

GENERAL ASSEMBLY

SEVENTH SESSION

Official Records



SECOND COMMITTEE, 200th

MEETING

Friday, 31 October 1952, at 3 p.m.

Headquarters, New York

CONTENTS

	Page
Economic development of under-developed countries (A/2172, chapter III, A/2192 and A/C.2/L.155) (<i>continued</i>)	39
(a) Financing of economic development of under-developed countries: report of the Economic and Social Council (A/C.2/L.154 and Corr.1);	
(b) Methods to increase world productivity: report of the Economic and Social Council;	
(c) Land reform: report of the Secretary-General (A/2194);	
(d) Technical assistance for the economic development of under-developed countries (A/C.2/L.156 and Corr.1)	

Chairman: Mr. Jiří NOSEK (Czechoslovakia).

Economic development of under-developed countries (A/2172, chapter III, A/2192 and A/C.2/L.155) (*continued*):

- (a) **Financing of economic development of under-developed countries: report of the Economic and Social Council (A/C.2/L.154 and Corr.1);**
- (b) **Methods to increase world productivity: report of the Economic and Social Council;**
- (c) **Land reform: report of the Secretary-General (A/2194);**
- (d) **Technical assistance for the economic development of under-developed countries (A/C.2/L.156 and Corr.1)**

[Item 25]*

GENERAL DEBATE (*continued*)

1. Mr. BETETA (Mexico) first thanked the United States representative for having stated in his speech at the 198th meeting, that the Mexicans had succeeded in raising their standard of living, partly with the assistance of foreign capital, but mainly as a result of their own efforts.

2. Like most delegations, the Mexican delegation was convinced that the stability and peaceful development of world economy depended essentially on the solution of the problem of the economic development of the under-developed countries. It recognized that such a

problem should be studied internationally as the errors of one country or the disasters from which it suffered, had repercussions which affected all the other countries of the world.

3. The Mexican delegation felt that it should emphasize one point—that the economic development of the under-developed countries should be based essentially on the rational and efficient use of national resources, and that foreign aid should merely supplement national action. Mexico had had to seek foreign financial and technical assistance but had done so, and would continue to do so, with the greatest care and within certain limits only. Since the 1910 revolution the Mexican Government had been ever more watchful that foreign loans should not entail, as had formerly been the case, restrictions on national sovereignty, and should not cause the interests of foreign Powers to override those of the nation. Bearing that fact in mind, the Mexican Government, at the annual meeting of the International Monetary Fund and the International Bank for Reconstruction and Development in September last, had agreed to the conditions governing loans made by the International Bank. The Bank did not wish to speculate with the funds which it loaned and acted only in full agreement with the government concerned.

4. Mexico attached great importance to the fact that the government concerned must always give its consent as regards the area in which the foreign capital was invested. That did not mean that it underestimated the part to be played by private initiative, which it

* Indicates the item number on the agenda of the General Assembly.

had always respected. That fact was proved by the freedom enjoyed in Mexico by foreign undertakings which respected the national law. The Mexican Government controlled foreign investments because it was convinced that, in order to safeguard its freedom as regards exchange and to derive the greatest advantage from foreign investment, it must use the foreign exchange at its disposal in those sectors of its economy which most directly influenced the country's development. The credits opened by the International Bank had therefore served mostly to finance electrification programmes which had enabled factories to be set up or to be developed, arid regions to be irrigated and electricity to be supplied to isolated rural communities.

5. All developing countries inevitably underwent changes which affected their economic relations with foreign countries and therefore their balance of payments. Economic development was usually accompanied by a definite increase in imports, as a country had to import large amounts of capital goods in order to strengthen its productive capacity. Furthermore, the progress made and the resulting rise in the standard of living accentuated the demand for consumption goods and, the domestic market, which still lacked the necessary flexibility, could not wholly meet that demand. Such a situation tended to upset the balance of payments.

