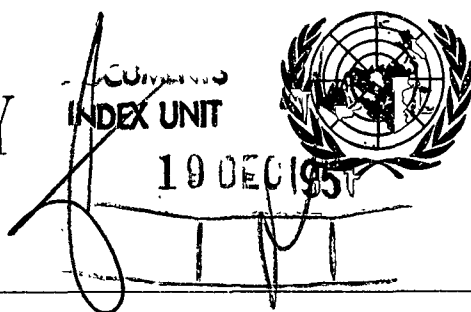


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SECOND COMMITTEE 150th

MEETING

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Chairman : Prince WAN WAITHAYAKON (Thailand).

Economic development of under-developed countries : report of the Economic and Social Council (chapter III) (A/1884¹ and A/1924) : (a) Financing of economic development of under-developed countries; (b) Land reform; (c) Technical assistance for the economic development of under-developed countries (*continued*)

[Item 26]*

GENERAL DEBATE (*continued*)

1. Mr. NARIELWALA (India) said that, as the representative of an under-developed country, he would first give a brief account of the economic situation in his country during the preceding twelve months. The hostilities in Korea, the stock-piling of raw material in industrial countries, their turnover of production to re-armament, and their inability to supply the under-developed countries with the consumer goods and equipment they required, had created serious inflationary trends and a rise in the cost of living.

2. Moreover, natural calamities such as floods and drought had increased the difficulties due to external factors and hampered effort, particularly in agriculture. In 1951 India had been obliged to import 5 million tons of grain, with a consequent adverse effect on its balance of payments. If the outlook for 1952 was no better, the development programmes that India had undertaken in accordance with the Colombo Plan would be extremely hard to carry out.

3. For the first five years of the six-year period of the Colombo Plan, the National Committee charged

with the implementation of the Plan had drawn up a programme to correct the economic disequilibrium resulting from the war and the partition of the country, and to lay the foundations for a speedy economic development in the future. The expenditure would be about 1,345 million pounds sterling, of which 1,120 million pounds was for the first period. The allocation of funds, which differed slightly from that laid down in the Colombo Plan, was 43 per cent as against 33 per cent for agricultural development and 23 per cent as against 16 per cent for social services. The allocations under the Colombo Plan of 38 per cent and 13 per cent for transport and communications and for industry respectively had been deliberately reduced for the chief aim of the Committee's plan was to raise agricultural production so as to enable the country to become self-supporting. Since India could only provide 62.5 per cent of the necessary capital from its own resources, it had to look to external aid for the balance.

4. On the imminent approach of the first general election with universal suffrage, the Government of India, in order to ensure the triumph of democratic ideas, was sparing no effort in the fight against poverty, famine and sickness, but at no point would that struggle be successful without the ever-increasing assistance of the more developed countries. A healthy economy, like peace, was one and indivisible.

5. The first essential, therefore, was to reduce the ever-widening gap between the standard of living of the peoples of industrial countries and that of the peoples of under-developed countries, and to ensure a fair distribution of income and wealth; for disequilibrium in standards of living was a source of political instability and a threat to international security. At the national level the most formidable obstacle was shortage of capital due to low levels of savings. It was, in fact, impossible to raise the volume of savings unless the economy was developed. That vicious circle

¹ See *Official Records of the General Assembly, Sixth Session, Supplement No. 3*.

* Indicates the item number on the General Assembly's agenda.

could only be broken by external aid. Hitherto the under-developed countries had been the "Cinderellas" of the family of nations. After the war, priority had been given to European recovery and the under-developed countries had been neglected, presumably on the ground that, as they were accustomed to poverty, they could wait. Now that the demand for war material was being given first priority, it could be feared that aid to under-developed countries would remain inadequate.

6. There was also room for the fear that the only object of the development programmes was to endow the under-developed countries with the means of producing the raw materials necessary to feed the industries of the advanced countries, whereas the main thing was to achieve, in balanced measure, the expansion and diversification of agriculture on the one hand, and the industrialization of the national economy on the other, thus leading to full employment.

