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Chairman: Sir Douglas COPLAND (Australia).

Statement by the representative of Brazil on the occasion of the opening at Rio de Janeiro of the fourth extraordinary meeting of the Inter-American Economic and Social Council

1. The CHAIRMAN announced that Mr. Bueno do Prado, representative of Brazil, would make a statement on behalf of the delegations of the Latin-American States on the occasion of the fourth extraordinary meeting of the Inter-American Economic and Social Council, now being held in Rio de Janeiro, and attended by the ministers of finance or economy of the Governments Members of the Organization of American States.

2. Mr. BUENO DO PRADO (Brazil) said that it was encouraging to note that, in the face of the great problems overwhelming mankind, Governments and peoples were placing increasing confidence in international action. One of the most outstanding evidences of that desire for co-operation was the meeting of ministers of finance or economy of the Governments Members of the Organization of American States, which was opening that day at Rio de Janeiro, in accordance with recommendation LXVI of the tenth Inter-American Conference. The meeting had come about, not only as a result of the will of the American peoples to find solutions at the international level in harmony with those worked out at the national level, but also because of their very broad conception of national interests in relation to those of the continent as a whole.

3. The chief purpose of the Rio de Janeiro meeting was to work out a common, co-ordinated and integrated policy of economic development. The scope of such a measure would not become fully apparent until it was considered within the framework of the economic system of the American States. The delegations of those States had therefore considered it their duty to call upon the representative of Brazil, the host country, to make clear to the Second Committee the importance which their Governments attached to the work to be done at Rio de Janeiro, because it would undoubtedly have a

considerable influence on the economic structure of the continent.

4. The Latin-American States, whose legal and social development had been very rapid at the end of the previous century, were fully aware of the new responsibilities incumbent upon them: they realized that it was their duty to mobilize all their resources in order to ensure a prosperous and happy life for future generations. The discussions at Rio de Janeiro, where the experience acquired by the Organization of American States would be put to full use, would proceed in an atmosphere of brotherhood, an essential element of that good neighbourly relationship without which there could be no really fruitful international co-operation.

5. The Latin-American States were faced with the urgent need to secure for themselves, through new organs of economic and financial co-operation, their proper place within the international system whose principles had inspired the establishment of their own institutions. They felt that they should lose no time in working out a clearly defined policy for concerted action, taking into account their respective needs and supplementing their individual efforts. Several attempts had already been made in that direction but most of them had been on an entirely bilateral basis, with the usual unfortunate results in the political and economic fields. With the exception of the limited action undertaken by the Technical Assistance Administration (TAA), the International Monetary Fund, the International Bank for Reconstruction and Development and the Economic Commission for Latin America (ECLA) there had not, properly speaking, been any effective co-ordinated economic assistance organized in such a way as to produce results speedily. No plan had as yet been set on foot to promote the harmonious development of the Latin-American States through the application of a policy designed to accelerate the flow of foreign capital into the public utilities, with a view to increasing the capacity of the economy to absorb private capital and to meet the social requirements of the peoples.

6. It was not to be forgotten that the countries of Latin America had very rapidly attained new standards of material prosperity without achieving the degree of productivity which should accompany them; hence the vicious circle, condemned by ECLA: low revenue, which did not permit the acceleration of capital formation, and inadequate investment owing to insecurity of revenue. It was clear from the careful studies made by ECLA that the investment of foreign capital had become a crying need. Such capital had to be provided in adequate quantities, continuously and under conditions that would not disturb the balance of payments. Only in that way could foreign capital play its essential part, which was to increase the rate of capital formation and consequently to bring the national income up to a level which would enable the country concerned to continue its development by means of its own resources. At the Rio de Janeiro meeting, a plan would doubtless be worked out for the investments necessary to the economic development of

the Latin American countries, while at the same time measures of technical assistance, general trade policy etc., would be studied, with a view to rendering the economies of those countries less vulnerable.

7. It would be superfluous to go into the reasons why the chief contribution in that respect must inevitably be made by the United States of America. In that connexion, he recalled President Eisenhower's speech before the National Security Industrial Association in Washington on 25 October 1954, in which he had recognized the economic interdependence of the countries of the free world and the importance for his own country of the development of trade. That view had been stated still more explicitly by Mr. Samuel C. Waugh, Assistant Secretary of State for Economic Affairs, in an article published in the *Journal of Commerce* on 17 November 1954 under the title "Plea for Constructive Action", in which he stressed the importance of the part to be played by the economy of the United States in relation to the welfare of the under-developed countries.

