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

*In the absence of the Chairman, Mr. Chauvet (Haiti), Vice-Chairman, took the Chair.*

**Economic development of under-developed countries (A/2172, chapter III, A/2192, A/C.2/L.155 and A/C.2/L.190) (continued)**

[Item 25]\*

1. Mr. LIMA (Brazil) explained that his delegation had voted for the revised draft resolution of Bolivia and Uruguay (A/C.2/L.165/Rev.1) as amended by the Indian amendment (A/C.2/L.189) for several reasons. In the first place, the historical origin of the inadequate economic development of the under-developed countries must be considered. The industrialized countries had achieved their development because of and concurrently with the industrial revolution, while the under-developed countries had remained in a backward colonial position even after gaining political independence. That had hindered the normal development of public utilities, which were not fundamentally intended to be utilized for the export of foodstuffs and raw materials, and had also prevented the expansion of the domestic market. As a result of modern means of communication, the peoples of under-developed countries had become aware of their low standard of living, and had asked their governments to take measures to improve it. Governments had thereupon directed their attention to the speeding up of economic development, which was the only solution to situations of political instability.

2. On the other hand, foreign private capital was more interested in obtaining maximum profits in the minimum time than in assisting essential development projects. Domestic private capital had generally been scarce in the under-developed countries and it too had been primarily interested in maximum profit. In order therefore to meet the requirements of economic development the governments of under-developed countries had themselves been obliged to act as entrepre-

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

neurs. Everyone was aware of the economic, financial and technical difficulties that such a situation had created for governments. That was why, in the resolution just adopted, it was recommended that all Member States refrain from acts, direct or indirect, designed to impede the exercise of the sovereignty of any State over its natural resources.

3. In the process of development of under-developed countries, economic situations might arise in which the State was called on to play the chief part. That did not, however, necessarily create a social or political atmosphere unfavourable to private capital investment or private enterprise. For example, the principle of nationalization was ratified in his country's Constitution but it also based the national economic system on free private enterprise. Three years previously, his Government had guaranteed a loan of 70 million dollars granted by the International Bank to the Canadian company which supplied electric light and power to the cities of Rio and Sao Paulo.

4. Another aspect of the problem was the fact that the Brazilian Chamber of Deputies had just passed a law nationalizing the exploitation of the country's oil resources. His Government had been guided by pragmatic considerations and not by any opposition in principle to private enterprise, and the same was true of most under-developed countries. It would be highly prejudicial to international relations to consider that state intervention in the economic field, including nationalization, constituted an act hostile to private investment and private enterprise. The resolution just adopted drew attention to the fact that, when a national economic plan was to be implemented as rapidly as possible, only the State was in a position to do that. An understanding of those facts was essential for the maintenance of international confidence and economic co-operation.

5. Sir Clifford NORTON (United Kingdom), explaining his delegation's vote on the resolution adopted at the previous meeting, said the conclusion of the discussion on the resolution had confirmed his delegation's view that the adoption of a resolution on the

subject at the present time was a mistake. His delegation had been unable to accept the revised text. It considered it regrettable, however, that, once the Committee had decided a resolution was necessary, discussion of it should have been abruptly curtailed. All delegations accepted the validity of the principle that all governments were free to take what action they chose in their own countries, subject to the observance of national laws and of international and other commitments. All that was required therefore was to find a formula expressing that principle to the satisfaction of all delegations.

6. He had voted for the United States amendment (A/C.2/L.188) and regretted that the United States delegation had not had an opportunity to introduce them to the Committee. Neither the original operative paragraph of the revised draft resolution, nor the new operative part taken from the Indian amendment (A/C.2/L.189), were acceptable to his delegation as worded. Although he understood it was not the intention of the sponsors of the resolution that governments should be prevented from exercising their lawful rights in protection of the interests of their nationals in another country, he felt that, in order to prevent misunderstanding, that safeguard ought to have been inserted in the text. His delegation also felt that, in view of the adverse impression that a resolution of that type was bound to make on potential private investors, it would have been only prudent to make specific reference to the willingness to compensate any foreign property rights and interests that might be affected by nationalization.

