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Chairman: Mr. Jiří NOŠEK (Czechoslovakia).

AGENDA ITEM 28

Economic development of under-developed countries:
Question of the establishment of a Special United
Nations Fund for Economic Development: final and
supplementary reports of the Ad Hoc Committee
and recommendations of the Economic and Social
Council (A/3579 and Corr.1 and Add.1, A/3580, A/
3613, A/3661, A/C.2/L.331, A/C.2/L.354, A/C.2/
L.355) (continued)

1. Mr. ENCINAS (Peru), introducing the five-Power draft resolution (A/C.2/L.355) concerning demographic questions said that the two ideas embodied in the draft were, first, that there was a close relationship between economic and population problems, especially in countries in the process of economic development and secondly, that the Economic and Social Council and the General Assembly had not up to now given that part the attention it merited.

2. The interdependence of economic and demographic phenomena was of particular importance in view of the astonishing rate of population growth in the past 300 years. The world's population had, in fact, multiplied five times between 1650 and 1950 and was now increasing at a rate of 120,000 a day. The rate of increase had special significance for countries in course of development, whose populations fell into separate demographic, economic and social groups living at entirely different levels. It was to be noted, too, that the countries with the highest rate of population growth were also those with the lowest rate of productivity. In Latin America, for instance, population was increasing at an average rate of 2.2 per cent a year whereas real per capita income had increased by only 2.4 per cent a year in the best conditions. According to the United Nations Population Branch's forecasts, by 1980 the population of Latin America would have reached a figure exceeding that of North America by some 90 millions. There was nothing to suggest, however, that during the same period real per capita income in Latin America would increase correspondingly, unless, of course, an accelerated rate of capital development became possible through external financing. But although population increase was not in itself a factor favouring economic develop-

ment yet, given certain conditions, financially and technically, and the existence of natural resources, population increase could contribute to economic development, and a detailed study of those circumstances could be extremely useful.

3. A knowledge of the geographical distribution of the population was also important for purposes of economic development. A widely scattered population with inadequate communications showed a great range of economic, social and cultural conditions. That was true of Latin America and more particularly of Peru. A demographic phenomenon peculiar to Peru, moreover, was the fragmentation of the population, particularly in the Andean region, although in general, in undeveloped countries, there was a tendency towards density of rural population in relation to the cultivable area. Another factor closely linked with the foregoing was the continuous migratory process in the under-developed countries, from the country to the town, and from one region to another. Such migrations had a number of economic and social consequences. Thus, for instance, although the migrant might eventually become a member of a skilled urban labour force and so play a larger part in the national economy, his arrival in the city led to an immediate increase in expenditures on public services of all kinds. The disparity in conditions between different parts of one country led to a situation similar to that existing at an international level between developed and under-developed countries. The centre of economic development tended to attract to itself all the resources, financial, human and technological, to the detriment of the remainder. As for international migration, experience showed that with the necessary capital, technical knowledge and natural resources such immigrations could be beneficial to economic development but that in the absence of those factors they were harmful.

4. The economic development of the under-developed countries was also closely related to the distribution of the population in age-groups. Most of them were characterized by the youthfulness of their populations. In Peru, for instance, 44.3 per cent of the population was under 14 years of age, the comparable figure for the United States being only 27.6 per cent. The labour force in those countries was consequently smaller; it was also less skilled and productivity was lower than in countries with different economic and demographic structures. The level of consumption, also for obvious reasons was lower than those countries' population figures would suggest. With continuous financial help and intensified technical assistance, however, great changes could come about in the economic structures of the under-developed countries and in particular, of those in Latin America. The speedier the assistance, of course, the more rapid would be the rate of change in that structure, and in economic development generally.

5. The five-Power draft resolution which, he stressed, was intended to apply specifically to the item now under discussion, namely, the economic development of the under-developed countries, used the expression "countries which are in the process of economic development" in order to indicate the countries which had started the process of economic development themselves and were now confronted with a number of economic and social problems. The draft noted that the General Assembly and the Economic and Social Council had adopted various resolutions referring to the relations between economic development and social change, and suggested that a more thorough knowledge of those relations would be useful.

