



**C O N T E N T S**

Agenda item 25:

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| Economic development of under-developed countries<br>(continued):  |    |
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**Chairman:** Sir Douglas COPLAND (Australia).

**AGENDA ITEM 25**

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

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

**GENERAL DEBATE (continued)**

1. Mr. VILLAMIZAR (Colombia) said that in matters of economic policy Colombians steered a middle course, combining realism with idealism. Believing that the best economic system was one that made man free, untroubled, efficient and useful to the society in which he lived, they rejected the view that any one economic system was perfect, and deplored the one-sidedness of almost all contemporary economic thinking. If the actions of nations were to be harmonized, a way had to be found of harmonizing their individual interests for the greater good of the world community.
2. The world's problems were so vast that the United Nations had been unable to produce wholly satisfactory

solutions in the few years since its foundation. A great body of economic information had been assembled, but it had not yet been possible to translate it into action. Another handicap was the absence of common objectives, due to failure to think unselfishly in terms of the future of mankind as a whole. That approach was essential in the case of technical assistance.

3. The classical theories of supply and demand had been reflected in a system based on utility and self-interest, neglecting the two great determinants of human economic capacity, necessity and reality. It had to be considered whether a commercial system based on equity and justice would not eliminate the causes of war and international tension.

4. One apparent cause of the defects wrongly attributed to the capitalist system was the predominance of private enterprise and the inability of some Governments to curb selfish interests for the common good. In itself, state intervention was neither good nor bad. What mattered was the justice of the measures taken, and the manner of their application. However, not all States had the means to act, even in the fields that were, as the United States representative had said (291st meeting), their exclusive responsibility. In the modern world, money seemed to be all-important. The ability of Governments to regulate economic life differed, but despite the differences between them, honest collaboration and joint discussion of common problems were essential.

5. Although the small countries were sometimes described as mere spectators of world events, they had suffered serious set-backs as a result of the war and of post-war dislocation. Moreover, their economic development, to which the vast sums spent on armaments could have been devoted, had been hampered by the nervousness of foreign and domestic capital due to the existing international tension. In that connexion he noted that private capital was adequately safeguarded in the Latin American countries and, while it had undoubtedly contributed to their development, had been amply remunerated for its services.

6. He was surprised that some representatives had made the establishment of the Special United Nations Fund for Economic Development conditional upon disarmament. Action to improve the living conditions of the peoples, without whom peace could not be defended, was essential, but impossible if Governments lacked the capital needed for development. Co-operation was needed to ensure that capital was used in the most economically productive way.

7. Another aspect of international economic co-operation was the tacit or explicit obligation of States to refrain from domestic measures likely to jeopardize the stability of their neighbours. In that connexion, mutual trust, as well as regional agreements, joint studies and common actions were required.

8. The United Nations should also take vigorous action to ensure that credit was not used as a tool of political interests. It should not be forgotten that the under-developed countries made great sacrifices to respect their obligations to their creditors.

9. The Colombian delegation would co-operate in any action to promote peace and economic development provided that its country's rights as a free and independent nation were respected. In particular, it urged the Committee to take a positive and unequivocal stand on the questions of establishing the special fund and an international finance corporation, and on the problems of taxation and the flow of private capital, and a fair and rational price policy.

10. Mr. FAIRHALL (Australia) said that the Australian delegation was painfully aware of the vital need for positive action to promote economic development in accordance with Articles 55 and 56 of the Charter of the United Nations.

11. In recent years, attention in the United Nations had been focused on the means by which the under-developed countries could obtain the foreign capital they needed to promote an effective rate of economic development. Three ways of making international capital available were being considered: measures to facilitate the flow of investment capital, a special fund to make grants-in-aid and the proposed international finance corporation to promote the financing of productive private enterprise.

12. The question of encouraging the flow of private capital had been fully dealt with in Economic and Social Council resolution 512 B (XVII). As a member of the Council, Australia hoped that the General Assembly would adopt the suggested resolution, which was a valuable guide to measures designed to stimulate foreign investment. Australia considered that it was an indispensable part of a United Nations attack upon the international immobility of capital for the under-developed countries to take the measures mentioned in that resolution.

13. Public investment also had to play a large part, especially in South-East Asia, where public ownership of utilities was favoured. Development of such utilities would provide the background against which private investment would operate. For active development to take place, there should be facilities for a regular flow of such public capital as was required. Such facilities were provided under the Colombo Plan and by the International Bank for Reconstruction and Development. While the general climate within the country concerned was of vital importance, the general objective should be a regular flow of investment, both internal and external, on conditions that would command the respect of both the borrower and the lender.

