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*Chairman: Mr. Jiří NOSEK (Czechoslovakia).*

**Economic development of under-developed countries (A/2172, chapter III, A/2192, A/C.2/L.155, A/C.2/L.164, A/C.2/L.165 and Corr.1, and A/C.2/L.166) (*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, A/C.2/L.159, A/C.2/L.161, A/C.2/L.162 and Corr.1 and A/C.2/L.163);**
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[Item 25]\*

GENERAL DEBATE (*continued*)

1. Mr. CHAUVET (Haiti) said that his delegation had played too important a part in the organization of technical assistance and economic and financial aid to be able to disregard repeated attacks against that great work of social solidarity. It was not the United Nations or the specialized agencies which constrained the under-

developed countries to request technical assistance, nor was it the United States which obliged them to accept its economic and financial aid; it was the under-developed countries which requested such assistance and aid. If the real picture were really as black as it was painted by the representatives of the Soviet bloc, an increasing number of countries would not be requesting United Nations and United States technical assistance and would not be contributing, in so far as they were able, to the budget of the Expanded Programme, which now exceeded \$20 million.

2. Some representatives alleged that United Nations technical assistance served to mask the stranglehold of the United States on the under-developed countries. If that were indeed so, the technicians sent to those countries would have to be United States citizens. The example of Haiti showed that that was not so; of the eighteen technicians from the United Nations and the specialized agencies who were now in Haiti, three were British, five French, three Canadian, two Belgian, two Mexican, one South African, one Chinese and only one American. The Haitian Government had requested the services of four more experts, two Belgians, one Dutchman and one Greek. In those circumstances, it could hardly be claimed that United Nations technical assistance was the instrument of United States or Wall Street imperialism. It should also be noted that Haiti was not among the countries which the United States representative had referred to as beneficiaries of United States economic and financial aid.

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

3. He did not intend to begin a controversy on the imperialist aims of the United States, but wished to quote his country's experience in that connexion. In 1922, Haiti had contracted a loan of \$24 million from the National City Bank of New York, subject to a political clause which placed its customs and fiscal services under the control of American officials. Long before that debt had been paid, the Government had decided to reimburse it by means of an internal loan and the United States Government had willingly consented. Haiti no longer had a single American in its customs or fiscal service; its army did not contain a single American soldier and no naval or air bases had been installed in its territory, although the island held a position of great strategic importance on the Panama Canal route.

4. With regard to the alleged monopolies held by Wall Street over the basic products of the under-developed countries, only one sugar factory in Haiti belonged to an American company, the Haitian-American Sugar Company (Hasco); it was interesting to note that all the production of that factory was being exported to Europe.

5. Approximately two years previously, the Haitian Parliament had decided that the cement industry in Haiti should be a monopoly and the Government had sought for foreign capital to finance that important scheme; Italian, and not American, capitalists had shown interest in the concern, which was now in the hands of a French company, the Société Lambert. Quite recently, another French company, the Société des grands travaux de Marseille, had concluded a contract of \$12 million with the Haitian Government for the modernization of the road network.

6. It was therefore obvious that, as far as Haiti was concerned, American capital had not tried to control the market, as had so often been alleged. The fact however remained that Haiti sought capital in the United States, which was now the only available source. Formerly, countries seeking investments had applied to Paris or London banks, but now they applied to New York. No one could be reproached for seeking investments where they were to be found. In his statement of 23 October 1952 (195th meeting), he had explained the conditions under which Haiti accepted foreign investments.

7. He was pleased to note that the representatives of the countries of the Soviet block had quoted in support of their arguments the statements of official representatives of the governments of under-developed countries. The fact that those statesmen could so freely express opinions and criticisms showed that their countries were not at the orders of the United States Government, as some would like it to be thought.

8. He reiterated his admiration for the work carried out by the United Nations in connexion with technical assistance and for the economic aid which the United States was extending to under-developed countries and expressed the hope that Haiti would one day profit by those loans and gifts, which had already reached the figures of \$6,500 million.

