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CONTENTS

Agenda items 12, 28, 29 and 30:

Report of the Economic and Social Council (chapters II, IV, V (sections II-V), VI (paragraph 489) and VIII (paragraphs 650 and 651)) (continued)

Economic development of under-developed countries (continued):

(a) *Industrial development and activities of the organs of the United Nations in the field of industrialization;*

(b) *Establishment of a United Nations capital development fund: report of the Committee established by General Assembly resolution 1521 (XV);*

(c) *Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General;*

(d) *Land reform: interim report of the Secretary-General*

Questions relating to international trade and commodities (continued):

(a) *Strengthening and development of the world market and improvement of the trade conditions of the economically less developed countries: report of the Economic and Social Council;*

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

Questions relating to science and technology (continued):

(a) *Development of scientific and technical co-operation and exchange of experience: report of the Secretary-General;*

(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*

General debate (continued) 67

Page

(b) *Establishment of a United Nations capital development fund: report of the Committee established by General Assembly resolution 1521 (XV) (A/4878, E/3514, E/AC.6/SR.305-309);*

(c) *Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General (A/4906, E/3556);*

(d) *Land reform: interim report of the Secretary-General (A/4850)*

Questions relating to international trade and commodities (A/4820 and Corr.2, E/3452/Rev.1, E/3466, E/3468, E/3486, E/3497) (continued):

(a) *Strengthening and development of the world market and improvement of the trade conditions of the economically less developed countries: report of the Economic and Social Council (A/4885, E/3519, E/3520 and Add.1, E/3530);*

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

Questions relating to science and technology (A/4820 and Corr.2) (continued):

(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)*

GENERAL DEBATE (continued)

1. Mr. BOIKO (Ukrainian Soviet Socialist Republic) said that the remarkable scientific advances made since the fifteenth session of the General Assembly, particularly in regard to space exploration, had opened up limitless possibilities which nations should use for the purpose of concerted efforts to solve their present difficulties.

2. The problem of financing the economic development of the under-developed countries was the focal point of the Second Committee's discussions. It was therefore natural that many delegations should have deplored the deterioration in the terms of trade of those countries. In that connexion, the Under-Secretary for Economic and Social Affairs had noted in his statement (717th meeting) that commodity prices had continued to decline while the prices of manufactured goods had continued to rise. It should be added that the discrepancy between the values of the two types of product had been increased by the fact that the production capacity of the industrial countries had not been fully utilized. In the United States, for instance, one third

Chairman: Mr. Blasco LANZA D'AJETA (Italy).

AGENDA ITEMS 12, 28, 29 AND 30

Report of the Economic and Social Council (chapters II, IV, V (sections II-V), VI (paragraph 489) and VIII (paragraphs 650 and 651)) (A/4820 and Corr.2, A/4911) (continued)

Economic development of under-developed countries (A/4820 and Corr.2) (continued):

(a) *Industrial development and activities of the organs of the United Nations in the field of industrialization;*

of the capacity of the metallurgical industry, 40 per cent of that of the automobile industry, 30 per cent of that of the aluminium industry and 25 per cent of that of the textile industry had remained unused in 1960. The non-utilization of 23 per cent of that country's total means of production had imposed an additional burden on buyers of United States manufactured goods and therefore on the under-developed countries. In fact, a large proportion of the price they had paid had gone to offset the losses sustained by the monopolies as a result of that non-utilization of the machinery of production. If the market were free, that is, if prices were determined solely by the interaction of supply and demand, the production capacity of the Western countries would be more fully utilized, thus contributing to a decrease in the prices of manufactures and a more satisfactory relationship between the values of the two types of products. Such a measure, however, would not be sufficient in a market dominated by monopolies, as it was well known that when business conditions improved and orders for manufactured goods increased, the prices of those goods always tended to rise.

