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Chairman: Sir Douglas COPLAND (Australia).

AGENDA ITEM 25

Economic development of under-developed countries (A/2686, A/2702) (continued):

- (a) **Question of the establishment of a Special United Nations Fund for Economic Development: summary by the Secretary-General of comments of Governments on the report of the Committee of Nine, report of Mr. Raymond Scheyven and report of the Economic and Social Council (A/2646 and Add. 1-4, A/2727 and Corr.1, A/2728 and Corr.1);**
- (b) **Question of the establishment of an international finance corporation: report of the Economic and Social Council;**
- (c) **International flow of private capital for the economic development of under-developed countries;**
- (d) **Land reform**

GENERAL DEBATE (continued)

1. Mr. BUENO DO PRADO (Brazil) was gratified to note that the question of the economic development of under-developed countries occupied an important place in the work of the United Nations. A systematic effort to solve that problem had begun, with a firm determination to achieve positive results.

2. The problem was held by persons of unquestioned authority to be one of decisive importance for the future of society. Mr. Mendès-France, Prime Minister and Minister of Foreign Affairs of France, had pointed out that all countries had a share in the responsibility for implementing plans to further any undertaking that might promote economic development. Mr. Luns, the Netherlands Minister of Foreign Affairs, had gone so far as to say in the General Assembly (480th plenary meeting) that the work of the ninth session would be

judged by the results it achieved in the sphere of economic assistance to under-developed countries. Moreover, the non-governmental organizations that had taken part in the proceedings of the Economic and Social Council had spoken in favour of the establishment of the Special United Nations Fund for Economic Development and had emphasized the great social and humanitarian significance of such an undertaking.

3. Judging from the comments they had submitted in accordance with General Assembly resolution 724 B (VIII), governments, too, were convinced that the economic development of under-developed countries had to be accelerated. Mr. Scheyven had stated in his report (A/2728 and Corr.1) that eight industrialized countries had announced that they no longer considered the reduction of armaments under international control to be an essential condition for the establishment of the special fund. That meant that public opinion in those countries had changed and had come to realize the great political importance of economic assistance to poorer countries. The economic and social stability of the community of nations was at stake. So long as peoples lived in want, without being able to make use of their own national resources, the world would not be free from distress and discontent which would inject an element of hostility into political relations and might eventually lead to aggression.

4. Although agreement had apparently been reached on the theoretical plane regarding the establishment of SUNFED, it was regrettable to note that no substantial progress had yet been made towards practical achievements. Government circles in some industrialized countries had manifested a certain reluctance. The delegations of those countries had asserted that their Governments were aware of their responsibilities and wished to contribute to the best of their ability to the economic advancement of the under-developed regions, but they had refused to adopt the point of view of the under-developed countries. They had based their stand on the past experience of their countries and had held that the same remedies that had been successfully employed a century or a half century before should be applied to the present circumstances. They had also stated that they could not assume additional responsibilities in view of their heavy military expenditures and the help they were already giving to countries in need of economic, financial and technical assistance.

5. According to the Government of the United States of America, which viewed the situation of the under-developed countries in the light of its own national experience, the problems of under-development should be solved by bringing into play the incentive of free enterprise, coupled with individual effort and administrative and financial discipline. Convinced of the value of the methods that it had used to create favourable conditions for private investment, it considered that the under-developed countries were now in a position to exploit their own resources. The United States, however, had

enjoyed rapid and sound economic growth because it had had an uninterrupted influx of capital during its period of growing industrialization, and clearly the present conditions in the under-developed countries could not be compared in any way with those the United States had known. In the period that had intervened, the repercussions of the 1929 crash had shaken the foundations of the world economy, and the Second World War had given rise to new political, economic and social concepts. At present, the world was living in uncertainty and under the threat of total war.

6. Recent years had not been favourable to under-developed countries. While the reconstruction of the devastated regions of Europe had been given absolute priority over all other programmes of economic and financial assistance, the amount of capital invested in under-developed countries, faced though they were with serious difficulties, was negligible. There was no reason why those countries should draw up plans for economic development, since they did not have the money to carry them out and there would be no influx of private capital unless investors were offered greater inducements than they found in their own countries. Hence, the investment of public capital in those undertakings which constituted a nation's economic and social capital, such as public works, schools, housing, roads, etc., was essential to create a suitable climate for the influx of private capital. Those were primary investments essential to a country's development. Mr. Scheyven had shown in his report that funds for non-self-liquidating investments could be supplied neither by private capital nor by the existing international bodies which furnished financial assistance.

