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Chairman: Mr. Moḡaiwid M. TELL (Jordan).

GENERAL STATEMENTS (continued)

1. Mr. ALAÇAM (Turkey) said that the world economic situation was generally discouraging. As part I of the *World Economic Survey, 1965*^{1/} had pointed out, the growth rate of the world economy had declined, mainly because of the relative weakness of agricultural production in the developing and centrally planned economies and the policy of retrenchment followed by certain market-economy countries. As a result, the developing countries had experienced a drop in their export earnings, a cut in their imports, a lack of stability in their terms of trade and a heavy burden of debt-servicing. Between 1961 and 1966, the aims of the United Nations Development Decade were far from being achieved.

2. Nevertheless, it was comforting to note that the Decade had brought out the meaning of collective responsibility for solving the problems of the developing countries. It had also shown that external aid was not enough in itself: the developing countries must establish new economic structures, reorganize their production sectors and adapt their factors of production to the development process.

3. Also welcome was the growing awareness of the need for long-term planning. Most of the representatives of the developing countries at the forty-first session of the Economic and Social Council had attached great importance to the work of the Committee for Development Planning in both planning and projections, while pointing out that the results obtained were far from satisfying their hopes. Planning was essential for accelerated economic development, and the United Nations must play an important role in working out directives, improving techniques and disseminating results. Hence, his delegation supported Economic and Social Council resolution 1148 (XLI) and would support any draft resolution calling on the Committee for Development Planning to establish the common aims and principles which must be borne in mind in the preparation of development plans.

4. Among such aims, high priority must be given to the control of demographic growth. Rapid population growth inhibited development and brought a host of social ills in its train. In 1965, Turkey had promul-

gated an Act which provided for optional birth control and family planning. While Governments should decide on their own population policies, they should be helped by the United Nations in the preparation and execution of those policies. His delegation hoped that a resolution on those lines would be adopted by the Second Committee.

5. Convinced that industrialization was the keystone of development, Turkey welcomed the coming establishment of the United Nations Organization for Industrial Development (UNOID). The co-operation of the international community in the efforts of the developing countries to industrialize was essential. The United Nations, with the effective participation of the developed countries and through the new Organization must direct and co-ordinate those efforts. A draft resolution on UNOID must be submitted by the Second Committee to the General Assembly by a unanimous vote.

6. Agricultural development must coincide with industrial development. In Turkey, nearly 75 per cent of the population were engaged in the farm sector and agricultural production represented about 40 per cent of the gross national product. The development of agriculture was therefore one of the priority aims of the first Turkish five-year plan. Turkey's main objective was to establish a balance between industry and agriculture and between the various branches of industry.

7. From 1961 onwards, the flow of capital to the developing countries had tapered off and the burden of debt-servicing on their economies had grown heavier. The problems of financing the economic development of the developing countries were far from being solved and the 1 per cent target for the transfer of resources from developed to developing countries had not been achieved. To remedy the situation, gross flows of capital to the developing countries must be rapidly increased and the conditions governing them must be made easier. Ways must be found of consolidating and rescheduling the debts of countries undergoing a crisis in the matter of liquidity. In that connexion, he welcomed the adoption of Economic and Social Council resolution 1183 (XLI) and supported the establishment of a capital development fund on the understanding that it should have its own resources and not prejudice existing financial activities and future pre-investment needs.

8. One of the most important functions of the Trade and Development Board of UNCTAD was to increase the export earnings of the developing countries. The United Nations Conference on Trade and Development (UNCTAD) marked a new departure in United Nations policy and had given the developing countries new

^{1/} United Nations publication, Sales No.: 66.II.C.1.

hope. The most crucial problem was to see that the recommendations of the first session of the Conference were fully applied. At its second session, the Conference must define the ways and means of securing that objective, adopt a selective attitude and concentrate on points of basic interest.

9. He welcomed the establishment of the United Nations Development Programme (UNDP) and particularly the decisions taken by its Governing Council. However, its financial position was disquieting. Although recent pledges would result in an estimated increase in income of 9 per cent, the target figure of \$200 million was far from being achieved. Nevertheless, his delegation continued to be optimistic and hoped that the developed countries would do everything in their power to reach that figure.

10. The World Food Programme was another important feature of international co-operation. Turkey had supported its continuation under General Assembly resolution 2095 (XX) and agreed with its Executive Director that it could make a direct contribution to the growth of agricultural production. But that Programme, too, suffered from a lack of resources: of the target figure of \$275 million for 1966-1968, only \$175 million seemed likely to be available.