7. Mr. TAYLOR (Canada) said that his delegation had abstained from voting on the revised draft resolution because it was neither in favour of nor opposed to nationalization as a principle and, secondly, because it felt that the draft raised legal rather than economic questions and should not have been considered by the Second Committee. He agreed with the United States representative that the resolution was one-sided and dealt only with the legal rights of capital-importing countries. His delegation had therefore supported the United States amendment, which would have provided a better balanced statement.

8. Mr. ABDON (Iran) said his delegation had voted in favour of the revised draft resolution and the Indian amendment. It had taken into account the fact that certain States, while agreeing with the principle of nationalization and with the right of States to put it into effect, had nevertheless created difficulties in order to prevent other States from freely disposing of their natural resources. Such action was likely to hinder the economic stability and development of under-developed countries. He had therefore thought it useful to adopt the recommendation that Member States refrain from acts designed to impede the exercise of the sovereignty of any State over its natural resources. That statement formed the core of the resolution.

9. It had been suggested that the resolution was intended to promote the nationalization of resources in the under-developed countries. He must correct that impression. It was by no means his delegation's intention either to encourage or to discourage nationalization. The resolution merely said that when countries found it desirable freely to exploit and utilize their natural resources, Members of the United Nations, in ac-

cordance with the Principles of the Charter, should refrain from any acts which would impede the exercise of that right.

10. Nor did his Government wish to discourage foreign private investors. In principle, his Government would favour foreign private investment and it was even prepared to guarantee investors the right to repatriate their revenue to a certain extent, on the basis of national law and normal commercial agreements. The system of concessions was not the only way in which foreign capital could be invested. His country did not favour that system because, like other under-developed countries, it had suffered from it in the past. Co-operation between States must be promoted on the basis of mutual equality and sovereignty, but that was a very different matter from an attempt by some States to acquire economic and political domination over others. His country realized that it needed the technical knowledge of the industrialized countries, and it had itself taken advantage of the technical assistance offered by the United Nations. No difficulties had arisen in that connexion because the United Nations had made no attempt to dominate his country's economy.

11. The position of the under-developed countries must be understood. Some countries had fallen into the habit of exploiting the economies of others on the basis of concessions which had given them exaggerated profits. It was naturally difficult for them to resign themselves to the passing of that situation but the countries of the Middle East and Latin America had become conscious of their rights, and the existing state of affairs could not be allowed to continue. His country's intentions had not always been understood by some delegations or by *The New York Times*. That newspaper had said that it was his country's intention to discourage foreign private investment. It was not the first time that *The New York Times* had distorted the truth where his country was concerned, and no doubt it had its reasons for doing so, but it was a fact that his country was prepared to welcome foreign investments based on normal commercial agreements.

12. Some representatives had said that provisions relating to compensation should be included in the resolution. But the question of compensation, like that of nationalization, was within the domestic jurisdiction of States and could not therefore form the subject of a resolution.

13. However, while his country had maintained that compensation was exclusively a domestic matter and, despite the jurisdiction of its national courts, it had consented, in order to show its goodwill, to submit its dispute with the former Anglo-Iranian Petroleum Company with regard to the question of compensation on the basis which had already been made clear by his Government, to the arbitration of the International Court of Justice.

14. It appeared from the Danish representative's statement at the previous meeting that she had misunderstood his earlier remarks (236th meeting). He had not said that Denmark was not in favour of the economic development of under-developed countries. His delegation had always appreciated Denmark's sincere collaboration in economic affairs. What he had said was that there might be people or companies who found it to their advantage to attempt to dominate the econo-

mies of under-developed countries, and that Denmark could have no interest in encouraging such action. He wished to apologize to the representative of Denmark if his words had created a different impression from what he had intended.