3. The United Kingdom representative had said that his country and other Western countries were the principal trading partners of the under-developed countries. Inasmuch as the terms of trade were becoming increasingly unfavourable to the latter, was that not tantamount to an admission that the Western countries were deriving increasing profits from the inequality of trade in the capitalist market? It would be interesting to know the amount of those profits, as well as the amount of the corresponding losses of the under-developed countries. During the fifteenth session of the General Assembly, the Under-Secretary for Economic and Social Affairs had stated that the quantity of primary products which must be exported in order to acquire a given unit of manufactured goods was 20 per cent higher than it had been ten years before. Mr. Mendès-France, in an article in *L'Express* of 1 June 1961, had written that the decline in commodity prices during the past ten years had caused a 25 per cent drop in the export earnings of the under-developed countries and that the prosperity of the Western countries was partly attributable to the substantial profits they made by purchasing their raw materials at increasingly low prices. If it was borne in mind that almost three fourths of the trade of the under-developed countries (which amounted to \$56,400 million) was with the Western countries, the losses sustained by the under-developed countries in 1960 as the result of the inequality of trade, losses which had brought corresponding advantages to the Western countries, could be estimated at \$10,500 million. Those losses, to which must be added the daily increasing outflow of foreign exchange in respect of interest charges on those countries' debts, had amounted to three times as much as the total bilateral and multilateral assistance they had received. As the representative of Argentina had rightly observed, economic assistance would continue to be ineffective until the terms of trade were improved.

4. The extent of those losses should have convinced the United Nations, and in particular the Economic and Social Council, of the need for measures to eliminate them. Although the General Assembly had adopted several resolutions recommending increased international assistance, it had never explained why the under-developed countries needed assistance. The time had come to state publicly that they needed as-

sistance because of the pillaging which the Western countries had committed as a result of the inequality of trade in the market and of foreign capital investments.

5. Such a statement might mark the beginning of a long-term programme designed to eliminate the economic consequences of colonialism. As Mr. Khrushchev had said at the twenty-second Congress of the Communist Party of the Soviet Union, the Soviet people would support countries that were struggling to free themselves from imperialism and the foreign yoke. Now that the General Assembly had adopted the Declaration on the granting of independence to colonial countries and peoples (resolution 1514 (XV)), it was necessary to emphasize that the continued existence of unequal terms of trade served to perpetuate economic colonialism. The real significance of bilateral and multilateral assistance programmes would be better understood if it were borne in mind that, in consequence of that situation, the under-developed countries were sustaining losses which were greater than all the assistance which they were receiving. In any case, attempts to saddle the United Nations budget with the entire cost of assistance designed to offset the losses of the under-developed countries were plainly unjustifiable, since it was the Western Powers which were responsible for those losses, as well as for the century-old backwardness of the countries which they had occupied. There was sometimes a tendency to stress the importance of private capital investments by Western countries. There was no reason to believe, however, that those investments were of real benefit to the under-developed countries, since they were made solely with a view to profit and more often than not amounted to nothing more than a legalized pillaging of resources which the poorer countries needed to finance their development.

6. It had frequently been emphasized that the exports of the under-developed countries were too specialized. The Under-Secretary for Economic and Social Affairs had recognized that "a widening of export activities already raises a problem that can only be progressively solved through international action", but he had not explained the nature of that action. The Ukrainian delegation wondered whether it was justified in concluding that the Under-Secretary was proposing that international measures should be concerned, not with pre-investment activities, but with the establishment of industries for the processing of raw materials. Would that not enable the under-developed countries to widen their export activities, increase their revenue, make better use of their labour force and thus take their rightful place in the world economy? In that connexion, the representative of Yugoslavia had drawn attention to the reference made in the *Economic Survey of Europe in 1960* (E/ECE/419) to the possible elimination of the customs duties which the developed countries levied on imports of manufactures from the developing countries. If such action were taken, it would be necessary to prevent the foreign capitalists with investments in the developing countries from attempting to meet competition by passing off their products as the domestic products of those countries, which would inevitably cause their competitors to take regrettable counter-measures.

7. In its resolution 812 (XXXI) the Economic and Social Council had decided to transmit to Member States the text of the draft declaration on international economic co-operation submitted by the Soviet Union, and to consider the replies received at its thirty-

third session. The delegation of the Ukrainian SSR hoped that the majority of countries would support that declaration, which would help to improve international economic relations. In his view, the next decade should mark the liquidation of the economic consequences of colonialism and the restoration of normal economic relations among all countries, regardless of their economic and social systems.