6. The operative paragraphs of the draft resolution were largely self-explanatory. The intention of the last paragraph was not simply to secure an editorial change in the presentation of the Economic and Social Council's report to the General Assembly but to open the door for a more detailed discussion of all those problems in the Second Committee and the General Assembly. The inclusion in the chapter on economic development of information relating to the Council's activities in the field of population would enable the Committee to discuss the subject in connexion with its study of economic development. The sole object of the draft resolution was to facilitate a study of the relationship between economic and population problems and not, he stressed, to put forward a demographic policy of any kind.

7. The CHAIRMAN invited the Committee to continue its debate on the financing of economic development.

8. Mr. ELIZALDE (Philippines) was convinced that the economic divergence between the highly developed and the under-developed countries would increase with time and that the progress of the latter would necessarily be very slow. That fact was pertinent to both draft resolutions before the Committee (A/C.2/L.331 and A/C.2/L.354), for without assistance the under-developed countries could not hope to solve their problems. One of their difficulties was the lack of foreign exchange, a situation further aggravated by the fact that they had to pay all the freight and insurance costs for the export of the raw materials they produced in foreign currencies. They were faced by other difficulties such as tariff and quota restrictions, the danger of competition from synthetic products and the competition between themselves which resulted from any increase in their production of raw materials, the only purchasers of which were the highly industrialized countries. Capital formation was almost out of the question in the under-developed countries and it was impossible, therefore, to make any plans for the future. All those factors made it essential that both draft resolutions should be approved or, at any rate, that all the actions contemplated in them should be carried out, and that soon.

9. The United States proposal regarding a Special Projects Fund was very generous and helpful and no under-developed country could oppose it. His delegation was also inclined strongly to support the establishment of a Special United Nations Fund for Economic Development (SUNFED); the subject had been exhaustively discussed in the United Nations over many years and it was clear that such a fund could do for the under-developed countries what the existing international financing organizations such as the Inter-

national Bank for Reconstruction and Development and the International Monetary Fund could not do. What was required in fact was a body to help the under-developed countries execute minor projects or projects which could be amortized only over long periods of time. While sympathizing fully with the position of the United States delegation, therefore, his delegation would support the eleven-Power draft and it hoped that both texts would be endorsed by the Committee.

Mr. Hadwen (Canada), Rapporteur, took the Chair.

10. Mr. QUINTERO (Panama) said that the subject of the economic development of the under-developed countries and, with it, the question of establishing a Special United Nations Fund for Economic Development were very familiar to all Members of the United Nations. So far, however, it had proved impossible to set up the Fund. Nevertheless, his delegation did not consider all the time and effort spent on the subject wasted; on the contrary they had brought the matter to a point where its early solution was inevitable.

11. The expression "under-developed countries" was usually explained in terms of the per capita income in North America and Western Europe. He noted, however, that per capita incomes were not always low in under-developed countries as for instance certain countries in Latin America where backwardness might be due to the absence of an all-round and harmonious development of the economy. The high incomes in such cases resulted from a single economic activity or the production of a single commodity and favourable conditions for its sale on the world market. The economic infrastructure of such countries was unsound and their whole economies highly vulnerable in the face of fluctuations in demand. It would be more accurate, therefore, to describe those economies as faultily developed rather than under-developed. All countries whose economies depended on the production and sale of a limited number of raw materials qualified for that title, and they constituted, as had often been pointed out, the divergence between the economies and levels of living of the advanced and the under-developed countries was great and growing. Among the countries with free economies, for instance, those which were highly industrialized produced 86 per cent of the total quantity of manufactured goods, though they occupied only a quarter of the area, and had only one-third of the population, of the world. The disproportion was all the more serious in view of population growth which, paradoxically enough, was greatest in the countries with under-developed economies. Ironically, too, public health measures and campaigns to stamp out certain endemic diseases had contributed to a population growth in those countries far in excess of their economic growth. The United Nations Demographic Yearbook had some interesting information in that respect which should be taken into account in economic development plans.

12. Technical assistance alone, praiseworthy though it was, was not sufficient to help those countries out of their difficulties; they needed financial aid to enable them to organize and diversify their economies and so, eventually, to reach the stage of industrialization, for only a highly industrialized country could support a dense population at a high standard of living. Those observations held good for under-developed countries all over the world whether in Asia, Africa or Latin America. Latin America had long been con-

sidered a continent with a low population density but the situation had now radically changed. In that region, the growth of population at a rate far higher than that of the growth of the economy had resulted in a decline in per capita incomes and a lack of resources to finance the necessary public services. People were forced to emigrate to industrialized countries or to countries temporarily prosperous in search of the work they could not find at home. Although the highly industrialized countries had shown that levels of living could rise while population increased, the gloomy prophecies of a century ago seemed likely to come true in the under-developed countries unless they could become industrialized rapidly and effectively. Other pessimistic forecasts had failed to come true because of social legislation, trade union organizations and new concepts of relations between capital and labour. Today, on the other hand, capital appeared to be concentrated not in the hands of a social class but in those of certain countries, to the detriment of the vast majority of the under-developed countries. That was the problem; it remained to find ways of overcoming it.

