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AGENDA ITEMS 12, 28, 29 AND 30

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(b) Improvement of the terms of trade between the industrial and the under-developed countries: report of the Economic and Social Council

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(a) Development of scientific and technical co-operation and exchange of experience: report of the Secretary-General (A/4904, E/3515);

(b) Main trends of inquiry in the natural sciences, dissemination of scientific knowledge and application of such knowledge for peaceful ends: report of the Economic and Social Council (A/4898)

CONSIDERATION OF DRAFT RESOLUTIONS (A/C.2/L.558 AND ADD.1-5; A/C.2/L.554/REV.4) (continued)

1. The CHAIRMAN invited the Committee, while awaiting distribution of the new revision of the draft resolution on the United Nations Development Decade, to consider the draft resolution containing a renewed appeal to the economically advanced countries to increase the net flow of capital and technical assistance to the less developed countries so as to reach 1 per cent of their combined national incomes (A/C.2/L.558 and Add.1-5).

2. Mr. LINGAM (India), introducing the draft resolution, said that its sponsors had wished to give new impetus to the measures already taken to promote social progress in the under-developed countries, a matter which was of considerable importance and urgency. The operative part of the draft resolution renewed the appeal made in General Assembly resolution 1522 (XV) to increase the flow of assistance and capital so as to reach approximately 1 per cent of the combined national incomes of the economically advanced countries. Estimates

indicated that capital of about \$7,000 million per annum would be required and could be absorbed by the less developed countries. The Secretary-General's report on the international flow of long-term capital and official donations, 1951-1959 (A/4906) showed that the flow of capital to under-developed countries amounted to 0.6 per cent of the gross domestic product of the developed countries. The figure would be 0.8 per cent if contributions to international finance agencies were included. However, the report included the flow of capital for items not directly related to development and, in the view of the Indian delegation, the net outflow of capital should be calculated without including items such as defence, interest payments and profits repatriated from the receiving countries.

3. The target of 1 per cent should be viewed in the light of the philosophy of international action under the United Nations Charter for the social and economic emancipation of the under-privileged. A strategy for such action was being formulated and comprised long and short-term goals. The draft resolution under consideration came into the latter category. It was not intended that the flow of development capital to the under-developed countries should continue indefinitely, but that it should prevent a deterioration in standards of living in those countries and create a self-generating economy as soon as possible. The terms on which capital was made available were as important as the quantum of such capital. The under-developed countries considered that aid could best be channelled through a subsidiary body of the United Nations such as a capital development fund. However, they would not exclude other systems and the draft resolution was merely designed to ensure that the flow of capital did not fall below a basic minimum.

4. In the fourth preambular paragraph, the word "capital" was qualified by the adjective "developmental", in order to facilitate the functions assigned to the Secretary-General under General Assembly resolution 1522 (XV) and operative paragraph 4 of the draft resolution. The role of European and American capital in promoting the economic development of European and Asian countries was well known. The Soviet Union, which in the early part of the century had been an under-developed country itself, was not only strengthening its own economy but was also helping many other countries. The developed Member States were urged to support the draft resolution. It was illogical to argue that capital-importing countries could not be expected to export capital for the development of other States, since the capital-importing countries were often among the richest in the world. The target of 1 per cent of the combined national incomes of the economically advanced countries was a modest one and was already accepted, and in some cases exceeded, by certain advanced countries. It was to be hoped that the draft resolution would be adopted unanimously, without any attempts to reduce the target, since it was designed to direct efforts towards a future of peace, plenty and progress for all.

5. Mr. KLUTZNICK (United States of America) suggested that the meeting should be suspended to allow consultations between the sponsors of draft resolution A/C.2/L.554/Rev.4 and the sponsors of the

amendment in document A/C.2/L.587/Rev.1, on which it had not yet been possible to reach a compromise.

It was so decided.

The meeting was suspended at 3.45 p.m. and resumed at 5 p.m.

6. Mr. CARANICAS (Greece), introducing the revised text of the sixteen-Power draft resolution on the United Nations Development Decade (A/C.2/L.554/Rev.4), said that the sub-title of the draft resolution had been changed to "A Programme for international economic co-operation", in order to meet the viewpoint of the USSR delegation. In addition, several changes had been made to take into account the views of various delegations. In the second preambular paragraph, the words "not only of primary importance to these countries but is also" had been added; in the third preambular paragraph, the word "considerable" had been used instead of the word "unprecedented"; in the fourth preambular paragraph, the words "between the economically developed and the less developed countries" had been added; in the fifth preambular paragraph, a reference should be added, in the text of the fourth revision, to General Assembly resolution 1514 (XV); and in the sixth preambular paragraph the words "through the United Nations system, and on a bilateral or multilateral basis", had been added.