9. Mr. VANER (Turkey) said that in their statements the representative of the USSR (205th meeting), the Ukrainian SSR (206th meeting) and the

Byelorussian SSR (207th meeting) had referred to his country in such a manner that he was obliged to take the floor in order to restate the truth.

10. Mr. Gromyko had said that the populations of the Middle Eastern countries, especially Turkey, lived in extreme poverty, mainly owing to their feudal or semi-feudal land systems. He had also said that electric power production in the Soviet Republics adjacent to Turkey, with a population of 17 million, was three times greater than the total production of Turkey, Iran, Pakistan, Egypt, Syria and Afghanistan, whose total population was 156 million.

11. The representative of the Ukrainian SSR had stated that American aid had had harmful results in Turkey, that the sole purpose of that aid was to militarize the country and that the Turkish Government was consequently obliged to devote more than 60 per cent of its budget to military expenditure. The representative of the Byelorussian SSR had made similar allegations concerning the effects of American aid in Turkey.

12. He undertook to refute those allegations on the basis of recent statistical data provided by the census of 1950. The Turkish population had increased by 2,100,000 inhabitants since the 1945 census and that figure represented a rate of increase of 21 per thousand. The increase was due mainly to the lowering of the mortality rate, which served as a proof of the efficacy of measures taken to combat disease and infant mortality. The lowering of the mortality rate also proved that the Turkish population had never been and was not in the condition of abject poverty to which Mr. Gromyko had referred. As regards the alleged feudal régime in Turkey, the rural census of 1950 had shown that less than 10 per cent of the Turkish peasants did not own land. It was unnecessary to repeat the information he had given in his statement of 27 October (196th meeting) concerning the land reform which was currently being carried out in Turkey.

13. Between 1950 and 1952, the area of cultivated land had increased by 10 per cent and the production of cereals by 48 per cent. Turkey, which had imported cereals only a few years previously, had been able to export 300,000 tons of cereals in 1951 and would probably export over one million tons in 1952. The 1952 campaign gave grounds to hope for even better results. That striking progress was due to the mechanization of agriculture which had been made possible by the technical assistance provided by the United States.

14. With regard to the export of "strategic" raw materials which, according to the representative of the Ukrainian SSR, had increased by ten times in the last five years, he stated that exports of chrome had increased by 50 per cent only and that exports of copper had remained more or less stationary during that period.

15. He had some doubts concerning the figures that Mr. Gromyko had quoted to illustrate the economic and social progress of the Soviet Republics adjacent to Turkey. It was impossible to verify those figures, because access to Soviet territory was forbidden to foreigners, because the majority of the statistics provided by the Soviet authorities were expressed in percentages, without any indication of the basic figures, and because

the reference years chosen for those statistics went back a considerable time. By using such methods, he (Mr. Vaner) could report equally astounding progress: thus, the production of electric energy in Turkey was now three times higher than in 1938 and twenty-three times higher than in 1923.

16. At the thirteenth session of the Economic and Social Council, the USSR representative had already alleged that American aid to Turkey was exclusively military. The Turkish observer at the Council had replied to that allegation<sup>1</sup> by showing the advantageous effects of American aid on agriculture and industry. Military aid had merely been an adjunct of that technical assistance and all free countries would be glad that it had considerably strengthened the defensive capacity of the country. It was untrue that the Turkish Government was devoting 60 per cent of its budget to national defence; and the reasons why it could not reduce military expenditure as it would have wished were well known to the USSR representative and his colleagues.

17. The statements of the Soviet representatives had shown that, in order to appraise the economic and social progress in capitalist countries, a new criterion, the reaction of the Soviet representatives, now had to be taken into account. There seemed to be a direct and almost mathematical relation between the extent of that progress and the virulence of the criticism of Soviet spokesmen.