15. Nor was it true, as the Australian representative had suggested, that his country was attempting to divide the United Nations into two blocs: developed countries and under-developed countries. His country had always deplored the existing division in the United Nations between the Soviet bloc on the one hand and the United States and certain other Powers on the other as not being in the interests of world peace. His country, as a small Power, had spared no efforts to associate itself with other small or medium Powers and form a third force to hold the balance between the other two. Unfortunately, there still appeared to be two different concepts of international co-operation: one that it should be based on respect for national sovereignty, and the other that a certain amount of domination by some Powers might be necessary. His delegation was categorically opposed to any concept of international co-operation based on the domination of some countries by others. Contrary to what *The New York Times* had stated, the Committee's vote the previous day should show the impartiality of the small Powers. They had been accused sometimes of supporting the Soviet bloc, sometimes of supporting the United States. His country favoured justice and right, whatever its origin. It was opposed to any economic co-operation based on the domination of some States by others and in favour of foreign private investment based on normal commercial agreements.

16. Mr. ELAHI (Pakistan) said his delegation had followed the discussion with great interest. Since he had been prevented by the closure of the debate from explaining his country's position, he would state it briefly in explaining his vote.

17. Pakistan had always felt that a sovereign State had an inherent and indisputable right to shape its own economy in accordance with its national interests and requirements. That right was recognized in the United Nations Charter and by international law, and had been freely exercised by his country in the past. In Pakistan, nearly all public utilities, the irrigation system, railways, communications, mines, and hydro-electric projects were already under state control, and a law had recently been passed for the nationalization of road transport. State enterprise would play a large part in his country's future economic life and would supplant private capital where necessary. But his country was not in favour of a totally nationalized economy. It believed in co-operation between state and private enterprise, it welcomed foreign investment, and gave adequate facilities to foreign investors and enterprises.

18. Moreover, his Government did not believe in the expropriation of private interests without due compensation. The law required that if any real property was compulsorily expropriated, the owner should be paid the full market price plus an additional 15 per cent as compensation for the inconvenience caused. State-owned enterprises were for the most part those which had been set up by the Government and did not represent any expropriation of foreign interests. In his country, therefore, due provision was made both for the right

to nationalize and for the safeguarding of national or foreign private interests.

19. His delegation had voted for the revised version of the draft resolution, which appeared preferable to the original Uruguayan draft and seemed to serve the purpose better without the United States amendment, since it was acceptable to the majority of countries and at the same time emphasized the need for measures which would promote understanding and co-operation among nations, thus fully covering the principle of fair and equitable compensation and non-discrimination without attempting to go into legal and technical details. Had the Indian amendment not been submitted, his delegation's stand on the United States amendment, to the principle of which it was not opposed, would have been different, but it had felt that that amendment was adequately covered by the Indian amendment.

20. Mr. BETETA (Mexico), explaining his vote, recalled that his delegation had taken part in the informal working group which had considered the various texts and that he had voted for it in its final form. He was glad it had received approval, for it stressed the inter-relationship between the economic development of the under-developed countries and the free exploitation of their own resources. It also referred to the provision of fair safeguards for those countries and to the need for the maintenance of mutual confidence and economic co-operation among nations. His delegation had not shared the fears expressed by some representatives that approval of the draft resolution contradicted other resolutions designed to encourage the flow of private capital to the under-developed countries. Neither the letter nor the spirit of the resolution carried that implication.

21. Other delegations had deplored the fact that no mention had been made of the obligation of countries to give compensation for expropriation. His delegation did not share that view. In its first statement on the draft resolution (231st meeting), like many other delegations, it had referred to the unquestionable nature of a country's sovereign right to exploit its own resources. It was illogical to accept the principle of the domestic right to nationalize on the one hand, and the possibility of regulating it internationally on the other. The right was recognized in most constitutions, and it was not for the United Nations to recommend to countries the manner in which they should exercise it.

