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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. KATZ-SUCHY (Poland) said that the Committee would be failing in its task if it confined itself to reviewing United Nations achievements in economic development. Its general debate should have a much broader scope; it should review the present situation of the under-developed countries against the background of the short and long-term trends influencing the general world economic situation.

2. The Polish delegation had always been foremost among those who were trying to contribute constructive

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

solutions to the problem of economic development. It had taken an active part in drawing up the basic resolutions on technical assistance and had been closely concerned with measures to promote land reform; the distribution of national income in the under-developed countries and the promotion of integrated economic development. Despite attempts, particularly by the United States delegation to have Polish proposals rejected, they had usually gained the Committee's unanimous support, demonstrating that they did meet the needs of the under-developed countries. While always taking a realistic approach, the Polish delegation had avoided the narrow-mindedness of those who tried to confine the discussion on economic development to technical issues, without taking into consideration the whole economic, social and political situation of the under-developed areas. The main objective in promoting economic development in those areas was to enhance their political and economic independence in the interests of social progress, the welfare of their peoples and international peace. After years of discussion and of dealing with particular aspects of the problem, the United Nations must now decide in what direction it would concentrate future efforts, basing its decision on an adequate appraisal of the economic, social and political situation of the under-developed countries.

3. His delegation regretted that the Economic Commissions for Latin America and for Asia and the Far East had not produced their annual surveys before the opening of the General Assembly session. That gap was not adequately filled by the latest *World Economic Report, 1950-51* (E/2193/Rev.1) or the data published

in the United Nations statistical Bulletins, but sufficient information was none the less available to show that economic advancement in the under-developed countries during the past two years had been insignificant. The *World Economic Report, 1950-51* indicated a marked tendency towards stagnation and a relatively small increase in industrial production in the under-developed countries. As in the past, the entire development of their economy remained concentrated on the production and export of foodstuffs and industrial raw materials, with the result that their terms of trade and balance of payments position determined their over-all economic situation. The latest developments on the world capitalist market, influenced by the militarization of the economies of the principal capitalist countries, had substantially weakened their prospects for economic development. There had been a substantial drop in the value of their exports, resulting in serious balance of payments disequilibria. The deficit on current accounts of the Latin-American republics with the United States had risen from \$167 million in 1950 to \$541 million in 1951; the surplus situation in the first quarter of 1951 had later been completely reversed, the following quarters of the same year showing increasing deficits. The same trend was visible in other countries which produced and exported raw materials.

4. Such developments naturally accentuated the inflationary tendencies inherent in the economic structure of the under-developed countries. Wholesale prices had continued to rise during 1951 and 1952, as shown by the figures given in the October issue of the *Monthly Bulletin of Statistics*. The cost of living had also risen and the working population of those countries had suffered accordingly. Decreased standards of living and increased prices had narrowed the internal market and often created industrial unemployment. In brief, the present situation of the under-developed countries was characterized by a lack of industrial development, a deterioration in their balance of payments position, a growth of inflationary pressure, a steady rise in prices and a continued reduction of consumption levels.

5. Such were the results of the ruthless economic exploitation long exercised by the imperialist Powers. Moreover, it had been aggravated recently by the changed situation of the leading capitalist Powers, especially the United States, whose increasing militarization had sharpened the struggle for raw materials and increased the determination of the industrial Powers to keep under their exclusive control the export outlets for surpluses of their industrial goods. That tendency, coupled with their voracious appetite for profits and the attempt to prevent East-West trade, had deepened the crisis in world capitalist economy, which in turn had increased the instability of the economies of the under-developed countries and had recently exposed them to a new and brutal form of over-lordship.