8. The measures that had already been taken at the national level by State agencies had enabled the less developed countries to mobilize their resources and to use the international assistance they received to the best advantage. With each year that passed, the procedure of drawing up rational plans was being increasingly applied. The establishment of an institute of economic planning within ECLA, the convening of the Conference of Asian Economic Planners by ECAFE and the attention given to planning problems by the Committee for Industrial Development all confirmed the need to expand the activities of the Secretariat so that it could disseminate the planning experience gained by many countries as widely as possible. It would also be useful to devote a chapter of the World Economic Survey to economic planning. Lastly, consideration might be given to organizing, under the auspices of the regional economic commissions, international conferences for the exchange of information on problems of economic development planning.

9. The Ukrainian delegation hoped that the General Assembly would take active steps to give effect to its important resolution 1518 (XV) concerning the decentralization of United Nations activities. Under Economic and Social Council resolution 823 (XXXII), the Secretary-General had been requested to submit to the General Assembly at its sixteenth session an up-to-date account of the administrative and organizational measures and changes that had been adopted, including the proposed expansion of the staff of the regional economic commissions. It was therefore necessary to increase the possibilities for action, and hence the budget of the regional economic commissions, inter alia, by reducing the staff and expenditure of the central organs of the United Nations. That would also help to reduce the excessive complexity of the structure of the Secretariat. Moreover, in order to give effect to Council resolution 793 (XXX) and to resolution 1 (XVI) of the Economic Commission for Europe (ECE), it would be useful if the United Nations Secretariat could enlist the help of the ECE secretariat in preparing the requisite studies on the economic and social consequences of disarmament. Generally speaking, that Commission's experience could be very helpful to the other regional economic commissions. It would be useful to work out a long-term programme for the exchange of technical information and for inter-regional meetings and study tours in which experts from different regions would take part.

10. World peace and international economic co-operation were the essential conditions for the establishment of a better world and for the development of economies on a basis of equality. The progress achieved by the countries that favoured peaceful co-existence benefited the entire world and lessened the risks of war. The adoption by the Soviet Union of a twenty-year plan showed how desirous it was of maintaining peace in order to lay the foundations of a communist society in which all inhabitants would enjoy the necessary cultural and material benefits according to their needs.

11. The magnitude of the goals to be attained and the contribution of the Ukrainian people to the establishment of that communist society could be judged from the following figures. By 1980, industrial production in the Ukrainian SSR would have increased sixfold; electricity production would be 550,000 million KWh per year; production of cast iron would reach 62 million tons, that of steel—75 million tons, that of iron-ore—160 million tons, that of coal—290 million tons and that of petroleum—45 million tons. Moreover, the output of the chemical industry would show a twenty-two-fold increase and that of engineering a thirteen-fold increase. Lastly, agricultural production was expected to be three and half times the present figure. It would thus become possible to increase the production of consumer goods and to give the peoples of the Soviet Union the highest standard of living in the world.

12. The plan provided for a constant increase in the real wages of workers, the reduction and eventual abolition of taxes, a fall in retail prices and an increase in the funds spent on social services. During those twenty years, the national income of the Ukrainian SSR would increase by four and a half to five times. Every family would have free housing. The country would have 5 million specialists, which meant that one person in ten would have had a special secondary or higher education. The Ukrainian economy was developing according to plans drawn up in advance. The experience gained during the past forty years showed that steady development, which was a typical feature of the socialist countries, was essential to economic progress.

13. The favourable development of the Ukrainian economy in 1961, the first year of the twenty-year plan, showed that the socialist economy was not subject to crises and that its progress was constant, so that the country was able to extend its ties with other countries. During the past year, the Ukraine had furnished products to sixty-one countries, including twenty-eight less developed countries, while India, Iraq, Indonesia and the United Arab Republic had received machinery and equipment.

14. By providing assistance to the less developed countries, the Ukrainian SSR was seeking to accelerate their development and further their efforts to improve the living standards of their population, and was putting them in a better position to utilize the latest advances in science and technology and to train specialists. All those factors had to be taken into account when considering how the United Nations could best achieve international economic co-operation. Complex problems were involved and the Ukrainian delegation hoped that the Second Committee would be able to contribute to their solution in a spirit of co-operation.