7. On the international level, the inflow of private capital since the end of the war had not been sufficient to meet the requirements of the under-developed countries. A more reliable solution therefore would consist in governmental intervention for the channelling of investment. Four years of discussion and study in the General Assembly and in the Economic and Social Council and its various subsidiary bodies had not yielded practical results in that respect. The Council's resolution 368 (XII) failed to contribute anything new to the search for a solution or in the working out of concerted measures. The Council had even refrained from putting forward an opinion on the establishment of an international fund or institution.

8. The Group of Experts, on the other hand, had made two very important recommendations in its report on measures for the Economic Development of under-developed Countries². In its recommendation 13 it had proposed that the International Bank should take as its target the granting to the under-developed countries of loans up to a total of \$1,000 million *per annum*, while in recommendation 14 it had proposed the establishment of an international development authority which would have the main task of distributing economic development grants-in-aid to the under-developed countries. Unfortunately, those two proposals had been more or less discarded by the Council at its thirteenth session.

9. The Gray report and the opinions expressed by the Rockefeller Committee confirmed both the expediency of subsidies and the necessity of an international institution. The General Assembly itself, in resolution 400 (V), had recommended to the Economic and Social Council to consider practical methods, conditions and policies for achieving the adequate expansion and steadier flow of foreign capital, both private and public, and had requested it to submit its proposals to the General Assembly at the present session. The Indian delegation did not intend to ask the Council to go back on its resolution 368 (XII), but must give vent to its disappointment and to its hope that the international finance agencies would adopt a more liberal policy.

10. In the matter of technical assistance, the Indian delegation wished to state that the Economic and

Social Council's proposals on the prolongation of the Expanded Programme of Technical Assistance into 1952 were acceptable to the Indian Government, as were also the financial measures proposed in resolution 400 (XIII), but reserved its opinion on the procedure relating to pledges for contributions and the amount of such contributions.

11. His delegation also supported on the whole the proposals for land reform which the Council had put forward at its thirteenth session. The Indian Government was already engaged in implementing the various suggestions made, notably those for the abolition of the absentee landlord, the protection of farmers and the re-constitution of fragmented estates. Farmers were also receiving financial aid, either directly from the governments, or through co-operatives.

12. The population problem, which was closely bound-up with that of land reform, was also receiving attention from the Indian Government. The annual population increase of 1 per cent was exerting considerable pressure on the country's agricultural resources. His delegation was therefore awaiting with interest the result of the Population Commission's work on means of controlling and limiting the increase in population in over-populated areas.

13. He paid tribute to the Economic Commission for Asia and the Far East which, after collecting factual data on the situation in its region, was now undertaking the execution of the programmes it had worked out on the basis of the results yielded by its studies. He hoped that the Commission would become a permanent body.

14. In conclusion, he repeated that so long as the armaments race continued the under-developed countries were bound to suffer neglect. To secure the development of those countries the United Nations must devote all its efforts and all its resources to restoring and maintaining peace throughout the world by securing an equitable distribution of economic resources.

15. Mr. LIMA (Brazil) said that one of the greatest services the United Nations had rendered the cause of peace was to make the economic progress of under-developed countries one of the main aims of international co-operation.

16. Among the difficulties encountered in the work undertaken to promote the economic development of under-developed countries, he would mention the fact that the development of those countries could not and must not be regarded as an investment of capital for purpose of imperialist expansion or trade, and the difficulties consequent on re-armament. The development of under-developed countries must be regarded as a matter of social justice, which was the true foundation of peace.

17. When it came to the question of financing that development, it was found that private capital was not prepared to finance economic and social projects which were only expected to yield long-term results. As the General Assembly had stated in resolution 400 (V), only the existence of sufficient public funds would enable under-developed countries to pass through the fundamental stages of their development. It was essential, therefore, to make a fresh effort to put at the disposal of the under-developed countries larger resources derived from public funds to finance

² United Nations Publications, Sales No. 1951. II. B. 2.

basic programmes of industrial equipment and social welfare.

18. He felt that for the time being such an effort could only be made through the banking and financial institutions already in existence. The creation of a new agency to finance under-developed countries by means of long-term loans and gifts had no chance of success in existing conditions. As was shown by the fact that the Economic and Social Council had been unable to state an opinion on the subject, the suggestion for such an agency still needed time to mature.

