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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, A/C.2/L.157 and A/C.2/L.159);**
- (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. KHOMAR (Thailand) remarked that while some speakers had drawn a very gloomy picture of the situation of the under-developed countries, others had spoken words of hope. It was in the character of the people of Thailand to take an optimistic attitude. Their living conditions were of course not perfect, but they were far from discouraged. The building of new roads and bridges, together with the establishment of new plantations which had been made possible by the development of the road network and the building of dams and irrigation channels, were so many reasons for en-

couragement in his country. In 1957, on completion of the five-year road building plan, on which 1,200 million baht, or about \$70 million, would be spent, Thailand would have a very adequate road system. Lastly, through the implementation of the industrialization programme it was hoped to satisfy the needs of the people and to raise the standard of living.

2. The problems arising in Thailand closely resembled those of most under-developed countries. In the first place, there was the question of fluctuations in the prices of primary commodities. In its annual report (A/2172), the Council had pointed out that higher prices for primary commodities had led to higher earnings of foreign currency for the under-developed countries, but that those countries had been unable to use the profits thus obtained for executing their development programmes because of the parallel rise in the prices of the manufactured products and, particularly, the capital goods which they needed. The rise in the prices of capital goods was preventing the under-developed countries from accelerating their economic development programmes, and ensuring the speedy execution of works under way.

3. In 1952, the situation had deteriorated; owing to the marked drop in the prices of raw materials consequent upon a shrinkage of demand in the industrialized countries, the foreign currency earnings of the under-developed countries had appreciably declined. Not only had the balance of payments positive of those countries been affected, but also the financing of their development programmes by means of their national resources had been rendered difficult, if not impossible. That state of affairs was deplorable, and constituted a

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

very serious threat, both for the under-developed countries and for the rest of the world. In those circumstances, it was difficult to respect the principle that economic development was primarily the responsibility of the country concerned.

4. Southern Thailand, with its rubber plantations and tin mines, had been seriously affected by the repercussions of the developments he had just described. The problem arising from abrupt changes in the prices of raw materials had to be dealt with promptly, for it was at the root of the inadequacy of economic development. Many under-developed countries had always been dependent on foreign markets which controlled the prices, not only of primary commodities, but also of manufactured goods. That problem could be resolved with the co-operation of the industrialized countries, which were able to help in stabilizing the prices of primary commodities and so contribute to better economic conditions in the supplier countries.

5. On the question of financing economic development by means of foreign or international capital, he recalled that, according to its President, the International Bank for Reconstruction and Development was granting more and more loans. Some member States had been able to pay part of their subscription in national currency, a circumstance which had enabled the Bank to expand its lending operations and facilitate the execution of fundamental development projects in a number of under-developed countries. He hoped that development would continue.

6. The question of an international finance corporation, as referred to in the Economic and Social Council in its resolution 416 C (XIV) was complex and required very careful study. In view, however, of the position in the under-developed countries, perhaps the International Bank might suggest the establishment of a temporary body to begin operations on a small scale with provision for expansion later if circumstances permitted. Such a body might grant loans or make investments outside the sphere of the Bank's operations. Furthermore, if some exporting countries should feel unable to make a financial contribution at the moment, they might authorize the body to borrow in their domestic markets.

7. Proceeding to deal with methods to increase productivity, he said that, so far as agriculture was concerned, his Government had instituted schemes to raise productivity which had been greatly facilitated by aid from the United Nations and the United States. An agricultural laboratory near Bangkok was conducting research into the quality and yield of the rice crops and had become a national productivity centre not unlike those mentioned in the Economic and Social Council's resolution 416 E (XIV). That experiment had already yielded gratifying results, and in 1952 the rice harvest would be distinctly higher than in 1951.

8. The Government of Thailand was also concerning itself with the question of land reform, which had been referred to an inter-ministerial committee for study. In 1951, the Government had enacted legislation to protect farmers against malpractices in the matter of agricultural leases. The Government was perfectly aware that land reform could help to increase productivity and strengthen the country's political and social structure.