8. The peoples of Latin America were fully aware that it was a great advantage for them to belong to the same continent as a country so economically and technically advanced as the United States of America. The people of the United States for its part, with its high concept of the continent's responsibilities towards the rest of the world, would readily admit that the countries of Latin America could not rely solely on their own resources to ensure their economic development. The political leaders of the United States knew full well that a steady flow of private capital was indispensable to the development of Latin America. With their co-operation, it should not be difficult to create and maintain in that part of the world a climate favourable to constructive action by foreign capital, which might restore the hope of a more equitable world and counteract the harmful effects of inflation and excessive nationalism, those two scourges of the economies of new countries.

9. Generally speaking, it might be said that the Rio de Janeiro meeting would supplement, at the economic level, the system of inter-American organization. The Republics of Latin America had long realized the need for concerted action in that field. The form of the institution or institutions which might be set up as a result of the Rio de Janeiro discussions was of little importance: the essential point was that those discussions should produce practical arrangements which could be applied within the framework of a modern economy and which would facilitate investment in basic industries, thereby stimulating the vital forces of each country.

10. The Rio de Janeiro meeting had aroused great interest throughout the world. Many countries outside the American community, such as Canada, Italy, France, Spain, Portugal, the Netherlands, the United Kingdom, Japan, Indonesia, Belgium, Germany and Yugoslavia, would be represented there by observers.

11. Despite the doubts expressed by the Press throughout the American continent concerning the instructions which had been given to the United States delegation, there would appear to be ground for optimism in view of past experience of inter-American co-operation: it was only necessary to recall the constructive results accomplished by the inter-American conferences in the field of law and political agreements. Referring to the statement that Mr. Herbert Hoover, Jr., United States Under-Secretary of State, had made on the eve of his departure for Brazil, he pointed out that the heads of the American States seemed to be animated by the same

spirit of confidence. If that optimism was justified, the Rio meeting could not fail to make an important contribution to the work of stabilizing world economy.

AGENDA ITEM 26

Programmes of technical assistance: report of the Economic and Social Council (A/2661, A/2686 A/2702; A/C.2/L.224, A/C.2/L.235) (continued)

12. Mr. STANOVNIK (Yugoslavia) stressed the importance of the Expanded Programme of Technical Assistance as a catalyst in the economic and social development of the recipient countries.

13. Two facts had emerged during the preceding year operating expenditure had fallen by about \$1 million although contributions had increased to almost \$25 million and the number of recipient countries had been further reduced. Those facts would be disturbing were the reasons for them unknown. As it was, the reduction of operating expenditure was due to the need to establish a working capital and reserve fund, which would not only guarantee the continuation of certain essential projects but would also make it possible to plan long-term programmes. As for the decrease in the number of recipient countries, it was obviously desirable that as many countries as possible should benefit from the technical assistance afforded by the Expanded Programme of the United Nations and the specialized agencies, but it was clear that too great a dispersal of effort would lead to the loss of any practical effect.

14. Expenditure on experts had risen from 59 to 76 per cent of operating costs, while expenditure on scholarships and equipment had fallen from 27 to 14 per cent and from 14 to 10 per cent respectively. In view of the fact that the main purpose of technical assistance was to enable the countries concerned to increase their productivity, his delegation felt that the Technical Assistance Board (TAB) should in future pay greater attention to requests for scholarships and equipment. Realizing, however, that the usefulness of the various technical assistance programmes depended also on the stage of development reached by the recipient country, it considered that TAB should give due regard to the order of priority laid down by the Governments.

15. The Yugoslav delegation congratulated TAA on its efforts to reduce administrative costs and hoped that the same policy would be pursued in the coming financial year. It had noted with interest the suggestions made by the Director-General of TAA and hoped that TAC would study them in detail.

16. The Yugoslav delegation considered that the various reorganizational measures undertaken during the year were sound. The establishment of a working capital and a reserve fund would give the Expanded Programme the financial stability it needed. The new procedure for the planning and approval of programmes and the new rules for the allocation of funds set forth in Economic and Social Council resolution 542 B II (XVIII), of which Yugoslavia had been a sponsor, represented a distinct advance. They gave Governments greater freedom in determining the order of priority to be accorded to the various projects and would enable them to integrate those projects more closely into their national development programmes.

