

GENERAL
ASSEMBLY

SIXTH SESSION

Official Records



SECOND COMMITTEE 149th

MEETING

Wednesday, 21 November 1951, at 3 p.m.

Palais de Chaillot, Paris

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Economic development of under-developed countries : report of the Economic and Social Council (chapter III) (A/1884 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 (<i>continued</i>).....	25

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. DAVIN (New Zealand) said that his delegation's comment on the economic development of under-developed countries would deal mainly with technical assistance. He wished, however, to refer first of all to the other sub-divisions of the item under consideration.

2. His delegation had carefully studied Council resolution 368 (XIII) on the financing of economic development and was of the opinion that it contained a number of suggestions which should prove helpful in approaching that very serious problem. His Government fully realized the magnitude of the task confronting economically under-developed countries in securing the necessary finance to aid them with their programmes of development and in striving to achieve the higher standards of living constituting one of the objectives of the Charter. Consequently, his delegation had noted with particular interest paragraph 13 of the resolution, requesting the International Bank for Reconstruction and Development to consider the contribution that such a body as an international finance corporation could make and to report thereon to the Council at its fourteenth session. However, his delegation had

serious doubts whether such a body would prove practicable. Referring to paragraph 14 of the same resolution, he hoped that external grant assistance would eventually prove feasible. Nevertheless, he felt bound to state that his delegation did not believe that funds for economic development would at the present juncture become available on the scale and terms needed by the under-developed countries.

3. It was true that a certain amount had been done and was continuing to be done by individual countries, and particularly by the United States of America, as well as by groups of countries as, for example, under the Colombo Plan, and by the International Bank and the specialized agencies. The New Zealand Government, for its part, had announced a contribution of one million pounds for the year beginning 1 July 1951 for economic development under the Colombo Plan and, the previous year, had also approved a grant of 400,000 pounds to cover a three year period as a contribution to the technical assistance aspect of the Colombo Plan. Moreover, New Zealand had also contributed 45,000 pounds in 1950 to the United Nations Expanded Programme of Technical Assistance. However, the economically advanced countries from which even greater help might be expected were being obliged to devote a large proportion of their resources to the manufacture of arms and war materials, and hence not only did the developed countries suffer sacrifices in consumption, but furthermore the under-developed countries would have difficulty in obtaining finance for economic development, capital equipment and the services of experts. For the time being, he would go no farther than saying that his delegation would support any motion which might be presented approving the conclusions and recommendations of the Economic and Social Council as expressed in resolution 368 (XIII).

4. On the subject of land reform, his delegation was in agreement with the recommendations of the Council set forth in resolution 370 (XIII), and would consequently support the draft resolution submitted jointly

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

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

by the delegations of Brazil, Pakistan, Thailand and the United States of America (A/C.2/L.76 and Add. 1).

5. He referred to the various types of technical assistance programmes being provided by the United Nations and the way in which those programmes were being financed. His delegation concurred with the recommendations made by the Council to the General Assembly in its resolution 399 (XIII) in that connexion. In respect of the financing of the expanded programme, his delegation would be interested to know whether any more recent figures were available than those contained in paragraph 562 of the Economic and Social Council's Report. He noted the action taken by the Council in its resolution 400 (XIII) which to a certain extent revised the way in which the funds for the Expanded Programme of Technical Assistance had been allocated during the present year. His delegation was prepared to approve the new system which would enable the Technical Assistance Board to establish priorities between projects of the various specialized agencies.

6. There could be no doubt that the provision of technical assistance to under-developed countries could be supported by cogent economic, social and political arguments. The information available showed that the United Nations was sincerely endeavouring to provide the aid which was wanted and that a suitable basis had been provided on which assistance under the expanded programme could be given. It was essential, when assessing the effectiveness of technical assistance programmes, to bear in mind the following considerations: in the first place, technical assistance for certain economic development schemes requiring large-scale capital investment would prove useful on a long-range basis only if such capital were forthcoming, but it was not a function of technical assistance to provide capital; secondly, technical assistance should in all cases supplement but never replace the efforts made by recipient countries themselves.