9. His Government had been guided by the advice of the United Nations technical assistance services. It had appointed a co-ordination committee which was working in close liaison with the United Nations official in charge of technical assistance at Bangkok. It would, however, be desirable to expand the Organization's technical assistance services in Asia and the Far East.

10. In his country, the cost-of-living index had risen, but since wages had risen much more, the standard of living of the wage-earners had not suffered. Thailand, whose situation was very similar to that of the other under-developed countries, was anxious to develop its economy and only asked for help to accomplish that purpose.

11. Mr. FACIO (Costa Rica) said it was generally agreed in the United Nations that there could be no lasting peace so long as conditions guaranteeing a minimum of economic and social welfare to all peoples in the world were not established. That concept, which had become an axiom of international policy, had a corollary which the United Nations had accepted with equal unanimity: the economic stability and social advancement of the world required that all peoples should take part in the plans to develop the under-developed countries.

12. All the experts and the United Nations bodies which had studied the question were agreed that world economic stability and collective security were essentially dependent on economic progress, and consequently on the social advancement of the countries which had not benefited from the great industrial revolution. The General Assembly had said so expressly in more than one resolution, particularly in resolution 400 (V). The general debate had shown that the representatives of the great industrial Powers were concerned about the future of the economically weaker nations for the same reasons as the representatives of the under-developed countries.

13. Unfortunately, while the nature and urgency of the problem had been unanimously recognized, effective action for resolving it had not been adopted. The representative of Chile had rightly remarked (200th meeting) that the great Powers had had neither the will nor the enthusiasm that were needed for carrying out the bold programme of economic development which the world required. The economically weaker nations themselves, however, had lacked determination and courage, for they were not asking for charity but claiming a right, the right to put an end to a situation for which they could not be blamed but from which the industrialized countries had profited.

14. Peace and collective security affected all nations and their maintenance demanded joint effort. The less developed countries should contribute their natural resources, their labour potential and their thirst for progress and the more advanced countries their technical knowledge, their financial means and their industrial potential. Only in that way could the immense majority of the world's population—1,600 million human beings—be rescued from the hunger, disease and ignorance which were their daily lot.

15. So long, however, as the technical and financial assistance which the under-developed countries were receiving under United Nations auspices or otherwise amounted to only 1 per cent of expenditure on arma-

ments, it was to be feared that before the better world towards which the nations were aspiring had been successfully established, a social cataclysm would occur which would mark the end of civilization. The danger existed, as was evidenced by the repeated warnings of the Secretary-General; in more than one of his reports he had mentioned the widening gulf between the industrialized countries which were growing wealthier and the under-developed countries, which were growing poorer.

16. His delegation associated itself with the solemn appeal whereby the Chilean delegation had urged the Members of the United Nations to give all their attention to the danger inherent in the constant impoverishment of the less advanced peoples and to recognize that efforts to ensure the economic development of the under-developed countries must be intensified.

17. That attitude did not, of course, imply any criticism of the United Nations or its specialized agencies. On the contrary, he protested against the charges of certain delegations that described international agencies as tools of the imperialist Powers and blamed them for the poor progress made in economic questions. The fact that the activities of international agencies had not been more successful could be ascribed to the failure to give them the necessary resources. Responsibility on that score rested primarily with the nation which instigated those unjust accusations and which withheld its co-operation. He wished publicly to state that the countries of Latin America and particularly those of Central America owed a debt of gratitude to ECLA, the Technical Assistance Administration, UNESCO, FAO and WHO for their generous and impartial assistance constantly bestowed upon them.

18. Under the sponsorship of the United Nations, the Central American republics were undertaking an experiment in economic integration which the representative of Chile had praised in a recent statement. The desire for economic union corresponded to a genuine need. The five Central American countries could not be content with limiting their economic development to the needs of their own barely one million consumers. They knew that modern methods of agricultural and industrial production were suited to much wider markets. They had realized the necessity of eliminating at least the customs barriers which divided Central America. They had been preoccupied with that subject for a long time but, in the past, many obstacles had prevented successful achievement of such a plan. One of the main difficulties had been the fear of the countries concerned that their own interests would be sacrificed to the interests of other countries. Another consideration had been the desire for completely equitable treatment in the application of a plan for economic unification. Only an international organization such as the United Nations could give them the fundamental confidence without which progress was impossible.