6. The new trend was visible from the statistics of private foreign investments since the end of the Second World War. United States foreign investments had increased from \$8,400 million at the end of 1945 to \$14,900 million at the end of 1951 and investment earnings had increased from about \$900 million in 1946 to \$2,300 million in 1951. The increases were due mainly to a general rise in the rate of profit made by American companies operating abroad. He quoted figures to show

that Latin America, followed by the Middle East, Canada, and the so-called OEEC dependencies, formerly the exclusive field of investment by European Powers, were the main sources of those profits. United States capital was also showing particular interest in African natural resources, and that continent was looked upon as a storehouse of strategic materials: American capital was exploiting uranium in the Belgian Congo, copper and asbestos in Southern Rhodesia and copper and cobalt in Northern Rhodesia. The Anglo-American Corporation had gained control over more than forty South African and Rhodesian companies and American capital was also penetrating French Morocco. In Asia, the United States was taking over the role formerly played by the United Kingdom. India now had a larger export-import trade with the United States than with Great Britain.

7. With regard to the distribution of direct investment income receipts between industries, income from the exploitation of petroleum was first, representing 45 per cent of the total. In Latin America, income receipts from direct investment in petroleum, mining and smelting and agriculture represented 87 per cent of the total and the figures for the Middle East and the OEEC countries were similar. Such profits by American monopolists in the under-developed countries were made possible by inhuman exploitation of the local labour force. He quoted the *New York Herald Tribune* and the *Wall Street Journal* on the subject of advantageous business opportunities for American capital in Latin America and stated that, in 1951, the Creole Petroleum Corporation, for example, had made 36 cents profit on every invested dollar, which represented a super-profit of about \$14,000 per worker employed in that company. The profits of the Chilean Exploration Company, a branch of Anaconda Copper, in relation to the wages of the Chilean miner, were similarly high.

8. The record of American manufacturing companies was comparable; in brief, all the facts showed that American monopolies were increasingly dominating the exploitation of natural resources in under-developed areas. United States foreign policy, accordingly, was primarily concerned with ensuring the best possible conditions for those monopolies to operate a maximum profit. He quoted a statement by the treasurer of the Standard Oil Company in New Jersey to illustrate that point. Every possible means had been applied to induce the under-developed countries to accord the most favourable treatment to American private capital. Nevertheless, American monopolists were continually putting forward new requests, corresponding to their mounting ambitions; their aim was the complete subordination of the economic and political life of the under-developed countries to their own aims and interests.

9. A clear example of their attitude was to be found in the 9-point programme sent to the governments of the Americas by the National Association of Manufacturers. He referred to the programme in detail, as reported by the *New York Times* of 1 August 1952 and said that it represented a demand that the under-developed countries practise an 'open door' policy, permitting unlimited penetration and expansion of American private capital in those countries. "Equitable treatment" was requested in order to enable American companies to dominate markets; public controls over internal and

external transactions were to be eliminated, taxes reduced and the extraction of profits unrestricted; and labour relations were to be settled in accordance with the interests of the monopolies in order to increase *per capita* productivity, thus raising the rate of profit.

10. He explained that he had quoted the 9-point programme in some detail in view of statements made recently in the Second Committee. Such was the United States contribution to the problems of under-developed areas: a plan for economic and political enslavement, requiring the under-developed countries to renounce their right to conduct independent policies and their plans for industrialization and subordinate their actions to the American war machine's insatiable demands for raw materials.

11. Recent development in many under-developed countries, however, showed that resistance to the activities of American monopolies was growing steadily. The peoples were becoming increasingly aware that imperialist exploitation was chiefly responsible for the economic backwardness of their countries and they were refusing to be so exploited. They were beginning to claim the right to use their natural resources for their own benefit and evidence of that was to be found even in the American Press.

12. The struggle of the peoples of the under-developed countries against foreign oppression and exploitation was branded by United States ruling circles as "nationalism". According to official American doctrine a "nationalist" was a man who wished to preserve the independence and sovereignty of his country, who refused to accept colonial exploitation and who fought for real economic and social progress. American ruling circles were using all possible means to stop that movement in the under-developed countries. The authority of the United Nations had been invoked and Mr. Trygve Lie had issued a warning against "rising nationalism". The International Monetary Fund was trying to persuade the under-developed countries that industrialization was unreasonable and protection of new industries unsound. Bourgeois scientists provided pseudo-scientific arguments in defence of Malthusianism and other theories according to which the problems of the under-developed countries were incapable of solution.