6. Mexico was well aware that private foreign capital could help to restore the lost equilibrium, but it also knew the harm which an uncontrolled inflow of private foreign capital could have on a developing country. Private investment was always prompted by the idea of profit and was made in those branches of economic activity which guaranteed the highest and quickest profits and not in those which could contribute most to the development of the country concerned. That was why Mexico, without any ill will or prejudice towards private foreign capital, had always insisted on scrupulous respect of its national legislation and had never granted any special privileges to it.

7. Mexico was not, however, opposed to the idea of setting up an international financial corporation to canalize private capital investments without any direct intervention on the part of the government or the central bank of the importing country, because it felt that Members of the United Nations should take into account the wishes and interests of other members of the international community. The Mexican delegation wished, however, to state that it did not consider that private investment was the best or most effective means of solving a problem so vast as that of the economic development of under-developed countries. The Mexican delegation reserved its right to return to that question, if need be, when those questions were studied in detail.

8. Referring to the allusion made during the general debate, without special reference to Mexico, to countries which had accepted foreign investment, he said that as far as Mexico was concerned neither the International Bank for Reconstruction and Development, nor any other public or private international or national organ, had ever offered his country funds for any other purpose than to finance projects freely selected by it.

In each case, Mexico had accepted such funds bearing national interest in mind and only after having carefully studied the obligations which it thereby assumed. No institution had ever claimed—any such claim would never have been accepted by Mexico—that it could interfere in affairs which were the exclusive concern of the Government and people of Mexico.

9. Mr. SANTA CRUZ (Chile) recalled that his delegation had often stated its views before the General Assembly and the Economic and Social Council on the economic development of under-developed countries. It had maintained that the economic situation of such countries was precarious, their standard of living deplorably low and that the international community should try to remedy that state of affairs by adopting a new and bolder programme.

10. The Chilean delegation noted with pleasure that the delegations of the Asian and Latin-American countries, as well as those of the Arab States, had taken into consideration the views which it had expressed over a period of five years. The Chilean representative had emphasized during the general debate at a plenary meeting that the prosperity of developed countries contrasted strongly with the progressive impoverishment of the under-developed countries.¹ The United States Secretary of State had implied, during the same debate, that he shared that point of view.² He had referred to the constant rise in the standard of living of the industrialized countries and had said that it was accompanied by a more equitable distribution of income. On the other hand, the situation in the under-developed countries was less favourable than it had been ten or twenty years previously. The balance of trade with the developed countries had become even more unfavourable and the gulf between the developed and under-developed countries was wider than ever.

11. Such a situation could only give rise to social disputes and war. In order to remedy such a situation more far-reaching action should be taken than that envisaged by the United Nations technical assistance programme. It was impossible to draw up a programme of economic development without changing present production methods and the distribution and fixing of the prices of raw materials, which were the main resources of the under-developed countries. The problem of raw materials was of supreme importance to producing as well as to buying countries.

12. The Committee should for the time being, merely study the programme which had begun to operate. It could recommend the adoption of new standards and new methods with a view to drawing up a bolder programme. That programme could not, however, be adopted until the industrialized countries had become fully aware of the international community's responsibilities.

13. With regard to the question of financing the economic development of the under-developed countries, the General Assembly by its resolution 520 (VI), had requested the Economic and Social Council to submit to it at its seventh session a detailed plan for the establishment, as soon as circumstances permitted, of a special fund for grants-in-aid and for low-interest

¹ See *Official Records of the General Assembly, Seventh Session, Plenary Meetings*, 379th meeting.

² *Ibid.*, 380th meeting.

long-term loans to under-developed countries for the purpose of helping them to accelerate their economic development. In its annual report and in its resolution 416 A (XIV), the Council had stated that it had been unable to carry out its task and had proposed that the Secretary-General should be asked to appoint the members of a committee for preparing the detailed plan requested. The Chilean delegation had been one of the authors of General Assembly resolution 520 A (VI); it had also taken part in the preparation of Council resolution 416 A (XIV), although it was no longer a member of that body.