15. Mr. DERICOYARD (Congo, Leopoldville) paid a tribute to the memory of Mr. Hammarskjöld who had given his life in the performance of his duties, endeavouring to bring peace to the Congo.

16. The problems outstanding between the Belgian Government and the Republic of the Congo following the latter's accession to independence included the question of restoring to the Republic of the Congo its financial assets still held by certain firms with head offices in Belgium. Barely a week after its accession to independence, the Congo had experienced a devastating political crisis. Combined with the secession of Katanga, the richest of its provinces, and the mass exodus to Bakwango of the Baluba people, who would

have died of hunger and deprivation but for the aid of the United Nations and UNICEF, that crisis had disorganized the country's economic system, its financial situation, and even its social system. The economic situation had deteriorated still further between July 1960 and July 1961 owing to the fact that the Congo had been unable to continue its regular commodity exports, mainly due to the blockade between Leopoldville and Stanleyville which had made it impossible to move raw materials to ports of shipment. Owing to the lack of customers, the farmers of certain provinces had practically ceased cultivating their land, so that they no longer had any produce to export. Unemployment and the paralysis of economic life had in turn cut off the course of State revenues. In response to an appeal by President Kasa-Vubu, a United Nations mission had then gone to Leopoldville to examine the possibility of granting financial aid to the Congo, to enable it to buy the essential foodstuffs it so sorely needed. It was owing to such immense difficulties that the Congo, which nevertheless had rich economic potentialities, considered it necessary to alert international public opinion and urgently request the United Nations to furnish the substantial assistance needed to remedy the situation. The Congo had immediate need of foodstuffs for certain areas where famine was rife; currency to restore market conditions to normal and to build up new stocks of essential commodities; rolling stock and mining equipment; and technical staff such as doctors, engineers and teachers to fill the gaps left after the departure of the Belgians.

17. With regard to United Nations work in the field of industrialization of the under-developed countries, the Congo—which, in addition to its mines, possessed well-diversified heavy and light industries—was among the most industrialized countries of central Africa. In 1959, it had, for example, produced 10,480,000 tons of tin, 8,431,000 tons of cobalt, 10,920 kilogrammes of gold, 29,055,000 carats of diamonds of all grades, and 347,000 tons of cement; it also had an installed capacity of over 1 million KW of electric power. Its agricultural production was also impressive, including as it did 120,000 tons of cotton, 333,000 tons of maize and 174,000 tons of ground-nuts. With such a vast economic infra-structure, the Congo's development towards real industrialization should go forward without respite, and the country felt that it was entitled to substantial economic and technical assistance from the United Nations. The industrialization of the under-developed countries should be directed towards raising their levels of living and helping them to avoid demographic and social upheavals. In the matter of the development of under-developed countries, there might be grounds for questioning certain of the objective criteria—for instance, national income, living conditions—which were used in determining the degree of development of the various economies. It would be better to determine the position of a given economy in relation to the industrialized economies of the under-developed world as a whole on the basis of a number of important dynamic factors such as technical knowledge, the nature of the requirements, the machinery or structure of distribution. In order to close the gap between the under-developed and the developed countries, technical assistance and international public and private investment would not be enough; consideration should be given to the socialization of the international economy through a pooling of techniques under the United Nations, which should also take steps to ensure that the production of the various countries was adapted to their internal political and social conditions.

18. It was necessary to increase the production of exportable commodities through the modernization of African farming methods, which were still extremely primitive, and thus to raise both the income of the population and the revenue of the State. There were almost 200,000 small co-operative farms in the Congo, cultivating an area of two million hectares, and it was hoped to double or triple the number in the near future.

19. The Congolese Government was endeavouring to improve agricultural training with the help of the United Nations, and would request an increase in the number of scholarships granted in that field. It hoped that the United Nations would send competent instructors for its agricultural schools and, in particular, for its technical schools; it was planning to provide the most talented students with higher education. Every Congolese must be given the possibility of succeeding in life and of making a living without always being dependent on others.