7. The under-developed countries had great possibilities for economic development but they were primarily producers of raw materials. As soon as their production had become diversified, their economy would begin to function normally.

8. It was a great mistake to argue that such problems of economic integration and stabilization could not be tackled and solved until the international political situation had improved. That argument mistook the cause for the effect. Such facile reasoning would lead the Committee into a vicious circle which would prevent it from formulating constructive solutions and bold proposals capable of giving effect to the principles of international coexistence laid down in the Charter of the United Nations. There would be no escape from that vicious circle if the Committee stood by while the States Members of the United Nations which had capital available, i.e., those which had the means to assist other States, made their contributions to plans for international mutual financial aid contingent upon possible savings in their military budgets. Those plans had been studied again and again and their implementation was essential for general prosperity. In fact, world peace, or at least the ideological front which was being built up against subversion, would not be consolidated as long as disarmament was placed before economic development. The offer of half a dozen field guns or jet aircraft was less valuable a contribution to defence and security than assistance extended to an under-developed area for the construction of a hydro-electric power station or of some similar undertaking, for prospecting for new natural resources, for agricultural development, for the improvement of communications or for public health schemes.

9. He was convinced that the problems faced by the under-developed countries could have serious world-

wide political and social repercussions and he drew the attention of the industrialized countries to the responsibilities which they had to assume.

10. From the economic point of view, too, an improvement in the situation of the under-developed countries would be to the advantage of the industrialized countries. There could be no doubt that the solution to many world economic problems lay in the development of those countries which had only just started to develop, and in the widest possible international co-operation. The bodies essential to that purpose had therefore to be established, i.e., SUNFED, which would provide the capital needed to finance non-self-liquidating projects, and the international finance corporation which would be responsible for obtaining private capital. The Brazilian delegation would give its enthusiastic support to the establishment of those bodies, not only with the interests of its own country in mind, but because of a desire for a system of general economic development which would be designed primarily to eliminate differences in national economic and social standards.

11. His delegation, while aware of the important part played by the Technical Assistance Administration and by the International Bank for Reconstruction and Development, thought that the work of those two bodies had not always met the needs of the under-developed countries. In many cases it had proved impossible to implement technical assistance programmes owing to lack of capital, and the Bank had had to refuse its assistance to many important public works projects. SUNFED and the international finance corporation would prove to be valuable additions to the general financing machinery for which the under-developed countries were pressing.

12. In conclusion, he said that the time had come for practical accomplishment. He appealed to those industrialized countries which had sincerely accepted their responsibilities to give practical support to the proposed project without delay. While it was true that economic progress would be primarily the result of national effort, it could not be achieved without international co-operation on a large scale.

13. Mr. BOIKO (Ukrainian Soviet Socialist Republic) stressed the importance of the economic development of under-developed countries, and pointed out that the question had been considered on many occasions in the past, both in the General Assembly and in the Economic and Social Council. He noted, however, that the debate in progress was proceeding under changed conditions: the relaxation of international tension provided an opportunity to study more closely the possibilities of solving the vital problem of economic development of under-developed countries and encouraged those countries to press for the adoption of concrete measures.

14. The situation of the under-developed countries was far from encouraging. The United Nations could not fail to recognize its gravity or evade the obligation to remedy it.

15. If that was to be achieved, the cause of the evil had to be sought. Several representatives had already suggested that the root cause lay in the dependence of the under-developed countries on foreign monopolies, which were taking advantage of the financial difficulties of the under-developed countries to try to seize the key positions in their economies. The reports of the Economic Commission for Latin America (ECLA) and of the Economic Commission for Asia and the Far East (ECAFE) admitted that foreign capitalists paid little

regard to the development of the under-developed countries, that their chief motive was to earn the largest possible profits from their investments, and that they accordingly invested their capital in mining industries and cash crops.