13. As the representative of France had pointed out the year before in the Second Committee, some means of accelerating the normal rhythm of industrial growth must be found. That seemed to be the view prevalent in the United Nations and among the under-developed countries too. Nevertheless, methods and procedures could not be the same for all countries and all regions. In countries where agriculture was rudimentary, for instance, it would have to be intensified and mechanized before industry could be developed. There must, in any case, be a proper balance between agriculture and industry. Agriculture must not be sacrificed to industrial production. It was essential, therefore, to carry out detailed studies before initiating economic development policies in any country or region. Such studies were a matter for technical assistance and a task which the United Nations was best qualified to undertake.

14. It was important to remember that although the economic problems of the under-developed countries were similar there were differences of detail. Traditionally, for instance, Panama was primarily a trading country; it had been a commercial centre for the exchange of goods between Spain and its American colonies. Panama's natural wealth had been its geographical position, and that had been accentuated by the construction of the Panama Canal. But Panama had not derived all the benefits it might have done from the existence of the canal, which would have enabled it to diversify its economy and make an earlier start with its industrial development. Although the construction of the Canal by the United States had been primarily a military venture it had proved to be an eminently successful commercial one. From 1915 to 1955 receipts from toll dues alone had amounted to \$784 million, whereas Panama had received an annual sum of \$250,000 for the concession, or, according to some authorities on the subject, less than 1 per cent of the net profits. That was far below what, for instance, Egypt had received for the Suez Canal concession before that Canal's nationalization. In all fairness, it must be said, however, that Panama had received certain indirect benefits as a result of the proximity of its main cities to the Canal zone and that, through direct negotiations with the United States, it had at different times gained certain advantages. It was still

not satisfied with the situation, however, and was pursuing further negotiations.

15. Panama was facing a difficult economic situation. It had taken various measures to stimulate agricultural activity, to improve communications, to attract foreign capital and to combat unemployment and rising prices. But those measures did not strike at the root of the problem which was the need for the complete transformation of the country's economy. Such a transformation could not be undertaken, however, without considerable outside financial assistance in the form of long-term low-interest loans.

16. Turning to the two draft resolutions on the financing of economic development before the Committee, he said that his delegation would vote in favour of the eleven-Power draft (A/C.2/L.331), which was in conformity with the reports of the Ad Hoc Committee (A/3579 and Corr. 1 and Add. 1 and A/3580) and the principles of the United Nations. He regretted that some industrial countries, particularly the United States, had opposed the immediate establishment of SUNFED; without their enthusiastic participation any United Nations economic development programme would be purely theoretical. Yet even if SUNFED had vast financial resources at its disposal, it could not solve the problem of the economic development of the less developed countries without the assistance of private and public, national and international organizations.

17. His delegation regarded the United States draft resolution for the establishment of a Special Projects Fund (A/C.2/L.354) as a commendable measure, particularly if it did not preclude the adoption of the eleven-Power draft resolution. The figure of \$100 million that had been referred to in connexion with the Special Projects Fund was somewhat illusory, however, since the United States was only promising to contribute a matching percentage—to be reduced in future—of the total amount contributed by other Member States, most of which were the very ones that needed economic assistance. He hoped that the Committee would be able to reach an agreement that would not imply the abandonment or indefinite postponement of SUNFED. It was imperative to take effective measures at once to avoid future recriminations for having done too little and delayed too long.

18. Mr. SCOTT FOX (United Kingdom) urged that the Committee should face practical realities, bearing in mind that its main function was to advance by sure steps towards economic and social betterment for all peoples. The Members of the United Nations were committed to the principle of taking measures to assist the poor and needy peoples in other countries, just as they assisted those within their own borders.