11. He fully agreed with the representative of Algeria (1023rd meeting) and with the representative of Iran (1025th meeting) about the importance of the campaign against illiteracy. Conscious of the link between under-development and illiteracy, the Turkish Government in its five-year development programme had allocated \$175 million for primary education alone. His delegation would be glad to support any initiative aimed at eliminating illiteracy as soon as possible.

12. Finally, his delegation had supported Economic and Social Council resolutions 1108 (XL) and 1130 (XLI) and would be ready to co-operate with other delegations in drawing up a draft resolution endorsing the Council's recommendation that 1967 should be designated as "International Tourist Year".

13. Mr. HAMBRO (Norway) said that the Norwegian Government and people fully shared the deep concern over what the Secretary-General had described as the "current crisis in international aid". Among the dangerous trends which had emerged were an actual decrease in the volume of resources transferred from the developed to the developing countries as a percentage of the former's gross national product, and the failure to achieve the modest annual growth rate of 5 per cent in the latter countries. Those serious facts and their implications were not sufficiently known, and his Government therefore supported plans to expand United Nations information activities in that connexion.

14. Nevertheless, some positive developments had taken place. It was encouraging that the developing countries' exports had risen both in volume and value and that their domestic savings were increasing, and the fact that no less than seventeen developing countries had surpassed the target of the United Nations Development Decade was also impressive. The time could be foreseen when certain countries receiving development assistance would achieve self-sustaining growth, thereby releasing precious resources for

assistance in areas where they were most urgently needed.

15. But that encouraging development should not give rise to complacency; rather it should inspire still greater efforts to provide the developing countries with the possibility of achieving more rapid growth by their own endeavours, supplemented by external assistance. The experience of the past twenty years, which had focused unprecedented attention in all countries on matters of development, should make a more efficient approach to those problems possible. Norway, which had formerly had little contact with countries of the southern hemisphere, was determined to make its contribution towards preventing the frightening prospect of an increasing division between North and South. In order to achieve maximum efficiency and quality, his Government was undertaking a thorough review of Norway's record in providing public development assistance, and was also drawing upon the experience gained by private organizations working in developing countries. A similar effort should perhaps be made to improve all multilateral and bilateral assistance, since, as was indicated in the first report of the Committee on Development Planning,^{2/} there was rather too much emphasis at present on theoretical development plans and too little on their implementation.

16. There was general agreement that development aid, in its present form, could not solve all development problems. Of the many prerequisites for a satisfactory rate of growth in the standard of living of the developing countries, he would deal with only two: population growth in relation to food production and trade problems.

17. Even if substantial resources were transferred to the developing countries, it was difficult to see how a reasonable rise in their level of living could be achieved without serious consideration being given to current population trends, and the Norwegian delegation therefore supported United Nations demographic studies and research. It believed that the results of that research should be disseminated as widely as possible and that all Governments wishing to launch action programmes should be able to obtain assistance, if requested, from the United Nations and the specialized agencies. It should be stressed, however, that efforts to curb population growth could be effective only for the next generation, and did not obviate the need for a rapid expansion of food production. The population problem should also be regarded from a humanitarian as well as an economic point of view, and it must not be forgotten that the aim of all development was the welfare of mankind.

18. The activities of the United Nations Conference of Trade and Development had focused attention on the trade position of the developing countries, and even though specific achievements had been few, the beginning of an understanding between the developed and developing countries now existed. That was by no means a negligible achievement in view of UNCTAD's relatively brief existence. Some steps in the right direction had also been taken by United

^{2/} Official Records of the Economic and Social Council, Forty-first Session, Supplement No. 14.

Nations agencies, other international organizations, and individual Governments.

19. He recalled some measures and policies adopted by his Government which illustrated the efforts being made by small nations in that connexion. Firstly, the Norwegian Government had proposed to Parliament the elimination, as from 1 January 1967, of all customs duties on primary products of interest to developing countries. In the Kennedy round, Norway had declared itself willing to grant larger than average tariff reductions on products from developing countries without reciprocity. Secondly, Norway, together with other signatories to the International Coffee Agreement, had recently declared its willingness to regulate coffee imports from countries not parties to the Agreement. It was also willing to make further constructive efforts towards reaching a cocoa agreement, to which it attached great importance as a model for future commodity agreements, and hoped that concessions would be made to remove outstanding difficulties. Norway was willing to participate in arrangements to ensure stable and remunerative prices for primary products, provided those arrangements did not result in over-production. Thirdly, his Government, like many others, provided a special export credit guarantee for credits to, and investments in, developing countries. It was also a signatory to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States of the International Bank for Reconstruction and Development (IBRD) which it hoped, would be an efficient instrument for accelerating the flow of private financial resources to developing countries on sound economic terms.