14. In South and South-East Asia capital had normally not been invested in great enterprises but rather in land or in trading ventures, or had been held in highly liquid assets. Consequently, in order to channel private capital into economic development, it would be necessary to devise machinery through which private investors could hold stock in some form of investment corporation which, in turn, would make advances to particular industries and projects. Not all private capital would need to be channelled through an investment corporation but some such institution would be

necessary if a large volume of private capital was to be mobilized from year to year.

15. Similarly, some private foreign capital might go directly into individual projects, perhaps in association with local capital or under special charter from the Governments concerned, but there would be scope for the employment of a considerable volume of such capital through an investment corporation of the type suggested. It was not an easy problem and it would take some time to work out a satisfactory arrangement. Many mistakes would be made if it was assumed that the only requirement was a supply of foreign capital. What was needed was the development of a new financial nexus between the under-developed countries and those that had capital available.

16. Turning to the question of the Special United Nations Fund for Economic Development, he congratulated Mr. Scheyven on his forthright report (A/2728 and Corr.1) but regretted that it had omitted any reference to the Australian Government's reply to the Secretary-General (A/2646/Add.2). His delegation agreed with Mr. Scheyven that there was a need for greater public awareness of the problem created by sub-standard living conditions in vast areas of the world.

17. Both within and without the United Nations, Australia had consistently displayed sympathy with the aim of accelerating the economic development of the less advanced countries. It had given practical evidence of that sympathy through substantial contributions to United Nations programmes aimed, directly or indirectly, at developing the under-developed regions. Even more striking evidence was to be found in the leading part played by the Australian Government in the establishment of the South Pacific Commission and the preparation and operation of the Colombo Plan.

18. In the area in which it operated, the Colombo Plan was essentially similar in structure to the proposed special fund, and its satisfactory development over the past four years could provide useful guidance to the Committee. Under the Colombo Plan, a group of countries, including Australia, had prepared and put into operation a development fund for South and South-East Asia. Under the Plan, Australia had recognized the responsibility of the more developed countries to assist those in less developed areas to attain adequate living standards. Such recognition had taken the practical form of substantial financial contributions amounting to over \$70 million for capital aid over a period of six years and a further amount of nearly \$8 million for technical assistance.

19. The Colombo Plan had not come into existence overnight; the long and arduous work leading up to it had been begun as early as 1947. His delegation was convinced by experience that no similar plan for co-operative economic development could possibly hope to succeed unless the preparatory work had been carefully carried out.

20. No one denied the merits of SUNFED but there was disagreement on the question of contributions. Some countries had stated that the more fortunate Members should contribute while the latter had said that that was impossible under present circumstances. While there was dispute on those and other basic matters, the Committee should take note of Mr. Scheyven's conclusion that the essential conditions for the

establishment of a special fund in the near future did not exist. If the essential conditions for the establishment of the Colombo Plan had not been present in 1950, Australia and other Commonwealth countries would not have been so rash as to push forward with the establishment of that Plan.

21. In reaching his conclusion Mr. Scheyven had had in mind in particular the inability of the major industrial Powers to contribute to the fund, but another factor had to be considered, the attitude of the would-be recipient countries. SUNFED could only succeed on a partnership basis, with responsibilities devolving upon both contributors and beneficiaries.

22. In that connexion, his delegation had been interested in the USSR representative's statement (294th meeting) that the development of the under-developed countries had to be based on their own resources and that foreign investment had to be complementary to local capital. That was the essence of the Colombo Plan. That Plan was commonly thought of as one for international aid to South and South-East Asia, but in fact the countries in that region were doing far more for themselves than the contributing countries were doing for them. Thus, of the total of \$1,540 million being applied to economic development under the Colombo Plan only \$280 million—approximately 18 per cent—consisted of external aid.

23. The figures illustrated the kind of effort that had to be made by the under-developed countries if a plan like SUNFED was to be established on a reasonable basis and was to work. The Committee of Nine had suggested in its report (E/2381) a sum of \$250 million as the minimum amount needed to start SUNFED and, on the basis of the figures quoted, for the Colombo Plan, the under-developed countries would have to provide over four times this amount in the form of domestic savings ready for investment in their own countries. His delegation would be interested to know whether that earnest of the necessary spirit of co-operation would be forthcoming if SUNFED were to be set up.