18. Mr. MADRIGAL (Philippines) noted that the general debate on the economic development of under-developed countries had revealed the existence of two opposite concepts. In the opinion of many representatives, the economic development of under-developed countries was an international problem that could only be solved through the United Nations and the specialized agencies within the framework of the Expanded Programme of Technical Assistance. That was the view held by the governments of the highly industrialized countries of the West and the governments of the under-developed countries. That view was in contrast to that of countries with centrally planned economies. The representatives of those countries, although affirming that economic development was a desirable goal, maintained that the solution lay elsewhere. Thus, the representative of the USSR, who had advocated the second point of view, had said that a solution would seem to lie, not in grants and loans, but in domestic effort.

19. Mr. Madrigal agreed that domestic effort could play a large part in economic development. He stressed that the under-developed countries were already doing all they could, but owing to the comparatively low rate of capital formation were unable to finance their development programmes under the best possible conditions. Loans and grants were therefore necessary as catalyzers of economic development. What the under-developed countries needed was concrete assistance, not advice. The representatives of the under-developed countries had repeatedly stressed the need for adequate international financial assistance, both private and public, and the General Assembly itself had recognized that need.

<sup>1</sup> See *Official Record of the Economic and Social Council, Thirteenth session, 504th meeting.*

20. He then referred to certain allegations concerning the Philippines. He wished first to correct the statement that the *per capita* income in the Philippines was less than \$50 a year. Actually, the *per capita* income in 1951 had been \$175. Statements concerning the land-tenure system in his country were also incorrect, and he pointed out that it had become a legal impossibility for any company to hold large tracts of land. As early as 1900 a law had been passed regulating the sale of land and property, and in the Constitution that had taken effect in 1936 land-tenure had been organized in accordance with the wishes of the people. The Government was giving its entire attention to solving the problem, and 66 per cent of the farmers in the Philippines already owned all or part of the land they worked.

21. He also referred to his country's trade relationship with the United States. For over forty years the United States had granted his country a quota system of tariff preferences under which Philippine exports entered the United States duty free. The proceeds from those exports, together with United States capital invested in his country, had constituted the financial basis for the economic and social programmes of his country before its independence. The Philippines had a system of import and exchange controls that the United States Government could have regarded as a violation of its trade agreement with the Philippines. The United States had not, however, opposed that system of controls in any way. Trade relations between the two countries had simply been adjusted in an atmosphere of mutual trust and understanding. The parties had taken into account that for forty years the Philippine economy had been closely tied up with the United States economy. They had also taken account of the need for reviving a country devastated by war in order to enable it to adjust its trade relations to new conditions and to take its place as a sovereign State in the regional economy of Southeast Asia and in the world. The adjustment of trade relations between the United States and the Philippines was a striking example of how problems of that kind could be solved to the advantage of both parties. He said that, in paying a tribute to the United States, he was doing no more than expressing the heartfelt gratitude of his Government to the Government of the United States, which in 1946 had recognized the independence of his country.

22. Mr. LUBIN (United States of America) said that in his previous remarks (198th meeting) he had carefully avoided discussing anything except the economic matters before the Committee. Certain members of the Committee had not subjected themselves to the same discipline nor hesitated to make against his Government calumnious charges that could not be passed over in silence.

23. The theme developed by those representatives was well-known. It was the theme that had been heard before in previous meetings of United Nations bodies and elaborated by the representative of Poland during the session of the Economic, Employment and Development Commission in the spring of 1951. It could be summarized as follows: no external financing and no income from experts. In effect what the Polish representative advocated was: no development. The representatives from Eastern Europe had been asserting that United States citizens who invested abroad made un-

conscionable profits from the enslavement of the labour population in the under-developed countries and from the draining off of their resources.

24. Foreign investment had undoubtedly enabled certain private investors to make large profits in certain countries and at certain times. During recent years, for example, the return on investment in oil abroad had been higher than on similar investment in the United States. The situation was not, however, the same in all other sectors of activity. Statistics showed that in 1949 the ratio of earnings to capital for all direct investment abroad, excluding petroleum, had been 12.4 per cent, whereas the ratio for capital invested in the United States had been 10.7 per cent. In other words, the relatively greater risk involved in foreign investment had been compensated only by an additional 1.7 percentage points. In 1950 the difference had amounted to only 1.5 percentage points, and in 1951 to about 4.

