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

GENERAL STATEMENTS (continued)

1. Mr. BOIKO (Ukrainian Soviet Socialist Republic) said that the economic situation of the developing countries, whose rate of growth was lagging behind the modest targets of the United Nations Development Decade, was a major cause for concern. Their deteriorating trade situation had resulted in a reduction of the amount of resources available for development and an increase in their external debt, while their extremely low gold reserves meant that their economies were unable to function normally. Although the developing countries had accounted for 21.8 per cent of world trade and 11.6 per cent of world production in 1965, their gold reserves in the same year had amounted to only 6.5 per cent of those of the developed countries.

2. Because of the lack of domestic markets for their agricultural products, many developing countries were still heavily dependent on their foreign exchange earnings as a source of development resources. There was therefore an urgent need to stabilize commodity prices. The adverse influence exerted on their economies by the instability of commodity markets was felt particularly deeply by the developing countries, because it resulted from fluctuating trends in the economies of their former colonial rulers, who had organized their production in the interests of their own monopolies. But while export prices for primary products must be stabilized, they must also be fair; whereas the prices of primary exports from developed countries had risen by 13 per cent since 1960, prices for similar exports from the developing countries had remained at the same level. Had the developing countries been able to export on the same terms as the developed countries, their export earnings for 1966 would have increased by about almost \$4,000 million. In that connexion, it was significant that the amount of additional development aid which the developing countries could now absorb was estimated at from \$3,000 million to \$4,000 million.

3. The situation was aggravated by the fact that there had also been a 7 per cent increase since 1960 in the prices of manufactured goods, which constituted the bulk of the developing countries' imports. It was therefore clear that very little progress had been made in establishing fair prices during the first half of the Development Decade, and the United Nations

and the United Nations Conference on Trade and Development (UNCTAD) should therefore immediately undertake careful studies to determine the causes of price fluctuations in individual markets and ways and means of improving the situation.

4. Inflation had so far been considered principally with reference to its effect on the developing countries, but stress should instead be laid on inflation in the developed capitalist countries and on the adverse effect which the two main anti-inflationary measures they adopted—raising the bank rate and increasing taxes—had on the economies of developing countries. While direct tax increases were highly unpopular and a last resort, the dearer credit resulting from higher bank rates in all capitalist countries was one of the principal reasons for the cutback in the flows of capital to the developing countries in recent years. The need to eliminate balance-of-payments deficits was often advanced as a justification for the increases, but Western countries which adopted such measures took no steps to eliminate the real causes of those deficits. It was well-known, for example, that the enormous outlay of the United States and the United Kingdom on their armed forces abroad was one of the main reasons for their balance-of-payments deficits, but there was no sign of those expenditures being significantly reduced in the future.

5. Thus, the developing countries were left to their own devices and forced to strive for higher export earnings, a greater share in revenues from the natural resources at present exploited by foreign capital, and a reduction in their capital outflows. The Ukrainian delegation believed that the United Nations should help developing countries to fulfil their national development plans by determining the causes, scope and effects of capital outflows from developing countries and suggesting means of reducing them, in order to lessen the external debt burden.

6. In considering international monetary reform, full account must be taken of the interests of all the members of UNCTAD: the matter should therefore be discussed by UNCTAD and not merely by ten developed capitalist Powers. Another practical step which UNCTAD could take towards removing the obstacles to world trade would be the normalization of East-West trade. Progress in implementing the recommendations of the Conference had been extremely slow, but in contrast to the developed capitalist countries, which had rejected some recommendations and called for the revision of others, the Ukrainian Soviet Socialist Republic and other socialist countries had urged their speedy execution. The socialist countries had taken specific measures to expand their external trade and other economic relations with the developing countries, providing technical assistance,

for example, in industry, agriculture, science, education, transport, geology and technical training. In the Ukrainian SSR, more than 4,500 foreign students, mostly from the developing countries, were being trained in a wide range of specialities, while many Ukrainian specialists were working in developing countries.

