

## NINETY-NINTH MEETING

*Held at Lake Success, New York, on Monday, 17 October 1949, at 3 p.m.*

*Chairman: Mr. Hernán SANTA CRUZ (Chile).*

### **Economic development of under-developed countries (A/972) (continued)**

DRAFT RESOLUTION SUBMITTED BY THE DELEGATION OF CHILE (A/C.2/L.2/REV.1) (*concluded*)

1. The CHAIRMAN announced, before consideration of the draft resolution was resumed, that the discussion of the problem of economic development would perhaps shortly come to an end. Accordingly he requested the representatives to be ready to consider the following item which concerned full employment and unemployment.

2. He drew the Committee's attention to the revised text of the Chilean draft resolution which incorporated several amendments agreed to by the author of the resolution.

3. Mr. SCHNAKE VERGARA (Chile) stated he had agreed to certain amendments submitted during the previous meeting. Those changes were:

(a) The draft amendment of Ecuador which consisted in adding at the end of sub-paragraph 5 (a) the words "paying due consideration to questions of a social nature which directly condition economic development";

(b) The Philippine draft amendment which consisted in adding to sub-paragraph 5 (c) after the words "economic development" the words "together with recommendations for the further improvement if necessary, of such measures";

(c) The United States draft amendment which in sub-paragraph 5 (b) replaced the words "its associated agencies and subordinate bodies especially the Regional Economic Commissions" with the words "its commissions and the specialized agencies";

(d) The draft amendment proposed by the Byelorussian SSR which would delete, in paragraph 2, the words "with satisfaction".

4. The CHAIRMAN announced that there remained the Mexican draft amendment which had not yet been submitted in writing, and which proposed the deletion of paragraph 4 of the Chilean draft resolution, the former paragraph 5 to become paragraph 4 in its place; and the Yugoslav draft amendment (A/C.2/L.7) which proposed to add at the end of paragraph 4, the words "expecting at the same time that the Council will extend its respective studies to the field of foreign public financing".

5. Mr. KARMARKAR (India) said he supported unconditionally the Chilean draft resolution as amended. He hoped, however, that the United States representative had not intended to neglect agencies other than the commissions properly so-called. The Yugoslav amendment did not involve a material addition since the Economic and Social Council might in any event be expected to study the question of foreign public financing.

6. He stressed the progress made by the United Nations in the matter. First, it had been recognized that development was necessary not only from the point of view of the under-developed countries but for the world as a whole; the need for technical assistance had been admitted from

the outset and now it was found that such assistance should be supplemented by financing.

7. India had suffered economic disorganization as a result of the war; now India had to increase its means of production. Technical assistance was of course necessary, but means of financing, whatever the source of the funds, were equally essential. The different aspects of the general economic problem could not be treated separately, whether it was technical assistance or financing, international trade or access to raw materials. The Yugoslav amendment was attractive in some ways since it dealt with one aspect of the question that had not yet been emphasized.

8. The Chilean draft resolution was extremely important, both on account of its subject matter and because it met with a unanimously favourable support. The unanimity which had been shown in favour of technical assistance to the under-developed countries showed that all the members of the Committee, whatever their political opinion or the group to which they belonged, were in agreement in believing that economic development was of considerable importance not only to the countries concerned but to the world at large. His delegation was happy to see the unanimity that had been achieved on that point.

9. Mr. MESSINA (Dominican Republic) supported the Chilean draft resolution but criticised the proposal, contained in the Mexican amendment, to omit paragraph 4. He did not think that paragraph 4 would lead to any confusion of functions between the Technical Assistance Board (TAB) and the Economic and Social Council.

10. Mr. HASSAN (Pakistan) said he was happy to support the Chilean draft resolution which approved and stressed the usefulness of the Economic and Social Council. The Council's useful influence would be extended still further through the programme of technical assistance which had just been adopted.

