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Chairman: Mr. Pierre FORTHOMME
(Belgium).

GENERAL STATEMENTS (continued)

1. Mr. DAHMOUCHE (Algeria) said that several speakers had shown a misunderstanding of the role to be played by the developing countries in the modern world. In the first place, those countries were often regarded merely as raw material suppliers. Such a view was not justified either by considerations of productivity or by the structure of international trade. Gradually but inevitably they must restrict their exports in order to increase their productivity, which would add still further to the disequilibrium in their terms of trade and to their poverty. The alternative—diversification of their agricultural production—was impossible because the costs involved would not make them competitive internationally. The world food problem would be less urgent if food could be properly distributed and marketed. But there again the developing countries were at a disadvantage because the industrialized countries, with their regional groupings, were striving for self-sufficiency and were also producing more and more substitutes.

2. Algeria derived the bulk of its revenue from agriculture. For that reason, and also because 80 per cent of the population depended on agriculture for their living, Algeria had accorded the farm sector priority in its development plans. Merely to grow enough food for the rapidly rising population would require enormous additional investment. Algeria therefore planned to develop certain industrial activities in an effort to raise per capita income. Like the other developing countries, it must escape from its traditional role of supplier of raw materials and gradually industrialized. Industrial development was necessary in order to stimulate agricultural activities which by themselves were incapable of passing a certain stage of development. For example, the developing countries could produce on a regional basis, fertilizers and equipment which so far they had imported from the richer countries. Industrialization was also desirable because it enabled the producing countries to process certain primary commodities, particularly foodstuffs. Finally, industrialization would provide the basis upon which to achieve full employment. For some developing countries agriculture, however, remained the only means of mobiliz-

ing their domestic resources. Such countries were in dire need of international assistance, particularly from the Special Fund whose pre-investment studies were of the utmost value.

3. Since its independence, Algeria had concentrated on such important tasks as taking stock of its resources, developing its statistical machinery and evaluating its potentialities. On that basis, it had formulated an interim plan which was sufficiently flexible to suit the specific requirements of a period of stabilization. Algeria had chosen the socialist path because it was clearly evident that stabilization could not be achieved without harnessing all the resources available for national reconstruction. Special attention was being paid to land reform in order to give back to the people the land that had been taken from them. Algeria was thus engaged in the dual task of reconstruction and development and had received generous aid from the other socialist countries. Experience showed that the newly emerging nations must also undergo radical changes similar to those of the industrialized countries in the nineteenth century if they were to transform their economies. That was another point not always fully understood by the advanced countries.

4. He hoped that the developed countries would show better understanding of the problems of the developing countries and that, with such new organizations as the United Nations Conference on Trade and Development and with the consolidation of the Special Fund and the Expanded Programme, the United Nations Development Decade would ultimately prove a success.

5. Mr. DIAKITE (Mali) said that the progress made by the developing countries during the Development Decade was highly disappointing. The gap between the rates of growth in the industrialized countries and in the developing countries had continued to increase. One of the vital tasks facing the Committee was to grapple with that problem and try to restore better equilibrium in the world economy. Undoubtedly, the resources existed for that purpose but the Committee must see that they were properly employed in order to rid the world once and for all of the burden of poverty which weighed down upon the developing countries.

6. One of the means of achieving that end was industrialization. The development of agriculture, necessary as it was for the developing countries, was not enough to bring them to the take-off point. Industry must assist agriculture by producing fertilizers and equipment and by providing larger markets for farm products. Industry must also help to process raw materials in order to increase productivity.

7. Since its independence, Mali had followed a policy of industrialization along those lines. Nevertheless, for the developing countries, processed products were just as hard to market as raw materials. Because of higher production costs the manufactures of the developing countries were also difficult to sell abroad; their disposal even on domestic markets was difficult because they had to compete with foreign imports. It was therefore hardly surprising that the developing countries had recourse to tariff and protectionist measures to safeguard their young industries. However, a number of small industries catering only to national markets could not provide the necessary broad basis for industrial expansion.