25. He then dealt in turn with the situation in the fields of manufacturing, mining and public utilities. He pointed out that in the field of manufacturing the margin by which profits from foreign investment exceeded those from similar investment at home had been 2 per cent in 1949, 2.3 per cent in 1951, but only 1 per cent in 1950. As to mining, which according to some persons was so very profitable, investment in the United States had yielded a higher return in 1949 and 1950 than foreign investment. The respective figures were 12 per cent and 13 per cent for local investment and 10 per cent and 12.4 per cent for foreign investment. In 1951 the yield from foreign investment had been 1.3 percentage points higher than that from domestic investment. With regard to public utilities, the yield from foreign investment had been 3.8 per cent in 1949, 4.5 per cent in 1950 and 3.6 per cent in 1951, whereas during those same years the yield from domestic investment had averaged 9 per cent *per annum*, being almost double the yield from foreign investment.

26. Those figures did not, however, represent profits that were actually available to American investors abroad. Between 1946 and 1952, American investors had re-invested \$4,800 million of the profits that they had earned abroad, namely 50 per cent of their total foreign earnings. In Latin America, for example, from 1946 to 1951 American companies had had profits amounting to \$1,600 million and had re-invested there \$860 million of those profits.

27. The speakers who stressed the profits made by American investors forgot, of course, to mention the losses suffered by those investors. From 1920 to 1940 the net loss on the capital value of portfolio investments suffered by American investors abroad had been almost \$3,500 million.

28. The United States had been accused of deliberately preventing the development of manufacturing in under-developed countries including those in Latin America, and of forcing them to concentrate almost exclusively upon the production of primary products, in particular strategic raw materials. An inspection of *The Economic Survey of Latin America for 1950* (E/CN.12/217) prepared by the Economic Commission for Latin America would be sufficient to show that between 1945 and 1949 the rate of industrial expansion in six of the Latin-American countries had been between 4 and 5 per cent annually, and in four other

countries between 6.5 and 12 per cent. The Survey mentioned that the rate of industrial development since the war had been particularly outstanding in Argentina and Chile. Only two months ago, the Executive Secretary of ECLA had pointed out at a meeting of the International Bank for Reconstruction and Development that a number of Latin-American countries, in particular Brazil, had considerably increased their production of capital goods, chiefly iron, steel, cement and machinery.

29. The representatives of the USSR, Czechoslovakia and Poland had asserted that American investment in under-developed countries was interested only in the development of strategic raw materials. If those representatives had taken the time to read the reports of the Export-Import Bank, they would have found that that Bank, owned by the United States Government, was playing an important part in the industrial development of many parts of the world. They would have found that among the loans of that Bank were, for instance, advances for building steel mills in Mexico, Brazil and Chile, advances for the mechanization of rice production in Ecuador, for electrification programmes in Indonesia, for the construction of cement plants in Saudi Arabia, and for equipment for dam and canal construction in Afghanistan. Those types of loans comprised by far the largest number made by the Bank.

30. Although it was true that in the years immediately after the war private investment had gone largely into the petroleum industry, it was tending more and more to go into manufacturing and distribution rather than into the extractive industries. He recalled that in his previous statement at the 198th meeting he had given a number of examples of the way in which American private investment was contributing to the economic development of under-developed countries. The fourth annual report of the Economic Commission for Latin America<sup>2</sup> contained further information on that subject, and it was quite significant that the Commission listed American private investment among the most important sources of capital in public utilities, manufacturing and trade in Brazil and Chile.