22. His delegation was not in favour of any reference to safeguards regarding compensation, but it did not interpret the resolution as in any way an encouragement to confiscation. Articles 22 and 27 of the Mexican Constitution, which he quoted, clearly showed his country's full respect for the principle of expropriation subject to compensation and its prohibition of confiscation. His Government's actions had always been in accordance with its constitutional principles: evidence of that fact could be seen in its policy with regard to expropriated United States petroleum companies, which had been fully compensated. The same was true of other foreign petroleum companies and of enterprises expropriated in order to carry out agrarian reform.

23. He accordingly considered unfounded the fears of those who thought that adoption of the revised draft resolution would discourage foreign private investors. As other representatives had pointed out, it was the duty of investors to make themselves fully acquainted

with the legislation of the country where they proposed to invest. In Mexico, the principle of expropriation was clearly stated in the Constitution but that had not discouraged the flow of foreign capital, which was constantly increasing. He hoped it would continue and would always be used to promote activities which directly assisted the country's economic advancement. He must nevertheless underline the principle he had already stressed in the general debate (200th meeting), namely, that economic development should be based on the rational and efficient use of each under-developed country's own resources, foreign aid being considered solely as an auxiliary factor in that development.

24. He considered that the adoption of the revised draft resolution would tend to encourage economic and social progress in a spirit of equality and justice for all Members of the United Nations.

25. Mr. SALAMANCA (Bolivia), explaining his vote, said that his country's great desire was to maintain the best possible relationships with the industrialized countries, especially the United States of America; the Bolivian representative's speech in the General Assembly<sup>1</sup> was ample proof of Bolivia's good intentions in that respect. Accordingly, he felt that the statement in *The New York Times* of that morning to the effect that the United States had no friends in the Second Committee, should not be taken seriously. Bolivia was anxious to achieve economic progress and welcomed the assistance of any country for that purpose.

26. Mr. JONKER (Netherlands) said that his delegation's attitude to the resolution in its final form had already been explained in his statement on the original draft resolution (232nd meeting). His delegation feared that the implications of such a resolution might endanger the economic development of under-developed countries. It was unfortunate that such a draft had been put before the Committee, as it did not serve any useful purpose. Furthermore, the wording was not acceptable to his delegation. The United States amendment had attempted to improve the wording and his delegation had been willing to vote for it, but even if that amendment had been accepted the Netherlands delegation would have abstained in the vote on the resolution as a whole. The Indian amendment had merely changed the words, but not the spirit, of the revised draft resolution.

27. His delegation's vote in the Committee, however, need not necessarily reflect its final stand when a vote was taken on the resolution, after discussion, in the General Assembly.

28. Mr. PERRY (New Zealand) said he had voted in favour of the operative part proposed in the United States amendment, including the last paragraph. When the Committee had rejected the United States amendments as a whole after having accepted them paragraph by paragraph, his delegation had been obliged to abstain on the revised draft resolution as amended.

29. It was true that the wording of the final text was not open to any very strong objection and did mention, though quite inadequately, the responsibilities of States undertaking their own economic programmes.

<sup>1</sup> See *Official Records of the General Assembly, Seventh Session, Plenary Meetings*, 384th meeting.

His delegation considered, however, that it was an inadequate formulation of an important problem, that it was devoid of practical value, and bore little relationship to the issues which had taken up most of the time in the debate. It could only be interpreted in the light of that debate and of the earlier rejection of any mention of the responsibilities of States nationalizing foreign enterprises. That would have justified a negative vote on the draft resolution as a whole, but his delegation considered that the implications of adopting a resolution on the subject had been clearly stated during the debate and that, in the circumstances, the clear will of the majority of countries primarily concerned could not well be opposed.

30. The New Zealand delegation reserved its right to state its position and to vote on the merits of the case when the Committee's report came before the plenary session of the Assembly.

