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Chairman: Mr. Jiří NOSEK (Czechoslovakia).

Economic development of under-developed countries (A/2172, chapter III, and A/2192, A/C.2/L.155, A/C.2/L.164, A/C.2/L.165 and Corr.1) (*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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- (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. GROMYKO (Union of Soviet Socialist Republics) said that although the economic development of the under-developed countries had been the subject of considerable discussion in the General Assembly no real progress had so far been made in providing assistance to those countries. In view of the economic diffi-

culties of many under-developed countries which were Members of the United Nations it was a political and moral duty of the Assembly to re-examine the question and to find effective means of developing their economies and improving their standards of living. The situation in a number of the under-developed countries was such that in spite of their considerable natural wealth and vast manpower reserves millions of people were on the verge of starvation: they were not the true masters of their resources and were not yet able to use them for their own welfare. The low level of national income in the majority of countries in Asia, Africa and Latin America was evidence of that fact.

2. He referred to a recent statement by the Chilean representative in the General Assembly¹ to the effect that the *per capita* income of more than 1,500 million people in the under-developed countries was under \$200 a year, and that poverty in those countries was increasing. A similar statement had been made by the Bolivian representative.²

3. The United Nations *World Economic Report, 1949-50* (E/1910/Rev.1) had revealed the fact that the national income of nearly one-third of the world's population, in countries such as Burma, Indonesia, the Philippines and Ecuador, represented less than 5 per cent of the total world income and *per capita* was under

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

¹ See *Official Records of the General Assembly, Seventh Session, Plenary Meetings, 379th meeting.*

² *Ibid.*, 384th meeting.

\$50 per year. The recent preliminary report on the world social situation (E/CN.5/267) also contained revealing facts regarding the condition of the peoples of the under-developed countries.

4. Although rich in resources, the under-developed countries had not achieved a decent standard of living because of their political and economic dependence upon the imperialist Powers and foreign monopolies, which controlled their economies and thus their social life. The imperialist Powers sought to enrich themselves by robbing the under-developed countries of their natural resources without regard to the interests of the indigenous population. A further reason for the extreme poverty was the continued existence of feudal and semi-feudal systems of land tenure in such countries as Brazil, Turkey and other Near and Middle East countries. The greater part of the land was in the hands of large land-owners and foreign monopolies. The latter were continuing to expand their holdings while the large peasant population remained entirely dependent upon them. Figures were available which showed the large proportion of land held by monopolist companies in the Philippines, Tunisia, South West Africa and other countries.

5. In Latin America, foreign oil companies owned large areas, a fact that was widely commented upon in the Latin-American Press, which called for resistance to the pressure exerted by foreign capital and action to defend legitimate national interests. In Venezuela, for example, the 2,100,000 acres of land owned by a subsidiary of the Standard Oil Company could provide subsistence for millions of peasants if it were in the hands of its true owners, the Venezuelan people. Equally, large tracts were owned by other oil companies in Latin America.

6. The recent preliminary report on the world social situation showed how the concentration of land in the hands of large land-owners and foreign companies caused acute land shortage for the peasant population, which as a result was reduced to a state of dependency and indebtedness and was unable to achieve an adequate standard of living. According to that report, in Argentina, a comparatively developed country, only 20.7 per cent of the land was being used. The figure for Mexico was 16.7 per cent and the figures for Syria and Algeria were similar. Agricultural productivity in many countries was very low and production was organized to satisfy the demands of foreign capitalist markets rather than the needs of the semi-starving local population. Those facts showed the vital need for agrarian reform, due regard being paid to the national characteristics of each of the under-developed countries. Agrarian reform was, however, impossible without a socially just distribution of the land.

7. In contrast to the situation in the under-developed countries he cited recent achievements in the Chinese People's Republic, where agrarian reforms had liberated the productive forces and promoted conditions favourable to industrialization. Land reform on a vast scale had taken place, the social structure of the villages had been entirely changed, the proportion of poor people had been substantially reduced and the peasant had been delivered from his century-old enslavement to the landowner.