19. His Government was particularly interested in land reform. It has already initiated studies and measures of very wide scope in that field, dealing more especially with the relations between sugar-cane planters and manufacturers. The Brazilian delegation, in conjunction with those of Pakistan, Thailand and the United States, had submitted a draft resolution on land reform (A/C.2/L.76 and Add. 1).

20. He expressed satisfaction with the United Nations' activities in connexion with the technical assistance programme; the results attained showed that anything was possible in the field of international co-operation. With very modest resources the United Nations and specialized agencies had embarked upon a task the scope of which could only be determined in some years' time, but the importance of which was already universally recognized.

21. Nevertheless the Brazilian delegation wished to draw attention to the need for closer co-ordination of the financing plans of the International Bank and the technical assistance programmes.

22. Regarding the Expanded Programme of Technical Assistance, he observed that his country's contribution came fifth in order of size, and he was surprised that the name of Brazil did not appear on the list of contributing countries given in paragraph 562 of the Report of the Economic and Social Council.

23. To conclude, his delegation would warmly support paragraph 1 of the operative part of the draft resolution submitted to the Assembly by the Economic and Social Council in resolution 399 (XIII) directing the Secretary-General to place on a continuing basis the programme of vocational training in public administration.

24. Mr. JACOME (Ecuador) had nothing to add to the description of the situation in the under-developed countries which emerged from the studies of the United Nations' experts and the speech of the Chilean representative (147th meeting) and which made it clear that economic development was a problem of social justice the solution of which must be sought through international co-operation attuned to each country's resources. Obviously many difficulties would have to be overcome to achieve economic development, and it would take a long time to accomplish.

25. The United Nations had set about the task, and, although its action was limited, the work it had undertaken in the field of technical assistance was exceedingly useful. There were not, however, sufficient resources at its disposal on the international level to finance economic development. That was the function of the International Bank for Reconstruction and Development. The Bank's resources were not unlimited, and under its Articles of Agreement, it had

to invest them with prudence, and only in carefully considered projects, so that its loans could not furnish more than part of the required investment capital. The task of development implied either an improved organization and an increased production in already existing branches of activity, or else the creation of entirely new branches. Normally the tendency was to limit imports of foreign capital to projects of the latter type. And yet in many under-developed countries, among them his own, the supply of relatively small funds to small agricultural producers, artisans and small scale industrialists would quickly lead to a considerable increase in production and a consequent improvement of the people's standard of living. The allocation of such funds would allow the receiving countries to balance their trade budgets and build up the necessary savings to enable them gradually to establish, by their own efforts, new branches of activity in keeping with their natural resources. He recalled that the developed countries themselves, particularly those in Europe in the postwar period, had received foreign aid for the development or reconstruction of their existing industries.

26. Referring to the position of his own country, he noted that it possessed a system of development banks which made loans to agriculture and industry. Owing to lack of funds, however, credit was granted only at very high interest rates and was inadequate to meet all needs. The low standard of living of the under-developed countries manifestly prevented them from building up the necessary savings to develop existing production, and a call must therefore be made upon international funds. The International Bank could, without endangering its financial security, co-operate with industrial and agricultural credit systems by granting them loans which might be guaranteed by the national institutions concerned.

27. With regard to the development of new branches of economic activity, he stressed the need for the exploitation of natural resources which were left untouched owing not only to shortage of funds but also to the dearth of population in the areas where they existed. That was a problem which must be settled in conjunction with that of over-population, from which many countries were suffering.

28. He reserved his delegation's position with regard to other items on the agenda and presented the draft resolution (A/C.2/L.79) which had been submitted by his delegation and the guiding principles which he had just explained.

29. Mr. DE SMET (Belgium) recalled that in 1947, when he was representing his country on the Second Committee, he had expressed a fear (37th meeting) that the work of the United Nations would get lost in a maze of theoretical propositions. He was therefore happy to note the results obtained since then, both in studies and in achievements, especially in the matter of technical assistance. The experience of Belgium in economic development was far from negligible; before the First World War his country had made a considerable contribution to the development of the coke furnace industry, particularly in Russia. Although that activity had occurred at a time when there was no need for anxiety concerning the security of foreign investments, it might serve as a guide in present conditions, and the slogan should be: "Let production expand throughout the world."