14. The Chilean delegation had submitted a draft resolution (A/C.2/L.154 and Corr.1) in which it pointed out that the working paper (E/2234) prepared by the Secretary-General might serve as the basis for the establishment of the detailed plan and requesting the Economic and Social Council to give very careful consideration to the detailed plan to be submitted to it by the projected committee of experts.

15. The idea of establishing a special fund was meeting with the approval of an increasingly large number of countries. Sweden in particular had supported the idea by drawing attention to the persistence with which it was being championed by the under-developed countries. Brazil, whose abstention had hitherto been deplored by the other countries of Latin America, had also approved of the idea and had even announced the submission of a draft resolution on the subject. The United Kingdom, which had always been opposed to the idea of establishing a special fund or an international economic development authority on the grounds that it was unrealistic, seemed about to modify its attitude. At a meeting of the House of Commons in June 1952, Sir Richard Acland had made a long statement on the economic development of the under-developed countries and had criticized the former Labour Government for not having given sufficient support to that idea. At their Milan congress, the Socialist parties of Western Europe had voted in favour of a programme of assistance to the under-developed countries within the framework of the United Nations. In his work entitled, *Citizens of the World*, Mr. Stringfellow Barr had advocated the establishment of an international economic development authority on the basis of principles similar to those governing the Tennessee Valley Authority. Mr. Barr referred to the discussions in the United Nations on the subject and said he shared the opinion of the under-developed countries.

16. Thus, the ideas which had long been defended by the Chilean delegation were gradually receiving the approval of world public opinion. It was being admitted that there was no other solution to the problem of economic development. In the statement he had made at the 198th meeting of the Committee, the representative of the United States had drawn attention to the efforts made by his country in that connexion, and he had given the impression that the problem would be solved in the near future. The initiative taken by a number of countries showed that the international community was gradually becoming conscious of its responsibilities.

17. It must, however, be admitted that in recent years the amount of public and private international invest-

ment had been insufficient. The International Bank could not, under its Articles of Agreement, grant low-interest, long-term loans for financing the non-self-liquidating projects which were basic to economic development. The amount of investment since the last war had been lower than between 1920 and 1930. Lastly, the technical assistance provided was not sufficient to ensure such an economic development as would enable the essential requirements of the under-developed countries to be met.

18. In the General Assembly, the Chilean representative had described the principles to be adopted for the preparation of a programme of economic development.³ In the first place, such a programme must be prepared and executed in the interests of all countries and not of a particular country. Secondly, co-ordination of measures of economic development must be ensured at the interregional level. Lastly, such a programme must be carried out by the United Nations, and a larger share in the work should be given to the regional economic commissions.

19. Several under-developed countries were disturbed at noting that some steps that had been taken were contrary to the principles defended by the United Nations, principles according to which an economic development programme should aim at full employment and raising the standards of living. The member countries of the Council of Europe and the European Assembly had discussed the dollar shortage and the unfavourable balances of payments of the countries of Western Europe. Very recently, the Council of Europe, under the chairmanship of the Foreign Secretary of the United Kingdom, had stated that such an unbalanced regional economic situation could give rise to an unbalanced world-wide economic situation. The European Assembly had adopted a resolution aimed at a pooling of the resources of Western Europe, the economic development of the overseas territories and the institution of a preferential customs system between the British Commonwealth and the countries of Western Europe and their colonies. The purpose of that programme was to secure an increase in the production of raw materials in the colonial territories so as to reduce imports from the dollar area.

20. To strengthen economic relations within a region and bring about the economic integration of a group of countries with complementary resources was not enough to establish a balanced economic system. Europe could not carry out the vast programme it envisaged without taking account of its relations with other regions and without considering whether that programme would not impede the execution of other programmes. In that connexion it was enough to recall that the isolation of the USSR and the other communist countries had very dangerous consequences. It would be disastrous thus to establish economically isolated blocs of countries throughout the world.