8. The United States representatives in the United Nations frequently claimed that the United States had initiated land reform in the under-developed countries; in fact, however, United States proposals in the United Nations had not been in the interests of the peasants of the countries concerned but had been designed to favour the interests of foreign land-owners. Moreover, the recommendations on land reform discussed at the thirteenth session of the Economic and Social Council and the sixth session of the General Assembly had remained a dead letter.

9. The lack of progress in the development of the under-developed countries was due to the fact that the United States and the other capitalist countries were endeavouring to keep those countries as suppliers of raw materials and outlets for exports. The agreements concluded with the under-developed countries not only were designed to subordinate their economies to that end but also demanded rights to build military installations, airfields, ports and roads in those countries as part of the United States military programme. In its report to the President, a United States advisory council on international development had stated that the United States received three-quarters of its imports of strategic raw materials from the under-developed countries and had implied that those countries should be considered an integral part of the United States war economy. Other United States Government reports suggested that the economies of the under-developed countries must be made to serve the strategic plans of the United States: for example, technical assistance was to be given to build roads in India, Iran and Pakistan, which were regarded as strategically important countries.

10. United States representatives in the United Nations were, however, trying to create the impression that their policy towards the under-developed countries was disinterested. The fact remained that the so-called "Point Four" programme, for example, was a form of expansionism designed to increase the control of the United States over the countries to which assistance was granted. American advisers were imposed upon those countries, detailed information upon their economies was demanded and attempts made to control their relations with other States. Loans and other forms of technical assistance were invariably accompanied by demands for political, economic and military privileges entirely contrary to the principle of the sovereignty of States. A State Department Bulletin report on the "Point Four" programme had acknowledged that the programme was a weapon of American diplomacy. Walter Lippman, writing in the *New York Herald Tribune* of 5 March 1952, had admitted that the recipients of assistance under the "Point Four" programme regarded it as an attempt to continue Western imperialism in a new form. At the Democratic Party Convention in Chicago, the previous summer, Mr. Truman himself had described it as a good business proposition.

11. Figures from United States sources showed the extent to which that country was making use of the under-developed countries to obtain vital strategic materials. It was clear that under the "Point Four" programme the United States gained most. The hostile attitude of the recipient countries to the degree of control imposed upon them under the "Point Four" agree-

ments was illustrated by statements which had appeared in Indian and Egyptian newspapers. It was significant that Syria and Chile had declined aid under the programme and that Indonesia, Burma and Iran had also shown a lack of enthusiasm.

12. When resistance of that kind occurred, the United States exercised crude pressure, as the history of relations between the States receiving United States aid revealed. Even the capitalist States receiving American assistance were not strong enough to speak out officially against the unacceptable conditions imposed. Increasing protests were, however, being made in the recipient countries, which were beginning to see the dangers of their position.

13. It was clear that the whole "Point Four" programme was used as part of the United States military expansion; indeed, in January 1951, the President of the United States in his Economic Report to Congress had admitted that there was no sharp dividing line between economic and military assistance to under-developed countries.

14. United States propaganda regarding technical assistance had nothing in common with the aims of the United Nations Charter and was designed only to perpetuate the under-development of the under-developed countries. It was said that the weakness of those countries was due to lack of foreign capital but the truth was that the capitalist countries were seeking to increase the demand for foreign capital with a view to gaining economic control. The real question was not the lack of capital; foreign investment was a means of dominating the economic, political and social life of the countries concerned.