31. Mr. GUTIERREZ GOMEZ (Colombia) said that the way in which the debate had developed had deprived his delegation of the opportunity of making its intended statements on the original Uruguayan draft resolution (A/C.2/L.165 and Corr.1 and 2) and the Bolivian amendment thereto (A/C.2/L.166). As his delegation's ideas had only been expressed in the informal working group which had met to consider the Indian amendment (A/C.2/L.189), it thought it necessary to explain why it had voted in favour of that Indian amendment. Although in agreement with the intentions of the sponsors, it had had serious reservations about the original draft.

32. The first he had feared that, to ask for explicit recognition of the right of each country to exploit its own natural resources would put in doubt a principle which his delegation considered indisputable. The second was the danger that the original version might be open to mistaken interpretations in favour of confiscation. His country was categorically opposed to confiscation and did not wish to participate in any movement which might be considered as favouring it. It also considered that diplomatic representations for the protection of the interests of a country's nationals in another country was entirely legitimate.

33. The third reason for his delegation's reservations was that it might be considered as defending the nationalization of undertakings as a necessary or useful means of promoting economic development. In Colombia there was firm adherence to the principles of free private enterprise, which had shown itself to be the most efficient instrument of progress.

34. As, however, in his delegation's view, those fears had been dispelled by the Indian amendment, all reasons for failing to support the revised draft resolution had disappeared. The Indian amendment affirmed the right of a country to exploit its natural resources freely. In recommending that all States should exercise their rights without affecting mutual confidence and economic co-operation, it rejected any support for any movements in favour of confiscation; finally, it eliminated any phrase which might be interpreted as a proclamation in favour of nationalization of private enterprise as an instrument of progress.

35. In voting for the Indian amendment, the Colombian delegation had acted in complete conformity with its country's constitutional principles, previous interna-

tional actions and support of the principles of self-determination, non-intervention and good-neighbourliness proclaimed by President Roosevelt, which had inspired the Organization of American States, that had so well served the cause of unity of the American continent. Accordingly, its support of the Indian amendment was an expression of approval for principles of which the American countries, headed by the United States, were proud.

36. In voting for the revised draft resolution, his delegation had taken into account solely the question of principle; it had not been concerned with individual cases and still less with the direct interests of its own country, whose policy of unreserved respect for private property had been, and would continue to be, an essential element in its legal system and its economic policy.

37. Mr. ABDELRAZEK (Egypt) said he had not intended to speak but had been asked by many of his colleagues to make an impartial statement during the explanation of votes. As evidence of his impartiality, he reminded the Committee that he had supported the Bolivian and Uruguayan revised draft resolution, whereas the Uruguayan representative had supported a draft resolution directed against the Arab States.

38. Referring to the article in *The New York Times* of that day, which had interpreted adoption of the revised draft as a defeat for United States policy and a victory for communist propaganda, he thought that, on the contrary, it was a victory for the United States because it combated the false idea that the United Nations was a purely American organization. *The New York Times* reproached the Committee for not voting for the last paragraph of the United States amendment, which was based on the Havana Charter, but it must be pointed out that even the authors of that Charter had not yet ratified it. In view of the allegations in *The New York Times* it should also be observed that the nations which were opposed to the right of a country to exploit its own resources were the same as those which had expressed opposition to the provision of means of encouraging international investment in the under-developed countries, on the pretext that the circumstances were unfavourable.

39. It had been said that it was superfluous to affirm a recognized right, but in that case it would be logical to repeal the Charter, which itself only contained well-recognized principles. He had been unable to understand the Chinese representative's failure to recognize what was meant by direct and indirect pressure. He had voted impartially in favour of the revised draft because he considered that all the arguments against it were weak and illogical.

