORMS
IN FOREIGN AREAS

811.16/9-2351

Policy Statement Prepared by the Inter-Agency Committee on Land
Reform Problems

CONFIDENTIAL


LAND REFORM POLICY

Foreign policy, to be effective, frequently requires the support of
active and progressive programs in other countries. Mere allegations

1 This policy statement was transmitted to the Secretary of State on March 23
under cover of the following letter from Clarence J. McCormick, Under Secretary
of Agriculture and Chairman of the Inter-Agency Committee on Land Reform
Problems:

"The Inter-Agency Committee on Land Reform Problems, which was set up
several months ago under my chairmanship, has prepared a proposed statement
on Land Reform Policy which, under the Committee's terms of reference, is to
serve as a recommendation to the Secretary of State on United States foreign
policy with respect to land tenure problems.

I take pleasure in submitting to you the enclosed policy declaration—with the
request of the Committee that you send me your concurrence, or suggested re-
visions, that it be recommended to the Secretary of State as a directive for
United States policy in this field." (811.16/9-2351)

On April 11 Secretary of Agriculture Charles F. Brannan informed the Secre-
tary of State by letter that the policy statement printed here had been approved
by all the participating agencies in the Inter-Agency Committee on Land Reform
Problems other than the Department of State. Brannan asked that the policy
statement be accepted as official policy of the Department of State and be trans-
mittted to responsible officials abroad. (811.16/4-1151) In letters of reply of
April 10 and April 25, respectively, Under Secretary of State James Webb In-
formed Under Secretary McCormick and Secretary Brannan that the Depart-
ment of State was sending the Land Reform Policy Statement to American
Embassies, Legations, and some Consulates for information, guidance, and re-
quest for suggestions for modifications. Webb's letter to Brannan specifically
stated that the Department of State had approved the policy statement. (811.16/
9-2351 and 811.16/4-1151) For the circular airgram of April 17 transmitting
the policy statement to diplomatic and consular officers abroad, see infra.

This policy statement, with the revision indicated in footnote 2 below, was
approved by the Inter-Agency Committee and circulated as a document dated
March 19. The revised text was used in the Department of State circular airgram
of April 17 and was circulated at the Under Secretary's Meeting as document
UM D-142, May 10, as background for the discussion in the Under Secretary's
Meeting of May 14; see the record of that meeting, p. 1671. A copy of UM D-142
was sent to George Elsey, Administrative Assistant to President Truman, on
May 11 under cover of the following note from J. Robert Schaeftel, Special
Assistant to the Assistant Secretary of State for Economic Affairs:

"George, I don't know whether this paper—and the continuing work in the land
reform field—has been brought to your attention. It is a rare example of the
Department's exploring a new field of international activity. It might also be
a useful peg for a speech one day." (George M. Elsey Papers, Harry S. Truman
Library)

The Inter-Agency Committee on Land Reform Problems under Under Secre-
tary McCormick's chairmanship included representatives from the Department
of State, the Department of the Interior, the Department of Labor, and the Economic
Cooperation Administration. The papers of the Inter-Agency Committee have not
been found in the central files of the Department of State.

*Land reform is concerned with improvement of agricultural economic insti-
against other ideologies are not enough to fulfill our positive objectives.

In most countries, including our own, economic progress and political stability are closely related to the prevailing system of agricultural economic institutions. In many areas present unsatisfactory institutional arrangements are a source of persistent discontent and unrest. This has been recognized in U.S. domestic policy and more recently emphasized in our foreign policy as illustrated by far-reaching land reform in Japan and support of land reform measures in Formosa.

Policy Objectives

1. The basic objective is to improve agricultural economic institutions in order to lessen the causes of agrarian unrest and political instability. This objective should be sought by improving the position of the farmer on the land to the end that he may have (a) greater security of tenure, (b) an incentive to increase production and conserve resources (including the utilization of technological advances suitable to each economy), and (c) an equitable share of the output. (It is, of course, recognized that specific land reform measures will have to be evaluated in relationship to the conditions peculiar to each region and country.)

2. A secondary objective is to disengage “land reform” from the complex of ideas exploited by Soviet Communism, by making clear to the various peoples and governments of the world that genuine land reform can be achieved through their own governmental processes, and that steps in the direction of accomplishing the basic objective will receive U.S. support, as appropriate.

Policy Guide

The United States Government:

1. Will give encouragement and assistance to land reform when and wherever it will substantially contribute to promoting the objectives enumerated above.

a. Will take every opportunity in both planning and administration of its foreign economic and technical assistance programs to encourage and assist desirable land reform measures.

b. Will also lend other practical assistance to desirable land reforms in addition to its economic and technical assistance programs.

Institutions, i.e. agricultural land ownership and tenancy, land rents, taxation of agricultural land or income from land, and also agricultural credit and producer marketing. Agricultural technology, physical problems of land utilization and development, conservation of resources, methods and levels of productivity, and problems of rural industries will be included insofar as they are relevant to the institutional problems enumerated above. [Footnote in the source text.]

