

long that the liquidation could no longer be prevented. With regard to the operations of the Yusta Company, the Yugoslav Government was to supply that Company with gasoline. To that end, it had concluded an agreement with a Romanian Company, with USSR-Romanian share capital, under which that Company undertook to supply petroleum and gasoline to Yugoslavia. As soon as friction had developed between the Yugoslav Communist party and the USSR Communist party, that Company had ceased its petroleum deliveries, and Yugoslavia had no longer been able to supply gasoline to the Yusta Company. Yugoslavia had endeavoured to resume its deliveries by requesting the USSR Ambassador in Belgrade to intervene, but the Ambassador had merely replied that Romania was an independent country.

71. It was true that Yugoslavia had sold its non-ferrous metals to Poland at world market prices, but those prices were lower than production cost.

72. If the statements of the Yugoslav delegation which had been made two years ago contrasted with those which had been made in the current year, the reason was that two years ago the Yugoslav delegation had completely trusted the Soviet Union, that it had felt that all the difficulties of the Yugoslav Government would be solved by loyal co-operation with the USSR and that, consequently, it would not be advisable to mention those difficulties in an international conference.

73. Yugoslavia could no longer have such faith in the USSR. That country was endeavouring to ruin the results of the Yugoslav war effort. It

was constantly creating difficulties for Yugoslavia, and it had no greater wish than to prevent the realization of the Yugoslav five-year plan. To ask Yugoslavia to profess the same faith as two years ago would be putting too great a strain on human confidence. There was a limit to Yugoslavia's patience.

74. The Yugoslav delegation had asked the USSR delegation a question which could very well be included in a general discussion on technical assistance, namely, how was the economic policy of the Soviet Union to be interpreted? However, neither the USSR representative nor the representative of Poland had replied to that question. Mr. Vilfan would, therefore, reiterate the question: did the letter sent by the USSR Communist party to the Yugoslav Communist party in May 1948, in which the USSR party drew the attention of the Yugoslav Communist party to the fact that by persisting in its attitude it was depriving Yugoslavia of the right of obtaining assistance from the USSR, as the latter granted aid only to its friends, signify:

(a) That the Soviet Union would lend assistance only on the basis of bi-lateral agreements?

(b) That it would lend assistance only on the basis of political considerations?

75. The events which had taken place since that letter had been sent made apparent its real significance. There was, therefore, no need for the Yugoslav delegation to dwell on the reasons for which trade between the people's democracies and Yugoslavia had ceased.

The meeting rose at 1.15 p.m.

## NINETY-FIFTH MEETING

*Held at Lake Success, New York, on Tuesday, 11 October 1949, at 3.10 p.m.*

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

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

1. Mr. COMPTON (United States of America) said that the position of the United States with regard to assistance to economic development had been the subject of considerable speculation by speakers in the Committee, some of whom had made gratuitous and unfounded allegations. The attitude of the United States towards the proposed programme was well known, but since the programme was of great importance to so many countries he would make a brief reply to those assertions.

2. The general debate on the recommendations of the Economic and Social Council contained in resolution 222 (IX) had brought out many interesting and significant points of view, including, naturally, a number of differences which did not, however, appear to be fundamental. Expectations regarding the scope, speed and effectiveness of the proposed programme as a means of encouraging economic development varied. Perhaps all countries could be regarded as being under-developed in some particular. Although the United States was well advanced in many respects, it did

not regard itself as having solved its own problems of economic development entirely. A reasonable balance between the utilization and the conservation of United States resources had still to be achieved.

3. An impressive tribute to the good work of the Economic and Social Council was to be seen in the fact that the debate had brought out hardly any serious criticism of the recommendations themselves. Most of the complaints had instead been directed at the supposed hidden purposes of certain Governments, including that of the United States, in supporting those recommendations. That kind of criticism was usually described in the United States as "setting up a straw man", setting up something which was not there so as to have something to knock down. Those criticisms did not come from the countries which regarded themselves as being under-developed, for they were apparently pleased rather than alarmed at the prospect that the United States might be a substantial participant in the proposed programme of technical assistance. They came entirely from countries the political régimes of which were quite different from that of the United States. Those countries did not permit the free indi-

vidual enterprise encouraged in the United States, nor did they encourage free, open public discussion and the debate of controversial issues.

4. At the preceding meeting there had been a revealing exchange between certain countries over the practical working of the Council for Economic Mutual Assistance, an eastern European organization for which high claims had been made. It was doubtful whether the record of economic co-operation under that body, as revealed in the discussion, was in accord with the principles set forth in the Economic and Social Council resolution 222 A (IX), annex 1, especially those concerning protection against exploitation and "political interference in the internal affairs of the country concerned".