7. Operative paragraph 1 had been altered to meet the viewpoints of the USSR and Bulgarian delegations, and the words "progress towards self-sustaining growth of the economy of the individual nations and their social advancement" had replaced the words "self-sustaining economic and social progress". It was proposed to insert a new operative paragraph 2 (b) to read: "to ensure to the developing countries an equitable share of earnings from the extraction and marketing of their natural resources by foreign capital in accordance with the generally accepted reasonable earnings on invested capital;" and to renumber the following sub-paragraphs accordingly. In new operative paragraph 2 (c), the words "resources, public and private," had replaced the word "capital", and in new operative paragraph 2 (d), three lines appearing in the third revision had been deleted, because they would become unnecessary after the inclusion of the new sub-paragraph (b).

8. In reply to a question raised at the 766th meeting by the Ukrainian representative, the sponsors of the draft resolution wished to state that by "any documentation useful for the study and application of this resolution", used in operative paragraph 3, they meant the text of the resolution adopted, the texts of the various amendments submitted, the relevant summary records of the Committee and the part of the Committee's report on the resolution. A number of additions and changes had been made in operative paragraph 4 to meet the objections raised at the previous meeting, particularly by the Soviet Union. Operative paragraph 6 had been expanded to include the substance of the Polish amendment (A/C.2/L.589/Rev.1). Finally, in operative paragraph 7 the word "thirty-fourth" had been substituted for the word "thirty-third" in accordance with the second Ukrainian amendment (A/C.2/L.588/Rev.1).

9. Mr. EL-MUTWALLI (Iraq) withdrew the twenty-Power amendment (A/C.2/L.587/Rev.1), on behalf

of its sponsors, on the understanding that the term "earnings" in the new operative paragraph 2 (b) also included the idea of profits.

10. Mr. BOIKO (Ukrainian Soviet Socialist Republic) withdrew his delegation's amendments (A/C.2/L.588/Rev.1) because nearly all the points therein had been covered in the revised text of the draft resolution. The sponsors had not accepted the Ukrainian proposal to establish a group of experts but, in a spirit of compromise, his delegation would not press it.

11. Mr. LYCHOWSKI (Poland) withdrew the Polish amendment (A/C.2/L.589/Rev.1) because the basic idea which it contained had been incorporated in operative paragraph 6 of the draft resolution.

12. Mr. GEORGIEV (Bulgaria) said that the text of the draft resolution would have been much better if the amendments submitted by the twenty Powers (A/C.2/L.587/Rev.1), the Soviet Union (A/C.2/L.593-595) and Bulgaria (A/C.2/L.598) had been accepted in their initial form. However, in a spirit of compromise, his delegation would withdraw its amendments (A/C.2/L.598), while requesting the sponsors to replace the word "Member" by the word "all" in operative paragraph 1.

13. Mr. LAVRICHENKO (Union of Soviet Socialist Republics) said that the sponsors had incorporated in the draft resolution the substance of paragraphs 2 (a) and 2 (e) of document A/C.2/L.594 and paragraph 3 (a) of document A/C.2/L.595. His delegation would not therefore press those amendments. The other Soviet Union amendments had not been incorporated, but the sponsors had agreed to mention in the preamble General Assembly resolution 1514 (XV), which embodied the Declaration on the granting of independence to colonial countries and peoples. His delegation would not press those amendments either on the understanding that they would be circulated to Governments and would be taken into account when the plan for the United Nations Decade of Development was considered. Although the draft resolution was not altogether satisfactory, the Soviet Union delegation would vote in favour of it as an initial step towards a United Nations Development Decade.

14. Mr. THAJEB (Indonesia) wondered whether the sponsors had taken into account the Nigerian representative's suggestion that, at the end of old operative paragraph 2 (b), the words "and increasingly through the United Nations" should be added.

15. Mr. FIGUERERO ANTEQUEDA (Argentina) asked the sponsors of the draft resolution whether the terms "developing countries", "less developed countries" and "under-developed countries", all of which had been used in the revised text, were in fact synonymous.