As subsequently revised by the Inter-Agency Committee, as transmitted in the circular telegram of April 17, and as circulated as UMD–142, May 10, the phrase “take every opportunity” was deleted from this paragraph.
a. Will actively encourage and assist in carrying forward land reforms in non-self-governing territories under U.S. administration and will be prepared, upon request, to work with other governments in connection with desirable land reform in such territories under their administration.

d. Will take every opportunity to support and encourage desirable land reform programs through all appropriate international agencies.

2. Will give extensive publicity, both at home and abroad, to accomplishments in support of land reform, and to progress in the U.S. and in other countries toward the above objectives.

808.16/4-1751: Circular airgram

The Secretary of State to Certain Diplomatic and Consular Offices

CONFIDENTIAL

WASHINGTON, April 17, 1951—12:55 p.m.

The Department wishes to draw the attention of certain Foreign Service posts to the following statement of U.S. policy regarding land reforms in foreign areas:

[Here follows the text of the Policy Statement prepared by the Inter-Agency Committee on Land Reform Problems, March 9, supra, with the revision indicated in footnote 2 thereto.]

In recent public statements the President, the Secretary of State and the Secretary of Agriculture have stressed the interest of the U.S. Government in the “problem of the use and ownership of land, a source of misery and suffering to millions.” In his speech at the UN General Assembly in New York, September 20, 1950, Secretary Aucheson referred to this problem as an example of the kind of need to which members of the UN should direct their efforts. He called attention to the efforts of nations in many parts of the world to achieve a better distribution of land ownership and cited recent illustrations of democratic land reform in India, in Japan, and in the Republic of Korea. These examples “suggest what can be done on a cooperative democratic basis, by processes of peaceful change, which respect the dignity of the individual and his right to self-reliance and a decent livelihood. The result has not been what has been called land reform in certain other parts of the world—to collectivize the farmer and to

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1 This circular airgram was sent to 70 missions abroad. It was drafted by Cleon O. Swayzee, Labor Adviser to the Assistant Secretary of State for Economic Affairs, and was cleared by officers in the Bureaus of European Affairs, Near East, African, and South Asian Affairs, Far Eastern Affairs, United Nations Affairs, Inter-American Affairs, and in the Technical Cooperation Administration. Swayzee was Chairman of the Department of State Committee on Land Reform Problems, which committee presumably participated in the drafting of this airgram.
place him under the complete control of the government instead of the land owner.”

In the UN General Assembly the U.S. gave vigorous support to the resolution on land reform adopted November 20, and more recently has advocated study of the land problem in trust territories by a committee of the Trusteeship Council. On February 16, Secretary Brannan, in an official statement of U.S. views on the long-term program of the FAO, urged greater attention to the improvement of conditions of land tenure as a vital factor in getting increased production. FAO experience “has convinced us that production is greatest under conditions that promote the dignity and worth of the individual. We have found that in agriculture these conditions are best achieved when the individual can own the land he works, or has a security of tenure, when he can get the productive facilities he needs, and when he can market his products at a fair return to him.”

It will be noted that in Secretary Brannan’s statement of U.S. views, and in the policy statement, land reform has been defined broadly to include not only promotion of land ownership for the farmer but also provision for his security of tenure, whether as owner or tenant, for his access to cheap credit facilities, and for equitable marketing facilities for his product.

The policy statement indicates U.S. interest in land reforms wherever they may contribute to the economic and political stability of the free world. Accomplishment in support of desirable land reforms has naturally been greatest in areas where the U.S. has been in position to take an active part. In several countries land reform has recently been undertaken with the active encouragement and assistance of the U.S. In Japan three million farmers—well over half of all the farmers in Japan—have acquired land as a result of land redistribution initiated in 1946 by the Japanese Government with help from the American occupation authorities. In the Republic of Korea land reform programs undertaken with the help and stimulus of U.S. agencies had, prior to invasion, reduced tenancy among Korean farmers from two-thirds to less than half. Recent reports indicate that South Korean reforms carried out since invasion have enabled over one million farmers to acquire land, with a corresponding reduction in tenancy. In China, before the Communist seizure, the U.S. joined with the Chinese Government in setting up the Joint Commission on Rural Reconstruction. On the recommendation of this Commission land re-

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*For the full text of Secretary Acheson’s address, see Department of State Bulletin, October 2, 1950, pp. 523-529.

*Regarding the General Assembly resolution under reference here, see the Position Paper for the U.S. Delegation to the U.N. Economic and Social Council, July 20, p. 1673.
forms were belatedly begun by the Nationalist Government. These are now being implemented in Formosa. In Italy, ECA funds have made possible the beginning of land redistribution and have helped to finance large-scale irrigation and reclamation works which are a necessary prerequisite to extensive land reform in that country.

In recognition of the U.S. interest and concern in problems of land reform abroad, an Interagency Committee on Land Reform was recently set up under the Chairmanship of the Under Secretary of Agriculture, with membership from the Department of State, the Department of Interior, the Department of Agriculture, the Department of Labor, and the Economic Cooperation Administration. This committee has been established to formulate recommendations to the Secretary of State on U.S. foreign policy in this field and on the direction and ways in which, the U.S. should exercise its political and economic influence to promote desirable land reforms.