7. His delegation welcomed the progress already made in technical assistance programmes as an encouraging sign that they would prove an effective means of attaining the objective of Article 55 of the Charter. It was essential, however, that recipient countries themselves should request aid since, unless there was a national initiative, local support, without which technical assistance could have little permanent effect, might not be given. Furthermore, it was highly desirable that the results of the programmes should be assessed by means of periodic reports both from the sponsoring organizations and from recipient countries. Indeed, while discussion of all operations in all countries would not be practicable, it might be feasible for the Secretariat to provide detailed reports on results achieved in, for instance, the first six countries to receive assistance. Such public discussion and examination ought to be most helpful. Projects should be of a permanent character and national authorities should be assured of the means either of using the skills acquired or of carrying on the work begun. Regarding the important question of co-ordination, he believed that the tendency for consultations within the Technical Assistance Board to be extended to all the programmes of the participating organizations should be encouraged, as mutual co-operation in planning work, as well as in the exchange of information, would become increasingly important.

8. The New Zealand Government's experience under the Colombo Plan led it to commend the establishment of specialized technical assistance units and, also, the appointment by the Secretary-General of technical assistance resident representatives in recipient countries or regions. Effective co-ordination with other international or regional programmes should be maintained, and his delegation welcomed the evidence of the appreciation of the need for such co-ordination. New Zealand had a particular interest in co-ordination with the Technical Co-operation Scheme in South and South-East Asia. The Council for Technical Co-operation had requested that a permanent Technical Assistance Board liaison officer should be stationed at Colombo and that had been approved in principle by the Board. While useful information could be exchanged through that officer, the New Zealand Government was not prepared to press the request in view of the statement by the Technical Assistance Board that an appointment would be made when the development of activities warranted it.

9. He added that the amount of international aid to which a region or country might be entitled under the established criteria of the expanded programme should on no account be reduced because that region or country was receiving aid from other sources.

10. Referring to the relative values of the different types of technical assistance extended, he believed that, while all forms were useful and suited to particular cases, comprehensive survey missions, in which most of the organizations took part, would appear to be of fundamental importance for well-directed effort despite the understandable antipathy of under-developed countries towards surveys without action. On the whole, however, his delegation preferred work with an immediate, recognizable and practical value, such as for instance, the training of nationals in their own countries and specific studies of the problems of a particular country, rather than the organization of a seminar. Furthermore, the importance of concentrating efforts was becoming increasingly clear and would seem to point to the desirability of providing more equipment and supplies for a particular project, although it had originally been intended to set aside only a minimum expenditure for that purpose.

11. His delegation supported the Secretariat view that increasing emphasis should be laid on the need for assistance in providing the basic needs of public administration, such as customs procedures and tax collection.

12. The Technical Assistance Board had endorsed a programme of expenditure for 1952 amounting to \$33,168,000. That, however, was merely an estimated figure as the participating organizations had been required to project expenditure for aid which had not as yet even been requested. In spite of the difficulties of estimation, his delegation believed that total figure to be excessive; moreover, it was extremely doubtful whether governments would contribute the amounts required. Furthermore, past experience had shown that it was far from certain that such sums could be spent. The organizations themselves had estimated that, by the end of 1951, they would have incurred expenditure totalling \$10,906,000. Nevertheless, they were proposing to treble that expenditure within the next year or so. It would have been preferable if, instead of such rule-of-thumb calculations, the same method had been used to arrive at a figure comparable

with the planned expenditure for the period ending in 1951 after allowing for a reasonable expansion of activity. Now that the expanded programme was under way, the most important task facing its administrators was the consolidation of work begun so that governments which would be called upon to contribute finance, man-power and training facilities, could assure themselves of the value of the results being obtained.

13. He drew attention to the estimate of \$ 2,870,000 for planning and programme costs and administration for 1952, equivalent to 8.6 per cent of the total expenditure as compared with 15 per cent in 1951, and asked for an explanation of the variation in percentages of respective total expenditure estimated for that same item in 1951 by the participating organizations. His delegation believed that the expanded programme was large enough to warrant consideration being given to the establishment of an administrative and budgetary committee, as in the case of the United Nations budget.