11. He wished to draw the Assembly's attention to the following points: On the one hand, technical assistance should be as widely diffused as possible; therefore countries in regions which did not participate in the existing Regional Commissions and which hence was at a disadvantage, should also receive assistance; all the regions of the world had to develop simultaneously. On the other hand, in tackling that problem, the Economic and Social Council should give particular study to the possibility of establishing small industries based on agriculture; the establishment of major industries should, of course, not be neglected, but that was a long-term task, whereas the establishment of industries based on the utilization of agricultural resources might bring immediate assistance to the countries concerned.

12. The representative of Pakistan did not intend to submit amendments on those two points to the Chilean draft resolution. The Council should most certainly give immediate attention to the question of financing economic development, including financing out of public funds, but he thought the Committee in its report might take

into account what the Yugoslav draft amendment said on that point.

13. Mr. CORTINA (Mexico) said he still wished his amendment to stand and, in reply to the representative of the Dominican Republic, he added that he would like to give some further explanations. Under paragraph 4 the General Assembly looked forward to receiving specific recommendations. The word "specific" caused him some anxiety. It was not a function of the Economic and Social Council to carry out specific studies on financing. It was not for the Council to take specific decisions on particular projects for technical assistance or economic development. The word "specific" did not apply to the Economic and Social Council's studies, but belonged to the terminology of the International Bank for Reconstruction and Development (Bank). It was for the Bank to examine "specific" cases for financing. Similarly, in questions involving technical assistance, the TAB was the proper body to take decisions on specific cases, while recommendations on general matters came within the scope of the Economic and Social Council.

14. He would, as a concession, agree to the deletion of the word "specific". Even so, however, paragraph 4 would overlap with other parts of the draft resolution.

15. In his view paragraph 4 conflicted with the recently adopted resolution 222 A (IX) on the functions of the TAB and the Technical Assistance Committee (TAC); if United Nations bodies played any part in international financing, that would be tantamount to intervention in the affairs of the countries concerned, and would be a violation of a unanimously adopted principle.

16. Mr. SCHNAKE VERGARA (Chile), replying to the Mexican representative, explained how paragraph 4 had come into being. The purpose of that paragraph had been to reduce to a common denominator the views expressed during the debate on economic development, and also to reflect the unanimous opinion of the under-developed countries. It had to be stressed that technical assistance was to be supplemented by financing, without which a development programme could not be executed. Indeed, many representatives had said that technical assistance itself would be useless without adequate machinery for financing the projects which had been studied. The Mexican representative's views were based on confusion of thought. The term "specific" did not apply to specific projects if that meant concrete cases of economic development. The Council was merely to make recommendations—specific recommendations, admittedly, but general in nature—on the measures to be taken, not in regard to any particular country or project, but on international measures. For example, the Economic and Social Council might possibly make specific recommendations on the question of financing, which represented one special aspect of the problem.

17. Such recommendations would help to attract capital to countries which needed it. The Economic and Social Council and the Secretariat had already undertaken studies on the financing of under-developed countries. Those studies should be continued and should cover every aspect of the problem. He was, therefore, unable to agree to the omission of paragraph 4 or even of the word "specific".

18. Mr. COMPTON (United States of America) supported the draft resolution and also agreed to the Yugoslav amendment, but rejected the Mexican amendment. His country, though particularly interested in private investment, felt that all aspects of financing had to be studied, including the question of financing through public funds from abroad. Speaking on the subject of the Mexican amendment he said he agreed with the Chilean representative's interpretation of paragraph 4. Technical assistance bodies established by virtue of the resolution adopted by the Committee had no competence in the matter of financing. Financing ought, of course, to be encouraged, as the lack of funds would impair the usefulness of technical assistance. The Economic and Social Council was the proper body to carry out such studies. He thought that paragraph 4 should stand, but had no objection to the omission of the word "specific".

19. Mr. PIERCE (Canada) supported the Chilean draft resolution and thought that none of the amendments submitted was incompatible with it. The Yugoslav amendment was in any case implicit in the terms of the draft resolution; the Economic and Social Council could not apply the draft resolution without giving effect to the Yugoslav proposal. He accordingly asked the Yugoslav representative to follow the example of the Pakistan representative who had likewise raised several points, but had merely asked that they should be referred to in the records.