16. As Mr. Scheyven had pointed out in his report, (A/2728 and Corr.1), pages 4 and 5, the economic activity of the under-developed countries should not "be restricted to agriculture and mining . . ." That "would be to establish their economy on a strongly cyclical basis, i.e., it would make it too sensitive to economic changes, as raw material prices [were] subject to considerable fluctuation . . . Thus industrialization [was] an essential condition for a harmonious and balanced economy." That industrialization called for vast capital and the accumulated national resources of the under-developed countries should constitute its main source. In the meantime, however, the accumulation of capital in those countries was extremely low. This was, to a considerable extent, due to the fact that a very large proportion of the national income of the under-developed countries was absorbed by payments of interest and dividends on foreign investments; it was also due to the losses sustained by the under-developed countries as a result of disparities in the exchange of raw materials for industrial goods, and to the existence of restrictions in international trade. Once the serious drain on their resources abroad had been eliminated the under-developed countries would have an adequate proportion of those resources at their disposal. That drain was several times as great as the volume of the subsidies and low-interest loans which the under-developed countries might expect to receive from the special fund. Foreign capital could serve a useful purpose only if it constituted merely a supplementary method of financing and did not place the country in a state of economic and political dependence.

17. Furthermore, the economic development of under-developed countries could not be effected without the removal of the obstacles to the establishment, on a rational and equitable basis, of trade between those countries and the other countries of the world. It was a well-known fact that the recent trend in the terms of trade had been unfavourable to the under-developed countries: during the period of 1952-1953 the decline in the prices of raw materials supplied to the world market by the under-developed countries had been greater than the decline in the prices of industrial products which took place in 1953. According to the United Nations *Monthly Bulletin of Statistics* for August-September 1954 the world trade price index for industrial products had risen from 100 in 1950 to 117 in 1953, while the price index for raw materials had risen to only 108. As a result of the difference between the movement of raw materials prices and those of industrial products, the latter returned in 1953 to the 1951 level, while raw materials prices in 1953 were 13 per cent below the 1951 level and those of non-food agricultural products were 29 per cent below that level. Many under-developed countries, whose economies were based almost entirely on the sale of a very limited number of raw materials, were being forced to cut down their imports of capital equipment, essential though those imports were for their economic development. The only remedy lay in restoring the balance in the exchange of goods and in eliminating obstacles to international trade and developing that trade on the basis of equality of rights of the partners and of their mutual benefit. Assistance to under-developed countries should

have as its primary aim the development of their natural resources and should never be accompanied by political or economic demands which would place the recipient countries in a dependent position.

18. In conclusion, he drew the Committee's attention to the need for land reform in the under-developed countries. That was the prerequisite for increased agricultural production, and hence of improved standards of living. The People's Republic of China provided an illustration on that point.

19. Mr. USCOCOVICH (Ecuador) said that his delegation had always attached great importance to the question of the economic development of under-developed countries and to the establishment of an international finance corporation and of the Special United Nations Fund for Economic Development.

20. He briefly reviewed all the facts previously brought out during the discussion of the problem at earlier sessions of the General Assembly and of the Economic and Social Council and the arguments adduced in favour of establishing the two proposed bodies: disproportion between world population growth and the increase in food production, chronic under-nourishment of more than half of the world's population, the current disequilibrium in the economy of the under-developed countries, which depended almost entirely on the sale of a very limited number of raw materials and was therefore extremely sensitive to any price fluctuations, a chronic deficit in the balance of payments of most under-developed countries, the existence in many of those countries of special legislation permitting repatriation of foreign capital and the advantages which would accrue to the industrialized countries from any acceleration in the economic development of under-developed countries.

21. World prices for primary commodities had to be stabilized at just and equitable levels. Recent developments in the case of coffee prices illustrated that point: after a progressive rise owing to poor crops, the price of coffee had dropped abruptly and he had read in the United States press that the United States Government was considering the possibility of increasing coffee production in its dependent territories and in other areas so that it should no longer have to depend on one region of the world for that product. That attitude was contrary to the interests of the coffee-producing countries of Latin America which derived the bulk of their foreign exchange earnings from that crop. There were vast areas in those countries in which coffee could be grown and he was convinced that with the necessary technical assistance and the financial aid which was essential if technical assistance was to produce results, coffee production could be increased and production costs reduced. Ecuador would be glad to receive constructive assistance of that kind.

22. There were moral as well as economic reasons for assisting the economic development of the under-developed countries. As Mr. Scheyven had stated in his report (A/2728 and Corr.1), page 1, "Poverty inexorably condemns hundreds of millions . . . to hunger and compels them to live in filthy hovels . . . Hundreds of millions are illiterate and because of their ignorance regard their lot as the will of fate". The wealthier nations could not continue to close their eyes to that state of affairs. The time had come to take action and to prepare draft statutes for the two bodies whose establishment was proposed. If the Second Committee once again contented itself with adopting a vague resolution

like those which it had approved previously, it would inevitably cause great disappointment to the peoples of the under-developed countries.