15. Efforts to convince the under-developed countries of the advantages of receiving foreign capital were made in the United Nations, but the purpose of such foreign investments was the same as that of the technical assistance granted under the "Point Four" programme. *The Statistical Abstract of the United States for 1951* showed that American investments abroad had risen from 12,480 million dollars at the end of 1939 to 36,100 million dollars at the end of 1951. The predatory nature of those investments was shown by the fact that the capital was invested not for industrial development, but to obtain raw materials and high profits. The national wealth of the under-developed countries was being drawn out in the form of huge profits for foreign, and primarily United States, monopolies. The systematic penetration of United States capital into colonial and other areas formerly dominated by Great Britain, France and other countries had been intensified. The higher profits obtained from investments abroad had stimulated the race for maximum profits which had always been characteristic of capitalism. According to United States sources, that country's profits from foreign investments—mainly in mining and the production of raw materials—had increased from 1,113 million in 1936 to 2,700 million in 1951. Profit was the only incentive; American businessmen were interested not in developing the economies of the under-developed countries, but in stifling any attempt on their part to develop their industries and become economically self-supporting.

16. The United States representative's recent statement (198th meeting) showed that the United States

Government was continuing to deceive the peoples of the under-developed countries regarding its true objectives. His statements had been disproved by the Bolivian, Chilean, Brazilian, Egyptian, Argentine and other representatives who had indicated what the under-developed countries needed and what was being imposed upon them by the United States. The United States delegation, realizing that the form of assistance which it advocated had not produced the desired results in the under-developed countries, had explained that certain companies might have been guilty of abuses. The blame should not, however, be laid upon individual companies but on the general policy of the United States monopolists. The Iranian (204th meeting) and Brazilian (198th meeting) representatives had already pointed out that foreign private investment in the under-developed countries only increased their dependence. The Egyptian representative had stressed that United Nations action to assist the under-developed countries had been unsuccessful because of the current armaments race (197th meeting).

17. The USSR delegation could not share the hope that the establishment of an international finance corporation would alter the existing situation. Some organizations might have helped, but they had acted as United States agencies. He welcomed the statements of the representatives of the under-developed countries who had shown that the economic assistance policies adopted by certain countries had failed and that another system more in accordance with United Nations principles was required. The armaments race and the establishment of military bases in the under-developed countries should be brought to an end. A return should be made to normal trade relationships, free from the dictates of United States policy. The under-developed countries were the first to suffer from the war preparations of the NATO countries; inflation increased, the production of consumer goods declined and plans for economic development had to be abandoned. In addition they were obliged to increase their own military expenditure and to raise their taxes and prices. The material and technical resources of the NATO countries were being mobilized, under such schemes as the Schuman Plan, for military purposes. One illustration was the resurgence of militarism in Western Germany in violation of international agreements.

18. In contrast, the co-operation between the Soviet Union, the People's Democracies and the People's Republic of China was based on respect for the principle of equality. Those countries, which depended not on grants and gifts but on their own efforts and on normal trade relationships, were making genuine economic and social progress. In spite of war devastation, industrial production in Poland in 1951 was 2.9 times greater than in 1949. Similar statistics were available for Hungary, Romania, Bulgaria and Albania while in Eastern Germany industrial output in 1951 had been 2.4 times greater than in 1946. The People's Republic of China, the People's Democratic Republic of Korea and the Mongolian People's Republic were also giving effect to effective development policies. The progress of those countries was largely due to the fact that their relations were governed by the principle of unselfish mutual assistance.

19. The output of heavy industry in 1951 in the Uzbek, Kazakh, Kirghiz, Turkmen and Tadjik Soviet Socialist

Republics with a total population of 17 million had been twenty-two times greater than in 1928 and electric power production was three times higher than in Turkey, Iran, Pakistan, Egypt, Syria and Afghanistan together with a total population of 156 million.

20. Any effective programme for the economic development of under-developed countries must promote national industries. No privileges in respect of the use of territory or of man-power could be granted to countries providing assistance. In commercial relations, due respect must be paid to development needs of the under-developed countries. The Soviet Union had shown that it was prepared to extend its trade with the under-developed countries by exporting mining, agricultural and transport equipment in exchange for the usual exports of the under-developed countries. Soviet trade policy was based on the principle that the best method of assisting the under-developed countries was to promote trade with them without interfering in their affairs or imposing unfair conditions.

21. Mr. FAYAT (Belgium), reaffirming his whole-hearted support of the Second Committee's work, recalled that General Assembly resolution 377 A (V) on "Uniting for peace" had urged Member States to intensify individual and collective efforts to achieve conditions of economic stability and social progress, particularly through the development of under-developed countries and areas.