16. Mr. CARANICAS (Greece), replying to the Indonesian representative, said that the sponsors of the draft resolution had taken the Nigerian representative's oral suggestion into account, but had felt that it would be going beyond the scope of their draft resolution to make any recommendations, in the context of new operative paragraph 2 (c), concerning the manner in which Governments should channel their assistance to the under-developed countries, particularly as the paragraph spoke of both public and private resources.

17. Replying to the Argentine representative's question, he said that the purpose of the draft reso-

lution was to aid all the under-developed countries; it would therefore be difficult to differentiate between developing, less developed and under-developed countries. He appealed to the Argentine representative not to introduce further complications at the present stage of the discussion. Regarding the remaining Bulgarian amendment, it had been the view of the sponsors that the inclusion of a reference to "all States" would have introduced a controversial political element into the draft. He appealed to the Bulgarian representative not to press the amendment.

18. Mr. WODAJO (Ethiopia) pointed out, in connexion with the Indonesian representative's remarks, that the sponsors had added a reference to economic co-operation through the United Nations system in the last preambular paragraph in order to accommodate the Nigerian representative's oral suggestion.

19. Mr. GEORGIEV (Bulgaria) said that, at the sponsors' insistence, he would withdraw his delegation's oral amendment. He pointed out, however, that it had been agreed at the recent informal meeting between the sponsors and the delegations submitting amendments that the maintenance of that amendment was not to be taken as indicating a lack of willingness to co-operate.

20. Mr. CHAMMAS (Lebanon) associated himself with the interpretation of the word "earnings" in new operative paragraph 2 (b) given by the Iraqi representative. He would suggest, however, that the words "to ensure" at the beginning of that new paragraph should be replaced by the words "to pursue policies designed to ensure".

21. Mr. LAVRICHENKO (Union of Soviet Socialist Republics) associated himself with the Bulgarian representative's remarks on the amendment that representative had just withdrawn.

22. Mr. EL-MUTWALLI (Iraq) supported the Lebanese representative's suggestion.

23. Mr. KLUTZNICK (United States of America) said that the sponsors would accept the change suggested by the Lebanese representative.

24. Mr. THAJEB (Indonesia) said that, in the light of the Ethiopian representative's explanation, his delegation was prepared to accept the wording of the last preambular paragraph as covering the point raised orally by the Nigerian representative.

25. The CHAIRMAN called for a vote on the draft resolution (A/C.2/L.554/Rev.4), as orally amended.

The draft resolution, as amended, was adopted unanimously.

26. Mr. VIAUD (France), explaining his vote, said that his delegation understood the words "States" and "Governments", wherever they appeared in the draft resolution, to mean States Members of the United Nations and members of the specialized agencies.

27. Mr. SMID (Czechoslovakia) said that his delegation had voted in favour of the draft resolution because it agreed that there should be a concentrated and organized effort to promote the economic development of the under-developed countries through the United Nations in the decade of the sixties. The doubts his delegation had expressed regarding the original version of the draft resolution had been, to a large extent, allayed; in par-

ticular, new operative paragraphs 3 and 4 satisfied his delegation's objections to the original wording of operative paragraph 3. His delegation understood the arrangements laid down in new operative paragraphs 3 and 4 as meaning that the active and decisive role in the elaboration of the United Nations programme for the Development Decade would be played by Governments, while the heads of the appropriate international agencies, including the Special Fund, the Technical Assistance Board and the regional economic commissions, would be properly consulted, especially with regard to the implementation of the ten-year programme.

28. His delegation hoped that the draft resolution, as adopted, would help to intensify and concentrate the activities of United Nations bodies and to expedite a solution of the problems of the under-developed countries in the sixties. It could not but note, however, that not all of the urgent issues arising in connexion with those problems had been resolved

in the draft resolution, and that that failure might retard the work which must be done. His delegation, for that reason, supported the proposal that all the relevant documentation should be sent to Governments for examination in connexion with the proposals they had been invited to make concerning the contents of a United Nations programme for the Development Decade.

29. Mr. LINGAM (India) wished to express his profound satisfaction at the unanimous adoption by the Committee of the epoch-making resolution before it, which had launched a plan of action by the United Nations designed to improve the lot of millions of people in the under-developed parts of the world. If the resolution was implemented in the spirit of co-operation in which it had been adopted, it was not too much to hope that peace and prosperity could be achieved in the near future.

The meeting rose at 6.15 p.m.