30. Dealing with the question of financing economic development, he noted that action in that field had hitherto included : private action, bilateral inter-governmental action—in particular through loans from the Export-Import Bank—and multilateral inter-governmental action, represented by loans from the International Bank for Reconstruction and Development. The activities of the last named agency had developed on a considerable scale; it had already granted loans for about \$1,250 million, of which more than \$300 million had been granted during the past financial year. Economic development, however, demanded not only the execution and establishment of self-liquidating projects, but also the execution of projects which were not directly self-liquidating, particularly in connexion with public works. For that reason the under-developed countries were pressing for projects relating to both economic and social development. Three recent publications on the subject, the Gray report, the Rockefeller report and the report of the Group of Experts on *Measures for the Economic Development of Under-developed Countries* had aroused great interest. These reports recommended, in particular, an increased volume of lending by the International Bank; the establishment of an international finance corporation to encourage the movement of private capital; the setting-up by capital exporting countries at governmental level of institutions similar to the Export-Import Bank and the establishment of an international development authority to distribute subsidies to under-developed countries for projects not directly self-liquidating or to grant either interest-free or low-interest loans.

31. He noted that the loans of the International Bank were limited rather by the absence of carefully prepared plans than by the dearth of capital; the Bank was assisting the countries concerned to prepare plans, and without fixing any target figures for the amount of loans, it would be helpful if the Bank were encouraged to continue along that line. The establishment of an international finance corporation to facilitate the movement of private capital, a question which in paragraph 13 of its resolution 368 (XIII) the Economic and Social Council had asked the Bank to study, would be of value, but the creation of a free flow of private capital depended mainly upon an atmosphere of mutual confidence. He approved the principles set forth in that connexion in the draft resolution recommended for adoption by the Economic and Social Council. He noted that the Council had not accepted the suggestion of the experts that capital-exporting countries should establish institutions on the lines of the Export-Import Bank; he felt that it would be impossible for countries other than the United States to use the same methods, even on a smaller scale.

32. He recalled that the Economic and Social Council had requested that a study be made of the question of establishing an international body to make grants for non-self-liquidating projects. In that connexion he pointed out that the under-developed countries could do more to mobilize their own resources and that an improvement in the balance of payments of many countries in that category had increased the resources available for their development, whereas the defence programmes were depriving the industrialized countries of the resources necessary for making many grants; further, those latter countries had special responsibilities to their overseas territories; that was particularly true of Belgium.

33. It appeared therefore to follow that the resources available were for the time being insufficient to admit of the organization of a large-scale scheme of grants. The principle should not however be abandoned. Such grants had already been made in certain cases by the United Nations Relief and Works Agency, the International Refugee Organization and other agencies; contributions to the technical assistance programme were also a form of grant. More could be done in that direction if the world could be relieved of the burden of armaments. In the present circumstances, the best course would be to adopt the resolution proposed by the Economic and Social Council and to wait and see if the Secretary-General had any suggestions to make.

34. The regular activities of the United Nations and the specialized agencies played a vital part in improving the position of the under-developed countries. That was also true of the technical assistance programmes. Belgium had supported all those activities and had taken part in these programmes.

35. With regard to the ordinary technical assistance programme, the Belgian delegation would not oppose the proposal contained in Council resolution 399 (XIII) that credits for the public administration training programme should be included in the United Nations regular budget.

36. In connexion with the Expanded Programme of Technical Assistance, to which Belgium had made a contribution proportionate to its means, the Belgian delegation considered that for experts to visit the under-developed countries and for indigenous technicians from those countries to visit the highly industrialized countries was an excellent plan, and it was glad to note that those two methods of technical assistance were being more and more widely employed. On the contrary, it was less inclined to believe in the value of study cycles and felt that supplies of material should be allocated with great caution.

37. The Belgian delegation welcomed the efforts of the Technical Assistance Board at co-ordination and hoped that the activities of the United Nations, the Bank and the Fund in the field of technical assistance would be closely linked up to one another so as to avoid overlapping. It endorsed the proposal embodied in the Council's resolution 400 (XIII) concerning the participation of the International Telecommunication Union and the World Meteorological Organization in the Expanded Programme of Technical Assistance, and would agree to the establishment of a fund of \$3 million to cover the continuance during the ensuing financial year of projects which had not been completed during the current year.