19. At the request of the countries of Central America, the Executive Secretary of ECLA had initiated studies and prepared recommendations which had led to the establishment of the Committee of the Ministers of Economy on Economic Co-operation in Central America, which had met in August 1952. Through co-operation between ECLA and the United Nations Technical Assistance Administration, that first meeting had

been successful and had laid the groundwork for the desired economic integration which would certainly be one of the most important factors in the economic development of the countries concerned. That Committee had then become a permanent organ of ECLA with the function of preparing concrete recommendations to governments with a view to the gradual merger of their economies. In addition, the Committee co-ordinated the national economic development plans, initiated the necessary studies and planned technical assistance. It had recently invited the Republic of Panama, which had economic problems similar to those of the five Central American republics, to participate in its work.

20. He outlined the general principles which would govern the proposed economic union. The Committee of Ministers had decided to undertake integration gradually and to draw up an order of priority applicable both to new schemes and to the expansion of existing activities. To begin with, it would deal briefly with a few concrete projects which had been agreed upon as satisfying the common interest and meeting the need to encourage agricultural development and to expand trade between the Central American countries. Accordingly the Committee had requested the Technical Assistance Administration, FAO and other specialized agencies to designate experts to co-operate with ECLA in planning development schemes relating to cotton, cotton yarn and fabric; oil seeds, oils and fats; livestock, milk products, meat and leather; fisheries and related industries; forest resources, wood, wood pulp and paper; rubber, tires and articles of oil cloth; matches and wax vestas. In addition, the Committee had asked for studies on transport, hydro-electric resources and statistics. To increase the productivity of the region, the Committee had also requested the Technical Assistance Administration to prepare a plan for the establishment of a technological institute for Central America. Clearly, the United Nations and ECLA were to play a leading part in the realization of plans for economic integration in Central America. He was pleased to be able to announce that an official of the Technical Assistance Administration and a representative of FAO had already left for Mexico and Central America where, by agreement with ECLA, they were to set up committees for studying such questions as electric energy and transportation and those relating to the proposed technological institute.

21. Accordingly he would give his considered support to the joint draft resolution (A/C.2/L.156 and Corr.1) requesting the governments of Member States to contribute to the technical assistance programme for 1953. He also supported the Chilean draft which paid tribute to the work of the Economic Commissions for Europe, for Latin America and for Asia and the Far East (A/C.2/L.155), as well as the second Chilean draft resolution relating to the establishment of a special fund to make grants-in-aid and low-interest, long-term loans to under-developed countries (A/C.2/L.154 and Corr.1).

22. Technical and financial assistance for the United Nations was, of course, important; however, it could only be fully effective if the under-developed countries were guaranteed a fair price for their exports. If the standard of living of those nations was to be raised, their labour, like the labour of individuals, had to be

fairly remunerated. If the under-developed countries did not receive a fair price for their products, they would be unable to buy the manufactured products which industrialized nations wanted to export. The result would be adverse balances of payments, currency problems, recourse to humiliating gifts or to loans which could not be repaid. There was so little understanding for the situation that in 1950 the United States Senate had gone so far as to establish a sub-committee to study the reasons for the "high" price of coffee. It had still not been realized that, despite the increase in the price of coffee, the income of a Latin-American producer was barely one-tenth of the average income of a United States citizen.

23. In the case of the export commodities of under-developed countries, there should be no ceiling price to protect the consumer in the wealthy countries, as was the case for copper and tin; what was needed was a minimum price to protect the producer in the economically weak countries. If a fair price policy were adopted, millions of human beings who could not buy foreign manufactured goods would become consumers and the great industrial forces would receive a fresh impetus.

24. The under-developed countries had admittedly to solve the problem of the inequitable distribution of income. But that should not be used as a pretext for denying the need for higher prices for their raw materials and export commodities; actually, all countries were concentrating more and more on that problem.