The policy statement was approved by the Interagency Committee on Land Reform, and by the Department, as a general guide to U.S. policy on land reform. This general statement is to be supplemented by more specific consideration of land reform in countries in which the land problem is believed to be a source of serious present or potential unrest. The Interagency Committee has set up four regional working groups to formulate separate recommendations regarding countries in Latin America, Europe, the Far East, and the Near East, Africa, and South Asia. It is recognized that both the need for land reform and the possibility of U.S. influence on behalf of democratic land reform will vary widely from country to country and that exchange of views on specific programs with the country missions is essential.

The U.S. will continue to make known, directly and through U.N. agencies, its interest in desirable land reform. So far as possible, however, publicity will be aimed at exploiting specific accomplishments, rather than the reiteration of general intentions.

Action requested.

The Department requests:

(1) The transmission of pertinent information on land problems and land reform not already made available to the Department.

(2) Specific suggestions on practical application of this land reform policy in your area.

Acheson
CONFIDENTIAL
UM N-344

[Here follow two brief paragraphs summarizing the discussion of the use of Consultative Subcommittees and East-West trade.]

_Land Reform Policy (UM D-142_)^

3. Mr. Thorp reported that there is considerable pressure for doing something with respect to land reform. However, the implementation of our land reform policy is difficult when specific countries are considered. Mr. Thorp pointed out that land reform refers to "institutions", such as agricultural land ownership, rents, taxation, etc. He pointed out that a land reform program has been active in Japan, and approximately 90% of the farmers are now land owners. There has been an active program in Korea. The Joint Commission on Rural Reconstruction had been active and effective in South China before the Communists came there. There has been an active program in Formosa and ECA has been active in this field in Italy.

4. Mr. Thorp stated that an interdepartmental committee on land reform policy was established about three months ago and is chaired by the Department of Agriculture. This committee developed the general statement which is contained in UM D-142. At the present time four regional subcommittees have been set up to look into the specific problem of land reform in individual countries. Among these are the Philippines, Indonesia, Bolivia, Egypt, Iran and Pakistan. In the near future an international seminar will be held at the University of Wisconsin on this problem.

5. Mr. Thorp pointed out that the Soviets are very active in propagandizing their theme of land reform. It was pointed out that Mr. Barrett has a great interest in this respect. Mr. Thorp stated that since

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1 Top officers of the Department of State met periodically, sometimes twice a week, under the chairmanship of the Under Secretary of State to discuss important foreign policy problems. Present for this meeting were Under Secretary of State Webb, Special Assistant for Intelligence W. Park Armstrong, Assistant Secretary of State for Public Affairs Edward W. Barrett, Acting Deputy Administrator for Technical Cooperation Johnston Avery, Director of the Bureau of German Affairs H. Byroade, Deputy Legal Adviser Jack B. Tate, Assistant Secretary of State for United Nations Affairs John D. Hickerson, Deputy Under Secretary of State H. Freeman Matthews, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs George C. McGhee, Assistant Secretary of State for Inter-American Affairs Edward G. Miller, Jr., Director of the Policy Planning Staff Paul Nitze, Deputy Assistant Secretary of State for European Affairs James C. H. Bonbright, Assistant Secretary of State for Far Eastern Affairs Dean Rusk, and Assistant Secretary of State for Economic Affairs Willard L. Thorp. This record was presumably prepared by the Committee Secretariat Staff of the Executive Secretariat.

2 The same as the Policy Statement prepared by the Inter-Agency Committee on Land Reform, March 9, p. 1666.
studies are underway on a country basis, responsible officers should be assigned to help out in these studies.

6. Mr. Barrett pointed out that land reform is an important propaganda theme, but it is a difficult one to apply in terms of specific countries. It is easy to manage on a world-wide basis, however. He also pointed out that the Voice is attempting to expose the fallacy of the Soviet land reform line. Mr. McGhee emphasized the difficulty in applying a broad policy to individual areas because of conditions in those countries and the policies of the individual governments involved. He felt that the best opportunity to implement such a policy would be where indigenous movements start which could be encouraged by the U.S. Mr. Miller agreed and pointed out that the phrase “at their request” is an important one. He also suggested that it might be wise to make land reform an OAS operation. Mr. Rusk also agreed that this was a country-by-country problem and should be handled this way. He pointed out that land reform is only one of many things which we are attempting to accomplish. Others would include better industrial income, better civil service, etc. In certain countries land reform may be a low priority, and it should be weighed against other objectives which we are attempting to accomplish. He also suggested that we should not leave the impression that our land program in the U.S. is perfect. In this regard, Mr. Thorp pointed out that land reform is not just ownership and tenancy, but includes other things, such as marketing, credit, etc. He stated that this country had made a great deal of progress within the last ten or twenty years.

7. Mr. Hickerson agreed that this policy was a good one which could be followed in the UN. He stated that our line in the UN would have to be a general one, since we have to avoid appearing to intervene domestically in individual country problems.