20. He agreed with the Chilean delegation on the question of the Mexican amendment. Paragraph 4 of the resolution could not be applied to concrete proposals. The Chilean resolution, like the resolution on technical assistance which had been adopted unanimously (98th meeting), recommended specific solutions for a general problem.

21. He proposed as a compromise that the phrase "looks forward especially to receiving the Council's specific recommendations for" should be replaced by the phrase "looks forward specifically to receiving the Council's studies of and recommendations for".

22. Mr. CORTINA (Mexico) and Mr. SCHNAKE VERGARA (Chile) agreed to that solution, and Mr. Cortina withdrew his amendment.

23. Mr. VILFAN (Yugoslavia) said that unfortunately he could not, like the Mexican representative, withdraw his amendment. His point was merely to give prominence to the idea expressed by the Chilean representative. The prospective study should deal with financing in all its aspects. The resolution 222 A (IX) of the Economic and Social Council considered the problem of financing from two angles only: private foreign investment and methods of increasing domestic savings. There was no mention of financing by means of foreign public funds.

24. IBRAHIM Pasha (Syria) recalled that he had previously (92nd meeting) pointed out that technical assistance alone was not enough to bring about the development of under-developed countries and that financing was of considerable importance. The studies the Economic and Social Council was requested to make were especially useful because of the lack of literature on the subject. Hence he was in favour of retaining paragraph 4, but concurred in the Canadian com-

promise proposal; he also expressed approval of the Yugoslav amendment.

25. Mr. PIERCE (Canada) said that, in expressing his desire to have the question of financing studied "in all its aspects", the Yugoslav representative had formulated the very idea he himself had wished to express. He proposed that the words "in all its aspects" should be substituted for the Yugoslav amendment, as that referred to a special aspect of the question.

26. Mr. FENAUX (Belgium), while approving the Chilean draft resolution and the Canadian compromise proposal, said he could not accept the Yugoslav amendment, the idea of which was already implied in paragraph 4 of the resolution. If the Yugoslav amendment were adopted, the scope of the resolution would suffer.

27. Mr. BERCKEMEYER (Peru) found the Yugoslav amendment unnecessary, since the document entitled *Methods of Financing Economic Development of Under-Developed Countries*<sup>1</sup> showed that studies on all aspects of financing had already been made. Speaking on paragraph 4 of the Chilean draft resolution, he wondered whether specific recommendations would be forthcoming.

28. Mr. COLBJÖRNSEN (Norway) considered that the Yugoslav amendment introduced an unfortunate ambiguity into the Chilean draft resolution: it was worded in unusual terms which had not the same significance as those generally employed. For instance, in speaking of foreign public financing, it did not apparently limit the proposed studies to under-developed countries. Hence those studies might be extended to other problems of international financing and consequently furnish the occasion for controversies bearing no relation to the development of under-developed countries. Yet, since the United States representative had given his approval to the Yugoslav amendment, Mr. Colbjørnsen was somewhat reassured. He concurred in the view of the Canadian representative and asked that the Yugoslav amendment should be withdrawn; the point of the Yugoslav amendment should be referred to in the records, unless it was changed to read "in all its aspects".

29. The CHAIRMAN said that, as his list of speakers on the Chilean draft resolution was exhausted, he would put the draft resolution to the vote.

30. Mr. DE SEYNES (France) asked that the vote on the Chilean draft resolution should be deferred until the Committee had discussed and voted on the Cuban draft resolution (A/C.2/L.4).

31. Actually, he supported the Chilean draft resolution but wished to enter some reservations concerning the Cuban draft. He said he would like to re-submit the proposal, made at the previous meeting by the representative of Brazil, that certain parts of the Cuban resolution should be embodied in the Chilean draft, and asked the Chairman if his proposal was admissible.

32. Mr. COMPTON (United States of America) explained that if his delegation had expressed no objection to the Yugoslav amendment, the reason was that it interpreted the amendment as applying only to the economic development of under-developed countries and not to all countries generally.