5. The representative of the USSR had commented adversely at length during the 94th meeting on the fact that the United States had attained a high degree of economic development, that it had prospered and that its people had accumulated capital which was available for investment abroad as well as at home. It had also established a position of considerable influence in world finance and world trade. That prosperity had been achieved because the people of the United States had wide opportunity for individual enterprise. It was that individual enterprise which put the United States in a position in which it was able to help other countries to achieve economic development. It would be desirable if, instead of criticizing the United States Government for its willingness to participate in the programme of technical assistance, the Government of the USSR would indicate its preparedness to do likewise.

6. Before terminating his brief reply to criticisms of the United States, he wished to clarify the views of the United States delegation with regard to capital investment. He quoted a passage from the United States statement of its position (88th meeting), which said that the principal source of financing economic development must be found in private investment. That did not mean that the United States advocated foreign loans, if foreign borrowing was not necessary. On the contrary, it was in favour of "self-help" and reliance on domestic savings to the maximum extent practicable. On that point it was in agreement with the Government of the USSR.

7. He did not believe that acceptance of the Economic and Social Council's recommendations need preclude later revisions of those proposals. The Council would undoubtedly be able to consider any reasonable possibilities of improvement and make appropriate recommendations for that purpose to the General Assembly in the future.

8. Mr. DE FREITAS (United Kingdom) stated that he would not reply to the attacks against his Government by countries in the Soviet bloc since that would necessitate a very comprehensive and necessarily long historical and geographical survey, and since the representatives of Brazil in the 94th meeting and the United States in the present meeting had already dealt with some of the fundamental allegations put forward. Furthermore, the representative of Yugoslavia had exploded the USSR charge of exploitation when he had given a clear and first-hand account of the Soviet Union exploitation of eastern Europe (93rd meeting).

9. The Committee should not spoil its fine reputation by indulging in useless charges and counter-

charges which only hindered any constructive work. Mr. de Freitas therefore suggested that the full debate should be closed, and that the Committee should begin a detailed examination of the Council resolutions.

10. Mr. KATZ-SUCHY (Poland) did not wish to enter into polemics with the United States delegate. The "straw men" which the latter had mentioned, however, had existed for many decades and must have some substance, since it had taken the countries of Latin America so long to overcome them.

11. He compared the countries with free enterprise where there was extensive unemployment and the need for currency devaluation, with the socialist countries, which had a noteworthy record of post-war reconstruction, and he asked the Committee to let the facts speak for themselves.

12. The representative of Yugoslavia had referred insultingly (94th meeting) to the 40 million dollar loan which Poland had received from the Export-Import Bank. There was a wide difference between the Polish loan and the Yugoslav loan. When Poland had obtained a loan, the United States had been exerting economic pressure, but had not been engaged in open economic warfare. Furthermore, Poland had not changed its viewpoint or policy since 1945. It had not had to reverse its position, as Yugoslavia had done; Poland had not broken with the USSR and was not persecuting its democratic elements. Whereas Yugoslavia was repaying the loan by statements to the General Assembly, Poland would make long-term repayments out of the profits of industrial production.

13. Mr. ABELIN (France) stated that his delegation had already taken a clear-cut position with regard to technical assistance (89th meeting). Consequently, he would merely reply briefly to comments made at the 94th meeting by the representatives of the Soviet Union and Brazil.

14. The representative of the USSR had quoted figures to show that the colonial Powers withdrew every year considerable benefits from the countries for which they were responsible, but had omitted to mention the investments which those countries made in their colonies. France had already given her colonies much technical assistance, and had done much to improve the standard of life by fighting disease, training technicians and other similar measures. The colonial peoples of the French Union were represented on democratic local assemblies which were competent to discuss the particular problems of each country, and in the National Assembly, where their representatives had every opportunity to state their opinions and the wishes of their peoples and where they were ensured of complete freedom of speech.

15. The representative of Brazil had stated that the colonies should not benefit from technical assistance under the United Nations, since such assistance was the responsibility of the Administering Authorities. The French delegate recognized that his Government was responsible for certain under-developed countries; every country, however, could profit from the techniques developed by others and the colonies were no exception. He felt that it was the function of the United Nations programme for technical assistance to make available the best technical advice in each field. France was ready to share her technical advances with

any country which requested assistance under the Council resolutions.

16. Mr. ARUTIUNIAN (Union of Soviet Socialist Republics) recalled that at the ninth session of the Economic and Social Council, the USSR delegation<sup>1</sup> had stressed the importance of the principles underlying technical assistance; it was essential to protect the sovereign rights of countries and to ensure that there would be no intervention in their internal affairs in the guise of technical assistance. The majority of the Council had agreed with the Soviet Union, which proved that there was some fear that certain Powers might use technical assistance as a means of intervening in the internal affairs of the under-developed countries. As matters stood, the export of capital was clearly used for exploitation and selfish aims. Care should be taken that the same did not apply to technical assistance.