**Editorial Note**

In meetings of the United Nations Food and Agriculture Organization, the United States took the opportunity to reaffirm its interest in the land reform issue. In an address on June 12 to the Twelfth Session of the Council of the Food and Agriculture Organization in Rome, Under Secretary of Agriculture Clarence J. McCormick, the head of the United States Delegation to the Council, stated that the United States wholeheartedly supported the efforts of international organizations to assist rural populations and to extend land tenure reform.

“Land reform,” McCormick explained, “in its broadest interpretation deeply affects security in the world today, and is definitely among the problems we must face up to in looking ahead to the future.”
McCormick also stated the following:

"We in the United States regard land reform in the broadest terms of improvement of all economic and social institutions surrounding farm life. We believe it must be concerned with improvement in opportunity of agricultural land ownership and security of tenure, with problems of land rents, with taxation of agricultural land or income from land, with agricultural credit and producer marketing. In our broad definition of land reform agricultural technology, physical problems of land utilization and development, conservation of resources, methods and levels of productivity, and problems of rural industries are also included insofar as they are relevant to the institutional problems I have enumerated." (Department of State Wireless Bulletin, June 12, 1951, pages 10–12.)

There was considerable discussion of the question of land reform at the Sixth Session of the Conference of the Food and Agriculture Organization held in Rome, November 19–December 6, 1951. The Conference adopted a resolution, proposed by the United States, which urged FAO member governments to put into effect the land reform measures recommended in United Nations Economic and Social Council Resolution 370 (XIII), September 7 (see the editorial note, page 1681). The United States policy on land reform was set forth in an address to the Conference by Clifford R. Hope, Congressman from Kansas and member of the United States Delegation to the Conference session; for the text of that address, see Department of State Bulletin, December 17, 1951, pages 998–1000.

Documentation on United States participation in the work of the United Nations Food and Agriculture Organization is included in the Department of State's central files in file 398.03–FAO.

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10 Files

Position Paper Prepared in the Department of State for the United States Delegation to the 13th Session of the United Nations Economic and Social Council ²

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SD/E/551

LAND REFORM

(Item 4(e))

[WASHINGTON,] July 20, 1951.

Problem:

In Resolution 491 (V), adopted at the 312th Plenary Meeting, No-

¹ Master files of the Reference and Documents Section of the Bureau of International Organization Affairs of the Department of State, comprising the official U.N. documentation and classified Department of State records on U.S. policy in the United Nations.

² This was one of a large dossier of position papers prepared for the U.S. Delegation to the 13th Session of the U.N. Economic and Social Council, held in Geneva, July 30–September 21. Regarding that ECOSOC session and American activity there, see the editorial note, infra.
vember 20, 1950, the General Assembly of the United Nations recommended that the Secretary General, in cooperation with the Food and Agriculture Organization, and on consultation with other appropriate specialized agencies, prepare and submit to the 18th Session of ECOSOC an analysis of the degree to which unsatisfactory form of agrarian structure and, in particular, systems of land tenure, in the underdeveloped countries and territories impede economic development and thus depress the standards of living, especially of agriculture workers and tenants, and of small and medium-sized farmers.

The resolution further requested ECOSOC to continue the analysis referred to above and to prepare recommendations to the General Assembly with a view to improvement of the conditions of the agriculture population, paying special attention to such measures as the following:

a) Institution of appropriate land reform;

b) Appropriate action on the part of the governments concerned to render financial aid to agricultural workers and tenants and to small and medium-sized farmers through cheap agricultural credit facilities, comprehensive technical assistance, and the promotion of rural cooperatives;

c) Construction or development, either by direct government action or suitably financed cooperative groups, of

i) Small factories and workshops for the manufacture, maintenance and servicing of the most essential agricultural machinery and for the storage of spare parts;

ii) Locally-based enterprises for the processing of agricultural products;

d) Taxation policies designed to lighten, to the greatest possible extent, the tax burden on tenants and small and medium-sized farmers;

e) Promotion of family owned and operated farms and of cooperative farms, as well as of other measures to promote the security of tenure and the welfare of agricultural workers and tenants and of small and medium-sized farmers;

The Report “Defects in Agrarian Structure as Obstacles to Economic Development” (E/2003) has been submitted to ECOSOC. What position should the U.S. Delegation take with regard to the conclusions and recommendations in the Report?

Recommendations

The U.S. Delegation to ECOSOC should:

A. Introduce or support a resolution by ECOSOC along the lines of the attached draft resolution.⁴

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⁴The attached draft resolution is not printed here. It was subsequently circulated to ECOSOC at Geneva on September 3 as U.N. Doc. US/E/285, September 5.
B. Comment on the substance of the Report as follows:

1. Support strongly the findings in The Report of the Secretary-General on Land Reform that for many countries the agrarian structure, and in particular the systems of land tenure, prevents a rise in the standard of living of small farmers and agricultural laborers, and that it impedes agricultural development both by preventing the expansion of the food supply and by causing agriculture to stagnate. In this connection, support the thesis that in addition to its importance to economic development and a rise in the standards of living of the population, land reform is essential to human dignity and freedom, as well as to social and political stability, which is a more general objective of the United Nations.