14. The present percentage allocations among participating organizations seemed to his delegation to be a fair, although rough, estimate of the relative importance of the work performed by the various organizations and he was pleased to see that that appeared to be the opinion of the Technical Assistance Committee.

15. In conclusion, he referred to the admission of the International Telecommunication Union and the World Meteorological Organizations of both of which New Zealand was a member, as participating organizations in the Expanded Programme of Technical Assistance. The test of eligibility for participating organizations would appear to be that they had been recognized by the United Nations as the competent authority in their particular field, and, also, that they should be able to contribute to the economic development of under-developed countries. Both organizations fulfilled the first condition and also were in a position to contribute to economic development, although perhaps on a small scale for the time being. His delegation would, therefore, support the admission of ITU and WMO as participating organizations and would consequently also support any minor adjustments in percentage allocations to which their admission might give rise.

16. U KYIN (Burma) stated that the case of Burma was that of an under-developed and war-devastated country. Indeed, the national economy particularly the oil, timber and mineral industries had suffered so greatly from the war, that the country was almost crippled for any development work. When Burma had regained its independence in 1948, its people had been confronted with the compelling need for economic reconstruction and development.

17. Consequently, Burma's need of capital was almost limitless and its requirements were obviously beyond the possibilities of its own national resources, particularly after the impoverishment caused by the Japanese occupation. Private savings were largely absorbed by private investment and, in any case, voluntary savings were likely to be far too small to meet the capital targets set. At the previous meeting, the Egyptian representative had expressed that view when referring to the encouragement of saving in under-developed countries. It would indeed be futile to recommend under-developed countries, and particularly devastated countries, such as Burma, to mobilize domestic financial resources for economic development.

18. New measures of taxation had been recommended by the Group of Experts on financing of economic development. However, he did not believe that it would be a practicable method for raising revenue surplus in under-developed countries since, although the incidence was generally low in under-developed countries and there was consequently scope for levying taxation, indirect taxation would cause the price of consumer goods to rise and thus possibly lead to inflation with all its dangers to the economy of an under-developed country.

19. The agricultural credit system based on co-operative lines, which had existed in Burma since 1910, had hitherto not proved a success. Furthermore, a bank of the nature of a development bank, which had started to function recently as a private enterprise, had also failed to meet with success. He believed that the situation in that respect in other countries in the South-East Asian region was similar.

20. It would not prove easy to put into practice the Group of Experts' recommendations on the stimulation of domestic savings and on measures involving taxation. As the representatives of Chile and Yugoslavia had concluded (147th and 148th meetings), the financial resources of the under-developed countries were so limited that loans and investments from foreign sources were almost essential. His delegation therefore supported adoption of the recommendation of the Group of Experts that the International Bank for Reconstruction and Development should itself set the objective, to be reached within the next five years, of lending \$ 1,000 million annually to under-developed countries. His delegation also favoured adoption of the Experts' recommendation for the establishment of an international finance corporation to make equity investments and loans to private undertakings in the under-developed countries. He had not been convinced by the reasons advanced by the Economic, Employment and Development Commission in paragraphs 464 and 465 of the Economic and Social Council's report, against the Experts' recommendations for the fixation of lending targets by the International Bank and the establishment of an international development authority. The view expressed in paragraph 466 of the report, that domestic resources should be the main source for the financing of economic development, was unrealistic.

21. In planning for economic development one must consider the rate of development. Too high a rate might lead to inflation, while a too low rate might drive the increasing population into low productivity or wasteful occupation and thus lower the average standard of living. If the standard of living was to be raised by increasing productivity, a fairly high rate of expansion must be chosen and measures must be taken to control the resulting inflationary tendencies.