17. For practical reasons, the USSR delegation had considered that there was no need for a technical assistance conference, a special central account, or further administrative organs. The existing specialized agencies and other United Nations bodies could successfully administer the technical assistance programme. The representative of the Soviet Union would not vote against convening a conference, however, if the majority were in favour of it.

18. He did not agree with the French delegate who claimed that the colonial Powers had improved the lot of a number of colonies. If this were true there could only be one conclusion, namely that colonies should remain colonies. This conclusion was clearly contradicted by the Charter, which stated that everything possible should be done to promote their political and economic advancement. Moreover, if the colonies were in such a good position, why did all maps of under-developed areas show the colonies, and particularly the French colonies, as the worst areas. It was well-known that the standard of living in the French colonies was very low and that economically and culturally they were the most backward countries in the world. The Syrian representative in the First Committee had stated that the French mandate had been the worst period in the history of his country, and that its development had been retarded during that time.

19. The colonial peoples were always complaining and striving for independence, which clearly indicated that they were not satisfied with conditions under the colonial yoke.

20. The United Kingdom and France were classical examples of imperialism and colonial exploitation. Although even President Truman had stated that the era of colonial exploitation must soon draw to a close, the colonial policy of the Government of the United Kingdom still continued with few modifications. He pointed out that Russian imperialism, on the other hand, had been ended by the Russian people in October 1917.

21. In conclusion, he agreed that the debate had proved interesting and useful, and stated that the Soviet Union would support the Economic and Social Council's recommendations, though he stressed that there must be strict adherence to the principles contained in those recommendations.

22. Mr. SMOLYAR (Byelorussian Soviet Socialist Republics) expressed his complete agreement with the representatives of Poland and of the Soviet Union.

23. Mr. MERTSCH (Union of South Africa) wished to correct a misunderstanding on the part of the representative of Brazil. The latter appeared to have thought that he had said the expanded programme was primarily aimed at the development of Africa. Mr. Mertsch had mentioned African problems in particular, as they were of special interest to his Government, but he had not wished to detract from the urgency of similar problems in other parts of the world. He hoped that explanation would satisfy the representative of Brazil.

24. On a point of order, Mr. VILFAN (Yugoslavia) said that under rule 104 of the rules of procedure he was entitled to reply to the Polish representative who had insulted Yugoslavia, although the list of speakers for the general debate was closed, but since the representative of Poland had been unable to reply to the question put to him by the representative of Yugoslavia and had confined himself to proffering insults, the Yugoslav representative would not press his claim.

25. Mr. DE ALMEIDA (Brazil), on a point of order, reserved the right to return to the question of Africa during the detailed discussion of the recommendations.

FIRST DRAFT RESOLUTION ON TECHNICAL ASSISTANCE SUBMITTED BY THE ECONOMIC AND SOCIAL COUNCIL

26. Mr. KATZ-SUCHY (Poland) wished to submit an amendment to the draft resolution recommended by the Economic and Social Council in resolution 222 A (IX), annex II. Resolution 222 A (IX) limited the Technical Assistance Commission (TAC) to marginal activities although it did not seem appropriate that a political body should be subordinate to the Technical Assistance Board (TAB). The Polish amendment remedying that defect had been rejected, at the ninth session of the Economic and Social Council by an even vote and a similar USSR amendment by only a very small majority.<sup>1</sup> Many delegations still felt that the TAC was entitled to express its opinion on requests for technical assistance before any final decision by the TAB. Mr. Katz-Suchy considered that such an implied right should be clearly stated and therefore proposed that the following text (A./C.2/L.5) should be inserted at the end of the second paragraph of draft resolution 222 A (IX), annex II, which begins with "Approves":

"and recommends that the TAC exercise its power to express its opinion on requests for technical assistance transmitted by the participating organization through the TAB, even before final decisions of the TAB, should the majority find this desirable."

27. Mr. PLIMSOLL (Australia) said that it had been assumed that in entering the scheme for technical assistance, the specialized agencies would adopt the observations and guiding principles recommended by the Economic and Social Council. However, he felt that this should be made clear in the resolution and therefore proposed that

<sup>1</sup> See *Official Records of the Economic and Social Council*, Fourth Year, Ninth Session, 310th meeting.

<sup>1</sup> See *Official Records of the Economic and Social Council*, Fourth Year, Ninth Session, 342nd meeting.

the following text (A/C.2/L.5) should be added after the word "development" in the fourth paragraph beginning with the word "authorizes" in draft resolution 222 A (IX), annex II:

"to be available to those organizations which participate in the expanded programme of technical assistance and which accept the observations and guiding principles set out in annex I of the Council's resolution and the arrangements made by the Council for the administration of the programme . . ."