2. Indicate support for the conclusion of the Report of the Group of Experts on Methods of Economic Development on the need for land reform, without subscribing to all its observation (in particular with respect to paragraph 56, since the U.S. is not interested in class legislation and considers that the evils of landlordism referred to can be relieved through legislative and economic measures that will recognize the rights of all classes with respect to the land) and without accepting it as an adequate treatment of the subject (in particular with respect to the distribution of the tax load as it affects the various sectors of the economy including the cultivators of land, and as to institutional problems contributing to insecurity of land tenure).

3. With respect to the types of changes which would be desirable to effect land reform:

   a. Distribution of large holdings. Indicate that we favor, and give support to measures aimed at achieving the distribution of large holdings of agricultural land, including state or public lands, through proper legal and economic measures, for operating in family size units wherever such operation will be economically and socially advantageous to the population.

   b. Tenancy. While the U.S. believes that ownership is the most desirable objective, we recognize the finding in The Report of The Secretary General that tenancy is not in itself an unsatisfactory form of tenure where rents are not excessive and where security of tenure is safeguarded by legislation. But these conditions are generally lacking in underdeveloped countries where tenancy systems are characterized by exorbitant rental charges and lack of security of tenure. Urge that legislation be enacted and enforced to prevent the charge of exorbitant rentals on agricultural land and assure the cultivator security of tenure.

   c. Cooperatives. Indicate that we favor genuinely voluntary cooperative societies organized for the purpose of enabling the small farmer members to benefit from new developments in techniques of production, large scale purchasing and marketing, credit facilities and from the experience they acquire in social consciousness and responsibility through the democratic process of managing common problems at local level. Indicate that we recommend encouragement and support by governments for these developments. By genuinely voluntary cooperative societies we do
not mean organizations joined under pressure and designed merely as a step towards collectivization, under which the independent cultivator is in fact converted into a worker in the employ of the state.

d. Fragmentation. Note that rational cultivation cannot be carried on where farm holdings are split up into numerous different plots scattered over a wide area. The laws of succession have a definite bearing upon fragmentation (according to The Report, the pressure of population appears to be the predominant cause of this defect in the agrarian structure). Cite that several countries (Jordan, Lebanon, India) have made commendable efforts, with some success, towards the consolidation of fragmented holdings, indicating the importance of making increased efforts along these lines.

e. Settlement of title. Note the findings in The Report to the effect that lack of clear title to land leads to continuous disputes over resources, perpetuates insecurity and encourages the waste of land, water, and manpower. It prevents the cultivator from access to more reasonable credit. Urge that the status of ownership be clarified and that procedures and facilities for surveying land, and establishing and registering title to land be expanded and improved so that the cultivator-owner may face a minimum delay in securing evidence of ownership rights.

f. Fiscal Reform. Stress the importance of fiscal reform, with special emphasis on the principle of progressive taxation, as a means of preventing the imposition of inequitable taxes and other related charges on the cultivator of land. Improvement in tax administration would by itself remove some of the inequities of the existing tax systems, and is essential for implementation of a progressive tax system.

g. Agricultural Credit. Stress the importance of credit to the small farmer at reasonable rates. Urge the promotion of cooperative and other facilities which will give the small farmer access to credit at the village or local level and which will at the same time provide him with guidance as to the best methods of using the credit and marketing his produce. Full advantage should be taken of existing public and private credit facilities in such promotion.

4. Research and Education. Support the conclusion in The Report that there is need for an increase in research and an extension of educational and welfare services to the rural population, and that cooperative societies can play a role in providing such services. In this connection, urge

a. The expansion and development of national programs of fundamental education as a means of permitting people to develop their individual capacities to the utmost.

b. The establishment or expansion of national services for agricultural research and for education of the individual producer in the technological and economic aspects of agriculture and rural life.
5. **Industrialization.** Recognize the thesis in The Report that in countries where the population pressure on the land is excessive, and where the density of the farm population is increasing, in addition to land reform, there is need for greater diversification of production if the problem of surplus labor on agricultural land is to be alleviated and for integration of land reform with economic development plans as a whole. In this connection, however, call attention to the following considerations:

   a. To obtain more rapid results in improving the standard of living, even in countries with rural over-population, it is important that, without neglecting diversified economic development, immediate efforts be made to effect land reform and to improve techniques of agricultural production.

   b. In some countries, particularly where inadequate natural resources limit the development potential of modern industry, the increase in population may thwart the favorable effect of economic development on the standard of living. Urge, therefore, that the problem of increasing the standard of living in countries with serious rural over-population be considered not merely as a problem of economic development but also as a problem of population growth. (The majority of the EED Commission considers that the Council, itself or through such organs as it may specify, should keep the relationship between population growth and economic development under study as a matter of importance.)

