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NEW YORK

President: Mr. Károly SZARKA (Hungary).

AGENDA ITEM 6

Reports of the World Bank Group (E/5216)

1. Mr. McNAMARA (President of the International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation) said that he would first summarize recent Bank Group activities, particularly those which brought the Group into working relationships with other parts of the United Nations system, then make a general assessment of the current state of development of developing member countries and, finally, analyse one of the most critical issues of the development process, namely, the relationship of social equity to economic growth.

2. During the previous fiscal year, Bank loans, International Development Association (IDA) credits and International Finance Corporation (IFC) investments had amounted to $3,100 million compared to $2,600 million in 1971 and $1,000 million in 1968. Thus, the five-year programme to double the Bank Group's operations in the period 1969-1973 by comparison with the preceding five years would not only have met but would have surpassed that goal. For the period 1974-1978, a second five-year programme was proposed whereby the Bank Group's financial commitments to its developing member countries would be increased by an average of 11 per cent per year, an increasing proportion of those commitments being in the form of IDA credits. If that was achieved, the Bank Group would be helping to finance and provide technical assistance for some $50,000 million of capital improvements during the second five-year programme.

3. The first five-year programme had not been a plan merely to do more, but rather a plan to intensify efforts in the most important development sectors, namely agriculture, education and population. In the latter field, the Bank, which had first deliberately initiated projects in smaller member countries, had signed agreements for projects in two of its largest member States, India and Indonesia. In India, the Bank project was designed to provide the information, experimentation and analysis required to help the Government achieve its population objectives. The Bank project in Indonesia represented the most co-ordinated population planning effort ever undertaken within the United Nations system. Together with the Bank and the Indonesian Government, it had the active participation of the United Nations Fund for Population Activities, the World Health Organization (WHO), the United Nations Children's Fund (UNICEF) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

4. The Bank Group's emphasis had shifted geographically as well as sectorally. In Africa, it expected to triple its lending by comparison with the previous five-year period. Similarly, it would have more than tripled its lending for those of its member countries which had been designated by the United Nations as least developed.

5. Considering that one of its major responsibilities was to assist its member countries to measure and record the various aspects of social and economic development, the Bank issued economic, sectoral and special reports, which had come to play a useful role and, with the agreement of the Governments concerned, it hoped that most of the basic reports could be published. To avoid Governments and agencies having to provide the same information several times, the Bank made it a practice to send schedules of its forthcoming missions to other interested United Nations agencies. The Bank had recently published in a single volume a collection of sectoral working papers dealing with a number of development areas in the hope that they might prove informative to others engaged in various aspects of development.

6. Real progress was being made in co-operation with other agencies of the United Nations system and the results were beneficial to member countries of the World Bank Group. The Group had recently intensified its traditionally close operational relationships with the United Nations Development Programme (UNDP) and Bank missions regularly received briefings from UNDP resident representatives while the latter regularly used Bank economic reports as an important input into UNDP country programmes. He had already noted the interagency co-operation achieved in the Indonesian population project. Basing itself on that experience and with the active participation of the United Nations Fund for Population Activities and WHO, the Bank was preparing to assist Governments to develop comprehensive national population programmes. If such a national programme was adopted by a Government, it became relatively easy for financing and technical assistance agencies to tailor their assistance to the requirements of the national programme. Further, the Bank was actively participating in the planning stages of the World Population Year, 1974, just as it had fully supported the United Nations Conference on the Human Environment. It had concluded a co-operative agreement with WHO covering the identification and preparation of water and sewerage projects. It had also reached agreement with the Executive Director of the United Nations Industrial Development Organization (UNIDO) on the establishment of a unit to serve both institutions. As to its long-established co-operative programmes with the Food and Agriculture Organization of the United Nations (FAO) and UNESCO, it need only be said that they were working well and contributing significantly to the Bank Group's capacity to expand its operations in agriculture and education.