25. It was sometimes said that the best method of promoting the development of under-developed countries was to encourage private investment. Accordingly, it was said the under-developed countries should offer guarantees and privileges in order to attract foreign private capital. He recalled that the representative of Mexico had recently explained to the Second Committee (200th meeting) why private investment was not the ideal nor even the most effective solution. Hardly any of the delegations representing under-developed countries would fail to endorse that view. He agreed that private investment could be useful and that they should be protected against fiscal or other recriminations. But the guarantees had to be reciprocal because history showed that the interests of foreign investors had not always coincided with the under-developed peoples' aspirations to material and moral well-being.

26. In no case was private investment appropriate for undertakings operated for the public interest, for it was inadmissible that public services should be operated for the benefit of selfish private interests. Nor were the under-developed countries inclined to play host to moneylenders looking for cheap labour. There were legitimate reasons for the establishment of an industry in a given country: proximity to sources of raw material, savings in transportation, proximity to markets. Low wage levels should not under any pretext serve as a bait to attract capital. The most useful contribution which foreign funds could make to the under-developed countries was to help to raise the income of the local population. In all fairness, foreign consumers should pay the same price for foods originating in under-developed countries as for foods from industrialized countries. Otherwise, the object of all discussion about higher investment would be frustrated.

27. His country placed its trust in the United Nations, convinced that, before it was too late, the Organization would succeed in eliminating the poverty in which two-thirds of the population of the world still lived and which materially influenced the maintenance of international peace and security.

28. Mr. SASTROAMIDJOJO (Indonesia) said that, after the thorough discussion in both the General Assembly and the Economic and Social Council on the question of financing the economic development of under-developed countries, his delegation would not attempt to improve upon the directives laid down in Council resolution 416 A (XIV) and it found the Secretary-General's working paper quite satisfactory. The Indonesian delegation was, however, afraid that under its terms of reference the Committee of nine experts might have to examine a vast number of questions of detail, which would be a needless complication of its already arduous task. Above all, there should be no delay in the establishment of a special fund for grants-in-aid and for low-interest, long-term loans to under-developed countries.

29. Indonesia's experience over the past year showed clearly what were the needs of an under-developed country. At the sixth session of the General Assembly, the Indonesian representative on the Second Committee had pointed out<sup>1</sup> that the satisfactory financial situation of some of the under-developed countries, arising from a favourable trade balance, was purely temporary. Already then Indonesia had been feeling the first effects of a serious crisis; the drop in world prices of raw materials had adversely affected the position of a country that produced and exported basic commodities. The industrial countries had reduced their stock-piling programmes and had deliberately tried to depress the prices of raw materials. Never had the weakness of Indonesia's agricultural structure appeared more plainly. Despite the higher prices of raw materials in 1951 and higher earnings from exports, national production had shown no improvement.

30. After the raw materials boom in 1951, the production level had still been lower than before the war. The drop in world prices had reduced the volume and the value of exports and hence had limited the capacity to import and decreased the supply of goods, both consumer's goods and the machinery needed for Indonesia's reconstruction programme.

31. The Indonesian Government was endeavouring to raise the standard of living of the people, to increase production and to encourage commerce and industry. It was trying to improve the economic condition of the small producer, in an attempt to build up a balanced economic structure and to increase production so that it might first reach and then surpass the pre-war level. Accordingly, it was giving priority to projects tending to develop the productive capacity of rural areas.

32. It might be asked why the Indonesian Government was not trying to introduce heavy industries. It was certainly not neglecting that aspect of economic development but for the time being it preferred to place the emphasis on the development of rural areas and on helping the small producer, with the idea of equipping

<sup>1</sup> See *Official Records of the General Assembly, Sixth Session, Second Committee, 149th meeting.*

the Indonesian people to withstand the economic repercussions of fluctuations.