31. The representatives of the Eastern European countries had been unable to resist the temptation of repeating their charges against the "Point Four" programme, which, according to them, was designed to enable the United States to dominate the under-developed countries and obtain from them their strategic resources. He pointed out that technical assistance was not a new development in United States policy. It had begun over fifteen years previously as a programme of co-operative assistance to Latin America and had been given new impetus by President Truman in 1949. The charges against the "Point Four" programme could be refuted merely by referring to a report published by the United States Government last September showing the general trend of the programme. Of 2,090 experts authorized, 1,265 were already in the field at work. Of the 2,090, 616 or about 30 per cent, were to help the countries to which they were assigned to develop agriculture, forestry and fisheries; 333, or 16 per cent, were to work in public health and sanitation; 207, or about 10 per cent, were to improve education; and 172, or

<sup>2</sup> See *Ibid.*, *Fourteenth Session*, Supplement No. 2.

just over 8 per cent, were to help to develop natural resources, with special reference to irrigation and hydro-electric power. As to mineral resources, the "Point Four" experts were concerned with prospecting and not extraction. The function of 77, or about 3 per cent, of the experts was to improve public administration and government services. Smaller numbers of experts were allocated to transport, communications, housing and social services. In every case the recipient country had expressly asked for the services of the experts that had been sent to them.

32. The kind of thing that the United States was trying to do through its "Point Four" programme was the same kind of thing that all nations interested in human welfare and contributing to the Expanded Programme of Technical Assistance were trying to do through the United Nations. He gave examples of projects being carried on under the "Point Four" programme. In Peru, American experts had been working with the Government in carrying out experiments to test the agricultural possibilities of clearing the jungle country east of the Andes in a pilot ranch for raising sheep in the High Sierra and training workers to do agricultural extension work. In Chile, the "Point Four" experts had assisted in building a sewage system for the northern part of the city of Santiago where more than 200,000 people lived. In Iran, "Point Four" experts were helping to build a textile mill, a slaughter house and a meat-packing plant; to improve the electric power system in the city of Shiraz; and to build a new water system in Teheran. In India, teams of American and Indian experts were working together on large-scale rural development projects that would benefit 18,500 villages.

33. The USSR representative had been correct in describing the "Point Four" programme as a weapon of American diplomacy. It was a weapon of which the United States was proud, since it had served to raise the standard of living of the less favoured countries, and had contributed to security and international progress. The United States intended to continue using that weapon and in that way to help build a better world.

34. In contrast to the policy of "domination" alleged to be pursued by the United States for warlike reasons, "the generosity and altruism" of the Soviet Union towards the under-developed countries in the Soviet zone had been cited by the representatives of Poland, Czechoslovakia and the USSR. The Polish representative (199th meeting) had even said that assistance from the USSR had strengthened Poland's political and economic independence. But that unselfish assistance appeared to have yielded some paradoxical results. Although Poland's population was 30 per cent smaller than before the war and the rich agricultural lands of Eastern Germany and the valuable coal and industrial resources of Silesia had been added to its resources, Poland's economic situation seven years after the end of the war was such that it had been compelled to re-introduce rationing of certain essential articles, such as meat, fats, soap and sugar. What was the explanation of that paradox, if not that the greater part of Poland's national product was being either sent to the USSR or stock-piled in Poland for future Soviet wars?

35. Similarly, the information available from Czechoslovakia showed how the USSR was encouraging the political and economic independence of the so-called

People's Democracies. One instrument for encouraging that "independence" seemed to be the fostering of trade within the Soviet sphere, but it was clear that there was no 'equality' between partners in that kind of trade.

36. In the face of all that had been said by representatives of certain Eastern European countries concerning the high living standards in Czechoslovakia, it was hard to understand the lagging agricultural production, the serious coal shortages and the rail transport crises in Czechoslovakia. All that was taking place in a country which before the Second World War had had one of the highest standards of living in the world.

37. The USSR representative had called for a programme of deeds and not words, and had said that the first deed should be a halt to the armaments race. But every member of the Committee knew that at no time since the war had the USSR reduced its armament effort. In that connexion, the Committee's attention should be drawn to the observation on page 144 of *The Economic Survey for Europe in 1951* (E/ECE/140/Rev.1). The report stated that the claims of national defense in the USSR in 1950 and 1951 had been equal or in excess of the 1940 level. In 1951 it had been roughly two-thirds greater than the total volume of resources that had been devoted to both investment and defense purposes in 1937. That report also stated that the amount of resources devoted to consumption in the USSR in 1951 had increased only moderately above pre-war levels.