6. **Agricultural labor.** Emphasize the need for improving the economic, social and legal status of agricultural wage earners. In this connection, stress that in many countries the well-being of self-employed farmers and agricultural wage earners are inseparably interconnected, and that full success of programs aiming at benefiting the small farmer will require parallel and simultaneous improvement in the wages, working conditions, and legal protestations provided for farm wage earners.

7. **Rural Industries.** With respect to item 2(c), in GA Resolution 401 (V), refer to the need to encourage industries, both cooperatives and others, in rural areas through which farmers can utilize their spare time to supplement their income from the land. The construction or development of any particular industry, whether to provide employment and income or to meet a demand for certain type of commodities, however, should be promoted within the framework of an over-all program for the economy as a whole, taking into consideration needs, priorities, resources and the availability of capital, both domestic and foreign.

**Discussion**

*Report by the Secretary General—Findings of Defects in the Agrarian Structure.* The report prepared by the Secretary General in response to this request of the General Assembly shows that for many countries the agrarian structure, and in particular systems of land tenure, prevent a rise in the standard of living of small farmers and agricultural laborers and impede agricultural development, both
by preventing the expansion of the food supply and by causing agriculture to stagnate.

Among the features of the agrarian structure which the reports find to have most serious effects on the standard of living of the agricultural population and economic development are:

1) The uneconomic size of farms.
2) The maldistribution of land ownership with the concentration of large estates insufficiently utilized and the landlessness of a large part of the rural population.
3) The fragmentation of holdings.
4) The high rents and insecurity of tenure characteristic of many tenure systems.
5) Indebtedness and lack of adequate credit facilities for the small farmer.
6) Absence of settled title to land and water.
7) Plantation economies which offer low wages and no share in management to the cultivators.
8) Taxation policies which impose undue burdens on the small farmers and farm laborers, and
9) In general, an unsatisfactory set of incentives for rising and sustained agricultural production.

These features, however, are not all present or of equal importance in all countries.

Possible Remedies for the Defects in the Agrarian Structures. Although the report does not make recommendations, it considers the types of changes which appear likely to have beneficial results on production, on living standards and on investment. (It does not, however, consider the specific practical measures which would have to be instituted to carry these changes into effect.) It is rather cautious in prescribing remedies for the defects it has found in the agrarian structures, and limits itself to the observation that on the basis of the experience of several different types of reforms designed to remedy these defects, certain types of changes are likely to have beneficial results. In this connection, it observed that in the widely varying circumstances found in the underdeveloped countries, the measures noted for special attention in General Assembly Resolution 401 (V), while each of great value, are not all of equal importance for all countries and hence the recommendation of any special measure or group of measures cannot be expected to meet all situations.

According to the report, the changes in the agrarian structure which are likely to have beneficial results include:

Distribution of Large Estates. The distribution of large estates which are extensively cultivated and include much idle land to small farmers and farm workers for operation in smaller units.

The break-up of large estates which are intensively cultivated and are highly capitalized units of production would have adverse effect
on production, but so far as plantation crops other than sugar are concerned, the difference in yields between large and small farms is not great enough to outweigh the social advantages (more equal distribution of the products of the land, production of food to meet local needs, and increasing the volume and improving the conditions of employment) which would be gained by resettlement in smaller farms.

In countries where the relationship between population and land is unfavorable and where the density of the farm population is increasing, the distribution of land ownership may improve the condition of the farm population (increasing the cultivator’s share of production) and may be a necessary step in the improvement of agriculture (increasing the cultivator’s ability and willingness to invest), but it cannot overcome the disparity between land and population; it will not enlarge the small holdings, the average farm size will still be very small, and large numbers of uneconomic holdings will still remain.

*Consolidation of fragmented holdings*. See Recommendation B, 3, d.

*Agricultural credit-cooperatives*. The creation of special agencies to provide agricultural credit in appropriate forms. Cooperative societies would help toward meeting the credit needs of the small farmer, but in conditions prevailing in the undeveloped countries the multi-purpose societies would be more suitable than cooperatives devoted to a single purpose, like the extension of credit.

The report emphasizes that such multi-purpose societies to be effective in dealing with the social and economic needs of the rural people must operate at the local or village level. Specialized institutions or single purpose societies may be needed at the provincial and national levels to coordinate the activities of local societies and to specialize in particular problems affecting the province or the country as a whole.

*Settlement of title*. Where the lack of clear title is simply the result of administrative inefficiency, it is a matter which can be remedied by legislative action.

Where title to land has a communal character (as in the DOT’s in Africa) and it is usufructuary rather than absolute, settlement of title is not merely a question of legal reform, but also a question as to what kind of tenure it is desirable to establish. This question, the report states, cannot be answered without consideration of wider social and economic issues and of the merits of various adaptations of traditional tenures used in schemes for cooperative cultivation.

*Water rights*. Adequate legislation on water rights so that the cultivator of land may have access to water as a right where shortage of water is the main factor limiting agricultural production.