33. As production increased, more export goods became available. Indonesia could do nothing to influence the demand for its products. Furthermore, it had to allow for the competition of countries of a similar economic structure to its own. Naturally it was keenly interested in the stabilization of raw material prices. It was doing its utmost to obtain the products it needed for its economic development. Under-developed countries had to provide raw materials in order to import many of the capital and consumer goods they required, and the extent to which they could combat inflationary trends depended entirely upon their success in obtaining the goods they needed. The Indonesian Government was therefore following the work of the United Nations in that sphere with the closest attention.

34. Praising the technical assistance programme, which had enabled his country to put its economic reconstruction plans into operation, he said that the assistance of United Nations experts had produced splendid results so far as light industry was concerned. Moreover, technical assistance had facilitated the development of civil aviation in Indonesia, while many experts were taking part in projects connected with agriculture, education, public health and social services. The Technical Assistance Administration was also helping the Indonesian Government to recruit experts who would work on behalf of the Indonesian Planning Board. The Indonesian Government would continue to give its full support to the United Nations technical assistance programmes.

35. Mr. CUSANO (Uruguay) said that mutual understanding of economic, political and social characteristics did much to strengthen the solidarity of nations. It was for that reason that he felt it necessary to present a general picture of the position in Uruguay.

36. On the political level, Uruguay had recently introduced a reform establishing a representative democracy on the Swiss model, with a government consisting of nine counsellors, without a president, to be renewed every four years. The traditional existence of two leading political parties ensured the constant renewal of the political ranks of the country. There was no longer a President of the Republic, for the unduly wide powers formerly vested in the President had often represented a danger to the country's democratic régime.

37. In the social field, Uruguay was proud of its accomplishment, which for the last half century had placed it in the forefront of modern countries. All the social advances of the twentieth century had been recognized in Uruguay in legislation dating as far back as before the First World War; they included the eight-hour day, the minimum wage, a commission—which included representatives of employers, workers and the State—to fix wages periodically, social security, and regulation of the employment of women and children. Those social achievements had led to the emergence of an independent democratic middle class, a symptom of Uruguay's political and social stability. That middle class might well be the prototype of the "American citizen" whose appearance had been prophesied by Abraham Lincoln and José Martí.

38. While Uruguay could not point to any outstanding economic achievements, it had nevertheless laid the

foundations of a sure and continuous economic development within the limits of its resources. It had a road and railway system that could contribute to the rapid development of agriculture and the tourist trade. As far as public health was concerned, it had succeeded, thanks to the most modern equipment and a bold social policy, in considerably reducing the death rate. In the field of education, it had managed to stamp out illiteracy; there were public and private institutions of elementary, secondary, technical and higher education which ensured a fairly high level of learning to all its inhabitants. Although the population of Uruguay was not much more than two million, more than 56,000 students attended secondary, technical and higher institutions. In accordance with the Constitution, education up to all levels was completely free of charge and its aim was to give a high moral and civic training.

39. To achieve all those advances, without which there could be no economic development, Uruguay had acted independently, without asking for any assistance from outside. Its success was attributable to an enlightened and sound fiscal policy and by the nationalization of the basic industries and essential public services, such as the production and distribution of electric energy, railways, posts and telegraphs, insurance companies, the refining and sale of fuel and alcohol, and aviation. By freeing itself from the régime of the former concessionaires of the public services, most of which had been foreign companies, Uruguay had been able to raise the standard of living of its people, at the same time enabling the employees and workers to participate in the operation of the public services—an indispensable factor for the maintenance of social peace in a democratic country. Before long, finance capital and labour capital would be sharing the profits in all branches of public and private activity.

40. Uruguay used a system of self-financing for its economic development, investing the surplus contributions to social security in public development enterprises.

41. Having outlined the means used by his country for the development of its economy and described what had already been achieved, Mr. Cusano said that the main obstacle to the full development of his country was under-population. Uruguay could admit a considerable number of immigrants who would assist it to exploit its potential resources, which were considerable, the statistics drawn up by FAO having shown that 76 per cent of its territory was cultivable. Accordingly, his delegation would submit a draft concerning the conclusion of bilateral agreements relating to migration. Such agreements, concluded under the auspices of the United Nations, would settle two problems at the same time: the problem of the surplus population of certain countries, such as Italy—unfortunately still not a Member of the United Nations—and the under-population which condemned some countries with a large area of cultivable land and great natural resources to a very low standard of living.