13. Recent history, however, had refuted those arguments and had demonstrated that rapid economic development was possible. Witness to that was provided by the magnificent development of parts of the Soviet Union which before the October Revolution had been backward, by the development of the People's Democracies in Eastern Europe and by the recent achievements of the Chinese People's Republic. Taking his own country as an example, Mr. Katz-Suchy pointed out that before the Second World War, Poland had corresponded in every respect to the definition of economic under-development. Its natural *per capita* income had been one of the lowest in Europe, its agriculture had been backward, its industry devoted mainly to the extraction of raw materials. The exploitation of the economy by foreign capital and the smallness of investments owing to the paucity of internal capital accumulation had brought about a substantial decrease of production in most branches of industry between 1913 and 1938. Before the war, Poland had been a country

with a high level of industrial unemployment and an apparently unsolvable problem of agriculture under-employment; illiteracy had been rampant and housing and health conditions had been among the worst in Europe.

14. But all that belonged to the past. By dint of many social reforms, such as nationalization of industry, banking and transport, Poland had finally achieved the possibility of directing the development of its economy in accordance with a national plan the basic aim of which was to increase production so as to create the necessary conditions for an uninterrupted increase in the standard of living of the working population. A radical land reform had been carried out and foreign trade had been developed to serve the needs of the developing economy.

15. Thanks to those basic reforms substantial progress had been made. Poland was now producing three times as much as in 1938. Its industrial equipment had been modernized and expanded, new branches of industry had been created and the production of raw materials had been substantially developed. Particular attention had been paid to the development of agricultural production and farmers were now supplied with the most modern farm machinery and with large quantities of artificial fertilizers. Industrial unemployment had been entirely wiped out and the problem of agricultural unemployment had been solved successfully. The successes achieved in industry and agriculture had made it possible to raise the standard of living of the population. *Per capita* consumption of basic foodstuffs far exceeded pre-war levels and ever greater sums were being devoted to housing construction and social services.

16. His country's experience showed that it was possible for economically backward countries to achieve rapid economic development in all fields. It showed that expansion in heavy industry, as well as an increase in the production of machine tools, was a prerequisite for development in all branches of industry. It showed that industrialization and a simultaneous rise in living standards were possible. Poland's achievements were due to the basic social and economic reforms undertaken, and to the attitude of the Polish people, but they were also due to the unselfish assistance received from the Soviet Union in the form of raw materials, investment goods and technical advice. Poland's relations with the Soviet Union were based upon mutual respect for the sovereign rights of both parties and the assistance received was strengthening its political and economic independence.

17. What he had said did not imply that the Polish delegation wished to impose its way of economic development upon others. On the contrary, he was firmly convinced that every country must seek the solution of the economic problems confronting it, according to its own conditions. He did, however, believe that for real economic and social advancement the following conditions must be satisfied: (i) the under-developed countries must be allowed to determine their own plans of economic development without foreign interference; (ii) appropriate land reforms must be carried out; (iii) the hold of foreign monopolies on the economies of under-developed countries must be removed; (iv) a better distribution of the national income for the benefit of the working population must be brought about;

(v) the colonial character of the economies of under-developed countries must be removed by diversifying their production; (vi) the under-developed countries must be given fair and equal access to raw materials and investment goods through the medium of normal international trade conditions; (vii) all measures taken must serve the basic aim of strengthening the economic and political independence of the under-developed countries and ensuring a sustained increase in the standard of living of their peoples. Those were the prerequisites for real economic development and only by tackling the basic issues could the United Nations hope to advance the cause of the under-developed countries, which was one of the principal objectives of the Charter.