22. A country's economic future could not be planned without a solid background of statistical facts which, in the case of his country as in many others, were seriously lacking, although the position had recently improved as a result of technical assistance rendered by the United Nations. He was glad to note the Assistant Secretary-General's statement (146th meeting) that the United Nations Secretariat was prepared to assist governments, at their request, to improve their statistical organizations and techniques, and he suggested that the Committee should recommend that the General Assembly should urge all governments of Member Sta-

tes to give their fullest co-operation by furnishing their best statistics to the United Nations.

23. Statistics showing the requirements of various industries in respect of capital, fuel and power, and labour would make it possible to judge what industries were suitable for a particular country, and to assess the economic rationality of various plans.

24. The amount of supplies required by an industry depended to a great extent on its manufacturing techniques, which were to a certain degree variable. But, even in a country with little capital, it was, as a rule, irrational to adopt inferior methods of production in order to save capital. The guiding principle should be to give priority to industries which could be operated according to modern methods. He therefore felt that it would be useful if an international development authority were to be established to render assistance to the under-developed countries in preparing, co-ordinating and implementing their development programmes and to distribute to them grants-in-aid for specific purposes.

25. In order to raise the *per capita* income of a given population, which was the chief aim of economic planning, the national income must be known. In that connexion, Burma had published, for the first time, the official estimates of its national production, income and expenditure for the years 1938-1939 and 1946-1947. Those estimates had been prepared by an expert made available by the Technical Assistance Administration, for whose services Burma wished to thank the United Nations. Burma hoped to present better estimates of its national income in its next publication.

26. Agriculture in Burma had suffered severely through the war; land reform and reclamation were pressing needs. Since the land had been nationalized, there was no private capital for investment in agriculture. Mechanization would require a corresponding industrialization of the country, for otherwise many agricultural workers would be unemployed and their standard of living depressed. That and the population growth, was the most cogent single argument in favour of industrialization, which, in conjunction with land reform, might absorb the expected labour surplus. The Burmese delegation, while agreeing that the pattern of agrarian reform should be left to each individual government, suggested that the question of land reform in relation to population increase should be carefully studied.

27. The under-developed countries unanimously desired the technical assistance programme to be continued with renewed vigour. In that connexion, he drew attention to the recommendation of ECAFE concerning increased assistance for under-developed countries in Asia.

28. The Burmese Government wished to express its appreciation of the accomplishments of the United Nations and its specialized agencies in the economic field. Those activities must be continued.

29. Mr. MARAMIS (Indonesia) said the true causes of political unrest and instability were economic and social conditions. The United Nations programmes for the economic development of under-developed areas had been initiated with full recognition of that fact and considerable progress had already been achieved although much still remained to be done.

30. Indonesia, as an under-developed country, was keenly interested in economic development. It realized that the main burden of economic development must be borne by the country itself, but the speed with which such development could be achieved depended on external aid.

31. Agriculture was at the heart of the problem of development. 60 to 75 per cent of the gainfully occupied population in the under-developed countries was employed in agriculture whereas for the United States and the United Kingdom the figures were 14 and 5 per cent respectively. Although the average agricultural productivity in Asia was not far below the world average, the post-war productivity of Asia was lower than that of pre-war. Taking *per capita* production figures in metric tons, the world average for wheat both before and after the war was 0.42 tons; for Asia it was 0.24 tons before the war and 0.22 tons after the war; for Africa 0.12 tons both before and after the war. The lower *per capita* productivity in Africa and Asia pointed to the existence of disguised unemployment in Asia and Africa's economies.

32. The report of the Secretary-General on "Volume and Distribution of National Income in Under-developed Countries"² showed that the average income per person in the Asian countries was very much lower than in more developed countries such as the United States of America, Switzerland and Australia. The figures of income per head of population presented a dramatic illustration of the degree of under-development of the countries concerned and were an additional indication of the existence of disguised unemployment in those countries. Moreover, the population of the under-developed areas was increasing rapidly. In so far as Indonesia was concerned the increase was one and a half per cent *per annum*. That rapid increase represented a grave problem in the face of the already low level of prosperity, and in the absence of appropriate measures the level of national income would decline and unemployment would add to the existing miseries.