7. Turning to the question of the stage of development reached by the approximately 100 developing countries which were members of the World Bank Group, he stated that their current state of development was unacceptable. That was not because there had been no progress, because the total economic growth of the developing countries during the First United Nations Development Decade, measured in terms of the gross national product (GNP), had been impressive. However, such economic measurements, useful as they were, could be seriously inadequate in that they did not give much indication of what was happening to the individual lives of the inhabitants of the developing countries. Given the terrible poverty in which hundreds of millions of people were living, there was little satisfaction to be gained from the simple statistical achievement of the over-all GNP growth goal of 5 per cent by the end of the First Development Decade. To begin with, that average figure concealed the fact that the growth rate had been very uneven among the various developing countries, while income had grown least in the countries where it was needed most. In fact, the *per capita* income growth had been minuscule, barely attaining 1.7 per cent. It had been to raise the *per capita* income that the Members of the United Nations had adopted as a target for the Second Development Decade an over-all annual GNP growth target of 6 per cent. To make possible the achievement of such a rate the developed countries were to increase their aid to 0.7 per cent of their GNP by 1975. The truth was that the objective of 0.7 per cent would not be achieved and that, in all probability, only half of the target rate would be reached. It could certainly not be said that such a target was too ambitious for the developed countries in view of the fact that, during the First Development Decade, the total GNP of the world had increased by $1,100,000 million and that 80 per cent of the increase had gone to countries where the *per capita* income already averaged over $1,000 and which contained only one quarter of the world's population.

8. The shortfall in official development assistance would penalize most the poorest countries, those with *per capita* incomes of less than $200. Those developing countries which were somewhat better off would also be affected because they would be forced to seek the finance they required from other sources and would only be able to obtain it on less favourable terms so that there would inevitably be an increase in their short-term and medium-term debt burden.

9. Even assuming that all developing countries reached the Second Development Decade's 6 per cent growth target by 1980, that achievement in itself would not provide a significant improvement in the conditions of life of the inhabitants of the third world. Increases in national income would not benefit the poor unless they reached them directly. Yet, to date, the extreme maldistribution of income in almost all the developing countries meant that the increase in national income had scarcely reached the lowest income strata whose poverty appeared to be far worse than the national averages suggested.

10. To remedy that situation, some argued that Governments in the developing countries should make rapid economic growth their first objective and that income redistribution and increased employment could be achieved later. Others argued that widespread relief of the growing pressures of poverty should be the central objective of development strategy, even if that entailed major sacrifices in the pace of over-all growth. While few disputed the fact that there was some conflict between maximization of growth and the rapid reduction of poverty, many argued that, in the long term, the conflict was irrelevant and that, even in the shorter term, it was possible at least to reduce the conflict by shaping an economy which provided the proper incentives. However, that argument did not go far enough; a decade might be a short term for a development planner, but it was a long term for the victims of poverty. It must also be recognized that, if a Government were to initiate policies to increase the income growth of the lowest 40 per cent of its population, there were legitimate questions as to what the impact of such policies would be on the rate of over-all national growth.

11. Although those questions could not be fully answered, two conclusions could nevertheless be drawn. First, the developing countries could design policies with the explicit goal of improving the conditions of life of the poorest segment of their population without thereby seriously jeopardizing the growth of their national economies. Secondly, the situation of the poor could not be significantly improved within a reasonable period of time unless the authorities of the developing countries placed appropriate emphasis on such programmes.

12. In order to attack the problem of poverty within the third world directly, steps could and should be taken in five fields. First, specific goals should be established, within the development plans of the various countries of the third world, for increasing the income of the poorest segment of the population in those countries. Secondly, given the intimate link between poverty and unemployment, unemployment and underemployment should be attacked head-on; low-skill, labour-intensive and economically useful projects should be organized, and the Bank would assist in financing such projects. Thirdly, institutional reforms to redistribute economic power—land reform, and tax and other types of reform—were critically required in many developing countries and the Bank would give financial and technical assistance to countries which decided to adopt such reforms. Fourthly, shifts in the patterns of public expenditure represented one of the most effective techniques a State possessed to improve the conditions of the poor, and in that area, too, the Bank was prepared to assist in designing and financing programmes that would improve the distribution of public services. Fifthly, it was necessary to eliminate distortions in the prices of land, labour, and capital, which provided subsidies to the rich and penalties for the poor. Of course, each country must make its own decision as to how and when to deal with its internal inequities. Nevertheless, to postpone reform on the grounds of political expediency was to invite political extremism. To remain indifferent to social frustration was to foster its growth.

13. In conclusion, he stressed that current development programmes were seriously inadequate, because they were failing to end the inhuman deprivation in hundreds of millions of individual lives throughout the developing world. There were two reasons for that: the rich countries were not making a sufficient effort to assist the poor countries, and the latter were not taking the necessary steps to improve the situation of the poorest segment of their populations.