19. Although his Government was determined to continue to carry out its responsibilities in the matter of economic development to the extent its resources allowed, it felt that an effective SUNFED was impracticable in the foreseeable future. Such a fund—on a continuing basis and with adequate resources—would be conceivable only when large amounts of capital were available as a result of internationally controlled disarmament. A great world demand for capital had arisen simultaneously in many countries, and, unless the nations disarmed, there was not enough capital available to meet all requests. Surely it would be better to approach the problem of under-development sector

by sector, on limited and well-defined fronts, rather than to suggest that vast, universal solutions would soon be found. That could only provoke cruel disillusionment.

20. Reviewing his Government's efforts to promote economic development and raise living standards in the less advanced areas of the world, he pointed out that the United Kingdom, in addition to its active participation in all the United Nations organizations and specialized agencies concerned, had assumed large commitments in the Commonwealth countries. The population of the United Kingdom was, in fact, bearing a tax burden unparalleled in world history. Noting that further details were to be found in a white paper entitled The United Kingdom's Role in Commonwealth Development, published in July 1957, he stated that the average United Kingdom public and private investment in the Commonwealth had amounted to approximately \$560 million annually from 1953 to 1956, representing 1.25 per cent of its annual gross national product and some 70 per cent of the total external investment in the Commonwealth countries of the Sterling area. His Government had also made a commitment of \$260 million to the International Bank and had contributed over \$14 million to the International Finance Corporation as of September 1956. The document on the financing of economic development (E/3047, table XX)^{1/} showed that his Government had made the second largest contribution to international technical assistance and relief agencies. Furthermore, his country had pledged an annual contribution of nearly \$3 million to the Colombo Plan.

21. The United Kingdom could not undertake any further commitments without endangering its economic position, on which depended its ability both to maintain its present level of investment in under-developed countries and to provide technical assistance both within and without the United Nations. His Government was therefore not in a position to contribute to the Economic Development Fund envisaged in the eleven-Power draft resolution and would not be able to vote for that draft.

22. It would be unrealistic and even prejudicial to the whole future of economic development to indulge in ambitious general plans while ignoring the views of major potential contributors. Since technical knowledge and competence, sound administration and awareness of one's own resources were a prerequisite to capital development, the United States draft resolution (A/C.2/L.354) seemed to offer a generously constructive approach and merited the Committee's attention. He reserved his right to comment on that draft later on, as his delegation would have some observations to make on the wording of any draft resolution which might receive the Committee's support.

23. Mr. O'NAGHTEN (Cuba) wished to present his delegation's views on the European Common Market from the standpoint of its effect on the under-developed countries and the international financing of the economic development of those countries through the United Nations.

24. As a member of GATT and as a supporter of increased world trade, Cuba sympathized with the ultimate goal of the European Common Market and Free Trade Area. Yet countries outside that area were

understandably concerned about the possible consequences for their own economies. It would be unfortunate if a plan designed to promote the economic development of one area which was already highly developed were to retard the progress of other areas of the world.

25. The less-developed countries' exports of agricultural products and raw materials to the Common Market countries might be subject to certain risks, for example, as a result of the common tariff. He did not think that the Common Market would necessarily produce the same results as the Benelux Customs Union, which had increased Netherlands imports of products from countries outside the Union. Benelux, which was composed of small countries with a dense population, had promoted the establishment of productive industries, but the members could never achieve a degree of self-sufficiency that would be prejudicial to non-member countries. On the contrary, the higher levels of living achieved were creating a market for products which the Benelux countries could not produce.

26. The six Common Market countries, on the other hand, covered a larger territory, not all of which was being used to the best advantage. It would be possible to diversify and intensify agricultural production because of the additional manpower from the Free Trade Area and a protective tariff; West Germany, which subsidized the agricultural sector heavily, would be able to buy agricultural products from the Free Trade Area at the same prices it paid its own farmers. Thus the exports which other countries made to the Common Market countries could be adversely affected despite an increase in consumption in those countries.

27. Cuba, as a country in need of diversification and economic development, sympathized with the generous development programme for Africa included in the Treaty establishing the European Economic Community. If, however, the financial plans of the six countries were principally designed to obtain cheap raw materials and agricultural products for their metropolitan territories, he feared that great difficulties would be created for other countries which produced similar merchandise, and that such plans would not, in the long run, be advantageous to the African territories and colonies themselves. The more or less stable balance of world markets might be destroyed because the large quantities of raw materials and agricultural products could not be absorbed by new markets. In view of the vicissitudes of countries whose economies depended on a single product, he doubted whether such a policy would be in the interests of Africa or the Common Market countries themselves. Nevertheless, the six countries had a great opportunity to promote the well-balanced economic development of the African territories and colonies and, in addition to benefiting by the exports of those countries, would be creating vast markets for their own export products.