33. Mr. KARMARKAR (India) said that the language of the draft resolution in any case implied what the Yugoslav delegation wished to insert. Nevertheless, since the Yugoslav delegation had submitted an amendment drawing attention to international public financing, withdrawal of the amendment might convey the impression that the Committee had decided against that system of financing. To avoid the difficulty, he proposed that the suggestions made by the representatives of the United States and Canada should be combined in some such formula as "the General Assembly looks forward to receiving the Council's studies and recommendations on all aspects of the financing of under-developed countries and regions".

34. Mr. VILFAN (Yugoslavia) said he would agree to that solution, explaining at the same time that the object of his amendment had been to draw attention to the necessity for studying international financing from public funds as well as other methods of financing; he withdrew his amendment.

35. Mr. SCHNAKE VERGARA (Chile) also said he agreed to the Indian representative's proposal.

36. Mr. WEINTRAUB (Secretary of the Committee) read out paragraph 4 as amended (A/C.2/L.2/Rev.3):

*Looks forward specifically to receiving the Council's studies of and recommendations for international action concerning the urgent problems of financing, in all its aspects, of economic development in under-developed countries;*"

37. Mr. DE SEYNES (France) formally moved the adjournment of the discussion under rule 105 of the rules of procedure.

38. Major General BURNS (Canada) and Mr. TEJERA (Uruguay) opposed the motion of adjournment, explaining that the Committee appeared to have reached agreement on the Chilean draft resolution. It would be regrettable if advantage were not taken of that agreement formally to adopt the Chilean draft resolution.

39. Mr. BORBERG (Denmark) seconded the adjournment. He thought it would be preferable if the various draft resolutions submitted were merged into a single text. Hence it would be advisable to wait until after the discussion on the Cuban draft resolution had taken place. If that draft resolution, or parts of it, were adopted, they might be incorporated into the Chilean draft resolution. If no part of it were accepted, the Chilean draft resolution could be approved as it stood.

40. The CHAIRMAN put the motion for adjournment to the vote.

*The motion was rejected by 26 votes to 10, with 5 abstentions.*

41. The CHAIRMAN put the Chilean draft resolution (A/C.2/L.2/Rev.3) as amended to the vote.

*The Chilean draft resolution as amended was adopted unanimously.*

42. Mr. BLUSZTAJN (Poland) said that, for the sake of unanimity, he had voted for the Chilean draft resolution without objecting to the amendment introduced by the United States delegation into sub-paragraph 5 (b).

43. Yet, while agreeing to the draft resolution as amended, his delegation did not consider that

<sup>1</sup> See document E/1333.

the amendments had in any way impaired the important role of the Regional Economic Commissions in economic development.

DRAFT RESOLUTION SUBMITTED BY THE DELEGATION OF URUGUAY (A/C.2/L.3)

44. Mr. TEJERA (Uruguay) recalled the views expressed by his delegation in the course of the general debate at the 93rd meeting. If economic development was not to lead to a dislocation of world economy and if it was not to oblige certain countries to isolate themselves behind customs barriers, then the said development had to be carefully co-ordinated and the steps taken by each country should not hamper the harmonious development of the regional economy.

45. Mr. CORTINA (Mexico), introducing an amendment (A/C.2/L.9) to the Uruguayan draft resolution, said its object was to clarify the meaning of the draft resolution which was expressed in very general terms. As regards the simultaneous development of similar means of production, a distinction had to be drawn between the co-ordination of development programmes of under-developed countries and co-ordination of the domestic economy of each country. If the Uruguayan proposal referred to the co-ordination of the economic development of different countries, such co-ordination might be achieved through agreement, and then the Uruguayan text should be adopted. The Economic and Social Council might make itself responsible for co-ordination in that form. But if the Uruguayan draft resolution was also applicable to the domestic economy of a country, then it would be unacceptable because internal co-ordination was the prerogative of the State.