14. He did not believe that the proposals he had made were a facile formula for instant success in the development process, or an all-purpose set of solutions that would automatically eliminate immensely complex problems. He did, however, believe that all Members of the United Nations and, in general, all those concerned with development questions, had a grave responsibility to the hundreds of millions of individuals throughout the disadvantaged world. The international community and the Governments of the countries that comprised it had the capability of touching those lives and rendering them more livable. The Bank hoped to contribute its share to that collective effort.

15. Mr. GALLARDO MORENO (Mexico) said that the countries of the third world had already set forth in the various United Nations forums their concern about the development problems to which the President of the World Bank had so rightly referred. The goal of the World Bank Group was to double over the coming five years the operations carried out over the five preceding years, giving particular preference to programmes relating to agriculture and education; those goals were, unfortunately, insufficient in view of the under-developed state of the least advanced countries. The growth target set for the Second United Nations Development Decade could be achieved only if the developed countries increased their official assistance to 0.7 per cent of their GNP by 1975, while according to estimates the figure reached would be only 0.37 per cent.

16. The criteria used for the distribution by country of the funds granted under favourable terms should be reconsidered, since, in many developing countries, the increase in income affected only a small portion of the population and the benefit was unevenly distributed among the different regions within those countries. Programmes for raising the employment level and the real income level of marginal sectors should not be subordinated to formal considerations concerning relative development levels, based on global indicators which had been proven to be barely relevant in countries where the economy was not fully integrated. Accordingly, the Mexican Government had decided, in its new economic strategy, not to leave the task of achieving economic justice to market forces; the distribution of increases in real income should go hand in hand with the economic advancement of the country.

17. His delegation agreed that it was not enough to set a global target for the whole economy and for each of its productive activities and that specific targets should be set simultaneously with a view to increasing the real income of the poorest categories.

18. It was regrettable to see that in the developing countries debt servicing had increased considerably in the past two years; that justified the desire of the developing countries to obtain more favourable loan terms that would enable them to improve their situation at least partially.

19. As the President of the World Bank Group had indicated, the situation of the third world countries was still a matter for concern. The inadequacy of official development aid funds, the increase in the indebtedness of those countries, and the perpetuation of discriminatory barriers to trade with the developing countries were all symptoms that showed that the 6 per cent target set for the end of the Decade could not be attained by the majority of countries and would represent an extremely difficult task for the others. It was to be hoped that the appeals made in order to draw attention to the grave problems of the third world would arouse the political will of the international community. While each country should itself make the efforts necessary for its development, it was only natural that those which had in the past obtained their supplies of primary commodities from the developing countries in order to ensure their own economic prosperity should acknowledge their obligations. The advanced nations should also take account of the disadvantages that might arise from geographical location and the uneven distribution of resources.

20. In principle, each country should be able to decide for itself its political and economic orientations and obligations. Each country had the right also to expect other countries to refrain from impeding its freedom of action and from obstructing measures to promote the interests of its people.

21. If development and social justice were to derive the maximum benefit from international economic cooperation, whether in the monetary, the commercial or the economic field, the economic rights and obligations of all nations must be recognized and defined unequivocally, in accordance with the proposal made by the President of Mexico and approved by the United Nations Conference on Trade and Development (UNCTAD) at its third session at Santiago, Chile.

22. Mr. ALI (Pakistan) said he was happy to note that the Bank, IDA and IFC had increased their assistance during the 1972 fiscal year. It was particularly gratifying that the World Bank Group attached great importance to population problems and had decided to provide assistance from IDA funds to two densely populated countries in Asia.

23. He recalled that in 1950 the Bank had confined its loans to so-called "bankable" projects; that policy had perhaps been necessitated by the fact that the loans came from the sale of bonds and it had been necessary to give the lenders assurance of repayment. The Bank had, however, modified its attitude and, in order to take account of the needs of the developing countries, and, in particular, the least advanced among them, had begun to finance projects that did not yield any direct returns.

24. Having begun to grant technical assistance in a large number of fields, the World Bank Group had gradually embarked on studies in the field of economic development in order to understand and analyse the economic progress made by its developing members.