28. The European market was of great importance to the under-developed countries and would be hard to replace, as shown by the fact that in 1954-55 Latin America had supplied over 52 per cent of the coffee and over 48 per cent of the sugar consumed by the six Common Market countries, and had also exported large quantities of cocoa, cotton and copper to them.

29. It was unnecessary to dwell on the detrimental effects which a division of the world into more or less

^{1/}Official Records of the Economic and Social Council, Twenty-fourth Session, Annexes, agenda item 6.

closed compartments or regions, as a defence against the Common Market and Free Trade Area, would have on world trade and economic development. The advancement of under-developed countries not connected with the Common Market might also be slowed down because of a reduced flow of private capital to such countries through a partial or total loss of the European market. The Latin American countries did not believe that a common market or an economic or customs union was justifiable if it did not also tend to increase world trade.

30. Turning to the subject of economic development financing, he said that his delegation had been pleased to note in the report on the financing of economic development (E/3047) that increased amounts were being invested to improve living standards. Present investments were, however, insufficient to meet minimum needs. His delegation had been disappointed not to find any figures on the aid that was being given to such countries as North Korea, Outer Mongolia, Mainland China, North Viet-Nam and certain Central European countries. The inclusion of those data would have raised the figure of *per capita* aid that was being given to some countries and territories.

31. With respect to SUNFED, his delegation was participating in the work of the *Ad Hoc* Committee established by General Assembly resolution 923 (X) and he hoped that a formula acceptable to all the members could be agreed upon. His delegation had studied with interest the United States draft resolution and disagreed with representatives who had called the proposal unrealistic or illusory. The necessary capital could be raised if the members of the United Nations co-operated; indeed, the International Bank for Reconstruction and Development had a large amount of capital at its disposal. Even if the activities of SUNFED and the Special Projects Fund were somewhat similar, his delegation felt that the two should be studied separately on their own merits because their ultimate objectives were completely different. The establishment of one would not preclude the establishment of the other, and in fact the United States draft seemed to be limited to the first or planning stage, while SUNFED would be the second or financing stage. Both organizations were necessary and could exist side by side; only financial considerations could cause the Committee to choose to establish one rather than both at present.

32. His delegation would be prepared to vote for any draft resolution designed to establish the organizations.

Mr. Nosek (Czechoslovakia), Chairman, resumed the Chair.

33. Mr. JUDD (United States of America) wished to reply to certain questions which had been asked by the representatives of Japan, the Soviet Union, Indonesia and Bulgaria, concerning the Special Projects Fund proposed by his delegation (A/C.2/L.354).

34. The representative of Japan has asked (494th meeting), first, whether the Special Projects Fund would, in addition to facilitating basic research into the natural resources of under-developed countries, provide experts to put forward general plans for development on the basis of which investment possibilities could be studied, even if the project were not financed by the Fund itself. In reply, he said that his delegation thought that such general plans for development

might properly be included in the surveys, although each project would have to be decided on its own merits.

35. Secondly, the Japanese representative had asked what expenditures by a recipient country were to be counted as contributions to the proposed Special Projects Fund. The United States view was that those expenditures should be on the same basis as contributions to the present Expanded Programme. It was difficult to foresee whether local costs under the Special Projects Fund would be proportionately greater or less than under the present programme; under those circumstances, the United States believed that the present formula should be retained and its proposal was offered on that basis.

36. The Soviet representative had asked (494th meeting), first, whether the United States would contribute to the Special Projects Fund if other countries did not. The United States was prepared to do its part provided that other Members joined it in assuring the success of its proposal. His Government's sincerity was well attested by the statement of its contributions to international economic assistance contained in the Secretary-General's report on the financing of economic development (E/3047, Table XVIII). That document showed that the United States had contributed 164 million dollars out of a total of 280 million dollars contributed by all countries to United Nations programmes in the field of technical assistance and relief in the period 1954-1956. It also showed that the Soviet Union had contributed about 6 million dollars to such programmes during that period. Incidentally, that document gave no information about the bilateral assistance programmes of the Soviet Union and he would appreciate an explanation from the Secretariat as to the reasons for that omission.