38. In view of the difficulties experienced by the secretariats in recruiting experts and placing fellows while keeping expenses as low as possible, the Belgian delegation proposed that a waiting list be established, and kept up to date, of experts, classified according to their special qualifications, whose candidature had been submitted to the agencies concerned.

39. While it was true that the governments of the applicant countries should receive advice, in choosing fellows, the governments of the technically developed countries should exercise care in selecting the technical experts to be sent abroad. For that purpose, the Belgian Government had set up a co-ordinating

committee comprising representatives of the ministries concerned, the professional associations and the universities. Furthermore, the General Assembly might lend its moral support by encouraging public administrations, teaching establishments and private undertakings to release technical experts for a stated period with a guarantee that their posts would be kept open and that their salaries and promotion rights would be maintained.

40. The Belgian delegation was prepared to recommend that its Government should sanction a further contribution for the year 1952, on condition that all the Member States took part in the additional programme and that the stipulations it had laid down with regard to the utilization of its contributions would continue to be observed.

41. There could be no doubt that the most fruitful and lasting contribution that could be made to the economic and social development of the countries in question would be to give successive generations of their inhabitants general education and technical instruction on a wider and wider scale. The parts played by UNESCO, FAO, ITO and WHO in that respect were vitally important.

42. With regard to agricultural development, he said that both the report of the experts appointed by the Secretary-General of the United Nations and resolution 370 (XIII) contained many very pertinent recommendations.

43. In the industrial field, the restoration of peace would offer almost unlimited opportunities to the under-developed countries, where the latest scientific discoveries could be applied forthwith.

44. Nevertheless, difficulties of transport and of the distribution of the goods produced were one of the most serious obstacles to economic development. Increased means of transports and better communications should accordingly be constantly encouraged.

45. In conclusion, he observed that the present war psychosis was a grave hindrance to the formulation of plans. The investment of private and public capital for the benefit of under-privileged areas would only be feasible if peace returned to the world.

46. Mr. VON HELAND (Sweden) said that previous speakers had clearly expounded the serious economic situation in which the world found itself and, in particular, the wave of inflation that threatened to engulf it. The Swedish Government had taken energetic steps to deal with inflation at home.

47. When reading the report of the Economic and Social Council he had been particularly impressed by the figures showing the disequilibrium between the growth of the world's population and the production of foodstuffs. The world's population was increasing at the rate of 1 per cent *per annum*, whereas the corresponding figure for foodstuffs was only 0.10 per cent *per annum*. That disproportion would increase if the steps taken to lower the mortality rate were successful. Mankind's average standard of living could not be raised unless countries with a high birth rate and a relatively low rate of food production would adopt systematic measures of birth control.

48. World food production was paradoxical, in the sense that some countries had a surplus of foodstuffs, which meant a fall in prices with serious consequences

for the producer, while in other countries entire populations went hungry. Speaking broadly, an increase in agricultural production was essential, in view of the general multiplication of needs and the necessity for reducing cost prices. But, if farmers were to make new efforts to increase food production, they must be guaranteed stable markets and prices. If they were not, the farmers' unions could hardly ask their members to increase production. In that connexion, the position of the dairy industry in Sweden was causing grave anxiety to the dairy farmers who were now considering restricting production. The stabilization of markets and prices would also enable the under-developed countries to bring their balance of payments into equilibrium and to draw up long-term development programmes.

49. FAO and the United Nations should devote serious consideration to that problem, promote the conclusion of new international agreements on agricultural and other primary commodities, on the lines of the International Wheat Agreement, and hasten studies for the establishment of an international agency to distribute agricultural surpluses at normal prices.

50. He recalled that the Swedish delegation had voted in favour of the resolutions on agricultural problems adopted at the last sessions of the Council and the General Assembly, and expressed his satisfaction that some under-developed countries had during the year taken steps to increase agricultural production, by introducing *inter alia* agricultural reforms and encouraging the formation of co-operatives. The Swedish delegation would vote in favour of the United States draft resolution on land reform presented jointly with Brazil, Pakistan and Thailand, and which specifically emphasized the importance of the recommendation adopted by the Economic and Social Council on that subject.