18. Mr. LEE (China) said that the General Assembly in resolution 400 (V) had recognized two principles of fundamental importance: first, that the growth of world economy and the maintenance of world peace and security required a more rapid economic development of the under-developed countries; and, secondly, that to accelerate such development, technical and financial assistance from abroad was essential to complement the efforts of the peoples of the under-developed countries. The problem under debate in the Committee was not the acceptability of those principles, but the methods of putting them into practice. The views of various delegations thereon must be closely related to their attitude towards the whole question of international economic relations.

19. The Czechoslovak representative had maintained (195th meeting) that all the ills of the under-developed countries were due to the "predatory action" and the monopolistic and imperialistic measures of the more developed countries. Such a naïve application of the communist theory of class war to international economic relations, arbitrarily dividing the free world into two camps and imagining conflict where there should be co-operation, constituted a wrong approach.

20. There was no clear dividing line between the more developed and the less developed countries. While there were differences in interest and in need between the two broad categories of countries, there was no essential conflict between them which could not be settled to their mutual benefit and satisfaction around the conference table.

21. As a representative from an economically under-developed country, he fully understood the impact of economic imperialism and exploitation. However, while he could not condone imperialism, it must be recognized that in the intercourse between the more developed and the under-developed countries the benefit had not been entirely one-sided. The results of recent technological advances in the more developed countries were being continuously made available to the rest of the world. Nevertheless, while he must maintain that the relationship had not been solely that of exploiter and exploited, the economic position of the developed and under-developed countries was certainly not equal. The position of the under-developed countries was particularly vulnerable in two respects. With the production of superior and attractive consumer goods by the industrialized countries, the peoples of the under-developed countries were given a *vista* of ever growing wants without the corresponding means

to satisfy them. The only solution to that was increased productivity in the under-developed countries, which incidentally was also indispensable for the promotion of external markets for the industrialized countries and for the maintenance of full employment in those countries. In the second place, an economic recession in an industrially advanced country might have the most violent repercussions in an under-developed country, the economy of which was only too frequently based on the export of one or two primary products. To relieve that situation was thus an international responsibility.

22. The reports of experts on *Measures for the Economic Development of Under-developed Countries* (E/1986) and *Measures for International Economic Stability* (E/2156) recommended certain national and international measures to be undertaken. They had devoted much attention to the question of financing. It was proposed that an international finance corporation should be established, and also that a special fund should be set up for grants-in-aid to under-developed countries. It was good to know that both proposals were receiving serious study, but since detailed reports of the study would not be available till 1953, concrete discussion of them might advisedly be postponed.

23. Significant progress had been made, as was shown by the United States representative's assessment (198th meeting) of accomplishment during the past seven years. Despite that progress, it must be admitted that it had not been of the magnitude the under-developed countries wished it to be. In order to hasten development, the real cause of the impediment to progress must be established. He did not believe that the difficulty lay with the under-developed countries themselves. It was indeed no easy task for the under-developed countries to create an atmosphere conducive to development and foreign investment, but the difficulties in that respect were not insuperable. However, even when financing was assured, the under-developed countries might find that they still had other problems to tackle.

24. During the last few years his country had acquired some experience in the utilization of foreign investment. In Taiwan, the temporary seat of his Government, considerable progress had been made in industrial rehabilitation and development. The main lines of endeavour were power generation and fertilizer manufacturing, both of which were essential to the economic life of the island. Taiwan was fortunate in having an adequate supply of engineers and technical personnel, many of whom had received their training abroad; it was also fortunate in being able to cope effectively with the problem of communist infiltration and consequently enjoying comparative social stability. In two years, power generation had increased from 854 million kilowatt hours in 1949 to 1,285 million kilowatt hours in 1951 and fertilizer production had increased from 46,000 metric tons in 1949 to 110,000 metric tons in 1951.

25. The programme could thus be considered entirely successful, but course of economic development itself had given rise to certain problems, the most significant of which was the local currency problem. His delegation believed that consideration of foreign

exchange investment must be supplemented by a consideration of the complementary local currency cost entailed by such investment and that a clear distinction must be drawn between the two, since they had quite different economic implications. Under certain circumstances, it was even possible that the limit to the rate of economic development in an under-developed country might be set, not by the availability of foreign currency financing but by the domestic currency situation. That distinction appeared particularly pertinent in the consideration of the proposed special fund, since many of the contemplated uses of the fund were expenditures payable in local currency.