24. Australia's sympathy with the under-developed countries was such that his delegation would be most reluctant to oppose any resolution calling for the immediate establishment of some type of special fund. If such a resolution were to be introduced at the present session, his delegation's vote would depend on the extent to which the conditions it felt essential to the success of the fund would be achieved. If Australia voted for such a resolution it would not imply approval of the report of the Committee of Nine, on which Australia reserved the right to comment in due time.

25. Furthermore, if the Australian delegation supported any proposal to establish SUNFED at the present time, the inference should not be drawn that Australia was willing to contribute to the fund. The Australian delegation had to distinguish between its support of the SUNFED project as such and actual Australian material assistance to it. The Australian Minister for External Affairs had already pointed out at the 479th plenary meeting of the present session of the General Assembly that Australia stood midway between the developed and the under-developed stage. Although Australian national savings were high, development needs were great and the country was a net capital importer. Australia was also in the throes of

a developing migration programme. In recent years the country's total investments had amounted to twenty to twenty-five per cent of its gross national product, one of the highest development rates in recent times. Moreover, Australia's population was increasing at the extremely high rate of three per cent per annum. In many spheres, too, Australia had embarked upon large projects which would not yield results for some time. For all those reasons, the resources which Australia could afford to contribute to the development of other countries were necessarily restricted. It felt at the present time that with its contributions to United Nations programmes and to the Colombo Plan it was doing all it could under current world conditions.

26. If it was agreed to establish SUNFED, his delegation would have comments to make upon its organization, based on experience with the Colombo Plan. The Colombo Plan would never have been successfully established and operated if it had been based on a central fund into which contributors put capital and from which recipients drew, in accordance with the decisions of an executive in which each country had one vote. His delegation doubted very much whether SUNFED could ever be successful upon such a basis. The looser type of organization represented by the Colombo Plan was much more effective. Its central organ was not an executive but a consultative committee. The term "consultative" denoted a form of organization that fully preserved the equality of all members, contributors and recipients alike. Such an organization, preserving as it did the maximum of sovereignty for both sides was a prerequisite of success in such an undertaking.

27. The situation regarding the international finance corporation was somewhat similar to that of the special fund. To use Mr. Scheyven's terms, the essential conditions for its establishment, notably an ability or willingness on the part of the major capital exporting countries to contribute, did not exist. However, the General Assembly should not lump SUNFED and the corporation together, or assume that because one could not be established at any particular time then neither could the other. The international finance corporation would extend the operations of the International Bank for Reconstruction and Development and would have the benefit of the experience the Bank had gained over the last eight years. The provision of finance was therefore much more the essential condition for starting the corporation than for starting the special fund. In that connexion his delegation was very interested in the Chinese representative's suggestion (292nd meeting) that the corporation might be established by the Bank on an experimental basis.

28. His delegation could make no commitment as to whether Australia could contribute to the international finance corporation if it were to be established in a complete or modified form at the present session. The Committee would appreciate that Australia, in the face of her own international commitments and her internal development problems, could not readily assume fresh external responsibilities.

29. Mr. ZAIN (Indonesia) said that it was important that the high level of business activity at present prevailing in large areas of the world, particularly in Western Europe, should continue. So small had the world become through the improvement of communications

that economic changes in one area immediately had had their effect elsewhere. The adjustment of the American economy combined with the drop in raw material prices had resulted in a sharp contraction of Indonesian exports to the United States in 1953, whereas the decrease in Indonesian exports to Western Europe had been very slight.

30. It was clear that the present level of great business activity could continue only if production remained high. It was both economically and financially possible to keep production high, but 1929 was a reminder that there was no enemy more dangerous than complacency. In spite of the slackening of international tension, continued high expenditure on armaments was imparting a certain artificiality to the world economic situation.

31. If production was to continue at a high level, there had to be an adequate demand. Unfortunately that demand in the under-developed countries was weak and might become weaker. Ultimately that would affect the aggregate demand. The value of world trade had declined from \$75,000 million in 1951 to \$69,000 million in 1953; that decrease had been wholly accounted for by the decline in trade between industrial and non-industrial countries and in trade among the latter. The decline in exports of raw materials from the under-developed countries to the industrialized countries alone had amounted to \$2,300 million. The under-developed countries had been compelled to cut their imports. Many of them had been able to avoid further reductions in their imports only by drawing on their monetary reserves. Consequently it was doubtful whether they would be able to maintain even their 1953 volume of imports for long. The aggregate demand of the under-developed countries was an important factor in the world economy, since, according to the 1953 figures, it was equivalent to 40 per cent of the total exports of industrial countries. It should be remembered that the increase in population called for an expanding economy with increasing production to maintain standards of living.