8. It was for that reason that Mali, together with many other developing countries, had looked to the United Nations Conference on Trade and Development with such great hope. The principles formulated at Geneva must be put into practice without delay, particularly those designed to stabilize commodity prices, create permanent markets for the manufactures of the developing countries and provide increased financial and technical assistance. But even those measures would be of no avail unless the developing countries were able to develop a really sound heavy industry. Unfortunately, many developing countries were still suffering from the effects of exploitation which had led to the installation of industries on their soil which were not really suitable for their own requirements but only for those of foreign monopolies. It was therefore essential for the developing countries to institute industrial complexes geared to their own needs. New forms of international co-operation and assistance must be worked out to help them attain that goal.

9. In that respect, the proposed consolidation of the Special Fund and the Expanded Programme of Technical Assistance was timely. It would enable international assistance to adapt itself more closely to the requirements of the modern world and would cover a whole range of activities from pre-investment to the efficient completion of projects. The new body could not only co-ordinate the various development projects but also serve as a financial intermediary between recipient and donor countries. In that way, the financing of projects would not depend solely on profitability but would take into account other factors such as social implications, the impact on the balance of payments and the foreign exchange supply.

10. Mali was taking an active part in the integrated development of the Senegal river basin. It had also ratified the Convention relating to Transit Trade of Land-locked Countries and was ready to co-operate in any other project designed to rescue the developing countries from their stagnation and poverty.

11. Sir Keith UNWIN (United Kingdom) said that his delegation was making a general statement because the Committee had not met for two years, because the establishment of the United Nations Conference on Trade and Development had altered the spectrum of United Nations economic activities, and because the world economic picture had changed considerably since the last session. In the twenty years since the founding of the United Nations, the problems of

development had become of such universal concern that there was now a shortage of economists. In the United Kingdom one member of the Cabinet was solely responsible for aid for overseas development. That healthy transformation was mainly a consequence of political development and the emergence of new and vigorous independent States in Africa and Asia, but also because of the United Nations and the work of the economists and administrators in the Secretariat. Two of the most penetrating recent commentaries on key problems were those made by the President of the World Bank at the last annual meeting of the Board of Governors of the Bank and by the Under-Secretary for Economic and Social Affairs (955th meeting).

12. With regard to the financing of economic development, there had been a levelling-off in the flow of long-term capital and official donations since 1961, combined with a speedy rise in the indebtedness of the developing countries. At the same time, their capacity to make effective use of an increasing amount of capital continued to grow. Some of the increment in the flow of resources in 1964 had been due to a rise in private investment, which was unlikely to be maintained. Nevertheless, all possible measures should be taken to encourage such investment. The World Bank Convention on the Settlement of Investment Disputes between States and Nationals of other States had been signed by more than twenty Governments, including that of the United Kingdom, and should assist in providing facilities and procedures commanding wide support in both capital-exporting and capital-importing countries. The President of the Bank had referred to the possibility of establishing a multilateral system for guaranteeing foreign investors in developing countries against non-commercial risks and had added that the Bank was studying a scheme for such guarantees prepared by the Organization for Economic Co-operation and Development. If the level of investment was to be upheld, the confidence of potential private investors must be maintained, but it would not be maintained by resolutions aimed at undermining private investment. That should be kept in mind when the Committee discussed agenda item 45 (Permanent sovereignty over natural resources).

13. At the same time, official sources would for many years contribute the major share of total capital flow. United Kingdom aid had grown substantially over the previous two years, and while in the immediate future, for balance-of-payments reasons, his country could not increase its aid as much as it wished, it would continue to improve its effectiveness. Meanwhile, countries with strong balances of payments should do more to expand the volume of aid. A satisfactory feature had been the recent growth of the International Development Association and the regional development banks. His country had supported the proposal to increase the level of funds available to IDA, and hoped that agreement would be speedily reached on replenishment; it looked forward to the report of the World Bank on supplementary financing. It had itself adopted a policy of interest-free loans in appropriate cases.