21. He did not think the European countries intended to maintain the exploitation of man by man when they carried out their programme, but a programme of that kind, involving Administering Authorities and colonial territories, should be carried out under the auspices of the United Nations. The aim of his draft resolution

³ *Ibid.*, 379th meeting.

(A/C.2/L.155) was to extend the functions of the regional economic commissions by instructing them to co-ordinate measures of economic development. It also recalled the provisions of paragraph 1 (b) of General Assembly resolution 523 (VI).

22. In that connexion, he praised the work of the Economic Commission for Latin America. During the first years of its existence, it had made the preliminary theoretical studies that were considered necessary. For two years, and especially since its fourth session, held in 1951, it had been engaged on more concrete tasks. At the session of the Plenary Committee held at Santiago in February 1952, the Executive Secretary had described the work that had been undertaken. The Commission had undertaken to determine the technical, capital and equipment requirements of the Latin-American countries. It was studying the programmes which would have to be carried out and the principles which should be observed. Lastly, it was taking the necessary steps to provide for the training of economists specializing in development.

23. ECLA had brought together a number of textile experts and economists who had studied the reasons for the low productivity of the textile industry in the Latin-American countries and had presented recommendations for increasing it. Only recently, a study cycle at Bogotá had brought together iron and steel experts from the countries of Latin America, the United Kingdom, the United States and Canada. Since the development of the iron and steel industry was fundamental to all economic development, the importance of the results which might be obtained if an iron and steel industry was established in Latin America could easily be imagined. At the session of the Commission held in Mexico, the representatives of the five Central-American republics had expressed the wish that the Executive Secretary of the Commission should study the extent to which the economic integration of those countries could be ensured. The Executive Secretary had submitted a report on the matter to a meeting of the Ministers of National Economy of the countries concerned. The Ministers had decided to form themselves into a standing committee and had requested the Commission, the Technical Assistance Administration and other services to make a study of the possibility of establishing in each of their countries industries which would have the five-country group as their outlet. The ministers had also considered the unification of customs charges and the possibility of establishing a regional technical institute. That was a magnificent example of international economic co-operation achieved under the auspices of the Economic Commission for Latin America.

24. He did not think that at its present session the General Assembly could adopt a complete set of effective measures for the economic development of the under-developed countries; it would have to confine itself to adopting the draft resolutions which the Committee already had before it. He was convinced that the ideas he had expressed would find an increasingly favourable response from world public opinion, and he hoped that an improvement in the political situation would enable considerable progress to be achieved in economic matters.

25. The world economic situation was at present rather disturbing. According to the latest United Nations *Monthly Bulletin of Statistics*, world industrial production had declined in the second quarter of 1952, a season in which it normally increased. In Europe, industrial production, which had consistently increased since the end of the war, had levelled out, and in some countries, such as the United Kingdom, it had decreased by 7 per cent as compared with the preceding year. In all those countries, the cost of living had increased between June 1950 and June 1952. In Chile, the cost of living was at present 53 per cent higher than in June 1950. For all those reasons, he considered that the international community should take vigorous action and adopt a bold programme to deal with the problem of economic development, thereby ensuring the maintenance of international peace and security.

26. Mr. IMRU (Ethiopia) noted that the Commission was giving close attention to the speedy economic development of countries possessing unexploited resources, using obsolete techniques and lacking the necessary equipment and technicians. The economic development of those countries would make it possible to raise the standard of living of their populations by increasing agricultural production and developing industry.

27. Where some results had already been achieved, it was necessary to have the co-operation of all States and of the United Nations. While governments could admittedly promote the economic development of their countries by their own efforts, it was only through international co-operation that they could obtain the necessary equipment and knowledge to improve the standard of living of their populations and to combat poverty effectively.