22. In uniting for peace, the freedom-loving peoples had a double duty: to achieve military security and to promote well-being. Unfortunately, the greater the international tension, the more difficult it became to switch reinforcements to meet economic problems. If the industrialized countries could be freed from the burden of defence, they could make more technical skill, equipment and funds available to the under-developed countries for their economic and social advancement.

23. Public opinion both in the industrialized and in the under-developed countries must be made to realize the dependence of peace upon economic development and the interdependence of technical assistance, productivity, land reform and financing. Like the French representative, he believed that the discussion had contributed in some degree to a mutual understanding of the problems involved.

24. In the under-developed countries it was now realized that the problem of economic development could not be solved without taking into account the time factor, available skills, financing methods, resources and the ultimate goals of development—the social progress and welfare of all classes of society. The United States representative had referred to the general shortage of experts in land reclamation and irrigation. No financing, however lavish, could offset that difficulty all at once.

25. Some important aspects of economic advancement depended primarily on the efforts of the under-developed countries themselves. Public administration, public finance and taxation, education and social legislation were so closely related to the political status of the country concerned that direct interference from outside could hardly be suggested. It was for the under-developed countries themselves to undertake the necessary reforms. It was doubtful whether, without such

reforms, some of the handicaps resulting from a one-sided economic structure could be overcome. Countries such as Australia and New Zealand still depended largely on the export of primary products; nevertheless, they were not regarded as "under-developed". On the other hand, a country like Belgium had less natural resources than some of the under-developed areas. Half of the country, Flanders, was barren soil. The only asset of Belgium was the tenacious determination of its people. The determination of the under-developed countries to achieve development was therefore most encouraging.

26. The Argentine representative's statement (200th meeting) might have given the impression that the production of synthetic raw materials was unfair. Such products were not, however, mere duplications of existing natural substances and they did not necessarily have a detrimental effect on prices. Some synthetic products had qualities different from their natural counterparts and the production of the former might even have a stabilizing effect on the price of the latter.

27. Certain countries, owing to their degree of industrialization, were considered to be more developed. Nevertheless, in many countries of Western Europe, for instance, productivity was only one-half or one-third of the United States level. Those countries had their own problems of economic development. He did not wish, however, to minimize the need for the more developed countries to promote the economic advancement of the under-developed areas and endorsed the views of the Swedish representative in that connexion (196th meeting). The magnitude of the problem had been stressed by the FAO representative (202nd meeting) who had pointed out that the rate of world food production was insufficient to cope with population increases of 25 million persons each year.

28. The record of the International Bank in financing projects was impressive. It was encouraging to know that the Bank intended to expand its operations. He awaited with interest the study on the proposed international finance corporation and the experts' report on the special fund for grants-in-aid and long-term, low-interest loans.

29. In addition to its contributions to the International Bank for Reconstruction and Development and to private investment abroad, Belgium had launched two ten-year development plans for the Belgian Congo and the Ruanda-Urundi respectively, involving capital investment of over 1,000 million dollars.

30. He paid tribute to the improvements in the United Nations machinery for providing technical assistance and welcomed the appointment of an executive chairman of the Technical Assistance Board. Belgium would, so far as it was able, gladly supply any experts and technical assistance requested. The scope of the technical assistance extended by Belgium to Central Africa had been indicated by Mr. Ryckmans in the Committee on Information from Non-Self-Governing Territories on 1 October 1952.³ In addition Belgium had done its utmost to provide experts for the United Nations technical assistance programme. About thirty Belgian experts were at the moment engaged on the Expanded Programme.

³ See document A/AC.35/SR.65.

31. When private investment was not available or considered inadvisable, it might be necessary to resort to public investment, which depended on the willingness of individual taxpayers in the more developed countries to accept the additional tax burden. The Committee's discussion would help to make the public understand the need for, and the purposes of, economic development. It must also ensure that the financial sacrifices involved would assist the under-developed countries effectively and promote their social progress in accordance with the recommendations of General Assembly resolution 535 (VI).