32. It was in the light of those facts that the export drives of many highly industrialized countries should be viewed, in particular, the United States Government's measures to dispose of agricultural surplus on easy terms.

33. The time seemed appropriate to take action to help solve the problem of the economic development of the under-developed countries. Such action should include measures to increase the earning capacity of the under-developed countries, such as land reform, the liberalization of trade and the prevention of violent fluctuations in raw material prices. His delegation welcomed the Economic and Social Council's decision to set up a commission on international commodity trade as provided by resolution 512 A (XVII) and hoped that that Commission would find a solution to the problems caused by such fluctuations. Measures were also needed to provide the under-developed countries with additional assistance from abroad through the Expanded Programme of Technical Assistance, the International Bank for Reconstruction and Development, the International Monetary Fund, the proposed Special United Nations Fund for Economic Development, the proposed international finance corporation, and an increased flow of private capital.

34. There still seemed to be doubt as to the possibility of overcoming the world's grave economic difficulties. The Committee had frequently discussed those difficulties but time and again it had failed to find any solution. However, as he had pointed out, there had been favourable changes in the world economic situation, although the under-developed countries did not seem to have received much benefit from them. For his part, he refused to agree that the Committee had to acknowledge defeat.

35. Mr. HALIQ (Saudi Arabia) said that countries like Japan had succeeded in becoming highly developed without the benefit of the body of scientific knowledge of economic development problems which at present existed. The existence of that body of knowledge had encouraged several under-developed countries to believe that they would soon become fully developed, but after eight years of intellectual and more or less practical effort by the United Nations, it was becoming generally realized that the process of development had to be slower than had originally been anticipated. By refusing to co-operate and by arguing that the under-developed countries should rely mainly on domestic saving and private foreign capital, the great Powers were in effect advocating that the ambitious scientific plans of the United Nations for rapid economic development be discarded.

36. The past few years had been lean ones for the under-developed countries, and the prospects for the years to come were disheartening.

37. Saudi Arabia had found that it was useless to rely on the grandiose projects of the United Nations for economic development. It had made little call on United Nations resources because the United Nations had little to offer, and it had almost no expectations of practical assistance through bilateral arrangements.

38. Saudi Arabia had chosen to proceed with its economic development on the basis of its own resources, employing certain unorthodox methods where necessary.

39. The documentation before the committee was all negative, with the possible exception of the report entitled *Commodity Trade and Economic Development* (E/2519). The Expanded Programme of Technical Assistance was in a precarious position. The proposed Special United Nations Fund for Economic Development and the international finance corporation had not even been set up. He doubted whether there was any real economic justification for the argument that the establishment of the special fund should be deferred until there was general disarmament. Countries in the process of economic development were financing that development to a large extent with money received for raw material exports which had gone to swell the strategic stockpiles of the few countries which could afford to enter the armaments race. By the time those countries had ceased arming at the present rate the reserves of the raw material producing countries would be considerably diminished. It would surely be wiser to provide the under-developed countries with a little assistance while they were still able to make substantial efforts to develop their economies. Such assistance might take the form of unwanted army bulldozers for building new roads, unwanted tanks, which could be converted into tractors, and landing craft that could be used for river and coastal transport.

40. It had also been argued that the proposed fund could not be set up immediately because several capital exporting countries were heavily committed under such schemes as the Colombo Plan and the Point Four programme. It was hard to see why those schemes should be given preference over the United Nations Expanded Programme of Technical Assistance. He strongly deplored the present tendency of certain governments to by-pass the United Nations.

41. He hoped that the Committee would give effect to Mr. Scheyvan's one positive recommendation, that the Secretariat publicize the SUNFED project in the economically more advanced countries. In so doing, the Secretariat should avoid making it appear as an appeal for charity; it was nothing of the sort. For sound economic reasons it was in the interests of the world as a whole that the fund be established, and those reasons should appeal to intelligent people everywhere.