20. The Congo, which drew the bulk of its resources from primary commodity exports, was perturbed at the price fluctuations in those commodities. It was a party to the International Tin Agreement, which had proved its worth during the period 1959-1960; during the first half of 1960, the Congo's exports of tin-bearing ores had risen to 115 per cent and its exports of tin metal to 144 per cent of the 1958 figures, and had been made at favourable prices. The Congo was also a party to the International Sugar Agreement. A general compensation scheme for all commodities should be set up, based on the manipulation of export dues. There was such a scheme in the Congo, whereby the State shared the exporters' profits while the producers were less subject to sharp fluctuations in price. He then described the operation of the cotton reserve fund which protected the Congolese planters against sudden price fluctuations. Some metal and ore producers and producers of oil-yielding plants utilized a system of long-term contracts for the same purpose, a system which could, of course, only be applied in sectors where production was highly concentrated. At the world-wide level, action by international bodies was essential. The highly developed countries should, for their part, surrender the customs duties and high consumers' taxes which they imposed on non-essential foodstuffs such as coffee, tea and cocoa. Both producers and consumers could only benefit from such a course.

21. The Congo must extricate itself from the difficulties it had experienced since July 1960, and its production must reach or surpass the 1959 level, if it was to occupy its rightful place in the community of industrialized countries.

Mr. Mahdavi (Iran), Vice-Chairman, took the Chair.

22. Mr. BEDIE (Ivory Coast) thanked the Under-Secretary for Economic and Social Affairs for his statement, which very clearly brought out the gravity of the steady impoverishment of the under-developed countries as a result of the persistent deterioration in their terms of trade. The Ivory Coast, which ranked third in world production of coffee and fourth in cocoa production, was unfortunately all too well acquainted with the problem.

23. The structural change in economic relations among nations had led to the creation of the International Development Association and of the European Economic Community, to numerous attempts at economic co-operation on the American continent and, in Africa, to the establishment of the African-Malagasy

Organization for Economic Co-operation, which embraced a market of more than 25 million people. The latter organization included, in particular, a committee on economic and social development, a committee on foreign trade and a committee for the study of monetary problems, while plans were being made for the creation of a joint fund for the stabilization of African and Malagasy commodity prices and an African and Malagasy development bank.

24. With regard to the fears expressed by several representatives about the future of the African countries associated with the Common Market, he would only point out that all the foreign capital which had played a part in the industrialization of the Ivory Coast came from countries associated with the European Economic Community. A large number of infrastructure and social development projects in many African States had been financed by the European Development Fund for the Overseas Countries and Territories, and those States were also expecting positive action from the European Organization for Economic Co-operation and Development. The Ivory Coast, for its part, had adopted as its goal, without taking any ideological position, the economic and social well-being of the African. It had chosen to pursue its programme of industrialization and economic development with the help of old friends, within an economic system adapted to its own circumstances and reconciling the liberty and the interests of all concerned.

25. He wished to indicate the measures which he considered the United Nations should take as a matter of urgency in order to help the under-developed countries overcome their poverty. The first was the stabilization of commodity prices. The decline in commodity prices was a source of concern to the Ivory Coast, the major part of whose income came from its exports of coffee, cocoa, wood and other commodities. For two years the Ivory Coast had taken part in the efforts made by the parties to the International Coffee Agreement to stabilize coffee prices, and it was actively working with all other cocoa-producing countries to reach an agreement for the stabilization of cocoa prices. The endeavours of the various countries producing primary commodities should be supported by the specialized bodies of the United Nations. With regard to the question of increasing multilateral aid and technical assistance, he supported the idea of a ten-year programme of economic development and hoped that the United Nations would step up its assistance to the developing countries. But, despite the preference which a number of countries had expressed for multilateral aid, he thought that such aid could play only a limited role, since many countries which regularly received the major part of their foreign capital from bilateral aid could not count on regular yearly assistance from the United Nations. Moreover, the two types of assistance could very well exist side by side. The Ivory Coast, for one, readily expressed its gratitude to the friends who were assisting it, while always analysing realistically the interests of each.