17. The Yugoslav delegation had always felt that the resident representatives performed an essential task, for they supplied Governments with all the technical infor-

mation they needed for the preparation of their programmes and provided a link, not only with TAB, but also with the representatives of the specialized agencies concerned.

18. Referring to the working group which had been proposed by TAC at the eighteenth session of the Economic and Social Council, he said that his delegation thought that it would have an important, though difficult, task; only if it had adequate information on the general economic progress of a recipient country would it be able to assess the importance of a project for the economy of that country. Its analyses would greatly assist Governments in planning their programmes and deciding the order of priority to be accorded to the various projects.

19. The Executive Chairman of TAB had said (315th meeting) that it would be necessary to increase the number of staff employed in the field. The Yugoslav delegation would urge caution in that respect; it suggested that consideration be given first to the possibility of extending the competence of certain resident representatives to cover several countries. Moreover, a careful analysis of the situation would show that some resident representatives had more staff than was absolutely necessary. Finally, efforts should be directed towards making recipient countries capable of carrying out their own programmes; indeed, it was evident that certain Governments were already in a position to do so and that it was becoming possible gradually to transfer some of the functions of the resident representatives to the national committees for technical assistance.

20. With regard to the recruitment of experts, which had been a subject of complaints from both the contributing and the recipient countries, the Yugoslav delegation considered that Governments, national committees and the specialized agencies concerned should combine their efforts and should take into account not only the expenditure incurred and the personal qualities of the experts, but also the need to ensure a balanced recruitment from the various contributing countries.

21. In conclusion, he said that it was important that contributing countries pay their contributions regularly so as to obviate the financial difficulties which hampered the execution of the Expanded Programme. He paid tribute to the Executive Chairman of TAB and to the Director-General of TAA for the excellent work they had done.

22. Mr. HEGDE (India) emphasized the importance of the Expanded Programme of Technical Assistance for the economic development of the under-developed countries and pointed out that it was the only scheme of international co-operation which had universal support.

23. India had, from the outset, been an enthusiastic participant in the programmes of technical assistance: between 1950 and 1953 it had had the benefit of 289 fellowships and the services of 305 experts. It had also received assistance under the Colombo Plan and the Point Four programme. In its turn, it had provided 173 experts and 163 fellowships. That experiment in mutual co-operation had been of the greatest importance, both technically and culturally.

24. The Expanded Programme of Technical Assistance was essentially dynamic and its effectiveness should constantly increase. The Indian delegation had given careful consideration to Economic and Social Council resolutions 521 B (XVII) and 542 B (XVIII). India had never had reason to complain of the old arrangement, but it felt that the new provisions would yield better results because they provided for greater centralization of direc-

tion, a more effective use of the services of the specialized agencies and a closer integration of the Expanded Programme with country planning.

25. He was confident that TAA would continue its efforts to reduce its administrative expenses, which were still too high.

26. If the Expanded Programme was to be extended, more experts and larger funds would be necessary; the annual budget of \$20 million was not enough. It would be necessary, too, for the contributing countries, and in particular the industrial countries, to increase their material support for the Programme. It was gratifying to note that many countries had already increased their contributions. Furthermore, the continuity of the Programme as a whole would be greatly assisted by the establishment of a working capital and reserve fund.

27. Nevertheless, however important a part it played, technical assistance alone could not meet all the needs of the under-developed countries; its activities had to be supplemented by those of other international agencies. In that connexion the Indian delegation hoped that the Special United Nations Fund for Economic Development and the international finance corporation would shortly be set up and that they would co-operate very closely with TAA from the start.

28. Mr. UMARI (Iraq) praised the Expanded Programme, the full value of which had been appreciated in his country by the people of every profession who had co-operated in its implementation. In his opinion, all countries, whether recipients or contributors had helped towards the execution of the Programme as far as their means permitted, and they deserved thanks.