42. The fact that many important delegations had still not taken up a definite position in regard to the proposed international finance corporation was disheartening. Although the International Bank for Reconstruction and Development was providing useful service, that was no argument against the establishment of the proposed international finance corporation. The Bank financed only projects which were considered sound according to normal banking criteria. There were projects which, although they might not be considered sound according to those criteria, were sound from the point of view of world peace and stability. The establishment of the proposed corporation would make it possible to grant public loans to under-developed countries without government guarantee, and make equity money or loan capital available as required to help finance sound development projects. The granting of loans through the corporation would not result in foreign investors obtaining a controlling interest in development enterprises and would thus prevent any recurrence of economic colonialism. At the same time it would relieve private investors of the task of management and supervision, since effective supervision would be exercised by the United Nations agency which would be composed of all the parties concerned.

43. Private capital was an essential, but not the only, element in the financing of economic development. He had been disturbed by the way in which the Secretariat had stressed the inability of the under-developed countries to attract foreign capital. Most of the countries concerned had enacted legislation favourable to the foreign investor. What was needed was corresponding action by the governments of capital exporting countries to encourage the flow of private capital to the under-developed countries.

44. Under-developed countries required both private and public capital from abroad. An increase in private investment in the under-developed countries would increase the need for public investment in those countries, because the basic requirements for economic development such as irrigation and the provision of power could be financed only with public funds.

45. The United States private investor in an under-developed country usually paid taxes to his Government and created employment for United States citizens. The taxable earnings of United States private capital in the under-developed countries amounted to a huge sum, in comparison with which the few hundred million

dollars subscribed by the United States Government and the Governments of other capital exporting countries to the United Nations technical assistance constituted a very modest investment.

46. He hoped that the day would come when a specialized organ of the United Nations such as the defunct Economic Employment and Development Commission would deal effectively with the problem under discussion.

47. U HLA (KYAING (Burma) said that Burma was not only an under-developed country but also one of the principal victims of the Second World War. In spite of war destruction, economic chaos, impoverishment as a result of the Japanese occupation, internal insurrection and external attacks by the Kuomintang forces, the gross national product of Burma had risen to 4,140 million kyats in 1953-1954 or 84 per cent of the 1938-1939 level without any loans from the International Bank for Reconstruction and Development or the International Monetary Fund. The economic reconstruction of Burma was being co-ordinated under the eight-year-programme of economic and social development (1952-1953 to 1959-1960), at the end of which it was expected that the national output would amount to 7,000 million kyats. It was hoped to finance capital imports from export earnings and foreign currency reserves and, if necessary, by restricting imports of consumer goods. Despite such national efforts, the great disparity in the standards of living of the under-developed countries such as Burma and the more advanced countries would remain for several decades. His delegation therefore supported the establishment of the Special United Nations Fund for Economic Development and of an international finance corporation.

48. He expressed his sincere gratitude to the various United Nations specialized agencies and other organizations for their invaluable assistance in the campaign against disease, ignorance and despair. Heartfelt thanks were also due to the United States for the social and economic assistance rendered to Burma under Point Four, the Economic Co-operation Administration and the Technical Co-operation Administration. Burma also expected to obtain assistance under the Colombo Plan.

49. He was disappointed to learn that the major industrial Powers were disinclined, at least at the present juncture, to lend their financial support to the establishment of SUNFED, but he was somewhat comforted by the courageous attitude of the Netherlands, Denmark, Italy, Norway, Belgium, France, Japan and Luxembourg. He fully endorsed Economic and Social Council resolution 532 A (XVIII).

50. Mr. PSCOLKA (Czechoslovakia) stated that the unsatisfactory economic situation in the under-developed countries had continued to deteriorate. The fact that need and hunger prevailed in those countries, although the overwhelming majority of the population was employed in agriculture, was due to the inequalities of the system of land tenure and to agricultural methods used.

51. The rich natural resources of the under-developed countries were being exploited by foreign monopolies. Most under-developed countries had become politically and economically dependent on the capital-exporting countries. They were also economically and financially dependent on the export of a very restricted number



of commodities, the prices of which fluctuated considerably.

52. As the Argentine representative had stated at the 488th plenary meeting of the present session of the General Assembly, economic development depended primarily on the efforts of the peoples themselves and only to a slight degree on external factors. Serious attention had also to be paid to the need for structural changes in the economies of the under-developed countries such as the introduction of basic industries and the mechanization of agriculture. The state itself had to assume the main responsibility for economic development, as private enterprise was incapable of providing sufficient basic investment capital.