37. Secondly, the Soviet representative had asked on what basis the United States assumed that other countries were prepared to contribute more funds and thus bring the total up to \$100 million. He replied that it was impossible to predict the size of the Fund at that time, but in that respect his delegation had been most encouraged by the statements of the Danish, French and other representatives. It hoped that the total amount of \$100 million would be obtained in 1959, but was also prepared to contribute to a smaller fund, for example, \$75 million, if that was the maximum that could be supported in any given year on a multilateral basis.

38. Thirdly, the Soviet representative had asked whether the fund proposed in the eleven-Power draft resolution and that proposed by the United States could develop side by side. Since it was clearly apparent that sufficient funds were not available to carry out both projects, it seemed wiser to concentrate on a realistic goal for the immediate future. The United States proposal was not submitted as an alternative to SUNFED or the Economic Development Fund proposed in the eleven-Power draft resolution. As he had said before, his Government was convinced that under existing circumstances the difficulties in the way of establishing an adequate capital development fund on the basis of fairly proportioned contributions by Member States appeared to be insurmountable.

39. Lastly, the Soviet representative had asked whether it was true that the United States would decrease its contribution from 60 per cent to 33 per cent.

Putting the question in that form was a distortion of the facts; the initial United States contribution to the Expanded Programme in 1950 had been \$12 million, which amounted at that time to 60 per cent of the total. It should be recalled that that was at a time when most other major industrial countries were still recovering from the effects of war. The contribution offered in the present year had been increased to \$15.5 million, with the proviso that it should not exceed 45 per cent of the total programme. As he had already said in his initial statement, he was prepared to go before Congress and urge it to stabilize the United States contribution at 40 per cent for at least several years.

40. The representative of Indonesia wished to know (495th meeting), first, whether the United States refusal to support the eleven-Power draft resolution meant that it regarded its own draft resolution (A/C.2/L.354) as a substitute for SUNFED. In reply, he emphasized that the United States proposal was not a substitute for SUNFED, an alternative to SUNFED or an attempt to exclude the future development of SUNFED. Inasmuch as the United States Government found it impossible to support the establishment of a capital development fund at the present time, his delegation was proposing the Special Projects Fund in the belief that it at least offered a reasonable hope of making an effective contribution to economic development.

41. Secondly, the Indonesian representative has asked whether the figure of \$100 million was to be considered a minimum. The United States Government considered such a target feasible and desirable but would support on a matching basis any increase in funds for technical assistance and technical development, even if the figure were only as much as \$75 million.

42. Finally, he informed the Indonesian representative that the provision, in point (c) of the annex to the eleven-Power draft resolution, for payment by recipient Governments of part of the costs of projects undertaken would also be an integral part of the United States proposal.

43. In reply to the representative of Bulgaria, who had alleged at the 495th meeting that the enlargement of technical assistance and development envisaged in the United States proposal was illusory, he reiterated that his Government's good faith in supporting multilateral development programmes under the United Nations was amply confirmed by the statements concerning the United States contribution contained in the Secretary-General's report on the financing of economic development. That document also served to refute the Bulgarian representative's insinuation that the United States favoured exclusively private investments. While convinced that a much greater role could be played by private capital in the financing of economic development, his Government had contributed more than \$3,000 million since the end of the last war to international organizations working in the economic field and had furnished over \$11,000 million in direct economic aid to the Governments of the less developed countries during that period. The United States Congress was continuing to appropriate hundreds of millions of dollars each year to finance development projects in under-developed countries that could not be financed from private sources or by normal banking institutions.

44. Mr. ARKADEV (Union of Soviet Socialist Republics) wished to comment briefly on the references made

by the representatives of Cuba and the United States to the lack of available information about the bilateral assistance programmes of the Soviet Union. His Government certainly had no reason to conceal the facts concerning the extensive economic assistance which it was furnishing to socialist countries, as well as to many of the so-called under-developed countries. His delegation had already pointed out, for instance, that the help given to the Democratic People's Republic of Korea by all the socialist countries had amounted to 3,600 million roubles. Accounts of those programmes and the texts of the agreements between the Soviet Union and other countries were published in the Soviet Press and were also dealt with in the statements made by the representatives of the Government of the Soviet Union; they were available to all who cared to look for them. He would be grateful to the Secretariat, however, if it could arrange to summarize that information and provide for its publication by the United Nations.