33. The first economic task to be carried out in Indonesia was the rehabilitation of the war-devastated production apparatus. The next step was to increase production so as to keep pace with the increase of population and maintain national income at the pre-war level. Only after that had been achieved could the income per person be raised. The necessary increase in production might be realised through industrialization, improvement of agricultural methods and the cultivation of additional land. Industrialization must be one of the major projects in the economic development of under-developed countries. Agriculture alone would not, in the long run, be sufficient to provide for the increased population and since most under-developed countries were monoproductions and hence extremely vulnerable to the fluctuations of world economic cycles, a determined effort must be made to give them a balanced economy.

34. There appeared to be a tendency on the part of the industrialized countries to consider the industrial development of the under-developed areas as of secondary importance; he would not examine now whether they, consciously or unconsciously, wished to perpetuate the role of the under-developed countries as sources of raw materials. At all events, the under-developed countries

² Document E/2041. See also United Nations Publications, *Statistical Papers*, Series E, No. 3, Sales No. 1951. XVII. 3.

were attempting to strike a balance between industry and agriculture, so as to free themselves from the precarious existence of a colonial economy.

35. The measures he had outlined were being taken in Indonesia as part of the larger programme of converting the colonial economy into a national economy. The ultimate objective was to enable nationals to participate increasingly in the process of production and in the income accruing from it. That involved the greater participation of nationals in the management of enterprises, and the institution of measures to secure higher wages and better working conditions for labour.

36. In Indonesia there was an abundant labour supply but there was a need for the training of skilled labour. Capital, however, was sorely lacking. While recognizing that the accelerated economic development of under-developed countries required a more effective and sustained mobilization of domestic savings, he pointed out that with the low standard of living and low wages prevailing there was little opportunity in his country for the accumulation of savings. It was contended that a number of under-developed countries were in a good financial position because of their favourable balance of trade. That position was, however, only a temporary phenomenon and was, moreover, due to insufficient imports of capital goods from the industrialized countries, a large part of whose production had been diverted to re-armament programmes.

37. The extent of the means required for the execution of an economic development programme depended on the increase in national income desired and on the scope and direction of development projects. The Group of Experts on financing of economic development, under certain assumptions regarding the shifting of part of the population from agricultural to non-agricultural occupations, had estimated an annual need for capital of about 19,000 million dollars. Placing the accumulation of savings at 5,250 million dollars, 13,500 million dollars capital would be required annually. If that could be found, the national income could be raised by 2 per cent *per annum*. It was, however, clear that the under-developed countries would have to make a great effort for some time to come even to maintain their existing low level of national income.

38. Commenting, in the light of his country's practical experience, on Council resolution 368 (XIII), he emphasized that the development of under-developed countries would benefit not only the under-developed countries themselves, but, through the expansion of trade, the industrialized countries as well.

39. Any assistance rendered, however, would have to be accompanied by guarantees safeguarding political and economic sovereignty of the country receiving assistance. Foreign investors could not be given access to all spheres of economic activity, though the reasonable interests of foreign capital ought also to be safeguarded.

40. The procedure visualized in paragraph 5 (c) of Council resolution 368 (XIII) concerning measures to achieve an expansion and steadier flow of private foreign capital was complicated and somewhat impractical. The process of concluding a treaty was necessarily involved and by their very nature treaties afforded limited scope for flexibility. A more practical procedure would be that the potential investor should be given the opportunity of negotiating privately with the authorities of the country to which he wished to export

his capital. The government of the capital-exporting country would, of course, retain the power to withhold permission for the export of capital. The Indonesian Government would be glad if that procedure could be recommended by the Committee by means of a resolution.

41. The under-developed countries needed not so much foreign exchange as the goods necessary for their development. The industrialized countries should be asked to give priority to requests of under-developed countries for equipment for economic development, as recommended by the Group of Experts. The recommendation that governments of developed countries should ensure opportunities for the participation, in industry, of nationals of the under-developed countries in the administrative and technical services, and training, corresponded with the under-developed countries' ideal of establishing a national economy. In due time nationals might also wish to contribute capital. He would therefore favour a recommendation concerning the participation of nationals in the capital formation of foreign enterprises operating in their country.