26. His country ardently wished for a decentralization of the economic and social activities of the United Nations and hoped that the institutions established as a result of such decentralization would not neglect certain requests for purely bureaucratic reasons, as had sometimes been the case in the past. The Republic of the Ivory Coast welcomed the creation of the Committee for Industrial Development and was also happy to have taken part in the preparatory work leading to the establishment of a United Nations capital develop-

ment fund. It feared, however, that the proliferation of specialized bodies might have a harmful effect on technical assistance activities, unless care was taken to maintain the unity of action necessary for the full utilization of already existing organizations providing multilateral assistance.

27. His country's economy was open to any form of constructive international co-operation which was compatible with the goal it had set for itself, namely, to reconcile individual freedom with group interests. The Ivory Coast, which was aware of the need to obtain foreign capital for its development, offered to private capital some of the most favourable treatment accorded in Africa. Because of the agreements on co-operation it had signed with France and thanks to the European Development Fund, private capital and the hard work of its population, its industry had made remarkable strides. The value of its industrial production was 24 per cent more in 1960 than it had been in 1959. Its production of electric power had in 1960 reached a level of 67 million kilowatt hours, or an increase of 29.3 per cent over 1959. Its exports had risen by 10.4 per cent over the corresponding figure for 1959. But although the Ivory Coast still had a favourable balance of trade, he emphasized that the deterioration of its terms of trade had become more marked. The general index, based on 100 in 1959, had fallen to 86.5 in 1960. The Ivory Coast had undertaken a systematic programme of prospecting for new resources, which had revealed the existence of important mineral deposits, such as bauxite. Conditions were therefore propitious for the development of its nascent industries provided that the country had sufficient financial resources at its disposal. His delegation hoped that the day would come when each under-developed country could receive an annual contribution, however small, from the United Nations by way of multilateral assistance. The decentralization which had been approved for the Organization's activities should be followed by a deconcentration of assistance, from which all the under-developed countries might derive benefit.

28. His Government knew that all the efforts made to adopt concrete measures to promote the economic development of the under-privileged areas would be fruitless unless the world as a whole realized that the most important of all such measures was disarmament. Disarmament and peace would increase the opportunities of the under-developed countries to obtain capital. Peace would enable those countries to preserve their people, who had gone to work with a will. Only peace would enable them to show the world that they wanted to contribute to the construction of an international social society based on brotherhood. Peace was, in short, the most important of all the factors of production, development and progress.

29. U HTIN AUNG (Burma) said that he had listened with great interest to the statements in which representatives of various Member States had analysed the problems of world trade and the plight of the under-developed countries. He had been particularly impressed by the statements made at the 719th meeting by the representatives of Yugoslavia and Australia. The economic position of Burma proved the correctness of the diagnosis given by those two representatives.

30. Before becoming part of the British Empire in 1886, the Burmese had developed a society which had no caste or class and which had been marked by the absence of material inequalities. Land had been con-

sidered to be a free gift of nature; there had been a simple agricultural economy, but the standard of living had been high by Asian standards. After the British conquest, Burma had become a great exporter of rice and, later, of minerals and petroleum. But, as the country's trade had developed, the Burmese people had become poorer. The rice lands, the rice mills, foreign trade, mining, transport and the like had been in the hands of foreigners—Europeans, Indians or Chinese. Furthermore, Burma had been the scene of fierce fighting during the Second World War. Thus in 1948, on regaining its independence, Burma had emerged not only as a former colony whose economy had suffered from sixty years of alien rule, but also as a devastated country whose equipment had been destroyed and whose trade and agriculture had been thrown into confusion by the war.

31. It was not surprising therefore that, from the very beginning, the new State had realized the importance of economic planning. Even before Burma had attained independence its leaders had drawn up a two-year plan for economic development, the aim of which had been to redistribute the land, to restore the country's position as an exporter of rice and to establish basic industries. It had not been a fully-fledged plan and its main purpose had been to enunciate the economic aspirations of a newly independent State. The Burmese Government's primary concern with re-establishing law and order in the country had prevented it from drawing up any further economic plans until 1951, when a group of United States engineers and economists had undertaken an economic survey of the country. The experts in question had submitted their final report in 1953 and had recommended an eight-year plan which had been accepted by the Government. The main target of that plan had been to double the gross domestic product in real terms during the period concerned, in other words, to restore the pre-war level of living. The goal had not been an ambitious one but it had meant much for a country which had suffered so grievously during the war.