26. The obstacles to rapid progress by the under-developed countries could not be imputed to lack of co-operation by the more developed countries. The United States, for example, which was generally singled out as the most advanced of the industrialized countries, had made enormous contributions to international relief aid, and technical assistance. Its participation in the Red Cross, UNRRA, UNICEF, ECA MSA and the "Point Four" programme had contributed to the economic well-being and military preparedness of many countries, including under-developed countries. The United States net foreign aid from mid-1945 to mid-1952 had amounted to \$35,000 million, or 10.6 per cent of its annual national expenditure. The record was undeniably impressive.

27. What then was really holding up the rapid economic progress which the under-developed countries desired? What was preventing or slowing down the free flow of capital to those countries? The answer was not to be found in any experts' report, but it was well understood by the common man. It was the threat of communist aggression and infiltration. That was the real cause of world political instability and social unrest and turmoil. That threat killed the incentive to capital investment and destroyed what little development had already been achieved.

28. A prominent American traveller had written in 1951 that the Kremlin was looking ever more greedily upon the oilfields of Iran and Saudi Arabia, and inside almost every other country communist agitation, subversion, propaganda and sabotage were increasing in speed and scope. The London *Economist* had pointed out that in the Colombo discussions, as in every other attempt to deal realistically with the world's ills, economic projects were a useless vanity until a sound political basis for them had been laid. The most immediate requirement was obviously that of defence. What the *Economist* had said regarding the Colombo Plan applied with equal force to any United Nations plan still to be devised. The fact should be clearly recorded and squarely recognized.

29. Sir Clifford NORTON (United Kingdom) said that he would refrain from replying in detail to the misrepresentations of facts and motives which had characterized part of the discussion, as they were so far from the truth as to merit little attention; he would concentrate on certain basic principles which should guide the Committee in determining how international participation in development could best be organized. Only by co-operating in the interest of the common good could the more advanced and the less developed

countries of the world achieve the aims to which they were all devoted.

30. The industrial revolution in the United Kingdom had created certain social problems, but the awakening social conscience of the rulers of the time had resulted in a series of factory acts and other legislation which had completely changed the picture. The same was true of the industrial and commercial enterprises which British subjects had undertaken in many parts of the world. In the nineteenth and twentieth centuries an immense change had occurred not only in the methods, but also in the spirit in which those enterprises were conducted. In the United Kingdom and abroad the lessons of good industrial relations had been learned and it was realized that the interests of the workers, of the providers of capital and equipment and of management were served by the improvement of living and working conditions parallel with the improvement of techniques. In addition, the United Kingdom had learned to adapt its experience and skill to the age-old customs of the countries which it was assisting.

31. While it was false to regard the activity of capital abroad as an operation designed to extract profits from the countries in which it was invested, it was equally unwise to regard the investment of capital as an act of charity. Since the end of the Second World War vast resources had been provided for relief and reconstruction mainly by the United States but also by the United Kingdom which had extended, although not entirely for altruistic motives the equivalent of 4,000 million dollars in gifts and governmental loans to less privileged countries. The countries which had assisted in financing the development of under-developed areas had found that their efforts, although offering no prospect of immediate or direct return, constituted a contribution to the renaissance of the world, in which, as he hoped, the various countries would be able to live at peace and in mutually profitable trading relations. Mutual advantage and so-called enlightened interest must be regarded not only as respectable, but as the best of good sense.

32. The second important principle to which the United Kingdom was attached was that of making the best use of all available resources. The resources were substantial and included the Colombo Plan, the "Point Four" programme, the International Bank, the Export-Import Bank, the Colonial Development Fund and the various programmes of technical assistance. But resources were not inexhaustible and, when they were provided through the agencies of governments, the latter were accountable to their own people for the use made of them. It was the Fifth Committee's responsibility to ensure that the United Nations services were provided in an economical manner; the Second Committee was more concerned with considering which objectives were desirable and how to achieve them.