42. It would be useful to examine the possibility of the establishment of an international corporation to promote the financing of enterprises in under-developed countries. Investigations should not be confined merely to the possibility of promoting the financing of productive public enterprise, since private enterprise in the under-developed countries was still on a feeble footing.

43. His delegation supported the Economic and Social Council's resolution 370 (XIII) on land reform. On his country's accession to independence, energetic efforts had been made along the lines recommended in that resolution to rectify the unequal distribution of land. Since large private holdings were now practically nonexistent in Indonesia, the redistribution of land presented no problem. Extensive areas of unreclaimed land would be brought under cultivation and surplus population from the more densely populated areas would be transferred to them. His Government had already taken and intended to take further steps to help farm workers through low-interest loans and co-operatives.

44. Much useful and essential work was being done in Indonesia under the United Nations technical assistance programme. Perhaps more attention should be paid to the practical needs of the under-developed countries; expert assistance might be given in the execution of plans and the operation of projects. His Government was anxious to strengthen public administration, and was glad to know that the Technical Assistance Administration was giving high priority to requests for the provision of public administration officials.

45. He expressed appreciation of the work of ECAFE and suggested that it might usefully undertake the study of a more appropriate method for the calculation of the national incomes of under-developed countries, since the methods used for the developed countries were largely inapplicable to the different economic structures of the under-developed countries. His Government would be glad to collaborate if Indonesia were chosen as one of the research areas for such a project.

46. Mr. FLORES (Mexico) said that he attached the greatest importance to the forms of economic development of under-developed countries as described in chapter III of the Report of the Economic and Social

Council. As the Secretary-General had stressed, wide differences in standards of living constituted one of the most serious problems which the United Nations had to solve. The vast and growing world production of goods and services, and the almost unlimited possibilities offered by technological progress, ought to be used for raising standards of living generally and correcting the maldistribution of incomes between countries. His delegation was ready at all times to co-operate in any international activity to accomplish the purposes of Article 55 of the Charter. It was in general agreement with the principles set forth in resolution 368 (XIII) of the Economic and Social Council.

47. His country was, by its history, fully aware of the importance of the right to own private property which was recognized by its Constitution, and of the part which individual initiative played in economic development. Mexico, realizing that any rise in its standard of living required an increase in capital, in the form of both public and private investments, and that the inadequate amount of capital available would retard its economic development or force it to finance development by methods which, by producing inflation, would entail great sacrifices for large sections of the population, including the poorest, had been trying for years to create legal, social and economic conditions which would attract private capital, both domestic and foreign, to assist in the development of the country.

48. Mexico had introduced a system of low taxation, giving wider exemption to new enterprises, and a system of financing, under which the Government had assumed responsibility for supplementing the funds required by recent industrial investments. Those arrangements, together with unrestricted exchange facilities had made it unnecessary for Mexico to introduce any special measures, apart from those embodied in its Constitution and legislation, to protect national and foreign private capital.

49. With regard to the first recommendation in paragraph 4 of Council resolution 368 (XIII), his delegation felt that it was unnecessary to review Mexican institutions to determine whether they were most suitable for expanding the flow of foreign capital, although it appreciated the cogency of the first part of the recommendation concerning the maximum utilization of domestic resources in implementing the main projects of economic development. A country could not, and should not, hope for outside assistance as a substitute for its own efforts. Mexico could fortunately state that, although its rate of total investment was extremely high, scarcely 4 per cent of the capital accumulated in the previous ten years had come from foreign sources. He was grateful for the co-operation extended by the International Bank and the Export-Import Bank and hoped that it would be continued, and he felt sure that both Banks would look objectively upon the facts which he was submitting and would, as hitherto, refrain from interfering in the internal affairs of Mexico.