51. He also recalled that during a conference held in 1951 at Mexico City, the International Federation of Agricultural Producers had stated that the existence of unsatisfactory systems of land tenure was a serious obstacle to agricultural production, and had asked FAO to give priority to requests from governments for technical assistance in the field of land reform and the improvement of land tenure systems. The Federation had also urged FAO actively to support the establishment of the co-operative system in agriculture. By helping to stabilize prices and conditions of sale for agricultural produce, the co-operative system was a powerful incentive to farmers. The Federation had also recommended that FAO should revise its constitution and adopt a system similar to that of the International Labour Organisation, giving the right of representation to agricultural producers and co-operatives, which constituted 80 per cent of the population of the under-developed countries and a large majority of the population of the world. Such an amendment would enable the representatives of farmers and agricultural co-operatives to play a larger part than hitherto in the conduct of FAO's activities.

52. The Swedish Government was ready to assist the under-developed countries, so far as lay in its power, by providing assistance in the technical and social fields and in connexion with co-operatives. There would be no need to set up new international agencies to solve the economic problems by which governments were faced, if existing institutions were used more

effectively. The Economic and Social Council had been wise to abstain at its thirteenth session from recommending over-ambitious plans for international assistance in the form of grants, since few countries were in a position to make any large contributions at present.

53. Mrs. WRIGHT (Denmark) said that in his speech at the 146th meeting, the Assistant-Secretary-General in charge of Economic Affairs had emphasized that the difference between *per capita* income in the highly developed countries and in the under-developed countries was tending to increase instead of diminish. The Committee should never forget that crucial fact. The reforms and remedies to be applied to the economy of the under-developed countries would have to be as varied as the causes of those countries' backward condition. After the war of 1864, Denmark had been forced to make up the loss of part of its territory by a better utilization of remaining resources, and was therefore fully aware of the problems of economic development. As regards the financing of economic development, the importance of which was generally agreed, the group of experts appointed by the Secretary-General had recommended *inter alia* that the International Bank should be asked to increase its loans to the under-developed countries, that an international development authority should be set up and that the possibility should be explored of establishing an international finance corporation. Quoting paragraphs 12, 13 and 14 of resolution 368 (XIII) adopted by the Economic and Social Council in connexion with these recommendations, she added that since statements already made in the Committee showed that the establishment of a new agency for the financing of economic development would not be favourably received by the majority of the members, an effort must be made to use the existing instruments, i. e. the International Bank and the Expanded Programme of Technical Assistance, as effectively as possible.

54. She next recalled that at the thirteenth session of the Council, the International Co-operative Alliance had demonstrated the importance and usefulness of the part that could be played in mobilizing capital and savings in the under-developed countries by banks and co-operative credit and insurance organizations³. She hoped that the Alliance would submit a specific proposal to the Committee. The experience of Denmark and other countries showed that co-operative agencies could take an outstanding part in the development of a country's national economy.

55. In connexion with technical assistance, the need for and usefulness of which no longer required proof, she expressed her satisfaction at the progress achieved in setting up in a number of countries national technical agencies as a means of achieving better co-operation between governments of Member States in overcoming initial difficulties. She hoped that governments would continue to contribute to technical assistance by lending their best qualified experts. However, the granting of technical assistance also raised a financial problem, and at its last session the Economic and Social Council had contemplated convening an international conference to solve it.

56. The Scandinavian countries were ready to contribute to the necessary effort, despite their own diffi-

culties. She was, however, sorry to note that so far only a small part of the original Danish contribution of 660,000 kroner had been used. She asked the Secretariat to inform delegations what proportion of the contributions, particularly those from the soft currency countries, had been used so far. Although there was a temptation to use the available hard currency first, it was also important to make maximum use of soft currency contributions. Direct negotiations with the governments concerned would undoubtedly show that it was possible to make more use of them, and thus encourage the voting of new contributions by the Parliaments of those countries whose financial support was requested.