38. He wished, in conclusion, to restate what he had said in his earlier statement on the problems of economic development. The achievements of the last few years in the economic development of the under-developed countries augured well for the future. Considerable progress had been made, as the facts available showed. The electricity consumption and cement output of the under-developed countries was increasing every year. Iron and steel production in the Latin-American countries had grown from next to nothing before the war to an important industry. Thousands of miles of new roads had been built in the under-developed areas. Could those facts be interpreted to mean that economic conditions in those areas were deteriorating? Nevertheless, the results achieved were inadequate in comparison with world needs. The people of the United States were acutely aware of the importance and urgency of the work still to be done. In the accomplishment of that task, they would continue to play their full part as responsible Members of the United Nations.

39. Mr. GROMYKO (Union of Soviet Socialist Republics) said that the importance which the USSR delegation attached to the question of the economic development of the under-developed countries had been shown by the lengthy statement on the question made by the USSR representative earlier during the general debate. That statement had not been to the liking of all representatives, and some, including the representatives of New Zealand and Ecuador, had found it negative. He was not surprised by those reactions, since he was accustomed to seeing certain delegations giving their invariable support to all statements and proposals made by the United States delegation. Nevertheless, there was nothing negative in showing that the question of the economic development of the under-developed countries and of United States assistance to those coun-

tries could not be studied without relating it to the general policy of the United States Government, the primary aim of which was to feed the American war machine and accelerate the armaments race, and, with that end in view, to militarize the under-developed countries and subjugate their economies. The USSR representative had illustrated those trends in American policy by quoting statements made by official United States spokesmen, responsible business men and important American newspapers, and by reference to official statistics. Those sources of information were sufficient testimony to the true nature of American policy.

40. The USSR representative had shown on the basis of precise facts and figures that the so-called economic assistance furnished by the United States to the under-developed countries was designed only to enable the American monopolies to gain possession of those countries' natural resources—in particular, their strategic raw materials—and export them to the United States. That was the united policy of all the governments of the Western bloc; disagreement between them only entered when it was a question of dividing the spoils.

41. The second objective of American "assistance" policy was to stifle the economies of the under-developed countries. It sufficed to read the documents published by the United Nations Secretariat to see that American technical and financial aid operated only to increase the production of industrial and agricultural raw materials of the countries concerned; no effort was made to promote their industrialization, which would enable them to free themselves from the economic grasp of the great capitalist countries.

42. The USSR delegation was convinced that that situation could not be radically altered by establishing one or more international financial institutions to grant loans or subsidies. To give real assistance to the under-developed countries, the armaments race must be terminated and trade relations established between countries on the basis of equality of rights and of respect both for the interests of all parties and for the sovereignty of States. Despite the dithyrambic statements of the Haitian and Philippine representatives, everyone knew that economic relations between the United States and other countries were not founded on those principles.

43. The third objective of United States economic policy—i.e. of the American monopolies which directed that policy—was to use the under-developed countries as markets for their production. In that connexion also, the USSR representative had based his statement on many facts and official declarations on the objectives of the "Point Four" programme.

44. It was unfortunate that the representatives of the under-developed countries were not all in a position to follow the example given by the delegations of the Soviet countries and the People's Democracies, who had exposed the real nature of American "assistance". Nevertheless, there was quite a marked difference between the tone of the statements made by representatives of under-developed countries at the current session of the Assembly and that of their former statements. In growing numbers and within increasing firmness, representatives of under-developed countries, like Chile, Bolivia, Egypt, Iran and Guatemala, were declaring that it was not dollars they wanted; that they wished

to liberate their national economies and do as they pleased in their own countries. The voice of the Bolivian people, who had just regained possession of the Bolivian mines, drowned the voices of the representatives subservient to American interests. He trusted that the Bolivian people would be able to defend that victory against every attack which would be launched against it.