28. It was essential to develop vocational training services in the under-developed countries. Through the technical assistance programme nationals of beneficiary countries could be trained by experts from the developed countries. In that connexion, his delegation was glad to note the large number of research and training programmes which the Technical Assistance Administration and the specialized agencies had initiated in co-operation with the governments of many countries.

29. It should always be borne in mind that the projects to be undertaken must be projects not of the Technical Assistance Board but of the countries concerned and must be considered an integral part of their economic plans. The nationals of those countries must be made to feel that they had an important part to play in carrying projects into effect. Since the funds available for the technical assistance programme were insufficient to permit the Technical Assistance Board to finance large-scale development projects, some other international agency should be created with the necessary capital at its disposal.

30. While not denying the benefits of the civilization of the industrialized countries, he nevertheless thought that his own country's power was rooted in its own traditions and way of life. Ethiopia was capable of adapting itself to the latest technological advances and of making effective use of the most modern equipment. Co-operation would enable it to secure the resources

required for rapid economic development. Experts from different countries were already engaged in the search for a solution of the very varied economic problems arising in Ethiopia. In that connexion, too much stress could not be laid on the part the United Nations could play in efforts to raise standards of living, secure economic stability and combat undernourishment and disease. Constructive international action would help to reduce the causes of conflict.

31. Many areas of the world suffered from a shortage of capital and were consequently unable to increase their agricultural production and diversify their economy. Similarly, many economic plans were being only partially implemented for lack of the necessary resources. The Ethiopian Government had taken steps to attract foreign capital. By Act No. 10 of 1950 it had exempted all new undertakings from taxation on their profits for a period of 5 years. Equipment imported for the construction of new factories was also exempt from customs duties. The Ethiopian Government was also encouraging domestic capital investments. It had received loans from the International Bank and financial assistance under the United States technical assistance programme. In all, however, the funds it had received were insufficient to finance economic development at the desired rate; his delegation therefore supported the draft resolution submitted by the Chilean delegation (A/C.2/L.154 and Corr.1).

32. His Government fully appreciated the importance of land reform. Experiments undertaken in that field in the thirties were applied with success to the whole of Ethiopia in the early forties. In the last few years state-owned land had been sold at very low prices to poor farmers, thereby enabling them to increase the scale of their operations. Such measures had helped to develop agricultural production. The Ethiopian Development Bank had made loans to farmers, who, however, were unable to obtain all the fertilizers and insecticides they needed. A larger number of vocational training centres must also be set up, large-scale irrigation works built and modern equipment imported. The FAO was assisting the Ethiopian Government in those directions and had helped to solve a number of the problems he had mentioned.

33. In conclusion, he hoped that the technical assistance programme would help to secure the rapid development of the under-developed countries and would enable the community of nations to draw closer together and to live in prosperity and lasting peace.

34. Mr. BUNGE (Argentina) emphasized that the future of mankind and the peace of the world largely depended on the solution of the problem of economic development of the under-developed countries. His delegation therefore wished to state its views on the causes of the problem and on the steps to be taken to solve it.

35. One of the obstacles to a solution of the problem was the lack of clear and specific ideas on the historical reasons and underlying causes of the progressive enrichment of some countries and the progressive impoverishment of others. That process had resulted in the obvious inequalities which existed in the welfare of the peoples of the world. His delegation set high value on the studies in that field undertaken by the

United Nations Secretariat, the specialized agencies and the regional economic commissions, which were helping to clarify the situation.

36. Many of the generally accepted abstract theories of economic development now prevailing had not been confirmed by the facts, which were grim enough. For instance, the economic development resulting from the industrial revolution of the last century had not brought about—contrary to predictions based on theory—that general prosperity which was to benefit every country within a system of division of labour between raw-material producing and industrial countries. The result of that division of labour had been that the industrialized countries continued to expand their industry while the countries producing raw materials were prevented from doing anything else.