57. In conclusion, she stressed the importance of closer co-operation between the International Bank and the Technical Assistance Administration. If aided by the latter the under-developed countries succeeded in drawing up well-balanced programmes, it would be easier for them to obtain from the Bank the funds necessary to carry them out.

58. Mr. STADNIK (Ukrainian Soviet Socialist Republic) said that his delegation's views, already repeatedly stated, on the development of the under-developed countries, were based on the fact that any improvement in the position of those countries presupposed their ceasing to be treated as mere appendages to the economy of the capitalist countries that exploited them. The policy of the capitalist countries was opposed to the industrialization of the under-developed countries, particularly in regard to heavy industry.

59. Since the "assistance" programme known as "Point Four", which had been supported by a certain majority in the United Nations, had been put into effect, the United States capitalists' grip on the under-developed countries had steadily increased, and in more than one case British monopolies had been ousted in the process. He quoted figures showing the increased production of United States oil companies in the Middle East and the volume of United States capital invested in the Lebanon. In his view, the United States of America had perfected the system of colonial exploitation of the under-developed countries by making their economy subject to the economic and strategic aims of United States policy. He recalled, in particular, the losses sustained by Indonesia owing to the United States embargo on exports of rubber to the Chinese People's Republic and the statements of the Bolivian representative on the United States monopolies' unilateral fixing of tin prices, which were still at their 1945 level.

60. He quoted a passage from the Secretariat's *Review of Economic Conditions in the Middle East*⁴, which showed the considerable increase in the United States' and United Kingdom's investments in the oil industry and the contrast between the enormous potential resources of the region and the extremely low standard of living of its inhabitants. That was the direct result of those countries' economies' being exploited by foreign monopolies; for example, Mr. Mossadegh, Prime Minister of Iran, had stated that in 1950 alone the profits of the Anglo-Iranian Oil Company had amounted to nearly 200 million pounds, almost twice as much as the sum total of the dues which the Company had paid Iran since its creation.

³ See *Official Records of the Economic and Social Council, Thirteenth Session, 546th meeting.*

⁴ United Nations Publications : Sales No. 1951. II. C. 3.

61. The so-called programme of technical "assistance" to under-developed countries, instituted under the "Point Four" programme, was a new device which the United States was using to lay hands on the economy of the Near and Middle East and establish military bases there. The bilateral agreements concluded between the United States and the countries in receipt of such assistance provided that the latter should assist the work of the United States specialists, who were concentrating on plans of military interest such as the construction of roads, aerodromes and ports. It was significant, moreover, that the total military subsidies to countries in those regions were far higher than the credits for economic assistance. In that connexion, he quoted an article in *The New York Times* showing that the United States authorities had admitted that the programmes of economic aid were closely linked with military requirements. He also referred to a statement by the President of the Export-Import Bank that the Bank would grant loans to foreign countries to enable them to produce strategic raw materials needed by the United States.

62. The United States was using its "economic aid" as a pretext for interfering in the economy of the recipient countries. He referred, in particular, to the steps it had taken to stop exports of Egyptian cotton to the Soviet Union.

63. The way in which the "Point Four" programme had been put into practice had shown, therefore, that it conflicted with the interests of the under-developed countries. Yet United States policy in that respect encountered no resistance on the part of the United

Nations, as it should have done under the Charter; in fact, the United Nations' actions made it easier for the United States to obtain a grip on the economy of the under-developed countries. At its last session, for example, the Economic Commission for Asia and the Far East had carefully refrained from examining the fundamental problems which arose in connexion with industrialization of that region.

64. In his view, technical assistance and the financing of economic development should serve the development of the domestic resources of the under-developed countries, more especially their industrialization; they should be designed to consolidate their economic independence and should not be subject to the grant of any privileges whatsoever. National control of their natural resources, moreover, would bring the under-developed countries far greater revenue than they could obtain under assistance programmes. Foreign capital could, no doubt, be used for economic development, but it must not afford a means of exploitation.

65. In assisting the development of the under-developed countries, the principles laid down in the Charter must then be applied; in particular, the independence of the under-developed countries must be respected. The United Nations should resist any attempt to use economic assistance in order to obtain a hold over them.

66. The CHAIRMAN said that the list of speakers in the general debate was closed and read out the list.

The meeting rose at 7.25 p.m.