*Tax reform*. Owing to the difficulties encountered in the administration of income taxation on agricultural activities, it would appear that while the long run objective should be the establishment of progres-
sive income taxation, there are other forms of taxation which are susceptible of short run reforms. Among these, the report suggests, are improvement in the administration of the land tax and enactment of specific tax relief measures applicable to small farmers.

Another objective of tax reform which the report suggests, is the promotion of cultivation by taxation of uncultivated land and by means of specific tax exemptions to encourage the cultivation of the more desirable products while discouraging less desirable products by heavy tax rates.

The report recognizes that reform of the tax structure must take into account the relationship between broader objectives of social and economic policy and the narrower aspects of tax machinery. Where governments are able to remove defects in the agrarian structure, the report adds, the tax burden borne by the cultivator is more tolerable, but the revision of an inequitable tax system ordinarily merits the attention of government simultaneously with other measures of reform.

Research and education. The report also emphasizes the need for an increase in research and an extension of educational and welfare services to rural communities. In this it envisages an important role for the cooperative societies. The cooperative movement can provide rural leaders as a link between the rural community and the government; it can act as a focus for many local activities and can stimulate the demand for health services, agricultural education and other rural amenities. Such demand, it observes, is the one essential condition for advance.

The need for multi-sided approach to land reform. In conclusion, the report stresses that changes in the land tenure system are more likely to lead to a rise in the standard of living of the farmer and farm workers when they form part of a general program for the improvement of the agricultural organization than when they are taken in isolation. Many of the benefits which might be expected from reform in the tenure system will be nullified if steps are not taken to provide appropriate facilities and services to the newly established small farmer either individually or as a member of an association.

Legislation on rental charges and security of tenure. In particular with regard to the problems of high rent and security of tenure, the report is not optimistic that legislative measures adopted for this purpose in isolation can be successful. It has found that under the conditions prevailing in many of the undeveloped countries (pressure of population on land) control of rent by legal restrictions as to maximum rates has proved extremely difficult to enforce. The same is true of legislation to provide conditions of secure tenure.

Suggestions to governments. The report ends with certain suggestions specifically directed towards governments in countries where agrarian conditions "constitute a barrier to economic development".
Such governments are urged to study agrarian problems in light of their own economic and social objectives and to base policy decisions on thorough scientific investigations. It also suggests that the relevant experience of other nations be examined. The opportunity for governments to avail themselves of the facilities of the United Nations and its specialized agencies is brought out strongly in connection with the need to assess the relative merits of measures already available and to coordinate possible measures with broader plans for economic development.

Additional material on land reform in specific countries, including Japan, Korea, the Soviet area, and Trust Territories has been made available to the Delegation.

Editorial Note

In pursuance of United Nations General Assembly Resolution 401 (V), November 20, 1950 (see the Position Paper of July 20, supra) the United Nations Economic and Social Council at its 13th Session in Geneva, July 30—September 21, considered the question of land reform, particularly at its 533d to 541st plenary meetings, September 3–7. At its 541st meeting, September 7, the Council adopted Resolution 370 (XIII), which was based upon a United States draft resolution (E/L.246/Rev 1) of September 3. For the text of the Council’s Resolution 370 (XIII), the United States draft resolution, and an account of the Council’s deliberations, see Yearbook of the United Nations, 1951 (New York, United Nations Department of Public Information, 1952), pages 404–408. The position of the United States on land reform was set forth formally in a speech by Isador Lubin, United States Representative on the Council, at the Council’s session on September 3; for the text, see Department of State Bulletin, September 17, 1951, pages 467–473.

During its Sixth Regular Session in Paris, November 6, 1951 to February 5, 1952, the United Nations General Assembly considered the question of land reform. The issue was considered in particular by the Assembly’s Second Committee at its 176th to 180th meetings, January 7–10, 1952. A nine-power (including the United States) resolution endorsing the Economic and Social Council’s Resolution 370 (XIII) was approved by the Second Committee on January 10 and was adopted by the General Assembly on January 12, 1952, as Resolution 524 (VI). For the text of the General Assembly resolution and an account of its passage through the Second Committee and the Assembly, see Yearbook of the United Nations, 1951, pages 409–
411. The United States position on land reform was set forth in a speech made in the Second Committee on December 20 by United States Delegate to the General Assembly Channing Tobias; for the text of the speech, see Department of State Bulletin, January 14, 1952, pages 63–66.

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811.15/9–1151

Memorandum by the Acting Economic Operations Adviser of the Bureau of Near Eastern, South Asian, and African Affairs (Gardiner) to the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry)


Subject: Public Statement on US Land Reform Policy.

Background

E has drafted the outline of a speech which it proposes be made by the Secretary, the Under Secretary, or the Assistant Secretary for Economic Affairs at the opening of the University of Wisconsin International Land Tenure Conference in October. The Barrett Committee will meet this afternoon to determine whether this or any other speech on land reform should be made at this time. It would like to know NEA’s position.