40. Mr. NURADI (Indonesia) said he had voted in favour of the revised draft resolution as amended by the Indian amendment because his country believed in the right and duty of every nation to utilize all the means of production in its territory for the betterment of the economic welfare of its people. Modern circumstances, such as the need to promote full employment and an equitable distribution of national income, made state participation in the economy of an under-developed country necessary. That was particularly true of countries whose economies were based mainly on agriculture. In that connexion he emphasized the importance of the draft resolutions on land reform which the Com-

mittee had considered. It was essential for the under-developed countries to bring more land under cultivation and to promote industrialization; thus they could improve the standard of living of their peoples and attenuate the predominantly agricultural nature of their economy. For that purpose they must be able to make free and unrestricted use of their own means of production.

41. As a consequence of the increased economic interdependence of the modern world, the actions of one country were bound to affect other countries closely. Some of the repercussions might be of an adverse nature and ultimately affect world economy as a whole. It was clear therefore that, in pursuing their economic policies, nations could not but do so taking the rest of the world into account. Restraint and wisdom were called for and it was in the long-term interests of all countries to have full regard for other nations.

42. His delegation considered that general recognition of that principle and of the economic weakness of the under-developed countries, which made them more vulnerable to external influences, provided ample justification for recommending that the actions of other countries should not be such as to jeopardize their economic development or stability.

43. Mr. GARCIA (Philippines) recalled that his delegation had explained its policy, based on the Philippine Constitution, regarding State ownership of national resources and had emphasized that the matter should be left to the Commission on Human Rights (232nd and 237th meetings). He regretted that the arguments he had adduced had not commended themselves to the Committee. The Egyptian representative had asserted that delegations which did not vote for the revised draft resolution were opposed to the economic development of under-developed countries, but the Committee would recall that the Philippine Government had always favoured any practical measures for economic development and had, for example, voted for the recent Argentine draft resolution on financing of economic development (A/C.2/L.162/Rev.2).

44. For the reasons given by his delegation, he had abstained in the vote on the revised draft resolution and reserved the right to explain his position more fully in a plenary meeting of the General Assembly.

45. Mr. BOTHA (Union of South Africa) explained that he had abstained in the vote on the revised draft resolution because he had felt unable to express a sincere opinion on a text which had been distributed only a few hours before the vote and which had not been presented by the sponsors of the revised draft, much less fully discussed.

46. His delegation was concerned about the anomalous procedure of the previous day when a decision had first been taken and then followed by the discussion. He trusted that the occasion would not set a precedent, but would serve rather as a lesson in a undemocratic procedure. He reserved his right to refer to the matter again in a plenary meeting.

47. Mr. HALIQ (Saudi Arabia) remarked that the original text of the Uruguayan draft resolution (A/C.2/L.165) had affirmed a right already inherent in national sovereignty. Such an assertion was out of place in the Committee. As amended by the Bolivian delega-

tion (A/C.2/L.165/Rev.1), it had called upon States to recognize the right of other States to act freely in exploiting their own resources. When the United States amendment (A/C.2/L.188) had been tabled, he had become convinced that the entire discussion on nationalization was unwise, particularly since the United States representative had raised certain legal principles which, although worthy of attention, restricted the free exercise of rights deriving from national sovereignty. The Indian amendment (A/C.2/L.189) had reaffirmed the right of national sovereignty and the principle of international economic co-operation and had been designed as a compromise between the United States position and that of the revised draft of Bolivia and Uruguay.

48. He had proposed postponement of the vote on the Danish motion for adjournment of the discussion in the hope that the Indian delegation's efforts at a compromise solution would be successful, but the defeat of the motion had shown that the Committee was determined to dispose of the subject. In an attempt to expedite the proceedings, he had then suggested that the Committee should reach a decision on the revised draft. Had any delegation taken advantage of the opportunity to speak against his suggestion, he would have reconsidered it. The representative of the Union of South Africa was therefore unfair in asserting that the procedure had been undemocratic.