42. The problem was even more serious for some of the under-developed countries that lacked the very foundations of economic development which Uruguay had managed to establish by its own efforts. Those countries needed much greater financial and technical assistance. If, as often happened, they found it diffi-

cult to obtain loans from the International Bank for Reconstruction and Development, which was compelled by its Articles of Agreement to follow a very cautious—some thought too cautious—financial policy, an international body should be set up with powers to grant them grants-in-aid or long-term, low-interest loans. In the case of other countries, like his own, whose economy was already in process of development, the rate of development could be stepped up if an international body were formed that could mobilize the private capital of the great industrialized countries and invest it in development enterprises, in agreement with the International Bank.

43. In any case, the time had come to translate into action the long studies upon which the international organizations concerned with economic development had been engaged for more than three years. International development efforts should, of course, be subject to conditions that would respect the political and economic independence of the countries receiving assistance, for otherwise the development of the resources of the under-developed countries would only commit them to economic serfdom and threaten the democratic basis of their régime, instead of increasing the welfare of their population. Citing Article 1, paragraph 2, of the Charter, which declared the right of peoples to self-determination, he pointed out that that right could be violated by economic means just as much as by armed aggression. He was confident, however, that the States Members of the United Nations would be able to form a solid moral barrier against any such act.

44. Mr. TAYLOR (Canada) said that his delegation had been glad to note from the Economic and Social Council's report that progress had been made in three different directions.

45. First, world productivity had risen substantially. Naturally it would be desirable to accelerate the rise, particularly in areas where the population was increasing at an even faster rate. Even so, distinct progress had been made and it was now for the Committee to consider what additional measures should be taken in order to strengthen action in that field.

46. In the second place, the nature and interdependence of the world's economic problems were better understood. Of course there were still differences of opinion but the area of agreement was widening and misunderstandings were tending to disappear.

47. In the third place, there was a definite trend towards the adoption of concrete proposals. Some people were impatient at the delays in translating the studies, reports and discussions into positive action, but his delegation felt that the Council and the Committee were right not to embark on any new plan without having examined it thoroughly and being satisfied that the plan was not only sound in itself, but that it was also likely to contribute to the future development of collective action.

48. His delegation wished to thank governments, the Economic and Social Council, the specialized agencies, the experts and the members of the Secretariat for their contribution towards that collective action. Obviously, a great deal still remained to be done but no one who took the difficulties into account could fail to appreciate the achievements already made. His delega-

tion would make its detailed comments on the Economic and Social Council's report at the appropriate time. For the time being it would simply express its opinion on two questions in which it was particularly interested.

49. To start with, he said that Canada was playing an active part in the United Nations technical assistance programmes. In addition to its financial contribution, Canada had offered the services of more than 100 experts who were giving advice to twenty different countries under either the Expanded Programme of Technical Assistance or else the Colombo plan. In addition, more than 200 persons had received training in Canada. Actually, his country had been supplying or receiving expert advice under bilateral agreements for the past fifteen or twenty years. He mentioned the part which private enterprise could play in that respect. Technical assistance was not the exclusive province of governments; it was a field in which several Canadian non-governmental organizations had been working successfully for many years.

50. The representative of Saudi-Arabia had quite rightly emphasized (196th meeting) the complex nature of international investments. There was certainly no standard rule on the subject applicable to all countries; the best results would be achieved by some middle course between investments made so to speak, at random, without any pre-conceived plan, and those made in accordance with too strict a plan based on the bureaucratic approach. The problem called for imagination and for extremely flexible methods. Investments could come from the under-developed countries themselves, from capital imports carried out through governments or governmental organizations, or else from capital imports made through private initiative. The fiscal and economic policies of governments could clearly influence capital formation materially. On that point, his delegation agreed with the Swedish representative that a progressive fiscal and economic policy could create an atmosphere of confidence favourable to foreign investments (196th meeting).