32. Unfortunately, it had soon become clear that the planners had made over-optimistic forecasts of the production and export of rice. The price of rice, which at first had risen sharply, had soon begun to fall and by 1960 there had been a decline of 50 per cent. As early as 1955, therefore, Burma had found itself in financial difficulties and the Government had had to abandon the plan. In general, only those projects on which work had already started had been continued. In 1956 the Government had drawn up a four-year plan, the main objective of which had been to strengthen the base of the Burmese economy so as to lessen instability. In 1960/1961, at the end of that four-year plan, the pre-war level of national income had been regained—a level, however, which had been very low compared with that prevailing in other countries. Burma had now embarked upon a second four-year plan, but was once again faced with the same difficulties, namely, lack of capital and foreign exchange, unfavourable conditions of trade and the fall in the price of rice.

33. His delegation had been glad to note that the idea of decentralizing the economic and social activities of the United Nations had been approved by the General Assembly and the other organs of the United Nations. Differences of opinion still existed with regard to the way in which that policy of decentralization should be implemented. His delegation supported the views of the Committee of Experts on the Activities and Organization of the Secretariat (A/4776) and was of the opinion

that the regional economic commissions should be strengthened. He welcomed the fact that the Conference of Asian Economic Planners had been held at New Delhi and that it was proposed to set up an Asian institute of economic development. The achievements of ECAFE during its fourteen years of existence were impressive, but it could have done much more if greater weight had been given to the aspirations of the Asian countries, especially in the early days of the Commission. When it had been set up, many Asian countries which had been devastated by war had hoped that the Western Powers were planning to develop through the new regional commission a recovery programme comparable to that organized for Europe under the Marshall Plan. In 1949, those countries had hoped that the United Nations Expanded Programme of Technical Assistance would be channelled through ECAFE. Unfortunately, the hopes of the Asian countries had not been realized and the Western Powers had refused to take the wishes of those countries into consideration. In his delegation's view, what should have been done in 1949 could at last be done in 1962: the task of administering the technical assistance programme for Asian countries should be given to ECAFE.

34. The report of the Committee on a United Nations Capital Development Fund (E/3514) was yet another example of the difference in attitude between the underdeveloped countries on the one hand and the fully industrialized countries on the other. The need of underdeveloped countries for capital funds on a long-term basis and at low-interest rates for their economic development had been recognized by all as far back as 1948, and the question had been considered both by the Economic and Social Council and the General Assembly; but the Western Powers apparently did not realize how urgent the matter was. Although the establishment of such a fund had been recommended by the General Assembly for four successive years, little progress had been made because the major Powers had insisted that the proposed fund should await a reduction in their military budgets. In 1959, the Special Fund had been set up. The less developed countries had regarded the establishment of that Fund as a temporary step which would eventually lead to the creation of a capital development fund, since it was clear that, in view of the limitations imposed on the activities of the Special Fund, it could not alleviate the shortage of the capital needed to put into operation the long-term projects of those countries. Next, the Western Powers had insisted on the creation of the International Development Association. Burma, like other underdeveloped countries, had not been opposed to the establishment of those two new bodies but had felt that they did not go far enough. The Western Powers, however, had remained adamant in their view that available resources did not justify the establishment of such a fund and that the International Development Association rendered it unnecessary. Ultimately, the General Assembly had decided in principle to establish the United Nations capital development fund and a committee of twenty-five representatives of Member States had been appointed to consider preparatory measures and to draft the necessary legislation. Unfortunately, the Committee had not been able to proceed with the draft legislation and had merely laid down the general principles which should govern the establishment and operation of the capital development fund. His delegation would support the adoption of the general principles formulated by the Committee (E/3514, para. 81) and would continue to press for the establishment of a United Nations capital development fund.

35. Much had been said since 1948 about the need of the under-developed countries for capital, but with very little practical result. In the meantime, the economic position of the less developed countries had become worse and the gap in the standard of living between the industrialized countries and the under-

developed countries had grown still wider. It was to be hoped that definite and concrete measures would be taken to help those less fortunate countries to surmount their difficulties.

The meeting rose at 1 p.m.