37. There were three chief reasons for the present situation. In the first place the industrial centres had monopolized the benefits of technical progress because of the progressive deterioration in the terms of trade; secondly, savings and capital investment had likewise been concentrated in the highly-industrialized countries; thirdly, that distortion of world economic trends had compelled the under-developed countries to support a growing surplus of population for which they could not provide work, thus causing hunger and poverty.

38. Between 1876 and 1938 the terms of trade of raw materials and manufactured products had shown a deterioration of some 50 points to the disadvantage of the countries producing raw materials. The result had been a decrease in the purchasing power of the countries producing raw materials, so that their population rapidly increased while their income declined. That trend was growing stronger and was causing a steady regression for most of the world population.

39. With regard to the tendency to concentrate capital investment in the highly-developed countries, he believed that the financial resources of the world could have been better distributed only by progressive and sound industrialization of the under-developed countries. That had only occurred in exceptional cases.

40. The gradual impoverishment of the under-developed areas had been caused by the steady deterioration in the terms of trade with relation to the prices of raw material and of manufactured products, and the best way to remedy that situation was to industrialize those areas and thus to free them from economic dependence and enable them to create the necessary conditions for their welfare and progress.

41. The industrial countries, on the pretext of international defence or the need to resolve their own domestic problems, were enforcing measures calculated to bring down the price of raw materials. Their attitude was self-contradictory: they proclaimed a desire to promote the economic development of under-developed countries, but at the same time they fettered economic activity with all manner of controls and restrictions, thus aggravating at a growing speed the inequality in the terms of trade. Statistics proved that the terms of trade of countries producing raw materials had declined since the second quarter of 1951. According to prices prevailing in the United States in September 1952, the price of raw materials compared with the maximum prices resulting from the outbreak

of the Korean war had decreased to the following extent: lead, 21 per cent; tin, 34 per cent; cottonseed oil, 43 per cent; wool, 52 per cent; lard, 55 per cent; leather, 59 per cent; sackcloth, 60 per cent; rubber, 68 per cent. On the other hand, the price of machinery had increased steadily. To prove his point he gave a detailed comparison of the changes in the prices of wool and tractors. With regard to the effects of the disequilibrium in prices on the economic position of the under-developed countries, he pointed out that in 1951 those countries' total exports had been worth \$24,155,400,000 and that a decrease of 10 per cent would entail the huge loss of \$2,415,540,000 in their purchasing power and an even greater loss of income.

42. Referring again to the concentration of capital investment in the highly-industrialized countries, he gave figures to prove that in 1951 capital investment in the domestic market in the United States was forty times greater than investment abroad.

43. He pointed out that the controls placed on the price of raw materials since the outbreak of the Korean war had been unfair because they had failed to take into account the century-old deterioration in the terms of trade and had subordinated economic development plans to the requirements of defence mobilization.

44. At that time the national and international activities of the great industrial Powers had been designed to consolidate and develop the economic systems of the developed at the expense of the under-developed countries. He criticized the work of the International Raw Materials Conference, which had based itself on that discriminatory concept. Its constitutional defects and wrongful action has been denounced by the Argentine delegation in a plenary meeting of the General Assembly.⁴

45. The substitution of nationally-manufactured synthetic products for imported raw materials was another development which vitiated in practice the theoretical concept of international division of labour supported by the industrialized countries. An example was the effort being made by the Government of the United States to encourage the production of synthetic fibres to replace wool. While it was true that technical progress could not be hampered, it was equally true that the legitimate interests of countries producing raw materials should be considered. Those methods, together with high customs tariffs, export subsidies and qualitative import restrictions, resulted in a policy of self-sufficiency which was in complete contradiction with the theoretical postulates of free international trade and of assistance to the under-developed countries.

46. His conclusions were that the industrialization of the under-developed countries should be encouraged, that measures should be adopted to ensure a fair balance of prices, and that equitable prices should be fixed for raw materials in order to enable the producing countries to obtain the financial resources they needed for their industrialization. Steps should also be taken to prevent profits derived from greater productivity and income from exports in those countries from being transferred to industrial countries, which should also abandon national and international practices leading to deterioration in the terms of trade.