25. His delegation welcomed the fact that, in his statement to the Board of Governors of the Bank on 25 September at Washington, Mr. McNamara had spoken about the damaging effect of population growth, the needs of poor countries with a *per capita* income of less than $100, the growing needs for official development assistance, and the poverty of the lowest income groups in the developing countries. In that connexion, he pointed out that the Pakistan Government, conscious of the unevenness of economic growth, had adopted a number of measures concerning land holdings, industrial concerns, insurance companies, labour, education and health.

26. For 20 years the developing countries had been drawing attention to their economic situation and trying to obtain more aid. To that end, they had urged the establishment of new organizations to satisfy their

growing needs and arrest the deterioration in their economic position; thus, organs such as IFC, IDA, UNIDO, the Special Fund, and particularly the United Nations Capital Development Fund had been established with the help—sometimes reluctant—of the developed countries. Despite everything, there had been no improvement in the position of the developing countries, as was shown by some statistics, which he read out, relating to such matters as world exports, *per capita* income, debt servicing and population. It was clear that over the last 22 years the gap between the rich and poor countries had become wider and wider. The international community should redouble its efforts to find solutions to those serious problems.

27. Mr. PEREZ de CUELLAR (Peru) said he had been glad to hear that the financial year 1972 had in general been very productive as far as the increase in resources and in the scope of World Bank Group loan and credit transactions was concerned. The Group had set itself the target of doubling its credit activities between 1968 and 1973, and subsequently increasing, by approximately 11 per cent per annum, credit transactions involving the developing countries during the following five years. His delegation favoured that approach and was gratified to note that the loans and credits were being channelled to priority development sectors, since that would enable the less developed countries to avoid becoming increasingly dependent on foreign capital in a market where prices were on the upsurge. However, it would be appropriate for the Bank to grant an increasing number of loans on favourable terms, particularly with respect to periods of grace, and to devise a formula to enable preference to be given to local contractors in the awarding of contracts for public works programmes.

28. He believed that the World Bank's new policy should be considered in the general context of the international situation which, as the third year of the Second Development Decade was about to begin, was far from favourable.

29. According to United Nations studies, in 1975 the trade and financial deficit of the developing countries as a whole would, at the most optimistic estimate, amount to between $17,000 million and $26,000 million, largely as a result of the outflow of capital due to the remittance abroad of profits from private investments, debt servicing, and deterioration in the terms of trade. Thus the tendency for capital to be exported from the third world to the developed countries was apparently continuing. He went on to deplore the strong influence of multinational enterprises on the entire world economy; in some instances, their participation in the world economy was far greater than that of many States—even developed States—and they bore an alarming share of the responsibility for the recent international monetary crisis.

30. In view of that, it would be extremely difficult to attain the goals of the International Development Strategy for the Second United Nations Development Decade. While multilateral development assistance was essential, the less developed countries should at the same time rely on their own efforts to break out of their present impasse and organize themselves to produce and market their natural resources.

31. The report before the Council (see E/5216) recognized that the problem was of such magnitude that the World Bank Group could provide only marginal assistance to the third world countries, which could not, therefore, afford to slacken their efforts. It was necessary for them to modify their economic and social structures and to refute the school of thought which upheld the pure growth theory without taking into account the problems of the distribution of social power and national revenue. The Peruvian Government was taking revolutionary measures to change the social structure of the country: the reforms being made affected the distribution of land, the management of enterprises and the ownership of the means of production, the profits derived from natural resources, education, and the participation of the people in decision-making at all levels. In spite of the redistribution of social power and revenue, the growth rate of Peru's GNP had been maintained at 7 per cent, thanks to the country's internal efforts. At its meeting in Paris in February the Consultative Group of the World Bank had recognized that immense effort and, after considering a series of Peruvian projects, had decided to assist them to the extent of $780 million over the next three years. The new spirit which seemed to pervade the Bank's activities was welcome, and there no longer appeared to be grounds for concern that it might grant assistance on the basis of political rather than technical criteria.

32. Mr. TERENCE (Burundi) emphasized the drive shown by the President of the World Bank Group, which had produced some improvement in the treatment accorded to the less privileged countries. It was to be hoped that there would be no slackening in that drive. As far as the developing countries were concerned, it would be appropriate to refer to an International Bank not for "Reconstruction" but for "Construction", since development on those countries was only just being launched.