50. The Mexican Government, for its part, hoped to fulfil its obligations and that its defence programme would not conflict with its plans for economic development. In fact, he thought that the two programmes could to a certain extent be reconciled, for example, in the case of hydro-electric projects and the installation of steel mills which could be used for both purposes. At the Meeting of Consultation of Ministers of Foreign Affairs of American States held in Washington, the hope had been expressed that measures would be adopted

to prevent any sudden cessation in the production of strategic materials if international tension slackened.

51. The Mexican Government has insisted upon only one condition concerning direct investment: that its laws and authority should be respected. When such investments were properly directed, they served to expedite economic development, but the Mexican people would not tolerate a rise in its standard of living at the expense of granting privileged treatment to foreign investors. His country respected the right of other countries to conclude international agreements concerning investments. In that connexion his delegation did not object to provision (b) of paragraph 6 of resolution 368 (XIII). Although appreciating the reasons given for granting financial assistance in certain cases, when drawing up its development programme his Government had not taken such financial assistance into account. There had been occasions when Mexico had called upon such aid to ward off disaster such as the recent epidemic of foot and mouth disease, but it did not consider such aid as financial assistance in the strictest sense.

52. Mexico felt that it could contribute its considerable experience to the solution of the problem of land reform in under-developed countries referred to in resolution 401 (V) of the General Assembly. Since the 1915 Revolution, a radical change had occurred in the agricultural structure of Mexico, which had profoundly affected the agricultural population and the economic development of the country as a whole.

53. He proceeded to describe some of the technical, fiscal measures introduced by the Mexican Government to raise and diversify production. Mexico was now an agrarian democracy in which the population felt that the land should be cultivated by the people and for the people. Land had been expropriated not merely to protect the peasants but also to avoid any recurrence of the regrettable experiences of the second half of the 19th century. The land which farmers received directly from the State was subject to certain special conditions; otherwise small and medium farmers were free to dispose of their land and the State ensured them adequate legal protection in the enjoyment of their rights. The Mexican Government had declared that the holder of land assigned by the State and the small landowner played equally important parts in the national economy.

54. Obviously much remained to be done. It was a source of anxiety that the agricultural population, which represented more than 60 per cent of the total population, received a much lower percentage of the national income. Together with other countries, Mexico desired to find a general programme of economic development which would increase agricultural productivity and establish industries and other forms of activity which would gradually relieve congestion in the agricultural industry. The studies submitted by the Economic Commission for Latin America would certainly be of great use in that connexion.

55. In the light of his country's particular problems, the Economic and Social Council's resolution 370 (XIII) did not lay sufficient emphasis on the need for giving land to individuals and communities who did not possess it, since that formed an essential pre-requisite for any integrated development programme based on a more stable and less wretched position for farmers. The State should carry out the distribution of land

without making it necessarily dependent on immediate payment, and the distribution should be limited only by the amount of land available, without, of course, going to the extent of an anti-economic division of agricultural holdings. Moreover, the distribution of land alone was not sufficient without a supplementary plan of development through irrigation, credit, mechanization and modernization of farming methods. While it was obvious that there must be security of land tenure, such security could not apply equally to land as divided after the agricultural reform and to land which was still unjustly distributed among a few large owners.

56. Land reform in his country, supplemented by measures for general agricultural development, had in recent years led to an increase in the volume of agricultural production; in 1949 it had been almost double that of 1929, and there were prospects of further improvement.

57. He expressed his delegation's keen interest in the United Nations technical assistance programmes, the first results of which could already be appreciated. His country was participating in that programme in a

double form since, in addition to receiving assistance in some fields, it was also providing training for fellows coming from other Latin American countries under the United Nations programme. His Government had established the necessary inter-departmental machinery to place the programme on a permanent basis and it hoped that, with the co-operation of the National University of Mexico, the facilities it could offer would be greatly augmented in the future.

58. Although it was difficult to achieve co-ordination, particularly on an international scale, a considerable amount had been done in a short space of time, and the resolutions currently under consideration gave promise of a still more effective co-ordination of the programme.

59. In conclusion, his delegation offered its sincere co-operation in any resolution which would promote more effective economic action by the United Nations, since in the long run that was the Organization's most important task.

The meeting rose at 5.10 p.m.