20. A significant expansion of United Nations machinery in the economic field had taken place in recent years. Norway welcomed the establishment of the United Nations Organization for Industrial Development which would give industrialization the emphasis it merited. A further measure, which was economically sound and likely to strengthen the prestige of the whole United Nations, would be to give the United Nations Development Programme the means with which to play a larger role in development assistance. The experience gained and confidence enjoyed by UNDP should lead to a better balance between multilateral and bilateral aid. It was discouraging to note, however, that the proportion of official contributions to multilateral agencies in the total net outflow of long-term financial transfers to developing countries had fallen from 10 per cent in 1961 to 5 per cent in 1964. The United Nations must now consolidate the existing machinery and make UNOID an efficient body rather than establish further agencies.

21. The Economic and Social Council, which had already been revitalized, should grow in stature as the principal United Nations organ for dealing efficiently with the division between North and South. The fact that it had already turned its attention to planning for the period which would follow the present Development Decade was a good omen.

Mr. Boiko (Ukrainian Soviet Socialist Republic), Vice-Chairman, took the Chair.

22. Mr. FIEDLER (Austria) said that the reduction in the flow of foreign capital to the developing coun-

tries, to which the Under-Secretary for Economic and Social Affairs had devoted a considerable part of his statement (1023rd meeting), had become one of the principal subjects of international discussion. Without going into its possible causes, he wished to indicate some of the measures taken by his country which departed from the general trend.

23. Austria had repeatedly expressed its willingness to contribute, as far as it was able, to development finance, and had pledged an increase, subject to parliamentary approval, of nearly 50 per cent in its contribution to UNDP. Austria had ratified the establishment of, and made a substantial contribution to, the Asian Development Bank, and had pledged nearly \$1.4 million to the current period of the World Food Programme—almost three times its previous contributions. The flow of financial resources from Austria to developing countries and international financial institutions had risen from \$22 million in 1964, to \$48 million in 1965, and it had increased its quota in the International Monetary Fund from \$75 million to \$175 million. Those facts testified to Austria's full co-operation towards achieving the targets of the United Nations Development Decade.

24. Unfortunately, however, the results of the Decade still lagged behind its modest objectives, and further efforts were required of the industrialized and developing countries alike. Nevertheless, the Decade had witnessed the establishment of new and effective machinery—in particular UNCTAD, UNDP, and UNOID. As regards trade and development, vague ideas had given way, in the space of two or three years, to the formulation and implementation of practical measures. The United Nations Conference on Trade and Development provided a firm institutional framework, and a similar framework was now being prepared for industrialization.

25. Austria had also taken action to facilitate the exports of developing countries and could be expected to do more in the near future. It was its sincere hope that a cocoa agreement, which was satisfactory to both producers and consumers, would be concluded before the second session of UNCTAD. Such an agreement was a political as well as an economic necessity. The second session of the Conference would have to concentrate on a limited number of important issues if it was to achieve practical results. Austria pledged its full co-operation in the work of the Conference, which would set the pace for the Committee's future work.

26. Another important new institution was the United Nations Organization for Industrial Development. Austria had supported General Assembly resolution 2089 (XX) establishing UNOID and would vote for the relevant draft resolution prepared by the *Ad Hoc* Committee on UNOID (See A/6229, para.11). It would make every effort to ensure the success of the new Organization, to which it was prepared to make a substantial voluntary contribution. He recalled the statement, made by the Minister for Foreign Affairs of Austria to the General Assembly (1430th plenary meeting), that his Government had decided to offer Vienna as a possible site for the United Nations Organization for Industrial Development, provided that a majority of Member States wished to establish

the permanent secretariat of that Organization outside United Nations Headquarters. The Austrian delegation appreciated the offers already made by India, Kenya and Peru, and hoped that the Committee would consider the alternatives on their merits.

27. His delegation would comment on the other items at a later stage.

28. Mr. UKEGBU (Nigeria) said that the current decade was marked by an increased awareness among both developed and developing countries of the need for a body of ideas with which to stimulate international economic co-operation and tackle its problems. The new thinking had found expression in General Assembly resolution 1710 (XVI) on the United Nations Development Decade, in UNCTAD recommendation A.IV.2 on "Growth and Aid",^{3/} and, more recently, in General Assembly resolution 2089 (XX) establishing UNOID.

29. The world-wide concern about the necessity of raising the standard of living of developing countries and the willingness to help them in attaining a minimum annual growth rate of 5 per cent by 1970 had not, however, been translated into positive policies and actions, and the gap between developed and developing nations had, in fact, widened further. If the situation was not to deteriorate further, the United Nations would have to direct its attention to areas where urgent action was imperative and where relatively quick results could be scored.