Discussion

1) General. The President, the Secretary of State and the Secretary of Agriculture have at various times expressed this Government’s interest in land reform. The US has taken a positive position on the subject at the UN General Assembly and at the current ECOSOC session in Geneva. The Inter-Agency Committee on Land Reform has adopted a statement of policy which was sent to all missions abroad in April. The President commented favorably on Japan’s recent progress in land reform measures at San Francisco. Mr. McGhee was

1 A copy of the draft outline under reference here has not been found; regarding the Conference on World Land Tenure Problems sponsored by the University of Wisconsin and the speech made therefor by Assistant Secretary of State Thorp on October 9, see the editorial note, infra.

2 The reference here is to the Working Group on Public Relations, a Department of State committee under the chairmanship of the Assistant Secretary of State for Public Affairs Edward W. Barrett. The files of the committee have not been found in the holdings of the Department.

3 Regarding the 13th ECOSOC session referred to here, see the editorial note, supra.

4 See the circular airgram of April 17, p. 1668.

5 President Truman discussed the progress of land reform in Japan in the course of his address in San Francisco at the opening of the Conference on the Japanese Peace Treaty, September 4; for the text of the address, see Public Papers of the Presidents of the United States: Harry S. Truman, 1951, pp. 504–508.
questioned on land reform at the recent Senate Foreign Relations Committee hearings. There has, however, never been a major address by a high Department official on land reform.

Under Secretary of Agriculture McCormick feels that he and Secretary Brannan have gone as far as they can in speaking on this subject without seeming to be usurping on the functions of the Department of State. I understand that Secretary Brannan is considering personally asking Secretary Acheson to speak at Wisconsin. I also understand that on August 24, Mr. Webb agreed with Dr. Bennett that the latter might ask the President to speak there.

2) Specific. E, TCA and EUR favor a speech along the general lines outlined, i.e., a speech which would not imply promises for action which this Government could not fulfill but which would indicate that the US stands ready to provide economic and technical assistance, if requested, for the purpose of assisting land reform measures, that it will continue to support land reform through appropriate international agencies, and that it will continue to improve land ownership and tenant relationships at home.

P is undecided and is weighing imponderables, including the fact that Wisconsin is Senator McCarthy’s territory.

ARA and FE are opposed to any speech on the subject by a Department official on grounds that it is inappropriate and gives land reform an emphasis out of proportion to its importance.

Among the NEA offices, SOA believes that a speech would not be advisable since (1) it would make the US Government seem responsible for anything said at this private conference and since (2) to continue broad generalities, which are all that can be said, might do more harm than good.

AF, GTI and NE believe the draft outline is a careful and good one. They believe the Department should help the conference get off

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*Secretary Brannan was not alone in suggesting that Secretary Acheson address the Land Reform Conference. On August 23 Labor Adviser Cleon Swayne called on Senator James E. Murray of Montana and told him of the land reform policy that had been adopted by the Inter-Agency Committee on Land Reform Problems and of the plans then under way for the University of Wisconsin's international seminar on land reform problems. Swayne asked Senator Murray for his reaction to the proposal that Secretary Acheson use the occasion of the Wisconsin seminar for a major address on land reform. Senator Murray indicated at some length his entire sympathy for the land reform program, heartily approved the Secretary's making an address on the subject, and volunteered to speak in the Senate in support of land reform. (Memorandum of conversation by Swayne, August 23, 1951: 800.10/8-2351)*

*Dr. Henry G. Bennett, Administrator of the Technical Cooperation Administration.*

*President Truman did not speak at the seminar, but he did have occasion to address members of the seminar; see the editorial note, infra.*
to a good start on its serious six-week consideration of an important problem. Some think that it would add to US prestige.  

Recommendation: That NEA support the proposal before the Barrett Committee that the Secretary accept the invitation to open the Wisconsin Conference or delegate some other Department official.  

Documentation regarding the views of other Department of State bureaus toward the draft outline of a speech on land reform has not been found in Department of State files.  

The source text bears the handwritten notation: “Approved by Mr. McGhee, Sept 11.”  

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Editorial Note  

A Conference on World Land Tenure Problems, sponsored jointly by the University of Wisconsin, the Technical Cooperation Administration, and the Economic Cooperation Administration, was held in Madison, Wisconsin, from October 8 to November 17. The Conference was attended by representatives from more than 40 countries. On October 9 Secretary of State Acheson issued a statement to the press expressing interest in and support of the Conference. Acheson commented that the Conference was a “genuinely constructive fulfillment” of the spirit of the land reform resolutions adopted in the United Nations. In a lengthy formal address to the Conference, Assistant Secretary of State for Economic Affairs Willard L. Thorp reviewed United States support for the United Nations actions on behalf of land reform. For the texts of the Acheson statement and the Thorp speech, see Department of State Bulletin, October 22, 1951, pages 660–664. For an account of the opening of the Conference, see the Department of State Wireless Bulletin Number 245, October 8, 1951, pages 1–2, and 10.  

Representatives to the Conference on World Land Tenure Problems made a brief tour in mid-November which ended in Washington. President Truman spoke to the representatives briefly on the afternoon of November 20. For the text of the President’s remarks, see Public Papers of the Presidents of the United States: Harry S. Truman, 1951, page 632.