23. His delegation, therefore, was in favour of establishing the international finance corporation and the Special United Nations Fund for Economic Development, but thought it desirable that the finance corporation be established first.

24. Mr. KATZ-SUCHY (Poland) pointed out that despite the protracted discussions which the United Nations had already devoted to the economic development of under-developed countries, despite all the studies which the Secretariat had published on the subject, the penetrating analyses which ECLA and ECAFE had made of the economic situation in 1953, and the many resolutions adopted by the Economic and Social Council at its seventeenth and eighteenth sessions, no progress had been made. The mistake of placing increasing emphasis on the question of finance was apparently being made, while the essential point, the economic and social aspects of the problem, was being neglected.

25. He recalled that the Polish delegation had emphasized unceasingly in United Nations organs the need to take steps which would help to strengthen the economic and political independence of the under-developed countries and to raise the standard of living of their peoples. Economic development could be achieved only within the framework of a co-ordinated investment programme capable of stimulating the productive forces of the nation, a programme designed primarily to promote industrialization, the modernization of agriculture and the production of consumer goods to satisfy the increasing needs of the people. On the initiative of the Polish delegation and others, the Economic and Social Council had adopted a series of resolutions on land reform, the distribution of national income, the trade of the under-developed countries, and the like. Unfortunately, and despite the fact that the General Assembly had adopted them unanimously, virtually no action had been taken on those resolutions. Instead of persevering in that direction, the United Nations had, since the seventeenth session of the Economic and Social Council, concerned itself principally with the financing of economic development and with the role which foreign private capital could play in that regard.

26. On 21 December 1952, the General Assembly, in resolution 622 C (VII), had requested the Secretary-General to analyse the international flow of private capital and had asked him in particular to give the reasons for the continued inadequacy of such investment in under-developed countries, so as to facilitate the efforts of the Economic and Social Council in its formulation of constructive proposals. In response to that request, the report entitled *The International Flow of Private Capital 1946-1952* (E/2531) had been submitted to the General Assembly. Referring to the findings of that report, he observed that its authors had noted that private capitalists were primarily interested in exploiting the natural resources of under-developed countries; the bulk of the United States private capital exported after the Second World War, for example, had been invested in the petroleum industry both in Latin America and in the Middle East. Moreover, the volume of private investments in the under-developed countries was being increased mainly through the reinvestment of profits. United States capitalists were making a profit of some \$2,000 million a year on their

investments, or the equivalent of an interest rate of fifteen per cent, but the amount of dividends and interest repatriated exceeded that of new investments and the flow of capital was not towards but away from the under-developed countries. The authors of the report had admitted that in the post-war period foreign private capital had played an insignificant part in the economic development of under-developed countries, from which they concluded that those countries should not rely on foreign private capital for their industrialization but should attempt to increase their production of exportable raw materials.

27. It was difficult to accept the conclusions contained in the report, especially the recommendation just mentioned, but the information it contained clearly illustrated how foreign monopolies exploited the under-developed countries and prevented the development of their productive capacity. It might have been hoped that the Economic and Social Council would have used those data to formulate constructive proposals. His delegation regretted that that had not been the case. On the contrary, Council resolution 512 B (XVII), which was at the moment before the General Assembly, was based on the false supposition that international private capital contributed to the development of the under-developed countries and that foreign capitalists would increase their investments in those countries if the Governments concerned created a more favourable climate, particularly by granting tax concessions by facilitating the remission of earnings and the repatriation of capital. The Economic and Social Council had thus made itself the spokesman for the interests of international monopolies and had placed on the under-developed countries the responsibility for the prevailing inadequate flow of private capital.

28. If the capital-importing countries complied with those recommendations, it was, of course, possible that there might be an increase in foreign investment, but that would not be reflected automatically in any improvement in the economic situation of the under-developed countries. On the contrary, experience showed that any attempt to maintain or to strengthen the links between the less developed countries and foreign capitalists—and Council resolution 512 B (XVII) would have no other effect—inevitably made the under-developed countries even more dependent on foreign monopolies.