51. He remarked that Canada, which was making great efforts towards economic development, derived 85 per cent of its investments from national savings and 15 per cent from foreign capital. Although Canada was a capital importing country, it also exported capital. In 1950, its exports of private capital had amounted to \$20 million and in 1951 to \$30 million invested in Asia, Africa, the West Indies and South America.

52. Mr. McDOUGALL (Food and Agriculture Organization) drew attention to the extremely critical food situation in a world where the population was steadily and rapidly increasing. That vitally important question had been discussed at the fourteenth session of the Economic and Social Council, but he felt it should be brought before the Committee because it was not purely a technical problem and could not therefore be solved by FAO alone. In fact the measures to be taken demanded the urgent attention of many government services at the highest level.

53. The effective campaign against the great killing diseases and the success of the maternal and child welfare measures applied in most countries had accelerated the rate of population growth during the past twenty years, both in the developed countries and in the under-

developed countries. The combination of three factors—the increase in the birth-rate, the decrease in the death-rate and the increase in the average life-span—meant that the world's population was growing at a rate in excess of 1 per cent per annum. He contrasted that development with the world's food production. As far back as 1937, the Mixed Committee on the Problem of Nutrition of the League of Nations had pointed out that more than half the population of the world was under-nourished. Since then the contrast between the adequately fed and the starving peoples had become even more pronounced. In 1948-50, the world's food production had reached only 95 per cent of the pre-war figure and, what was more, the greatest increase in production had taken place in the countries which already produced surplus supplies of food. For example, in Canada and the United States, which only accounted for 7.5 per cent of the world's population, agricultural production had reached 22.6 per cent of the world's total. In spite of the generosity of those countries, that situation aggravated the world dollar shortage. It should also be borne in mind that for some years the climate in North America had been particularly favourable for agriculture. If North America were again to experience the droughts it had suffered from in the 1930's—a possibility that could not be completely ruled out—the world food situation might well become catastrophic.

54. He then turned to a particular aspect of the question: the position of the food importing countries. Certain countries had for a long time imported a large proportion of their food. A complication had recently arisen in that, since the war, former food-exporting regions, like South and South-east Asia, had become food importers. Consequently, there was a decline in the number of exporting countries and an increase in the number of importing countries. In addition, the exporting countries themselves had smaller surpluses available for export owing to the extra livestock they kept and to the increase in domestic consumption.

55. In the face of that critical situation, which was brought home only too clearly by a comparison between the population growth (12 per cent) and the increase

in world food production (7 per cent) between 1934 and 1950, the Sixth Conference of FAO had formally recommended that all governments should take steps to see that the annual increase in food production should be approximately 1 or 2 per cent higher than the increase in the population. To achieve that result, many countries would have to step up their food production by 2 to 4 per cent each year. FAO was aware that that would not succeed in eliminating under-nourishment altogether and it also realized that even so small an increase might overtax the capacity of certain countries.

56. From a purely technical point of view, FAO was convinced that man's scientific knowledge would make it possible to produce enough food within a short space of time to ensure an adequate level of nutrition for the existing, and even for a larger world population. But the question was not purely a technical one. If the political, social and administrative problems which would have to be solved were taken into account, the outlook was rather gloomy. There were countless obstacles to be overcome, among them the difficulty of spreading a knowledge of modern agricultural methods among rural populations which often were very backward, the instability in the prices of agricultural produce, their relation to the prices of manufactured foods, land reform with a view to increasing agricultural production, etc.

57. Under its regular and its technical assistance programmes, FAO spared no effort to meet the requests for assistance from governments at the technical level. But the problem went beyond the purely technical level and that was why FAO was glad to note the General Assembly's interest. The world food problem was in fact at the root of most of the economic and social problems which were being discussed by the Second and Third Committees. FAO hoped therefore that the discussion of that serious problem in the Assembly would impress governments with the need for urgent and vigorous action to increase food production throughout the world. The interests of each individual country as well as the common interest of the whole community of nations were affected.

The meeting rose at 12.45 p.m.