⁴ *Ibid.*, 380th meeting.

47. The promotion of economic development should not be subordinated to the requirements of collective defence, and priority should be given in future to all economic development plans, because poverty was a negative factor in maintaining world peace.

48. Independence should not be confused with autarchy or self-sufficiency. Economic independence was the *sine qua non* of political sovereignty and was reflected in the freedom of every people to decide on what was best for its economic development and for a more equitable distribution of its wealth. Economic independence was the first requirement to enable an under-developed country to industrialize and to diversify its production. Land reform was another basic need for economic development.

49. The Argentine delegation was moving in the Committee a draft resolution (A/C.2/L.162) on the financing of economic development.

50. Mr. LONDONO PALACIOS (Colombia) said that the Colombian delegation which had attentively followed the debate in the Committee generally concurred in the views which had been expressed on the four questions included in the agenda item under discussion.

51. The Colombian delegation wished to express its approval of the report which the Economic and Social Council had submitted to the General Assembly (A/2172), and particularly of chapter III of that report.

52. Colombia which, in the past, had called upon certain international credit institutions, particularly the Import-Export Bank and the International Bank for Reconstruction and Development considered itself in an excellent position to appreciate the role which international organizations could play in the economic development of nations. The loans it had received had enabled it to undertake a programme of industrialization and public works which would undoubtedly have been delayed for at least a few years if the country had had to rely exclusively on its ordinary financial receipts.

53. The economic development of Colombia had also been greatly assisted by the technical contribution of the Mission of the International Bank headed by Mr. Laughlin Currie. That Mission had made an exhaustive study of the economic and social situation and had later formulated various recommendations. Wishing to derive the greatest possible benefit from the Mission's report, the Colombian Government had assigned to a commission of Colombian economists and statesmen the task of analysing those recommendations and considering the possibility of putting them into operation, taking into account both the economic and financial resources of the country and the funds which it might obtain from the International Bank and other financial agencies. That Commission on Economic Development had met from September 1950 to July 1951 and had submitted eighteen reports to the Government dealing with the principal branches of the national economy. Having received those reports, the Government had set up a Planning Commission to supervise and co-ordinate the efforts made to encourage and accelerate the development of the Colombian economy.

54. He was very gratified to be able to announce that those measures had produced results. Within the frame-

work of an over-all plan, the Colombian Government had adopted a series of decisions, particularly in the field of domestic credit, customs duties, diversification of exports, elimination of controls and imports of foreign capital. Those decisions had already had a salutary effect on the national economy.

55. The work of economic readjustment and orderly and practical planning which had already been accomplished had made possible the launching of new projects which were increasing in importance from day to day; the execution of some of those projects dealing with irrigation, extension of the road and railway network, construction of housing for workers and peasants, distribution and cultivation of arid lands, rural electrification, improvement of education and health conditions was now proceeding apace and was helping from day to day to raise the standard of living of the population and to increase its well-being. Moreover tax legislation and the methods of levying taxes had also been improved. As a result, the Colombian Government during the last six years had been able to increase its budget fivefold to its present total of about 700 million pesos. The impetus thus afforded to economic development had made it essential to find new resources in order to ensure the execution of projects rightly regarded as their due by a population which had become ambitious and which was devoting all of its patience and energy to increasing its prosperity within the framework of free, democratic institutions.

56. In view of the results achieved in its own country by foreign capital and technical assistance, the Colombian delegation would wholeheartedly support any proposal to finance the development of under-developed countries, increase their productivity, grant them technical assistance and encourage land reform, within the framework of the United Nations. The Colombian delegation did not underestimate what had already been accomplished in that field but thought that ways must be found to increase the sources of credit and to make that credit more readily available to countries requiring external financial aid.