29. The recommendations of the United Nations had to be based solely on the interests of the under-developed countries and must not seek to protect the interests of foreign capitalists who were the representatives of the great monopolies. Foreign private capital could not usefully contribute to the economic development of the under-developed countries unless it was complementary to national investment and did not interfere with the political and economic rights of the country; resolution 512 B (XVII) was far from fulfilling those conditions.

30. Criticizing the position taken by the International Bank for Reconstruction and Development with regard to economic development, he said that only forty per cent of the loans granted by the Bank had gone to under-developed countries, although their needs were certainly more pressing than those of other countries. Of the total amount lent by the Bank to Members generally, only nine per cent had been for purposes of industrialization. He particularly objected to the Bank's official doctrine as stated in its annual report for 1952-

1953.¹ The authors of the report had agreed that most of the under-developed countries had sufficient resources to expand their production substantially and increase their national income but attributed the fact that their resources were not adequately developed to conditions in the countries concerned themselves. They had alleged that such factors as administrative shortcomings, political immaturity, lack of enterprise, the character of the people and the low level of culture tended to discourage domestic savings and foreign investment. The Bank had criticized the entire social, economic and political organization of the under-developed countries. The only conclusions it had reached related to the role of governments in economic development. The Bank was, of course, hostile to any form of planned economy and was even opposed to state investment in sectors of interest to private capital. On the other hand, it had no objection to the use of state machinery for the benefit of foreign capitalists; government intervention should, it felt, be directed towards the creation of a more favourable climate for foreign investments. In short, the Governments of the under-developed countries should apply a "sound fiscal policy"; they should, in other words, limit public expenditure on social, cultural or educational projects, grant tax exemptions to foreign capitalists and freeze wages at the lowest levels. The Bank, far from trying to further the interests of the under-developed countries, had made itself the official spokesman of those who wished to keep the under-developed countries under the domination of foreign monopolies.

31. Under the circumstances, it was not surprising that the economically weak countries turned their backs on the Bank, in which they had lost confidence, and demanded the establishment of new international agencies that would really help them to advance towards their goal. His delegation did not share the optimism of those who still hoped that, with the early establishment of those new agencies, the financing of economic development would be greatly facilitated. The discussions held out little hope for the immediate establishment of the international finance corporation or of the Special United Nations Fund for Economic Development. He would not, however, oppose any suggestion to keep the proposals on the agenda of the United Nations.

32. The General Assembly should not confine its attention to methods of financing economic development; it should also consider the current economic situation in the under-developed countries and the effect that that situation would have on the whole world if it was left unremedied. The *World Economic Report, 1952-1953* (E/2560) and the surveys published by the regional economic commissions showed that the difficulties of the under-developed countries were mainly due to their adverse balance of trade; the fall in prices after the short-lived "boom" of 1950-1951 had greatly curtailed the under-developed countries' capacity to import and thus impeded their economic development.

33. Quoting from the *World Economic Report, 1952-1953*, which referred on page 56 to the decline in investments of fixed capital, and the *Economic Survey of Latin America 1953* (E/CN.12/358)², which stated that the most important economic phenomenon of the year had been the slowing down of the rate of industrial

development, he pointed out that the annual rate of increase of industrial production, which had been 7.7 per cent for the period from 1945 to 1951, had been only 1.3 per cent in 1953. The trend of prices in international trade had had severe repercussions on the raw-material exporting countries. The drop in export earnings had slowed down public and private investment considerably; the deflationary trend had resulted in increased unemployment and a drop in consumption. Those remarks applied equally to Asia, the Middle East and Latin America, as was shown by official United Nations surveys. The underlying reasons for that situation were indicated by the comparative analysis of the demand for primary commodities and the demand for manufactured goods, shown on page 84 of the *World Economic Report, 1952-1953*. The passage showed that the under-developed countries, whose economy was conditioned by the demand of the industrialized countries, had been subject to the influence of forces entirely beyond their control. The authors of the *World Economic Report, 1952-1953* had recognized that a war economy inevitably resulted in a decline in civilian production, an increase in taxation and a decline in consumption, which was bound to have a disastrous effect on foreign trade and hence on the economy of the under-developed countries.

34. That analysis should serve as a starting point for the formulation of recommendations to help the under-developed countries to overcome some of the obstacles impeding their development. It was certainly of vital importance to those countries that the armaments race be stopped, that their export markets be expanded and that they be able to obtain the capital goods they required to achieve real economic progress. His delegation was prepared to support any proposal along those lines.