32. Mr. BAKR (Iraq) said that the United Nations was particularly suited to be the instrument through which far-reaching and fruitful economic co-operation could be successfully accomplished. Co-operation in the form of the exchange of goods and services was essential to the world economy as a whole and to the individual economies of the various countries.

33. In the course of history many countries had become masters of their economic fate, while others, still struggling for their liberation, would not have long to wait. In developing international economic co-operation due heed must be paid to the understandable suspicion which it was bound to encounter in many under-developed areas. No substantial or effective world programme had yet been launched to meet the magnitude of the task of developing the under-developed countries. There had been spasmodic gestures of generosity. Existing programmes were miserably inadequate. The peoples of Asia and Africa must be convinced that the advanced countries were genuinely interested in their welfare and advancement. The advanced countries must adopt an understanding attitude and keep abreast of current trends. Recent history had shown that tardiness in accepting changing circumstances had resulted in material loss and in an incalculable loss of prestige for many advanced countries.

34. All responsible people in Asia and Africa, despite memories of past exploitation and bitterness, realized that their hope for speedy progress depended on the techniques and experience of the advanced countries. The most important truth to be learned by all peoples was that they were essential to each other. The conscience of the world had been stirred by the awareness of existing inequalities. Despite the gloomy international scene, the prospect of a better life for the greatest number of people had never been more heartening.

35. Because of its rich soil and two great rivers, Iraq had great economic potentialities more lasting than its oil resources. Great progress had been achieved in the past three decades. Modern equipment and machinery were in use in many parts of the country. Farmers were gradually being persuaded to adopt modern mechanized methods. Some of the most important and costly schemes in progress or about to be started by the Iraqi Development Board, established in 1950, related to irrigation, water conservation and flood control. Iraq was spending the greatest portion of its oil revenue on plans to develop the country's economic potential. The Development Board had its own budget consisting of 70 per cent of the net income received from oil. Other schemes were being carried out under contracts granted to local and foreign firms. Among the outstanding schemes were the Bekhme Dam (hydro-electric power

and irrigation) and the Wadi Tharthar (flood control) projects. The production of asphalt would greatly assist highway construction and the waste gases of the Kirkuk oil fields were to be harnessed and put to use. Oil refineries owned and operated by the Government were being established.

36. Several land reform schemes had been launched in recent years. The first, the Dujaila scheme, had been initiated on the completion of the Kut barrage on the Tigris which had made possible the irrigation of previously uncultivated government-owned land. That pilot project had benefited from the co-operation and co-ordination between the various government departments responsible for social welfare, basic education and health services. Co-operative methods had been successfully applied in the development of both production and distribution.

37. The establishment of the technical assistance programme had been greeted with enthusiasm in his country. He believed, however, that the scope and amount of technical assistance to under-developed countries was too small. There could be little difference of opinion as to the meaning of the term "under-developed country". The United Nations, however, appeared to believe that so long as there was anything in a country which could be developed and improved upon that country was under-developed and consequently entitled to technical assistance. As a result, there had been a tendency to pay undue attention to relatively advanced countries which did not stand in such urgent need of technical assistance as others. In distributing technical assistance attention must be paid to relative need as well as to available resources.

38. His delegation believed that the Technical Assistance Administration should adhere closely to its terms of reference as laid down in the resolutions adopted by the General Assembly and the Economic and Social Council. It was, moreover, essential that it should be competent persons, free from prejudice or bias and with a thorough knowledge of the area in question, who should be given the task of assessing needs and deciding on the granting of assistance. He regretted that it had been the more or less avowed policy of the Technical Assistance Administration to bar the appointment of any Arab national to any post even remotely connected with technical assistance to the Middle Eastern area. Such conduct did lay the TAA open to accusations of bias.