45. The charge that the USSR delegation had made no constructive contribution to the debate was devoid of foundation. The USSR delegation had defined the conditions necessary for the economic development of under-developed countries, and had demanded the elimination of the discriminatory provisions to which the governments of the under-developed countries were compelled to subscribe when they concluded trade agreements with the United States. Those provisions, while they were directed against the People's Democracies and the USSR, did considerable economic harm to the under-developed countries by debarring them from the benefits of free and profitable trade with the USSR and the other socialist countries. The USSR was in a position to buy not merely one or two or their basic products but a large variety of goods from the under-developed countries and to sell them the capital goods and other articles they needed. It had just bought a consignment of bananas in Mexico, but would be prepared to buy many other items if the sale of those items was not, unfortunately, prohibited by the United States.

46. Thus, the USSR delegation had examined the problem as a whole in a constructive spirit and had made practical proposals. But the essential preconditions for the economic development of the under-developed countries could not be created until United States policy was radically transformed. It was for that reason that the USSR delegation had analysed United States policy in detail. The United States representative had in no way refuted the statements made by the USSR representative. The general picture of the situation outlined by the Soviet Union representative could not be altered by juggling with figures.

47. The USSR delegation would state its views on the proposals submitted with regard to the various questions before the Committee in the course of the subsequent discussion.

48. Mr. TOUS (Ecuador) objected to the USSR representative's statement that the under-developed countries were not free to express their views on their real economic needs and on the economic policy of the United States. The under-developed countries were Members of the United Nations and were independent; they could express their opinions freely on that and on any other subject. On more than one occasion they had voiced their opposition to certain measures taken by some of the larger countries, and had even supported some arguments advanced by delegations of the Eastern European countries. It would be gratifying to see the satellites of the USSR display as much independence.

49. He repeated that there was nothing constructive in the statements made by the USSR representative. The proposal for exchange of goods which had just been made by Mr. Gromyko in terms slightly more definite than hitherto had still been left in the realm of vague generalities. To put an end to their exploitation by the capitalist countries, the USSR representative had not offered on behalf of his Government to buy

goods from the under-developed countries at prices higher than those paid by the United States or the other industrial countries, or to sell them capital goods at prices lower than those quoted by the capitalist countries. A practical proposal of that kind would, however, prove the USSR's sincerity and would be joyfully accepted by the under-developed countries. Even Hitlerite Germany, in order to deceive the United States regarding its real intentions, had made a number of advantageous commercial proposals and had kept some of its promises. Ecuador had tried to establish trade relations with Czechoslovakia, but had not succeeded in concluding any actual trade agreement with that country. The under-developed countries wanted more than general statements; they wanted definite and constructive action.

50. Mr. KATZ-SUCHY (Poland) said that he had confined himself in his recent statement (199th meeting) to an exposition of his delegation's views on the question as a whole. He therefore reserved the right to speak later on matters of detail. The debate suggested certain observations, however, which he would make to the Committee forthwith.

51. Three tendencies had become evident during the debate. In the first place, the representatives of the capitalist countries had attached an exaggerated importance to the financing of the economic development of the under-developed countries by foreign capital. They had done so because those capitalist countries had every interest in keeping the under-developed countries in a subordinate position, so as to continue to exploit their resources in raw materials and to derive substantial profits from that exploitation. That was why their representatives had striven to brush aside any realistic suggestion and had produced more and more proposals for the creation of an atmosphere favourable to investments by recommending to the under-developed countries the introduction of legislative or administrative measures advantageous to investors.

52. A group of representatives of certain under-developed countries had then announced its support for solutions of an intermediate nature, designed to help those countries by means of a programme of limited scope.

53. The third tendency was that represented by the delegation of the Union of Soviet Socialist Republics and by the representatives of People's Democracies. He explained that those delegations had no point-blank objection to the granting of technical and financial assistance to the under-developed countries. They considered, however, that the intervention of foreign capital should be limited to certain specific cases, and that technical assistance should occupy no more than a limited place in a realistic development plan. Economic independence was a necessary prerequisite for progress; that implied freedom from any imperialist domination, the abolition of the system of colonial exploitation and the application of measures for keeping profits within the country. Those profits should be reinvested on the spot, so as to diversify the economy and promote industrialization.