35. It should be borne in mind that any measures to expand international trade by lowering tariff barriers and eliminating artificial restrictions or discriminatory treatment would improve the world economic situation, and help the under-developed countries. Those countries were far from having exhausted every possibility of expanding their exports. An expansion of East-West trade would open new markets to them and provide them with a regular supply of capital goods, raw materials and manufactured goods. Many of the most pressing problems of the under-developed countries would be solved by the implementation of resolution 523 (VI), adopted by the General Assembly in 1952, concerning integrated economic development and commercial agreements. The conclusion of commercial agreements of the kind recommended in the resolution would help to stabilize raw material prices, and would provide the under-developed countries with a basis for lasting and equitable trade relations, which would protect them from exploitation by foreign monopolies.

36. The United Nations should spare no effort to eliminate the obstacles to the establishment of harmonious trade relations between nations. In that connexion, the regional economic commissions had considerable scope for useful action, and the Polish delegation hoped that there would be the closest possible co-operation between them. The Permanent Advisory Commission on International Commodity Trade could also play an important part, if it sought to expand trade between all countries in accordance with the principle of equality of rights and mutual interest. The under-developed countries would inevitably benefit from such expansion, which would be in line with the purposes of the United Nations, whose primary objective

¹ International Bank for Reconstruction and Development, *Eighth Annual Report, 1952-1954*, Washington, D.C.

² United Nations publication, Sales No.: 1954.II.G.1.

was to strengthen the bonds of friendship and confidence between nations.

37. Mr. UMARI (Iraq) thought that the discovery of atomic energy and man's efforts to promote the economic development of the under-developed areas were undoubtedly the two outstanding facts in the history of the twentieth century: the link between the two facts was closer than might perhaps appear at first sight.

38. The economic development of the under-developed countries was an enterprise of far wider scope than that of the nineteenth century industrial revolution, but the scientific and technological advances and the accumulation of capital made possible by the industrial revolution should facilitate the enormous task that faced the nations of the world.

39. All the under-developed countries had an urgent need for capital goods without which their natural resources could not be developed. The importance of foreign investments therefore had to be measured in terms of goods and services. The under-developed countries were not greatly concerned as to the source whence the capital they needed came. Their primary concern was that that capital be furnished on fair terms. Both lender and borrower had to respect each other's independence and to conform to what might be called a code of honour.

40. With those objectives in mind, the General Assembly, encouraged by the remarkable success of the International Bank for Reconstruction and Development, had contemplated the establishment of an international finance corporation with a broader field of action than that of the Bank and able to make longer term loans. Such an agency would direct all investment operations and serve as an information centre, and might draw up a code of honour of the kind to which he had referred. He reserved the right to refer to that plan again in due course.

41. The Special United Nations Fund for Economic Development, another plan under study, was based on a different idea, that of collective responsibility in economic matters, which was easier to accept than collec-

tive responsibility in political or military matters. The work on the creation of SUNFED had already gone through several preliminary stages. The most recent had been the clear and concise report which Mr. Scheyven had submitted to the General Assembly. Despite his good will, Mr. Scheyven had been unable to ignore some of the less encouraging factors in the situation: the Committee would have an opportunity of examining them after the general debate. In any event, he wished to congratulate Mr. Scheyven upon the tact and skill with which he had carried out his difficult task.

42. The members of the Committee had agreed at the eighth session of the General Assembly that the establishment of SUNFED should not be made contingent upon world disarmament, but had recognized that disarmament would greatly facilitate its establishment. He hoped that the discussions now in progress would prove fruitful.

43. If they did, the Committee would have a very important task before it. The relationship between the use of atomic energy and the development of the under-developed countries would then be evident. If the memorable appeal of the President of the United States evoked the response it warranted, if the Soviet Union continued to be amenable, and if a specialized agency were set up to develop the use of atomic energy for peaceful purposes, a great stimulus would be given to the development of the under-developed countries. His delegation hoped that the efforts made in both respects would prove successful.

44. His country was successfully carrying out an agrarian reform programme. Seventy per cent of the royalties from the exploitation of Iraq's oil resources went to a recently established development committee, which invested the funds in productive and permanent economic projects such as dams and reservoirs, power stations and flood control works on the Tigris and Euphrates rivers. Those measures, coupled with the distribution of lands to the peasants, would make it possible to solve the agricultural problem in the near future.

The meeting rose at 5.20 p.m.