14. Progress in the matter of international liquidity had been slow. However, the field work had been done, and he hoped that a feasible plan could be negotiated. The so-called Group of Ten and the International Monetary Fund were to pursue the matter further. All countries had a vital interest in any arrangements made in that respect. As to the disenchantment on the part of legislators towards international assistance referred to by the Under-Secretary, the United Kingdom Government considered the provision of aid as a moral duty, a political necessity and a matter of economic self-interest. But the United Nations must help to enlist the interest and support of the ordinary citizens of developed countries. Not only needs but also the effectiveness of the resources made available must be demonstrated. One hopeful step in that direction was the sending of qualified teams to evaluate United Nations programmes in Thailand and Chile. He hoped that the publication of full and frank reports by such teams would lead to improved performance and additional support.

15. The establishment of the United Nations Conference on Trade and Development as a permanent organ of the General Assembly should lead to a more continuous and comprehensive approach to trade problems than in the past. The Conference had not yet been able to focus properly on specific problems. The main immediate hope of progress might lie in the negotiation of new and effective commodity agreements, and he hoped that the next attempt to reach an agreement on cocoa would be successful. Meanwhile, such problems as preferences and other aspects of trade in manufactures required further consideration. He understood that the Secretary-General of the United Nations Conference on Trade and Development proposed to make a special study of preferences. The recent session of the Trade and Development Board and the inaugural meetings of its Committee on Commodities and Committee on Manufactures had caused some frustration. However, the Board had had to contend with larger membership than foreseen and a crowded calendar before the recruitment of staff and the organization of the secretariat. For the present, the Board should concentrate on profitable directions for its work, satisfactory working relationships should be established with other organizations, and more effective consultations should take place between the Secretariat and delegations and between delegations themselves, in advance of meetings, and on the basis of carefully prepared documentation.

16. Too much time had been taken in discussing the location of the Secretariat of the United Nations Conference on Trade and Development. The United Kingdom had supported the decision at the first session of the Board to set up the secretariat at Geneva and had sought to uphold it at the second session. When it had become plain that the original decision was not acceptable to many countries his delegation had offered London as a site. After the session of the Board in Geneva, the United Kingdom Government reconsidered that question and in the absence of a clear decision in favour of an existing United Nations headquarters, had made a specific offer to provide office and conference facilities in London. Representatives of the Secretary-General

of the Conference had visited London in early October and had been shown possible buildings. Full details of the offer had been published in the report by the Secretary-General of the Conference on the location of the secretariat of the Conference (TD/B/L.65 and Add.1). London housed no major United Nations body. It was an important international market for a large number of commodities and the seat of inter-governmental commodity councils concerned with sugar, coffee, wheat and tin. It was also a major international financial centre and had excellent research facilities, a world transport and communications network and conference and hotel accommodation. The choice of London, one of the world's major trading centres, would be entirely in keeping with the aims of the Conference. The United Kingdom Government would warmly welcome such a decision.

17. Industrialization had been extensively debated and there was little dispute about the broad diagnosis. Modern industry and advanced technology could make an important contribution to development, although an increase in agricultural productivity was similarly important. However, industry was a vital part of diversification. The question was how to act. The very complex problems involved had tended to be diverted into an over-simplified dispute about organizational matters. Dissatisfaction with the rate of expansion of the Centre for Industrial Development and with the share of industrial projects in technical assistance programmes had led to the demand for a specialized agency for industrialization. His Government was opposed to that step, which would absorb scarce administrative and technical resources without increasing practical assistance. Indeed, it would view with concern any proposal to establish any new specialized agency on the model of the existing major agencies. That did not signify a lack of interest in more effective assistance for the development of industry. His delegation had supported a vigorous expansion in the staff and other resources of the Centre for Industrial Development.