29. The Iraqi delegation approved of the changes which the Economic and Social Council had introduced in the administration of the Expanded Programme, for it was desirable that programmes be drawn up at the national level and that countries be assured of the availability of the funds needed for completing current programmes. There were, however, other considerations which could not be ignored. It was probable that in the future a number of under-developed countries, which had already taken steps to speed up their development, would no longer need the services of experts but would require skilled workers capable of handling machinery, in other words specialists in modern equipment. That was a question that would need to be studied. Such countries would also have to be supplied with capital equipment in larger quantities.

30. The Iraqi delegation was pleased with the decisions taken with a view to reducing the volume of documentation. It was glad to see that administrative expenses had been cut down and it hoped that further economies could be achieved in that field.

31. The opinion of the Iraqi delegation was broadly expressed in the joint draft resolution (A/C.2/L.235), of which his delegation was one of the sponsors. Iraq's contribution had already been fixed and would be announced at the fifth Technical Assistance Conference.

32. Mr. JIMENEZ (Philippines) spoke of the increasing interest which the Philippines continued to take in the regular programme as well as in the Expanded Programme of Technical Assistance. To support the Expanded Programme was to recognize the principle that the economic progress of peoples was necessary in strengthening the foundations of a peaceful world.

33. He was gratified to note the favourable attitude of the other delegations: the proposals on administrative

costs submitted by the Secretary General, as contained in the budget estimates for 1955 (A/2647)¹ had been unanimously approved in the Fifth Committee (458th meeting).

34. As it had stated at previous sessions, the Philippine delegation considered that, with the limited means available, more emphasis should be given to projects which would accelerate the economic development of countries, since an improvement in economic conditions and a betterment of standards of living would naturally result in an improvement in social conditions. It was for that reason that in the Philippines the implementation of the Expanded Programme was lodged in the hands of the National Economic Council, which was the highest advisory body on economic matters and acted as co-ordinator of all technical assistance programmes in the country.

35. The Philippine delegation supported Economic and Social Council resolution 542 B II (XVIII), which provided for programmes to be drawn up at the national level and for funds to be distributed on the basis of requests submitted by Governments. That seemed to be the most logical procedure, since the Governments, in consultation with the resident representatives, were surely the most qualified to indicate their needs and the priorities to be given to those needs. In that connexion, it might be desirable to inform Governments of the target dates for the submission of those programmes to TAB.

36. Remarkable efforts had been made by TAC to effect the necessary changes in the financial arrangements of the Expanded Programme. It was indeed to be wished that the Programme be in a position to meet its contractual liabilities at all times. The creation of a working capital and reserve fund would ensure greater financial stability for the Expanded Programme.

37. In his opinion the Committee would be well advised to appraise the results of the Expanded Programme in the various countries, taking into account the views of the recipient countries as well as the impact of the Programme upon their economic development.

¹ See *Official Records of the General Assembly, Ninth Session, Supplement No. 5*.

38. He went on to survey the technical assistance work undertaken in the Philippines. He mentioned in particular the establishment of a statistical training centre, which might be able to serve the whole region of South-East Asia, and the development of a pilot project called the Philippine Community School Training Centre, with the help of the UNESCO Technical Mission. In that connexion, he paid tribute to the resident representatives of TAB, whose collaboration had greatly facilitated the task of his Government.

39. Finally, he wished to draw the Committee's attention to certain phases of the programme which were of some concern to his delegation. Firstly, he wondered whether it would be possible for nationals of recipient countries to be given greater participation in missions sent to implement certain projects. Such persons would be well acquainted with the problems involved and would be able to continue the work when the experts' contracts expired. Secondly, the Philippine delegation would appreciate any information on the manner of recruiting the experts. The under-developed countries were not without specialists in certain fields, who could usefully be sent to other less developed countries. It thought, too, that Governments should be allowed to recommend fields in which fellowships and scholarships could be granted. It would be advisable for TAB to study ways and means for improving the administration of that phase of the programme. The Philippine Government had been the recipient of several fellowships and scholarships which had proved beneficial and it would like to suggest further fields for such action.

40. In conclusion, he expressed his Government's appreciation of TAA and the other agencies responsible for the success of the programme in the Philippines.

Tribute to the memory of Mr. Andrei Vyshinsky

41. On behalf of the Committee, the CHAIRMAN offered his sympathy to the USSR delegation and asked representatives to observe one minute of silence in memory of Mr. Andrei Vyshinsky.

The Committee observed one minute of silence.

The meeting rose at 12.50 p.m.