53. Integrated economic development could not be promoted by short-term measures; long-term programmes and continued planning were essential. It had become a generally recognized principle that national savings were the main source for financing economic development and that foreign investments did not serve the interests of the essential branches of the national economy. In the under-developed countries, United States financial groups invested their capital primarily in the extractive industries, which offered the greatest profit. Profits from those investments were many times higher than the yield on similar investments in the United States itself. The information supplied by the Economic Commission for Latin America in its *Economic Survey for Latin America 1951-52* (E/CN.12/291/Rev.2)<sup>1</sup> indicated that the profits and interest derived from foreign investments in Latin America from 1945 to 1952 far exceeded the flow of foreign capital to that area.

54. Moreover, foreign investments of private capital did not contribute to the industrialization of the under-developed countries or to the establishment of basic industries. Foreign capital exporters generally demanded considerable concessions in respect of taxes and the transfer of profits. Real assistance to the under-developed countries had to be based on complete equality and on respect for national interests; it was never to be made conditional on political or strategic concessions. For those reasons his delegation had been unable to support the draft resolution (E/AC.6/L.79) on the flow of capital to the under-developed countries submitted by the United States and other countries at the seventeenth session of the Economic and Social Council; a resolution which emphasized only the creation of a favourable climate for private investments represented no real progress.

55. He had followed with interest the attempts by the under-developed countries to find other means which would really serve their economic interests. The economic developments of the under-developed countries depended first and foremost on the rational mobilization of their own resources and on the expansion of trade under fair and mutually beneficial conditions. Foreign trade was the most natural and productive method of acquiring the financial means for economic development.

56. The prices of raw materials and primary commodities depended on trade opportunities and the terms of trade which were, in turn, frequently determined by factors over which the under-developed countries

had no control. The United States disrupted international trade by its so-called "strategic" purchases, discriminatory measures and restrictions on other countries. If exports of raw materials were to serve economic development effectively, the proceeds of such exports were not to be transferred abroad regardless of domestic needs, as happened when the sources of raw materials were in the hands of foreign monopolies. On the other hand, during boom periods the favourable export balances of the countries producing primary commodities were adversely affected by the increased transfer of profits and earnings from investments. The under-developed countries required secure outlets for their export commodities at equitable prices, a requirement which could not be met without the elimination of discriminatory restrictive practices.

57. The countries with planned economies, such as the Soviet Union, the People's Republic of China and the people's democracies, were in a position to conclude long-term agreements with the under-developed countries providing outlets for their goods at fair prices. Through such agreements the under-developed countries could secure the necessary machinery and industrial equipment for their development. Czechoslovakia had repeatedly stressed its willingness to develop trade relations with all countries on the basis of mutual advantage. In that connexion, he pointed out that the volume of Czechoslovak trade with the under-developed countries had increased, in the first quarter of 1954, by 47.1 per cent as compared with the first quarter of 1953.

58. The under-developed countries required high quality technical assistance which would enable them to reach a desirable level of technical knowledge and ability in the near future. Technical assistance, the granting of which was supported by Czechoslovakia, should therefore be directed towards production, not towards administrative and organizational services.

59. Mr. NORDAHL (Norway) considered that the Special United Nations Fund for Economic Development and the international finance corporation would have little chance of success if established by a bare majority vote and without the support of the major contributors. For the time being at least, the Expanded Programme of Technical Assistance seemed to be the only major scheme which met with general approval. He supported the Swedish representative's view that that programme should be further expanded. The Norwegian Government was considering asking parliament to increase its contribution to the Expanded Programme from \$100,000 to the equivalent of \$420,000. He hoped that other Governments would be able to increase their contributions on a similar scale.

60. Although his Government was sympathetic to the objectives of SUNFED and had not made its contribution to SUNFED conditional on general disarmament, most of the major industrial Powers maintained such a condition and there was little hope of any radical change, although some encouragement might be drawn from recent progress in the discussions on disarmament. The wisest course would be to keep the project under active consideration by endorsing Economic and Social Council resolution 532 A (XVIII).

61. Although the Expanded Programme of Technical Assistance enjoyed widespread popularity every effort should be made to publicize it and to muster political

<sup>1</sup> United Nations Publication, Sales No.: 1953.II.G.3.

support for it. The recipient countries had an important part to play in helping the contributing countries to secure the financial resources for the programme. It was to be regretted that the proposal to admit non-Member States to the Technical Assistance Committee which had been submitted to that Committee<sup>2</sup> could not

be dealt with at the eighteenth session of the Economic and Social Council. Increased publicity, together with the improved system of allocating funds and a possible extension of equipment deliveries under the Expanded Programme, could contribute substantially towards increasing financial support for the programme.

<sup>2</sup> See Document E/2637, para. 21 and 22.

The meeting rose at 5.40 p.m.