45. Mr. HANCKE (Norway) said that it had consistently been the policy of his Government to support all realistic efforts aimed at closing the gap between the more developed and the less developed countries. It had favoured the establishment of SUNFED from the beginning and could therefore understand the disappointment felt by many countries because a multilateral capital investment fund had not yet become a reality. In view of the opposition of the United States, the United Kingdom and Canada to the eleven-Power draft resolution, however, Norway would be unable to support that proposal, since it considered it mandatory that the major industrialized Powers should participate actively in the fund and that the latter should not start operations with resources less than \$250 million for the first two years of its existence. In the lack of sufficient capital, it would be unrealistic to make such an important decision only on the strength of a vague hope that the major contributing nations would join the fund at a later stage.

46. His Government welcomed the United States proposal for a substantial enlargement of the Expanded Programme and the establishment of a Special Projects Fund. It was important to recognize that that proposal was not a substitute for SUNFED and would not in a direct way be instrumental in bringing capital from the more advanced countries to the less developed countries. It would, however, help to pave the way for future multilateral capital investments by creating conditions which would make such investments either feasible or more effective. It appeared to his delegation that large-scale capital investments would have to be preceded by the more basic work of training the manpower in the under-developed countries, assessing their basic resources and carrying out research work. That seemed to be the kind of work which would be covered by the Special Projects Fund envisaged in the United States proposal. The Norwegian Government had engaged in the same kind of work when it had entered into a tripartite agreement in 1952 with the Government of India and the United Nations concerning the establishment of a fisheries community development project in the State of Kerala, India. That project was not a capital investment project, but investments had been made, primarily in order to make technical assistance as effective as possible by supplying the necessary training equipment. Under that heading, trawlers had been sent to the area, a boat-yard

had been constructed, ice plants and deep-freezing plants had been set up, and a health centre had been established and operated. Norway had so far contributed the equivalent of \$5 million to that project, which could be best described as an extended form of technical assistance.

47. While fully supporting the United States proposal, his delegation realized that it would place a heavy burden on many Governments and was unable to state to what extent the Norwegian Government would be able to support the project financially. His Government would, however, consider the question most sympathetically, in the light of obligations already assumed by it in connexion with the Norwegian-Indian Project in Travancore-Cochin, India, and other obligations in the same field.

48. Mr. WAHLUND (Sweden) said that his delegation had stated, on numerous occasions, that the Swedish Government, while sympathizing with the principles underlying SUNFED, would be prepared to join such a project only on the condition that the full financial and operational participation of the major Powers was assured from the start. He would consequently be unable to support the eleven-Power draft resolution, although he was prepared to vote for the United States draft resolution, which was aimed at strengthening a programme which was already functioning to everybody's satisfaction, namely, the Expanded Technical Assistance Programme. He wished it to be understood, however, that by voting for the United States resolution, his Government would not be committed to increasing its contribution to the Expanded Programme, since that was a matter which was, as in all democratic countries, subject to parliamentary approval.

49. His delegation warmly welcomed the five-Power draft resolution on the inter-relationship between economic and population changes (A/C.2/L.355); that

draft called attention to the world population problem, which deserved more attention than it had hitherto received in the Second Committee and others. The population of nearly every country was rapidly increasing, but the less advanced countries were increasing the fastest. That was largely due to the decline in mortality brought about by improved health conditions, but it had unfortunately also been accompanied, in many countries, by over-population, under-employment and a low standard of living.

50. In order to solve the problems connected with the increasing world population, it was very important to assemble basic demographic data, which were especially deficient in those areas where the most rapid growth in population was taking place. The valuable work being carried out under the auspices of the United Nations should be continued, and his delegation welcomed the two centres for demographic research and training which were being established under the Technical Assistance Administration (TAA) programme, the one for Latin America and the other for Asia and the Far East. Demographic data, however, should not become an end in themselves but should be regarded as an essential tool in the planning of economic and social development programmes.

51. As population increased in the less developed countries, increasingly large investments were required for housing, health facilities and other social services. Employment opportunities had to be continuously expanded to prevent unemployment, which also called for additional investment. The problem of capital shortage, therefore, would inevitably become more acute in countries with accelerated population growth. Much could be done to clarify all those problems by following the suggestions contained in the five-Power draft, which would receive the full support of his delegation.

The meeting rose at 6.10 p.m.