The word "approves" would then begin a new paragraph.

28. Mr. KATZ-SUCHY (Poland) in answer to a question from Mr. KARMARKAR (India), said that "majority" as used in his amendment referred to a majority of the TAC.

29. Mr. ABELARDE (Philippines) asked the Committee to approve of the inclusion in the Rapporteur's report of a non-controversial point, namely his delegation's view that countries not Members of the United Nations should be represented on the TAC, when the technical development of those countries was being discussed. He made the suggestion because certain areas were not adequately represented on the Economic and Social Council. Ceylon and Indonesia, for instance, were not Members of the United Nations, and a large area in South East Asia with a population of some 650 million had only one representative on the Council. He pointed out that on other occasions, for example during discussion of the Palestinian question, non-members of the United Nations had been invited to attend meetings.

30. The CHAIRMAN said the Rapporteur would include that point in his report, as the opinion of the Philippine representative.

31. Mr. ARUTIUNIAN (Union of Soviet Socialist Republics) said that from a procedural point of view, he thought the Philippine representative should have made his proposal during discussion of the Rapporteur's report. He pointed out that the Committee had no authority to invite non-members of the United Nations to attend plenary meetings of the General Assembly, and asked the Philippine representative to formulate his proposal more clearly.

32. Mr. KARMARKAR (India) appreciated and strongly supported the Philippine representative's suggestion that non-member countries should be represented on the TAC during discussion of their economic development. The area referred to by the Philippine representative had long been under-represented, and moreover it would be of great assistance to the TAC to be able to consult with such countries when discussing their economic development. His delegation felt that, in order to have operative effect, the Philippine suggestion should be incorporated in a resolution, and expressed its readiness to support the amendment if formally proposed by the Philippine delegation.

33. Mr. ARUTIUNIAN (Union of Soviet Socialist Republics) said that if a formal amendment were submitted, he would move that the TAC, during discussion of the economic development of colonies and Trust Territories, should hear not only representatives of the Administering Authorities but, in particular, representatives of the colonial peoples themselves, who were better acquainted with the real needs of the territory.

34. The CHAIRMAN said that the Philippine suggestion must be put in the form either of an expression of opinion for insertion in the Rapporteur's report, in which case it would be discussed during discussion of the report, or of a formal amendment, since the time limit for the submission of resolutions had expired. Until it had been formally submitted, the Committee could not continue to discuss it. He asked whether the Committee was prepared to discuss the draft resolution on the current programme of technical assistance under General Assembly resolution 200 (III) appearing in Economic and Social Council resolution 222 C (IX), while waiting for the circulation of the draft amendments submitted to the draft resolution on the expanded programme of technical assistance, which is contained in resolution 222 A (IX), annex II.

35. Mr. PLIMSOLL (Australia), supported by Mr. CHANG (China), suggested that the Committee should defer consideration of the draft contained in resolution 222 C (IX) until a decision had been taken on the draft contained in resolution 222 A (IX), annex II. The two drafts were closely connected, and the decision taken on the draft resolution in 222 A (IX), annex II, might affect that taken on the draft resolution contained in 222 C (IX).

36. The CHAIRMAN withdrew his suggestion that the Committee should discuss the draft resolution in 222 C (IX) and said that discussion would be limited to that contained in resolution 222 A (IX), annex II.

37. Mr. CORTINA (Mexico), referring to the paragraph of the draft resolution on the expanded programme which "notes the decision of the Council to call a Technical Assistance Conference for the purpose of negotiating contributions to the programme" said that resolution 222 A (IX) indicated that the Economic and Social Council wished the conference to be called, if possible, during or immediately following the fourth session of the General Assembly. Paragraph 12 of resolution 222 A (IX) established the objectives of the conference. There was no objection to discussing during the fourth session of the General Assembly the second of those, the allotment of proportionate shares of the total amount of contributions, set forth in sub-paragraph (b). It would not, however, be an appropriate time for discussing the total amount of contributions available from participating Governments, since the sum made available by one of the most important contributors would be dependent upon legislative action, and there might not be time for such action during the General Assembly. If that was the case the conference would lack information necessary to enable it to carry out its task.

38. He therefore proposed (A/C.2/L.5) that the words set out below be added after the word "conference" in the third paragraph of the draft resolution of the Council on the expanded programme, resolution 222 A (IX), annex II: ". . . to be convened by the Secretary-General at such time as he finds appropriate".

39. The CHAIRMAN said it had been understood in the Economic and Social Council that it was left to the Secretary-General to consult with Governments and fix an appropriate date for the Conference.

The meeting rose at 4:45 p.m.