46. The Council had seen fit to lay down the principle that technical assistance should not serve as a pretext for interference in a country's internal affairs. Hence care had to be taken lest the Uruguayan draft resolution might be misinterpreted. If a country desired to develop in its territory the production of certain commodities and applied to the Council to finance the project, and if the Council felt that the proposed production were harmful to the harmonious development of the domestic economies of the region, the Council could refuse to finance the project but it could not go beyond that. It would be quite improper, indeed, for the Council to obstruct the project. In order to clarify the meaning of the Uruguayan draft resolution, his delegation had submitted its amendment.

47. Mr. COMPTON (United States of America) also submitted an amendment (A/C.2/L.10) with the object of clarifying the Uruguayan draft resolution, in particular the last two paragraphs thereof.

48. Mr. TEJERA (Uruguay) said that in submitting its draft resolution, the delegation of Uruguay had wished to put economic development on a sound basis and to avoid any possible ill-effects that such action might have. To that end, steps must be taken to see that the simultaneous development of similar types of production did not heighten customs barriers or dislocate regional economic systems.

49. If economic development was to be accomplished by rational methods, account must be

taken of the productive capacity of each and every country and any kind of artificial development must be avoided.

50. The draft resolution had been intended to stress the principle of co-ordination among countries and its author had never meant to discuss therein the question of domestic co-ordination.

51. Mr. ZOLOTAS (Greece) said it was necessary to ensure that the economic development of the under-developed countries was based on a rational exploitation of their natural resources. The draft resolution submitted by Uruguay did not make that point sufficiently clear and the United States amendment was thus a definite attempt to cover that omission. Where the natural resources and economic condition of a country permitted the development of certain types of production for home consumption only, no co-ordination was necessary, but international co-ordination was essential whenever it was a question of the production of goods for export.

52. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) thought that the draft resolution would be detrimental to the economic development of the under-developed countries.

53. Those who wished to do so would be free to interpret the prescribed co-ordination of economic plans to mean that development programmes should be regulated by the requirements of the world market. It was useless to repeat the arguments brought forward against that interpretation in the course of the debate. If the economic development of the under-developed countries were to take its full course, they must cease to be monocultures. They must also themselves choose the type of economy best suited to their own interests.

54. The draft resolution submitted by Uruguay also referred to the ill-effects of customs barriers. While, however, customs barriers might have a harmful effect on commercial relations with a country at an equal stage of development, a protective customs policy might make an important contribution to the development of an under-developed country faced with competition from an economically developed country.

55. The adoption of the draft resolution submitted by Uruguay would therefore be in direct opposition to the aims which the United Nations was pursuing in encouraging the development of the under-developed countries. It was surprising to see such a resolution submitted by a country which was itself to some extent under-developed. There was, however, nothing surprising in the fact that the United States had submitted an amendment magnifying the purpose of the draft resolution submitted by Uruguay. It was no coincidence that there was so much talk of the ill-effects of customs barriers without any account being taken of the development of natural resources. The plans of the International Trade Organization (ITO) had become a sort of slogan, and that slogan was extremely convenient for the more advanced countries, but the Committee should not allow itself to be misled.

56. The delegation of the Soviet Union would therefore vote against the draft resolution submitted by Uruguay.

57. Mr. ABELARDE (Philippines) felt that attention should be called to certain harmful aspects

of the amendments submitted by the United States of America and Mexico. The Philippine delegation considered that those amendments would cause what economists called "an international division of labour". That was good principle in itself, but its application would result in making under-developed countries dependent on industrialized countries.

58. Further, the United States amendment gave the Economic and Social Council the right to impose a certain type of production on a given country which that country would have to develop. Mr. Abelarde recalled in that connexion, that one of the general principles laid down in resolution 222 A (IX) annex 1, of the Council, stated that the technical assistance furnished "shall not be a means of foreign economic and political interference in the internal affairs of the country concerned and not be accompanied by any considerations of a political nature". In the same annex it was stated that technical assistance shall "be designed to meet the needs of the country concerned". The amendments mentioned did not respect those principles. The Philippine delegation would not therefore support them.