39. While the Technical Assistance Administration was doing valuable work in a number of countries, the complexity of its organization was not matched by the results. The delay in processing requests and in sending experts had been one of the greatest difficulties. He was glad to learn that efforts were being made to overcome that difficulty. It was also regrettable that the substantial local costs which recipient countries were expected to bear had discouraged some of the countries in greatest need of technical assistance from applying for it.

40. Certain difficulties, particularly in regard to experts, had arisen from the lack of uniformity in supplementary technical assistance agreements between recipient governments on the one hand and the United Nations and specialized agencies on the other. He emphasized the importance of choosing sympathetic and

unbiased experts acquainted with the problems of the countries to which they were sent and pointed out that although eight Arab countries were eligible for technical assistance under the Expanded Programme, not a single Arab had been appointed to the Mission's Division of Technical Assistance.

41. A special section had been established in the Iraqi Ministry of Foreign Affairs to deal exclusively with problems related to technical assistance whether from the United Nations, the specialized agencies, the "Point Four" programme or other channels. The section was in close touch with the various government departments and also with the permanent delegation to the United Nations. He hoped that it would receive assistance and co-operation from the Technical Assistance Administration.

42. In many under-developed countries with great economic potentialities the only factor retarding development was the lack or scarcity of capital. The International Bank might extend loans to under-developed countries subject to certain conditions, and the proposed international finance corporation might fill certain needs and prove of great value in stimulating development. His delegation would view with interest further discussions on the setting up of the proposed corporation.

43. In conclusion, he pointed out that international economic endeavour must take the political world as it was and not wait for political adjustments which might never come about. Within a region, those willing to co-operate at the international level should be assisted in every way to do so, rather than make co-operation conditional on the admission of a people whose economy, background, temperament and claims were widely different. Interference in an otherwise harmonious region by a people which claimed economic superiority, which had imposed itself on the region, could only make the indigenous peoples more militant in their opposition to the intruders. With a million Arab refugees on its borders, Israel ought not to speak the soft language of regional economic co-operation.

44. Mr. HALIQ (Saudi Arabia) said the USSR representative in his statement had referred to Saudi Arabia as being under the economic domination of the United States. The USSR representative had obviously had in mind the American private investors who held a concession for oil extraction in Eastern Saudi Arabia. That enterprise had been organized jointly on a fifty-fifty basis by the United States and Saudi Arabia and 80 per cent of its employees were Saudi Arabians. He believed that the conditions under which it was run were at least as favourable to Saudi Arabia as the offer which had recently been made by the USSR to Iran in its attempt to participate in the oil industry in that country.

45. Mr. NASR (Technical Assistance Administration) said he had listened with great interest to the Iraqi representative. Some of the latter's remarks bore directly on methods of improving technical assistance and the Technical Assistance Administration had already initiated some measures to that end. He did not, however, understand the reference made by the Iraqi representative to partiality in the Technical Assistance Administration. He was sure that Mr. Keenleyside, the Director-General of the Technical Assistance Admin-

istration, would give complete satisfaction on the question when he addressed the Committee.

46. Mr. BAKR (Iraq) said he did not consider the Committee the place in which to discuss the question and would prefer to speak privately to Mr. Keenleyside.

47. Mr. WEBB (New Zealand) regretted the fact that the USSR representative's remarks had not been more constructive. Regret that the efforts of the more developed countries to improve the lot of the under-developed countries were making such progress had been obvious in the speech, which recalled the fable of the fox and the grapes.

48. By common consent the economic health of the world community was a matter of first-rate importance and the Committee's general debate provided an opportunity of reviewing progress and re-assessing the adequacy of techniques.

49. Recalling that by its resolution 118 (II) the General Assembly had recommended that the Council should make an annual survey of world economic conditions and trends, he said that the documentation compiled by the Secretariat provided the basis for much of the United Nations planning. In 1947, the regional economic commissions had still been concerned primarily with organizational problems; the concept of technical assistance had not yet emerged. The Expanded Programme could now be gauged in terms of millions of dollars; it had enabled enormous progress to be made in the fields of public health, agriculture, industry, transport, etc. The United Nations had now passed from plans to action. Though much remained to be done, he felt sure that attainment of the agreed objectives would be assisted by recognition of what had already been achieved, and that would enable countries to make proposals within the limits of practical realization. He commended the valuable review made by the United States representative (198th meeting) of the action taken in the economic field.