54. The representatives of the capitalist countries had endeavoured to minimize the importance of the political and economic factors bearing on the situation of the

under-developed countries. They had avoided any refutation of the arguments previously put forward by the Polish delegation. Some delegations, such as that of the United States, had tried to give a distorted picture of the facts. Others, such as that of Belgium, had sought to link the problem of the economic development of under-developed countries to that of national defence. Those delegations seemed to forget that certain governments had allowed themselves to be drawn into the ruinous execution of a national defence programme only because they had ignored the frequent appeals that the governments of the USSR and the Peoples' Democracies had for several years been making to them to respect the Charter. By using the resources of the under-developed countries for the execution of their national defence programme, the highly industrialized countries were only making the position of the under-developed countries still more difficult. In the same way, the Netherlands representative, who had complained of the cessation of trade between the countries of Western and Eastern Europe (204th meeting), seemed to have forgotten that that cessation was due to the pressure brought to bear upon the western Powers by the Government of the United States.

55. The United States representative, for his part, had been guilty of a tendentious presentation of the facts when he had stated that investing capital in under-developed countries ran risks for which they were not sufficiently rewarded, and that in certain cases they incurred losses. He had also presented the "Point Four" programme of the United States in a misleading light: far from being an innocent programme for the development of public administration and health, it was entirely subordinated to the political and strategic aims of the United States Government. That was clearly shown by the decision taken by the United States Congress to grant no technical or financial aid to any country which did not agree to contribute towards the defence organization of the western Powers. He further recalled the message of the President of the United States to Congress, from which it could be seen that, without the flow of raw materials from the countries receiving technical assistance, the military potential of the United States would be seriously compromised. He also pointed out that the American Press contained many indications of the difficulties encountered by the United States Government in the countries of Asia, Africa and Latin America where they sought to spread the alleged benefits of technical assistance. Even in Latin America, where the United States had been able to exert its influence to the best advantage, the population was still under-nourished, ridden by epidemics and without means of transport or working tools, and the situation had in no way improved since the Second World War. The exploitation of the natural resources of those countries was carried on for the profit of the exploiting companies. He quoted figures showing that investments in Latin America had proved much more lucrative than in other areas. He pointed out, in particular, that the profits of the Standard Oil Company in Venezuela and the Anaconda Copper Company in Chile were much higher than the profits made by the same companies in the United States. Thus, the action of the United Nations and the United States had by no means benefited the under-developed countries, and he did not consider that the situation was such as to justify the estab-

ishment of a special international fund to assist in financing the economic development of under-developed countries.

56. He also recalled that the Belgian representative had emphasized (205th meeting) the results obtained by Belgium in the colonial territories it administered, namely the Belgian Congo and Ruanda-Urundi. In a special study published by the National Bank of Belgium, it was pointed out that those two territories had had a consistent surplus of some \$70 million each year with European countries other than Belgium and Luxemburg. He wondered to what extent the indigenous inhabitants of the Belgian Congo and Ruanda-Urundi themselves benefited from the exploitation of their countries' resources. Similarly, it would appear that the profits made on raw materials from the British colonies in West Africa and Malaya had not benefited the population of those colonies; the sums in question had been swallowed up by the United Kingdom in the armaments race.

57. By way of contrast to the policy of exploitation pursued in the under-developed countries by the capital-

ist Powers he described the policy applied by the USSR and the Peoples' Democracies, which had addressed themselves with complete success to the reconstruction and development of an economy devastated by the war. The heroism of the Polish population, and the generous co-operation of the USSR had made that recovery possible. Industry had already taken giant strides; agriculture had also progressed, though less rapidly than industry, as was normal. It was true that some rationing measures had recently been introduced but that had been due to the substantial rise of *per capita* consumption, Poland was willing to contribute towards the economic development of under-developed countries through expanded commercial relations. Poland was able to supply under-developed countries with a wide range of industrial goods needed for their development. That was how the Polish Government intended to co-operate in the creation of a better world within the provisions of the Charter and without impairing the economic or political independence of the recipient countries.

The meeting rose at 6.30 p.m.