33. He noted the existence of a vicious circle comprising three elements. The World Bank had a tendency to grant loans to developing countries which had already reached a certain level of economic development, countries whose economies might be described as having reached an "intermediate" level. Secondly, it also had a tendency to finance projects in countries which offered more secure repayment guarantees than the less developed countries. In that respect, there was nothing to choose between the Bank and private investment companies. Finally, it took a preferential interest in certain centres of political attention, since the position of the big Powers was to some extent reflected in international organizations. There was thus a danger that political considerations might take precedence over humanitarian concerns.

34. International organizations were more lukewarm towards countries, particularly small countries, experiencing events imposed on them either from outside or from within. He suggested that, regardless of their political position and allegiance and irrespective of their repayment capacity, the poorest countries should receive greater attention from the World Bank Group. If the influence of certain political circles led to a slowing down in the flow of aid from international organizations, the poor countries would soon be in an even sorrier position than at present.

35. Mr. CUBILLOS (Chile) observed that, since the International Bank for Reconstruction and Development (IBRD) was an organization linked to the United Nations, it had a duty to act in conformity with

the purposes and principles of the Charter. Those purposes and principles had acquired special importance as a result of recent developments in the world economy, and they should be borne in mind when considering the report of a specialized agency such as IBRD. In order to assist the developing countries to solve their problems, the Bank and IDA had during the previous financial year granted sizable loans for agriculture, education, town planning and the construction of water supply and sewerage networks. But that financial assistance was still inadequate to meet the growing needs of the developing countries. The Bank had also facilitated the establishment of companies in the fields of development financing, electric power production, industry and transport. Although the loans granted by these two agencies during the period under consideration amounted to a total of $2,966 million, they had not always benefited the poorest of the developing countries: indeed, the distribution of credits was so lopsided that six countries alone had received $1,583 million, or more than 50 per cent of the total. It was therefore to be hoped that, in the future, the Bank would pay more attention to the least developed and the poorest countries.

36. With regard to the need to mobilize more effectively the domestic resources of the developing countries, reference should be made to the Charter of Algiers,[1] in which the Ministers of the Group of 77 had declared that the developing countries themselves bore the primary responsibility for their development.

37. On several occasions the Bank had stated that the developed countries would not provide the target level of financial assistance from public sources, namely the equivalent of 0.7 per cent of their GNP, by the end of the decade. The logical conclusion to be drawn from the pessimistic forecasts of some capitalist countries was that imperialism had given up helping the third world countries to exploit their development potential as, indeed, the Foreign Ministers of the non-aligned countries had stated at the Conference held at Georgetown in August 1972.

38. With regard to South America, the report of the President of the World Bank Group indicated that the first development loans to a country in that area had been made to Chile in 1948. Since then, circumstances and Governments had changed, and it seemed that the Bank's loan policy had also been revised and that the granting of credits today depended more on political ideology than on the content of the projects. The report also showed that for some countries the chances of obtaining aid from the Bank were sometimes limited owing to such factors as the inadequacy of domestic public savings, the effects of government policy on the short-term and long-term balance of payments, problems associated with debt administration, and the different ways in which member countries viewed the payment of compensation in the event of expropriation. In his opinion, the last-named reason was unacceptable, since it was nowhere laid down that the Bank had the right to refuse a loan on such grounds. Further explanation of the question was required, for the report as worded suggested that it was the policy of the Bank to act in that way. Yet neither the Bank's Articles of Agreement, nor the decisions of its Governors, nor the resolutions of its Executive Directors, justified such an attitude. In the past, the Bank had unfortunately taken restrictive measures against certain countries which had introduced nationalization—as they had a right to do. That was a grave precedent; it was contrary to the purposes and principles of the Charter and thus could not be invoked by a specialized agency of the United Nations in support of any policy in that respect. The Bank must choose between two well-defined options: either it accepted the principle of self-determination or it rejected it. In no event could it seek to formulate policies which were at variance with the United Nations resolutions and principles concerning the exercise of sovereignty over natural resources. Any action contrary to General Assembly resolution 1803 (XVII) was a violation of Article 1, paragraph 2, of the Charter. The resolution constituted international law on nationalization and expropriation, and the Bank must respect it. Refusal by the Bank to grant credits or loans following expropriation measures taken by a State could not become Bank policy; otherwise it would be overriding the decisions of the United Nations and setting itself up as sole arbiter or judge to decide legal issues of vital importance for the sovereign existence of States, and particularly the smaller States. Resolution 1803 (XVII) referred back to the domestic legislation of the individual State for the settlement of disputes concerning expropriation or nationalization. His delegation would like to know what the President of the Bank had to say, so that the issue could be cleared up and the matter placed on record.