50. He wished to direct attention to a change of emphasis in the economic work of the United Nations. While five years previously the magnitude of the problem had been recognized, of necessity attention had been given to particular problems as they arose. In the interval much progress had been made towards the co-ordination of efforts and the recognition of the inter-relation of world economic problems. The machinery for comprehensive surveys and assessment had been established. The regional economic commissions had shown their value not only by assisting in the solution of regional problems but also by providing a channel by which the needs of the regions and the demands of the world economy could be correlated. The technical assistance programmes had not only been vastly expanded, they had also been co-ordinated to yield the maximum advantage, and action had been taken to co-ordinate the regular activities of the specialized agencies and the United Nations.

51. Since the proposal for the establishment of an international finance corporation was not before the Committee for detailed study at that time his delegation would not discuss it at length. He wished, however, to make clear that his Government had long recognized the part which private investment could and should play in the economic development of undeveloped resources. The extent of the need was so great that gov-

ernment financing could never hope to meet it in full. Any proposal therefore which could help to promote the flow of private investment capital would receive careful consideration by his Government.

52. The establishment of the proposed corporation was not, however, the only step needed. Domestic capital formation must remain more important than external aid. His Government had been impressed by the record of what the under-developed countries themselves had been doing, and those countries were to be commended on their responsible attitude.

53. In recent years a much greater appreciation had been reached of the interrelation of many different factors in the development of a country's economy. Development was not merely a matter of machines and capital; technical skills were also required and the acquisition and application of those skills were at least facilitated by education, good health and nutrition. While the establishment of some of the specialized agencies, such as FAO, WHO and ILO had been due in the first place to humanitarian motives, it had been found that those agencies in their work could also contribute directly to economic development. He reserved judgment on whether the activities of the specialized agencies and the technical assistance programme were sufficient or whether they should be supplemented in other ways, such as by grants-in-aid. He urged, however, that the problem should be kept in proper perspective and that it should be recognized that capital in itself was not enough to achieve economic development.

54. In considering the progress made, he was prompted to suggest that the United Nations must retain flexibility in its plans and activities. There was no simple formula for raising, nor indeed any agreed definition of, standards of living, and the differences in the resources and characters of nations must be recognized. It was easy to over-simplify in the use of the terms "developed" and "under-developed" and too readily to accept industrialization as a synonym for development.

55. In the usual sense of the term, New Zealand was considered a "developed" country but he could not agree. While his country enjoyed a high standard of living and its level of *per capita* production was very high, its resources were currently being placed under a heavy strain by the demands of development. The gross national product in 1951-52 had been estimated at some £700 million and capital investment in the same year had amounted to 20 per cent of that amount. That was a very high figure but it did not mean that New Zealand was expanding its industries and developing its resources in accordance with its need. New Zealand had a backlog of essential development projects and had been obliged to establish priorities and curtail both private and government investment. The programme of capital works of the central Government alone was valued at approximately £57 million for the current year. It was a programme which had been cut to the essentials necessary to maintain and increase production. In real terms, it required labour, plant and materials and it involved a present sacrifice by the people of New Zealand against the future enjoyment of the full fruits of their labour. While New Zealand was a fortunate country, it was not, in the truest sense, a "developed" country.

56. Referring again to the too ready acceptance of industrialization as a synonym for development, he pointed out that New Zealand was a pastoral country whose prosperity depended essentially on its soil and its livestock. It had few mineral deposits of economic importance and there appeared to be no domestic basis for heavy industry. The New Zealand farmer by his skill and industry had improved his land to the point where it supported one of the world's most efficient systems for the production of meat, wool, butter and cheese. He was aided by a network of agricultural extension services, by scientific research and by the capable management of co-operatives for the processing and marketing of dairy products. New Zealand's total trade *per capita* was one of the highest in the world and 95 per cent of its total exports were the products of pastoral industries. It was on that that its welfare depended.