33. Economic development must be based on intensive effort to improve educational standards, to secure good administration and to spread knowledge of modern methods. Industrial and agricultural development must aim at securing improved standards of living for the whole of the population. That could only be achieved if economic development was accomplished by educational progress and training in administration and technology.

34. In the Fourth Committee the United Kingdom Minister of State for the Colonies had recently stated¹ that at the moment 96 per cent of the civil service officials in United Kingdom dependent territories were locally recruited inhabitants. That devolution of authority involved an assumption of responsibility and of progress towards self-government. The system was working well because it was based on increased efforts in vocational and technical training, training in local administration and government and in the health and hygiene services. There were at the moment in the United Kingdom some 5,000 students from United Kingdom overseas territories, as compared with 300 in 1939, and in 1952 the equivalent of four million dollars was being allotted to improving technical training facilities in overseas dependent territories with a view to producing the technicians and craftsmen required for economic development.

35. Those efforts had been complemented by participation in the Expanded Programme of Technical Assistance, under which fellowships and scholarships had already been awarded to students from some 20 different United Kingdom territories. The cross-fertilization of ideas resulting from visits and exchanges of students, in addition to the already considerable schemes which his Government was undertaking, was expected to become a powerful stimulus to the economic and social development of the territories from which the students came. In the same spirit the United Kingdom had placed at the disposal of all countries participating in the Expanded Programme the facilities for training available in British universities, schools and technological institutes. The number of fellowships and scholarships granted for study in the United Kingdom under United Nations auspices was approximately 400. He hoped that full use would continue to be made of those facilities and of the United Kingdom experts in industrial development, agricultural technique, health, education, public works and administration, about 200 of whom had been supplied under the Expanded Programme for service in various of the participating countries.

36. Besides the United Nations programmes, there were many other ways in which assistance could be rendered to countries in course of development. In South and Southeast Asia, for example, where population pressure and special conditions made economic development extremely urgent, the Colombo Plan was bringing the experience and techniques of many countries to the assistance of others through local planning commissions and development boards. The participation of the United Kingdom in the Expanded Programme of Technical Assistance, in colonial development and in assistance to the development of countries in the Middle East and in South and Southeast Asia had involved considerable expenditure. The improvement registered in the countries concerned should make it easier for them to obtain international loans and to attract large-scale investment.

37. It was apparent from the reports and documents considered by the Economic and Social Council, and from the discussion in that body at its fourteenth session, that a great variety of important work was

already in process of accomplishment and that there was some need for international organization to guard against duplication of effort.

38. In recent years the United Kingdom had been taking every possible step to increase its productivity and to utilize to the maximum its capacity to produce both for home needs and for export. The increase in national production had been astonishing for a country already very fully developed and, in recent times, with a high and steady level of employment. Production had increased by about 43 per cent since 1945 and by 75 per cent since 1929. There might have been higher rates of industrial expansion in some other countries which were in course of rapid development, but their development had been hastened by the availability of large new resources and by other factors. The increase in production had meant increasing the productivity of industrial workers and of individual units of capital. War-time destruction and the need to export to pay for increasing imports had severely restricted capital investment in the United Kingdom itself so that capital replacement was being delayed far beyond its proper term. Great efforts had been made to contrive and to develop new methods in the United Kingdom and also to learn from other countries. It had been recognized that government efforts could succeed only if supported by the workers and employers. The United Kingdom Government had also launched a widespread publicity campaign designed to produce public awareness of the need for improving productivity. He felt that his country's experience could be of great value both to highly developed and to less advanced countries.