59. Mr. PLIMSOLL (Australia) said that the Uruguayan draft resolution raised the important question of the role of economic co-ordination in the economic development of under-developed countries. That was a very perplexing question and therefore difficult of solution. The draft and amendments were bound to leave a large number of questions unsolved. It might be asked, for example, by whom the necessary co-ordination between the various economic development plans would be effected. The competence of the Economic and Social Council in that field was necessarily limited. It was important to remember that it was for the countries in question to see that their national economy was integrated in the whole programme.

60. The Uruguayan draft resolution and the United States amendment emphasized the danger that arose from the simultaneous development of analogous types of production. In some cases it seemed, however, that it would be advantageous to encourage the production of primary commodities in a large number of countries. It was therefore difficult and dangerous to draw up a general formula regarding such questions.

61. Owing to the complexity of the question of economic co-ordination, the Australian representative felt that the Uruguayan draft resolution and its amendments overlooked certain important aspects of the problem. He wondered whether the authors of the draft and of the amendments would agree to withdraw their proposals, and suggested that if his proposal were approved the Rapporteur might mention in his report the exchange of views which had taken place and emphasize the importance of the problem of economic co-ordination and the need to pay unceasing attention to that question.

62. Mr. SMOLYAR (Byelorussian Soviet Socialist Republic) considered that the Uruguay proposal and the Mexican and United States amendments were contrary to the principles of the resolutions which had already been adopted by the Committee. He reminded the Committee that technical assistance with a view to economic development ought only to be supplied in agree-

ment with the Governments concerned and after requests had been received from such Governments. The Uruguayan draft resolution tended to give the Economic and Social Council complete control over technical assistance to under-developed countries and therefore went further in some respects than the provisions of the Charter.

63. The Mexican representative had tried to show that while economic co-ordination on a national level was forbidden territory, the co-ordination of various national economies, the only point referred to in his amendment, came within the scope of the United Nations. The Byelorussian SSR considered that that distinction would not stand investigation, for the two cases were similar and international co-ordination might easily serve as a pretext for intervention in the internal affairs of a State.

64. Mr. Smolyar said that the Byelorussian delegation hoped that the draft resolution and amendments would be withdrawn.

65. Mr. VON HELAND (Sweden) recalled that one of the general principles laid down by the Economic and Social Council in resolution 222 A (IX) annex 1, was that the participating organizations should endeavour to help the under-developed countries "to ensure the attainment of higher levels of economic and social welfare for their entire population". The resolutions previously adopted, however, did not deal with a most difficult technical problem, that of the distribution of food supplies. The Swedish delegation was therefore happy to see that the Uruguay draft resolution expressed the hope that other questions "connected with the economic development of under-developed countries may soon come up for consideration". It was most important that constructive proposals should be submitted regarding the way to distribute the world's food surplus for the benefit of countries in which the population was under-nourished.

66. Technical assistance for agricultural development was already planned, but such assistance, if not carefully supervised and co-ordinated, might lead to a new worldwide depression, and the last sentence of the Uruguayan draft resolution seemed to sound a warning to that effect. In the report of the Secretariat entitled *Technical Assistance for Economic Development*, chapter 3, third paragraph, it was stated that "the increasing interdependence of the different countries of the world makes it particularly necessary that a country preparing its plans for future development take into account not merely its own resources and potentialities but also the state of affairs in other countries and the plans of other Governments".

67. Mr. von Heland recalled that the International Federation of Agricultural Producers (IFAP) had promised to give its active support to the efforts made by the United Nations and its specialized agencies to achieve the economic development of under-developed countries. The Food and Agriculture Organization (FAO) and IFAP had the same objective, which was to ensure that the nutritional needs of all peoples should be satisfied by means of adequate production and equitable distribution.

68. Certain existing trends, such as the high costs of agricultural production, the drop in



prices of certain agricultural products, and surpluses of some farm products in a number of countries, might be the danger signals of another economic depression as there had been in 1930. IFAP was convinced that forced reductions of production should be adopted only as a last resort, and in order to avoid such reductions IFAP had recommended its member organizations to press their respective Governments for the establishment of programmes to stimulate high levels of employment, to stimulate purchasing power and to promote agricultural exchanges at fixed prices between States.