57. It was not his intention to urge others to follow the path taken by his country, or to minimize the importance of industrialization. The point he wished to make was that the United Nations programmes and activities should aid the development in each country of the resources best suited for development. The importance of agriculture should not be underestimated. There was no reason why the economic policy of a country should not be directed primarily, though not exclusively, to the production of foodstuffs nor was there any reason why a farming community should not enjoy high standards of living. In that connexion, he commended the statement made by the representative of FAO (202nd meeting), and emphasized that the urgent need for a considerable increase in the world's production of foodstuffs was perhaps the most critical issue currently facing the world.

58. Turning to the technical assistance programme, he congratulated the Technical Assistance Board on the progress it had made. He had been gratified to note the importance attached to technical assistance by various representatives and had found their detailed comments most valuable.

59. New Zealand had pledged contributions to the Expanded Programme of Technical Assistance for both the first and second years and he observed with regret that the United Nations had experienced difficulty in making full use of those contributions. He hoped that by nominating more fellows to study in New Zealand, by recruiting qualified New Zealand experts and by purchasing equipment or supplies in New Zealand, the Technical Assistance Board would be able to utilize the contributions pledged by his Government. While he appreciated the arguments which had been advanced against it, his Government felt, in view of the importance attached to the international character of the programme, that recipient countries should provide the costs of board and lodging and official internal travel for experts.

60. As an indication of what New Zealand could do, he mentioned the part it was playing in the Colombo Plan for economic development. In addition to its contribution of £1 million a year for three years to assist capital development in the countries of South and Southeast Asia, New Zealand had pledged itself to provide technical aid to a value of £400,000 under the Colombo Plan. Over one hundred awards had been made for study and training in New Zealand and ex-

perts had gone from New Zealand to different countries in South and Southeast Asia. That exchange of experts and trainees would continue.

61. Those results had not been achieved without difficulty. In New Zealand, as in other countries, there was a shortage of technical experts. But what it was doing through the United Nations and the specialized agencies, through the technical assistance programmes, through UNICEF and through its contributions to other funds was a token of its pledge to discharge its responsibilities in accordance with its abilities, and he believed that the progress made was an indication that, with careful planning, the United Nations could meet the challenge presented to it by the demand of economic development.

62. Mr. ABDELRAZEK (Egypt) pointed out that the statement in which the USSR representative had deplored the almost universal poverty said to exist in the under-developed countries and their alleged subjection to the imperialistic policies of the industrialized countries was in contrast with the optimism the United States representative had shown recently (198th meeting) with regard to the economic development of the under-developed countries and with the philosophic considerations put forward by the French representative (201st meeting). The truth lay between optimism and pessimism, between the satisfaction of some and

the dissatisfaction of others. After the abrogation the previous year of the Anglo-Egyptian Treaty of 1936, it would be illogical for Egypt to enter into a treaty of friendship and commerce with the United States if the terms were to be more disadvantageous than those of the Anglo-Egyptian Treaty. As Chairman of the Egyptian mission responsible for the negotiations with the United States, he declared that the negotiations were being conducted in an atmosphere of understanding and friendship and on a footing of perfect equality ensuring the legitimate rights of both countries.

63. Mr. VANER (Turkey) and Mr. GINOSSAR (Israel) reserved their right to reply, under rule 114 of the rules of procedure, after the closure of the general debate.

64. The CHAIRMAN hoped that it would be possible to conclude the general discussion on Friday, 7 November, after which the representatives who had announced their intention of making replies under rule 114 of the rules of procedure would be able to proceed with their statements. He suggested that the Committee should subsequently consider the draft resolutions on technical assistance (item 25 (*d*)), on the financing of economic development (item 25 (*a*)) and on land reform (item 25 (*c*)), in that order, and then take up any remaining draft resolutions or proposals under item 25.

The meeting rose at 6 p.m.