30. The factor chiefly responsible was the deceleration in the flow of assistance from the developed countries. His delegation realized that some major suppliers of aid were facing balance-of-payments difficulties but hoped that some means could be found of coping with what the Secretary-General had described as the "current crisis in international aid". It was that situation which had led the Economic and Social Council, in its resolution 1183 (XLI), to urge the developed countries to reach and, if possible, to surpass by the end of the Development Decade the target of 1 per cent of their national income for the flow of external resources to the developing countries.

31. It was a matter for regret that the developing countries were also frustrated with regard to the implementation of UNCTAD's recommendations. The failure of the United Nations Cocoa Conference to reach an agreement, and the volume of the developing countries' exports which still remained subject to trade restrictions, were clear indications of a lack of political will to put the recommendations into practice.

32. Nevertheless, UNCTAD had a number of achievements to its credit: the United Nations Convention on Transit Trade of Land-Locked States, the Third International Tin Agreement and a number of trade agreements. It was his delegation's hope that more developed countries would emulate the example of Australia in removing duties on a wide range of handicrafts from developing countries and that the

major cocoa-consuming countries would resume negotiations at an early date on the basis of the limited consensus reached at the United Nations Cocoa Conference. There was a danger, however, that the effectiveness of UNCTAD might be diminished if too many ambitious plans were undertaken at once, because of the inability of those concerned to act on a great many schemes simultaneously. The Conference should thus limit itself to areas in which genuine progress could be made, such as financial arrangements and matters of basic interest to developing countries.

33. The importance of industrial development in accelerating the economic and social advance of developing countries had been recognized by the General Assembly when it had decided to establish UNOID. Those countries could hardly be expected to increase trade in manufactures and semi-manufacturing among themselves if they had virtually no industries and those which they had were unable to compete with those of the developed countries. If UNCTAD and UNOID were to be successful in establishing export-oriented industries in the developing countries, assistance for industrial development would have to include schemes for improving the quality of products and ensuring access to markets on a competitive basis.

34. There was some truth in the argument that some developing countries had not yet embarked on the measures of broad economic and social reform which were a prerequisite for rapid economic development. Nevertheless, the developing world, as a whole, was achieving an impressive measure of self-help: domestic savings, for instance, were expanding by almost 6 per cent a year and had constituted almost 14 per cent of their gross domestic product in 1964. Many of them had made solid progress in extending their power and transport facilities, improving their educational and scientific infra-structure and undertaking social reforms. Those countries could not, however, be expected to achieve rapid economic growth and at the same time carry their heavy debt-servicing burdens without external technical and financial help.

35. Much of that help was made available through the United Nations Development Programme. The Programme was continually seeking new means of improving assistance to developing countries and it was his delegation's hope that the generous support of Member States would continue to enable UNDP to mobilize resources for the betterment of mankind.

36. His delegation was gratified by the excellent plans suggested by the Executive Director of the United Nations Institute for Training and Research; it was to be hoped that there would be a generous response to the Secretary-General's appeal for more funds for the Institute.

37. The Nigerian Government's position on the subject of permanent sovereignty over natural resources was that their exploitation was a joint venture in which the interests of both investors and recipient countries had to be safeguarded. It believed that the exercise of a nation's sovereignty over its natural resources should not be open to question, in principle, provided that such exercise was not contrary to the accepted principles of equity and international conduct, and that

^{3/} See *Proceedings of the United Nations Conference on Trade and Development*, vol. I: *Final Act and Report* (United Nations publication, Sales No.: 64.II.B.11).

that sovereignty implied the right to modify or revoke existing agreements on the exploitation of resources. For that reason, it also recognized the principle of adequate compensation in the event of nationalization and expropriation.

38. Nigeria's economy was of the mixed enterprise type: private foreign investors contributed to economic and social development side by side with national public corporations and other agencies. Nigeria had consistently offered incentives to foreign investment and was a party to the IBRD Convention on the Settlement of Investment Disputes between States and Nationals of Other States. External assistance would continue to be welcomed for the implementation of the 1962-1968 national development plan and its successor. The content and effectiveness of the next Plan would

be improved in the light of the experience acquired with the current Plan, and efforts to mobilize domestic resources for development would be continued.

39. The uncertainty of the international commodity market seriously hampered the developing countries' ability to earn foreign exchange for their development; they would therefore welcome a genuine effort by the developed countries to co-operate in the negotiation of international stabilization agreements on such primary commodities as cocoa.

40. In conclusion, his delegation expressed its appreciation for the generous assistance it had received from many Member States during the previous year.

The meeting rose at 12.15 p.m.