18. On the operational side, the Special Fund and the Expanded Programme of Technical Assistance had for some years been ready to devote more attention to industrial projects, but specific projects had not been submitted by Governments, probably because industrial projects were difficult to formulate and much preparatory work was necessary. At the thirty-ninth session of the Economic and Social Council, his delegation had suggested that additional funds might be needed, to be used principally to assist countries at the pre-investment stage. Such funds would be additional to those already available for technical assistance and would be provided on a voluntary basis. They would be used for purposes not already covered by other international agencies, whose responsibilities in industrialization would not be impaired or superseded. Any new arrangements should fall within the framework of the proposed United Nations Development Programme. He hoped that under that Programme an increasing share of a growing volume of resources could be devoted to industrialization and that the Centre for Industrial Development would assist in the process.

19. The proposed consolidation of the Expanded Programme and the Special Fund had his delegation's whole-hearted support. The Secretary-General and the Chairman of the Advisory Committee on Administrative and Budgetary Questions had both stressed in their statements to the Fifth Committee (1066th meeting) the need to reconcile the policy of maximum economy with the desire for the growth of United Nations responsibilities. The United Nations Development Programme, gradually assuming an increasing executive role and perhaps evolving towards a more fully fledged development agency, though still financed on a voluntary basis, would be more effective than a series of smaller and more specialized units. The only remaining problem was the size and composition of the governing body of the Programme. It was important to recognize a distinction between the United Nations political and other bodies, where the principles of equitable geographical distribution prevailed, and the joint managing body of an operational programme carried out in partnership. His delegation favoured a balance of representation between economically more developed countries, giving due regard to their contributions, and the developing countries, taking into account the need for equitable geographical distribution. That could be done without making the new governing body larger than the present Technical Assistance Committee.

20. His delegation welcomed the proposal for a general review of the programmes and activities of the United Nations, its specialized agencies and institutions. There was certainly scope for improved co-ordination, not only the attitudes of Governments towards different United Nations bodies but within the Administrative Committee on Co-ordination itself. That Committee should be strengthened, and its working methods and volume of work reviewed. The proposal for a general review might perhaps be pursued by the governing body of the new Development Programme and by the Economic and Social Council.

21. His delegation also welcomed the proposal for a review and reappraisal of the role and functions of the Economic and Social Council. The enlargement of the Council, which would come into effect on 1 January 1966, represented one major improvement, and the Council had itself taken a number of measures which would make programming and budgeting more effective. A good deal remained to be done by way of improving procedures, pruning agendas and better presentation of reports so as to emphasize conclusions and recommendations. The main requirement was, however, that the members of the Council should take their responsibility seriously, that they should consider in advance what they wished their sessions to achieve and then negotiate acceptable solutions with their fellow-representatives.

22. The importance of development planning was being increasingly recognized and the group of planning experts to be set up by the Secretary-General could make by applying Economic and Social Council resolution 1079 (XXXIX), an extremely valuable contribution. His Government had recently embarked on its first national plan and there were indications that Governments of developed countries, regardless of their political ideas, were adopting a less doctrinaire

attitude to planning, and showing greater flexibility in their planning methods and techniques.

23. There had recently been a major advance in United Nations activities relating to population control. The current position had been clearly stated by the Under-Secretary for Economic and Social Affairs who had said, in his address to the World Population Conference at Belgrade, that, in the present state of knowledge, there could be no question of attempting to define a United Nations doctrine on the subject of birth control, but that the United Nations was ready to respond to requests for assistance from any country which, on the basis of its own assessment of the situation, had decided to embark on such a policy or to explore its possibilities.

24. His Government had pledged a substantial contribution, on certain conditions, to the United Nations Institute for Training and Research and was gratified to note that the Institute was planning a new programme for training development workers, since it considered that the training of officials from developing countries for international secretariats should have priority among the Institute's project. It was to be hoped that the Institute's research programme would not confine itself to safe, non-controversial projects. It might also include research commitments for other members of the United Nations family, at their request. His delegation supported the view of the Board of the Institute that its staff should be of such high calibre as to command the respect of other organizations.