39. In the case of Chile, he felt that the management of the Bank had acted in an unusually hasty and subjective manner; and, incidentally, it had acted long before a final decision had been reached concerning compensation in respect of the nationalization of the copper industry. It was difficult to understand what had been the grounds for adopting decisions which affected a legal process that was still in progress and had not been shown to be capable of directly affecting the viability of projects for which assistance was sought. By acting in that way, the Bank had set itself up as the *de facto* spokesman or tool of the private interests of one of its member countries. Whatever the case, if the measures to nationalize industry taken by Chile were at variance with the general development policies advocated by the Bank, it was not for the management to suspend financial assistance to his country but, assuming such action to be necessary, its higher authorities, the Executive Directors or the Board of Governors.

40. He stressed that his criticism was directed only at the management of the Bank and not at the institution itself, a multilateral body whose financial assistance had been one of the most valuable sources of external support for his country. If no one took the precaution of prompting the management to reconsider its attitude, the trend might become more marked in the future and have harmful effects not only for Chile but for many other developing countries as well.

41. The present Chilean Government had been in office for 23 months, and during that period Chile had received no loans from the World Bank, although it had submitted for consideration several concrete projects concerned, for example, with the development of fruit-growing, stockbreeding and the production of electric energy. Those projects met all the requisite

[1] See *Proceedings of the United Nations Conference on Trade and Development, Second Session,* vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No.: E.68.II.D.14), p. 431.

criteria concerning adequate return and feasibility and were in line with the general objectives of the Bank. Although the management had studied them from the technical point of view, it had refrained from submitting them to the Executive Directors.

42. The attitude of the management towards Chile was incomprehensible and contrary to all legal logic and moral judgement. Even where differences arose between certain of its member countries, the Bank should seek ways of settling them while continuing to promote multilateral co-operation in the interests of development. His delegation therefore appealed to the management of the World Bank to reject the influence of certain members who, powerful as they were, sometimes pursued different goals from those of the other countries within the agency. The Bank should preserve its multilateral character and its identity as a specialized agency of the United Nations so as to cater for the needs of the countries which had recourse to it.

43. He stressed that the process of nationalizing the copper industry in his country had been carried out in accordance with basic legal principles and with the unanimous approval of all the political parties, of the right and the left, which had supported the appropriate constitutional reform. The reaction of the United States companies affected by nationalization had been characterized by bad faith, and it was probably that which had led them to exert pressure on the Bank's management. The reform provided not merely for the expropriation of foreign interests but also for the application of fair compensation arrangements, with due regard to the excessive profits made by those companies. However, after studying the books of the foreign firms, the Comptroller-General of the Republic had decided that they not only did not have any right to compensation, but should repay large sums of money to the Chilean State. One of the companies, although it had agreed to submit to national legislation by recognizing the competence of a special copper tribunal, had decided to have recourse to foreign courts and have an embargo placed on Chilean copper sold abroad. Such an attitude was quite simply tantamount to an act of blackmail intended to discredit and bring down the Chilean Government. Thus it was clear that imperialism, through the great international monopolies, was mounting an attack on the Government of a country which had sought by legitimate means to ensure its social, political and economic development in independence.

44. It was regrettable that sabotage of the Chilean economy by foreign monopolies coincided with the refusal of the Bank to grant the financial aid which was vitally needed by the country at a decisive turning-point in its history. Since 1970, the Bank had not granted Chile a single loan. Its excuse was that the Chilean Government had decided to nationalize five American private companies. The international community could not accept that kind of pretext. If it did so, no developing country would any longer be able to enjoy the free exercise of its sovereignty over its natural resources. The international community and the United Nations, to which the Bank belonged, should do all in their power to safeguard the rights of States in that respect.

45. By invoking, as its excuse, the nationalization, expropriation and requisition of foreign interests, the Bank had not only ignored General Assembly resolution 1803 (XVII), but also resolution 2625 (XXV) dealing with the principles of international law concerning friendly relations and co-operation among States in accordance with the Charter of the United Nations.

46. In conclusion he emphasized the contradiction between those principles and the economic and legal measures which certain States were currently attempting to take against Chile. He was sure that the nations struggling against imperialism and for equality among the peoples of the world would ensure that the principles championed by the United Nations were respected.

The meeting rose at 1.10 p.m.