49. In supporting the revised draft resolution his vote had been not on the issue of nationalisation itself but so that the unhappy consequences resulting from the insistence by a State on its right freely to exploit its national resources might be avoided. He had also voted for the principle of international co-operation as advocated in the Charter. If his proposal made at the previous meeting still gave rise to misunderstanding, representatives who considered it objectionable were free to raise the matter in plenary session.

50. Mr. STANOVNIK (Yugoslavia) wished to explain the reasons for his support of the revised draft resolution, in order to clarify certain misunderstanding in the Press and in the Committee. It had been claimed that the adoption of the revised draft resolution as amended was a victory for the so-called Soviet bloc, whereas it was in fact a victory for the principles of the Charter. It was not intended to urge Member States to adhere to United Nations principles but to discourage States from violating those principles. It was erroneous to assume that the adoption of any measure benefiting the under-developed countries was a "Soviet victory", all the more so that the Soviet Union did not respect the principles set forth in the resolution in its policy with regard to other States. That was illustrated by the existence of certain joint stock companies in the People's Democracies. According to an article on the economic co-operation of the Soviet Union with the People's Democracies in the sixth issue of *Bolshhevik* of March 1950, those companies had been founded on the basis of former German assets in the People's Democracies. Again, the twelfth issue of *Voprosi Ekonomiki* of 1950 pointed out that the economic co-operation between the Soviet Union and the People's Democracies was linked historically with the Soviet Union's ownership of former German assets.

51. Mr. KATZ-SUCHY (Poland), on a point of order, remarked that the Yugoslav representative should not be allowed to indulge in slanderous propaganda during the period devoted to explanations of vote.

52. The CHAIRMAN requested the Yugoslav representative to abide by rule 127.

53. Mr. STANOVNIK (Yugoslavia), continuing, said that, since the majority of the People's Democracies had nationalized their industries, it could well be asked why the joint stock companies, to which he had referred, continued to exist. The answer was to be found in article 5 of the Romanian Nationalization Act, which stated that property acquired by a State Member of the United Nations, acquired under the peace treaty or under the heading of reparations, was not subject to nationalization. The Soviet Union was the only great Power which had obtained reparations from Romania under the Potsdam Agreement. Admittedly, Poland too had acquired certain Romanian assets, but they had been taken over by the Soviet Union, which had given Poland German assets in exchange. He was referring to that situation because he considered the revised draft resolution to refer to States which violated the principles of the Charter.

54. Mr. ARKADYEV (Union of Soviet Socialist Republics) said that it was generally recognized that the Yugoslav representative's intervention was completely irrelevant to the Committee's proceedings. That was not surprising, because the Yugoslav delegation had been instructed to use every available opportunity to attack the Soviet Union. The insinuations against the USSR Government showed how persistent Yugoslavia's rulers were in placating the Powers which were subsidizing it for military purposes.

55. Mr. KATZ-SUCHY (Poland) pointed out that it was customary for representatives of the Tito régime to make slanderous allegations against the Soviet Union, Poland and Czechoslovakia during any discussion in order to distract the Committee's attention by irrelevant and unfounded allegations. The facts about the joint stock companies, and about relations between the Soviet Union and the People's Democracies, were well-known and had often been discussed. The best reply to the Yugoslav attack could be found in one of the last issues of the *Economic Bulletin for Europe*, which gave an impressive account of the extensive trade maintained among the People's Democracies and the Soviet Union. The Yugoslav representative's statement came as no surprise, as Yugoslavia's régime had sold the country and its people to foreign militarists.

56. Mr. STANOVNIK (Yugoslavia), speaking under rule 114, stated that neither the USSR nor the Polish representative had refuted the facts which he had quoted. Yugoslavia had never been subject to the domination of a foreign Power.

57. Mr. GURINOVITCH (Byelorussian Soviet Socialist Republic) pointed out that, as the sixth edition of *Bolshhevik* had been published in June, the facts alleged by the Yugoslav representative had been either invented or quoted out of context. There was therefore no need to refute his allegations.

The meeting rose at 12.55 p.m.