25. Mr. FILALI (Morocco) said that, despite all the efforts of the United Nations and its specialized agencies to make the United Nations Development Decade a success, progress so far had been slow. The shocking disparities between the levels of living of the developed and the developing countries still remained. It was with a view to establishing a new policy for trade and development which would eliminate the root causes of those disparities that the Conference on Trade and Development had been convened. The developing countries had had high hopes that the machinery established by the Conference would be able from the start to speed up the development of the developing world and it was therefore regrettable that the Board appeared to have been paralysed by sterile discussions on the headquarters for the Conference secretariat. He appealed to all States to ensure that the matter was settled as quickly as possible.

26. The expansion of agricultural production was a decisive factor in economic growth. Over 70 per cent of the population of his country were engaged in agriculture and agricultural production represented between 30 and 35 per cent of its gross national product. The development of agriculture was therefore one of the major goals of Morocco's current three-year plan. His country's economic problems were, however, aggravated by the high rate of population growth, which demanded the creation of as many as 150,000 new jobs every year.

27. A key factor in raising the level of living in developing countries was industrialization, and it was there that economic co-operation was most

useful. Without external assistance it would be impossible for the poorer countries to mobilize the resources or undertake the planning and market studies which an industrial development programme required. The Centre for Industrial Development was not in a position to cope with a task of such magnitude and his delegation therefore supported the proposal to set up a specialized agency for industrial development. Such an agency would also help to solve the developing countries' chronic shortage of trained management personnel. One of the main sources of revenue in many of those countries was tourism and the establishment of a school of tourism under United Nations auspices could supply the trained staff they needed.

28. The implementation of economic development projects required a high rate of capital investment and it was a matter for regret that capital flows to the developing countries had not reached the Decade target of 1 per cent. Moreover, the interest rates on such capital flows constituted an intolerable burden on the economy of every developing country. The proposed capital development fund was one means of overcoming those problems and his delegation hoped that the fund would be established as an amalgamation of the Special Fund and the Expanded Programme of Technical Assistance.

29. His country's exports were severely handicapped by the restrictions imposed by the industrialized countries on imports of agricultural and manufactured products. Such artificial barriers hampered the expansion of its new industries. The countries of the Maghreb were hoping to solve such problems by forming a regional economic association.

30. Mr. KARIM (Afghanistan) said that his delegation felt great concern at the disappointing results that had so far been achieved during the United Nations Development Decade. The developing countries were doing everything in their power to raise their living levels and achieve self-sustaining growth, but their

efforts were being hampered by lack of development capital. It was generally recognized that industrialization was a prerequisite for all other forms of economic development and it was for industrial development that a continuing flow of capital and technical assistance was most urgently needed. Another regrettable trend evident from recent studies was that the countries with the lowest per capita incomes tended to receive less assistance per capita than countries with higher incomes.

31. The efforts of the developing countries to improve their export earnings continued to be severely affected by the deterioration in the terms of trade for primary products, by tariff and other restrictions and by the creation of regional economic groupings which prevented the expansion of markets for those products. While that situation continued, the growth rate of those countries would remain low, even if international financial assistance was increased. His delegation accordingly hoped that all Member States would cooperate in implementing the recommendations of the United Nations Conference on Trade and Development, particularly those concerning access to markets and the liberalization of international trade.

32. One of the most valuable results of the Conference had been the conclusion of a Convention relating to Transit Trade of Land-locked Countries. He hoped that the remaining problems of the land-locked countries would be kept under review by the Conference.

33. The plans for the establishment of an Asian Development Bank constituted a major advance towards regional co-operation. His delegation was gratified that many of the developed countries had shown their interest in that project by pledging contributions to that bank and his Government had decided to demonstrate its faith in the bank by proposing that Kabul should be considered as a site for its headquarters.

The meeting rose at 1.5 p.m.