69. The Director-General of FAO had been instructed to prepare a report comprising an analysis of the question of food surpluses in process of formation in certain countries with recommendations for appropriate action both nationally and internationally. IFAP was informed in August that a Committee of Experts had been appointed to assist FAO in its study of commodity problems.

70. All this proved that the agricultural producers of the whole world, united in IFAP, were anxiously awaiting any proposals on such questions which might be advanced in the United Nations by the FAO.

71. The Swedish delegation, aware of the importance of economic co-ordination, especially in regard to agriculture, would vote in favour of the Uruguayan draft resolution.

72. Mr. de OLIVEIRA CAMPOS (Brazil) was doubtful as to the efficacy of the Uruguayan draft resolution, while approving the motives which had inspired it. He did not share the misgivings of the USSR representative, and did not think that the draft could possibly give the industrialized countries control over new markets or impede the development of an independent national economic system in the under-developed countries.

73. He thought, on the contrary, that the Uruguayan draft contemplated, not the strangulation of the under-developed countries, but a common plan for regional markets which was a reasonable but delicate scheme difficult of realization. As the Uruguayan representative had emphasized, one of the main difficulties arose from the lack of large markets. When a small country pursued an independent economic development programme, it was difficult for it to secure adequate outlets. Economic development programmes would perhaps, therefore, have to be adopted on a regional or international scale. But although seemingly simple in theory, it could be quite otherwise in practice. In fact, the economic or industrial development of a country was not solely a question of markets; other factors, such as national pride and considerations of security, frequently came into play.

74. As an illustration of the difficulties encountered in planning economic co-operation between countries, Mr. De Oliveira Campos recalled that Argentina and Brazil had attempted to co-ordinate the development of their respective industries in 1940. Their efforts had not, however, been crowned with success, for the two countries had never been able to agree as to which industries each was to develop.

75. The Brazilian delegation fully appreciated the effort made by the Uruguayan delegation, but did not think that the difficult problem of economic co-operation could be considered in such a general manner as the draft resolution implied. In its opinion, it was essentially for the Council's Regional Commissions to take action in that sphere and to consider the possibility of adopting concrete measures for economic development.

76. IBRAHIM Pasha (Syria) submitted a motion to adjourn the debate.

*The motion of adjournment was adopted.*

The meeting rose at 6 p.m.

## HUNDRETH MEETING

*Held at Lake Success, New York, on Tuesday, 18 October 1949, at 3 p.m.*

*Chairman: Mr. Hernán SANTA CRUZ (Chile).*

### **Economic development of under-developed countries (A/972) (continued)**

DRAFT RESOLUTION SUBMITTED BY THE DELEGATION OF URUGUAY (A/C.2/L.3/Rev.1) (concluded).

1. The CHAIRMAN said that the Committee would continue consideration of the Uruguayan draft resolution which appeared in its revised form in document A/C.2/L.3/Rev.1.

2. Mr. CORLEY SMITH (United Kingdom) said that of the three variations (A/C.2/L.3, A/C.2/L.9, A/C.2/L.10) of the Uruguayan draft resolution which had been before the Committee at the previous meeting he preferred the United States version (A/C.2/L.10), which seemed to him the clearest. He hoped that the harmony which had so far prevailed in the Committee

would not be disrupted, and that the Uruguayan delegation would consider the possibility of withdrawing their draft resolution. He did not, however, agree with its characterization by the representative of the Soviet Union (99th meeting), and indeed thought it a well considered addition to the discussion.

3. The United Kingdom Government had for many years believed the division of labour and the resulting world trade to be beneficial in many cases and that idea was reflected in the Uruguayan draft resolution.

4. While agreeing with much in the draft resolution, however, he felt that it was at the same time too specific and not specific enough, since it was not possible in one resolution to lay down all the conditions governing the desirability of establishing certain industries in certain countries. He did not wish to encourage autarchy along the lines