57. He noted that the Colombian Government and private enterprise within the country had already exerted great efforts to diversify the country's exports. It was well known that, in the past, coffee had represented 92 per cent of Colombia's exports; nevertheless the country could also export petroleum, sugar, rice, timber, gold, cattle, coal, alcohol, raw materials and even manufactured products. Colombia was determined to make the necessary technical and financial efforts to prevent its economy from relying on a single export, the price of which was subject to fluctuations on the world market, and to be in a position to benefit from the natural wealth Providence had bestowed upon it.

58. That survey of Colombia's economy would not be complete without some reference to the fact that an equilibrium had practically been achieved in the country's balance of payments, that the total figure for trade in 1951 had exceeded 200 million dollars, and that foreign payments, which amounted to some 500 million dollars a year, were not subject to any restriction or delays.

59. The Colombian delegation was happy to acknowledge the spirit of understanding displayed by the United States and the sincere desire to help that Colombia had found in seeking foreign capital and technicians. He would also like to mention the financial and technical support that his country had discovered in Europe when it had wanted to create and develop the important *Paz del Rio* metallurgical undertaking. He hoped that its ties with Europe would become ever closer.

60. The Colombian delegation had heard with the most lively satisfaction the statement which the United States representative had made at the 198th meeting of the Second Committee to the effect that the Government and people of his country realized that, despite all that had been accomplished in the past few years, much still remained to be done and that they were resolved to co-operate in the development of world economy so as to help the peoples who were helping themselves. It had also gladly welcomed the statement that private enterprise had also a part to play in the economic development of the nations. Indeed, technical and financial aid should not be granted to public projects alone; facilities should be extended besides to all undertakings started by private initiative which were making such an effective contribution to the consolidation of economic advances, the strengthening of private economy, the improvement of living conditions for the less-favoured groups and the smooth solution of economic and social problems, for the free peoples, anxious to preserve human dignity, preferred to await that these problems should be solved by the free interplay of economic forces.

61. In his country, as in other parts of the South American continent, two-thirds of all foreign investments were devoted to the winning of petroleum and to gold or platinum mining. One hundred and twenty-nine million dollars only were invested in agriculture, industry, transport, banking, electric power and various business undertakings. As an encouragement to foreign capital, Colombia had enacted comprehensive legislation with the object of guaranteeing the right to take out dividends and invested capital with as much ease as they could enter. Anyone who had taken a part in the economic development of Colombia knew the warm welcome extended there—in that land where democratic traditions went back for 140 years—to honest and enterprising workers and the strict observance of the given word.

62. Colombia believed in the benefits of economic freedom and the advantages of the free play of private enterprise. Hence, it had enthusiastically welcomed the efforts towards the setting up of a new international body to undertake the financing of private undertakings. The Colombia delegation would co-operate in every possible way in studying the plan.

63. In conclusion, he confirmed his delegation's resolution to endorse any steps likely to promote the economic development of the under-developed countries, to facilitate the contribution of public and private capital, and to expand the technical assistance services of the United Nations. It was to be hoped that the United Nations would, in the near future, see its efforts translated into achievements capable of ensuring the well-being of all peoples, while respecting their human dignity—which was the sole basis for true peace.

Tribute to Mr. Santa Cruz upon his departure

64. Mr. CHAUVET (Haiti) paid a tribute to the Chilean representative, Mr. Santa Cruz, on the occasion of his returning home. He had played an outstanding part in the Economic Commission for Latin America, in the General Assembly and in the Economic and Social Council, of which he had been President several times. The members of the Second Committee would long remember the lofty principles from which
- Mr. Santa Cruz drew his inspiration, placing humanity above country, and man above nationality.
65. Mr. ABDELRAZEK (Egypt) joined in the tribute, on behalf of the Egyptian delegation and the delegations of the other Arab States.
61. Mr. SANTA CRUZ (Chile) was greatly touched by the kind words of the Haitian and Egyptian representatives and thanked them very warmly.

The meeting rose at 5.50 p.m.