

The Canadian response to the resolution, which was communicated to the Secretary-General in a letter dated December 23, 1953, recognized that under-developed countries are unable at the present time to mobilize sufficient resources to carry out their development at a desirable rate and "that the required amount of external assistance is not being provided by a natural flow of private investments from other countries". Accordingly, the Canadian reply went on to state that "the Canadian Government is in principle prepared to join with other countries in a position to help in support of the eventual establishment of an international development fund". To supplement action taken by recipient countries, however, the Government has come to the conclusion "that it would be practicable and worthwhile for a fund to be set up only when the countries mainly concerned are prepared to make resources available additional to those already being channelled to the under-developed countries to assist their development". The Canadian Government is, of course, "continuing to contribute to the development of the materially under-developed countries of the world through existing channels". But until circumstances, including progress in disarmament, are such that developed countries "are able to provide such additional resources, on a scale which would make the operations of an international fund worthwhile, the Canadian Government considers that it would be inadvisable to set up such a fund, and would not itself be prepared to contribute thereto".

The General Assembly has already expressed the view that agrarian conditions which lead to low agricultural productivity and low standards of living in many cases hinder general economic development. At its spring session in 1954 ECOSOC considered a report by the Secretary-General entitled *Progress in Land Reform* and recommended, among other things, that the International Bank give sympathetic consideration to loan applications from under-developed countries for land development projects.

Capital development in under-developed countries depends to some extent for its financing on proceeds from current exports and on the relation of such proceeds to the cost of necessary imports from more developed countries. Recent United Nations reports have stressed the important contribution which an improvement in the terms of trade (that is in the relation of the prices of imported manufactures to the prices of exported primary products) can make in providing additional resources to under-developed countries. At the seventh session of the General Assembly in 1952, a resolution was introduced by the Argentine Delegation which urged the maintenance of an adequate, just and equitable relation between the prices of manufactured and of primary products, and co-operation in establishing both multilateral and bilateral arrangements relating to individual primary commodities as well as groups of primary commodities and manufactured goods. It further requested the Secretary-General to appoint a group of experts to study the practical measures it might be advisable to adopt pursuant to these recommendations. A number of the developed countries, including Canada, doubted the wisdom of thus imposing rigidity upon the structure of