39. The United Kingdom lived by trading. Its capacity to play a useful part in the world and to help others depended largely on its ability to produce the goods needed by other countries, which was not always easy, especially when capital for the re-equipment of factories was in short supply. Yet the United Kingdom was able to supply the products of its industry to an increasing extent. In addition, exports of metal manufactures, machinery, tools, hardware, electrical equipment, chemicals and vehicles (including locomotives, ships and aircraft) to the Commonwealth countries had amounted to £373 million in 1949 and had increased to £536 million in 1951. His Government's policy was to expand its production for sale abroad and he was convinced that such a policy was to the advantage of the world as a whole.

40. Food production was the weakest spot in the expansion of the world economy and the maximum effort and ingenuity must be devoted to increasing food resources in the coming years. The United Kingdom had exported 35,000 tractors in 1950 and 61,000 in the first six months of 1952, as compared with its total production of 29,000 in 1946. British agriculture was, as he believed, the most mechanized in the world. The United Kingdom exported tractors not only to pay for its imports, but also to help other countries to increase their own agricultural productivity. The world must endeavour, by experimenting with new fertilizers and agricultural methods, by discovering new supplementary foods, by supporting FAO and by every technical means possible, to provide plentiful, good and cheap food for everyone.

¹ See *Official Records of the General Assembly, Seventh Session, Fourth Committee*, 251st meeting.

41. Passing to land reform, he stressed that the attention of international bodies should be concentrated on practical work to raise the living standard and increase the productivity of agricultural workers. FAO was to be congratulated on its practical approach to the problem. He extended his good wishes to the representatives of countries currently undertaking far-reaching experiments in land reform and hoped that their agricultural workers, as indeed their whole economies, would reap their due reward.

42. The United Kingdom had long realized the importance of international capital transfers in promoting economic development and world trade. For many years before the Second World War it had provided funds, under the Colonial Development and Welfare Acts, for aiding the development schemes of its dependent territories and had made possible exports of capital and consumer goods through the Export Credits Guarantee arrangements. Although itself the recipient of generous financial assistance, the United Kingdom had contributed some 4,000 million dollars in gifts and loans to other countries. In addition, about £900 million of private capital had flowed from the United Kingdom to the rest of the sterling area since 1945. Gross investment in United Kingdom dependent territories had increased in value by 50 per cent between 1949 and 1951. His Government had therefore participated with keen interest in the discussions on the proposed development fund and looked forward to the Economic and Social Council's report on the matter and to the further report by the International Bank on the suggestion international finance corporation.

43. After the terrible devastation and disillusion caused by the recent war, Western Europe was showing signs of a new life and a new spirit. New political and economic institutions, with which his Government was associated in one way or another, were coming

into being. His country was proud that Mr. Eden had become Chairman of the Council of the OEEC and was impressed by the fact that payments for more than 60 per cent of the world's international trade were being settled through the efficient clearing machinery of the European Payments Union. Such facts were encouraging, as they led to the conclusion that Europe was regaining its capacity to contribute again on a grand scale, to the well-being of all peoples. There were hopeful signs in other parts of the world also. The Colombo Plan, for example, was a promising initiative. In a different sense the regional economic commissions could make an increasingly valuable contribution. Although the world's political troubles and their effects on its economic life were obvious, he believed that with good-will and patience much could be accomplished through the efforts of individual countries, regional groups and the United Nations.

44. Mr. LUBIN (United States of America) remarked that, according to the morning newspapers, Mr. Gunnar Myrdal, Executive Secretary of ECE, had been injured in an accident near Elsinore in Denmark and felt sure that all members of the Committee would join him in expressing their sympathy.

45. Mr. BLOUGH (Secretariat) said that he appreciated the fact that Mr. Lubin had brought the occurrence to the Committee's notice. According to a cable from the United Nations Information Officer in Copenhagen, Mr. Myrdal had been on his way from Geneva to Stockholm when his car had struck a tree. Fortunately his injuries were not as extensive as indicated in earlier reports. Mr. Myrdal had been severely bruised and taken to an Elsinore hospital from which he had later been moved to Stockholm.

The meeting rose at 12.50 p.m.