7. The Ukrainian SSR also participated in United Nations multilateral technical assistance programmes, but regretted that much of the funds it contributed were not used. Although utilization of voluntary contributions to the technical assistance component of the United Nations Development Programme (UNDP) had recently improved slightly, unused voluntary contributions to the Special Fund component had reached \$170 million by the beginning of 1966. His delegation therefore hoped that UNDP would apply those resources to investment proper, leading to the eventual transformation of the Special Fund into a capital development fund.

8. The Ukrainian delegation welcomed the establishment of the United Nations Organization for Industrial Development (UNOID). However, the new organization must ensure that sufficient emphasis was given to the fundamental role played by the public sector in the industrial policy and development planning of developing countries. In that connexion, UNOID could usefully draw on the experience of the socialist countries. The new organization should also co-operate with the developing countries in the implementation of industrialization policies, including the introduction of advanced technology and the utilization of natural resources, in accelerating capital investment and in training technical cadres.

9. The Ukrainian 1965 economic plan had been fulfilled. Under the new plan for 1966-1970, industrial production would increase by almost 50 per cent and agricultural output by 25 per cent, while gross national income would rise by 39 per cent. Preliminary results for 1966 indicated that both the industrial and the agricultural targets of the plan were realistic.

10. The question of permanent sovereignty over natural resources was of particular concern to the developing countries which had recently freed themselves from colonial dependence. The United Nations should help developing countries to maintain that sovereignty by preventing its violation and supporting measures such as the nationalization of foreign property. It should support their just claims to a greater share in the administration of and in the profits accruing from natural resources being exploited by foreign capital. It should also provide for the training of national cadres in all areas where natural resources were being exploited by foreign capital, as advocated in the draft resolution submitted at the twentieth session of the General Assembly.

11. The World Land Reform Conference, held at Rome in 1966, had shown that democratic land reform was one of the most urgent tasks facing most of the developing countries and essential to the achievement of economic independence and adequate growth rates. Reform would be democratic only if it provided for the reapportionment of large holdings, including

those of foreign landlords, in the interest of those who owned little or no land. Such radical reform would be an important step towards eliminating economic and social backwardness, increasing the production of raw materials, achieving higher growth rates and a better distribution of national income, and raising living standards. It was essential that the United Nations, the regional economic commissions and other specialized bodies should make use of and publicize the experience of such countries as Cuba, the United Arab Republic and Burma in that connexion.

12. At the World Population Conference, held at Belgrade in 1965, there had been general agreement that birth-rates and death-rates would in the future be much more dependent on social and economic factors and on scientific and technological advances. The General Assembly should bear that important consideration in mind in discussing population growth and economic development and not merely recommend measures and offer technical assistance for birth-control. The participants in the Conference had also recognized the importance for development planning of long-term population projections and regular censuses. The Ukrainian SSR, in accordance with the recommendation of the Statistical Commission that all countries should hold a population census in 1970 or thereabouts, would hold its next census in January 1969, and would use the results of the previous census of 1959 in preparing the five-year plan for the development of its national economy in 1971-1975.

13. His delegation welcomed the enlargement of the membership of the Economic and Social Council. The Council, like UNCTAD, had rightly discarded the economic break-down of the world into developed and developing countries in favour of the categories "socialist", "developed capitalist" and "developing" countries. The division of the world into "rich" and "poor" countries was clearly unjustified, since the capitalist and the socialist countries could not be grouped together. The imperialist countries nevertheless attempted to do so, in order to lay part of the blame for their past and present colonial activities at the door of the socialist countries; they were still attempting to manipulate the economies of the developing countries in order to enrich their monopolies.

14. The conversion to peaceful needs of the resources released by disarmament should be considered realistically; more and more resources were being swallowed up by the arms race and there were numerous examples of imperialist aggression against freedom-loving peoples. In that connexion, the United States policy of aggression was destroying Viet-Nam's natural and human resources and preventing normal economic relations between States.

15. MR. PIÑERA (Chile) stressed that peace-building must go hand in hand with peace-keeping and Chile, though a small country, was prepared to play its full role in both. Development was vital to peace-building. Although the developing countries recognized their responsibilities and were prepared to make every effort to mobilize their own resources, they must be given every assistance by the big Powers.

16. At the same time, among the developing countries, especially those represented at the United

Nations Conference on Trade and Development, a deep feeling of solidarity was emerging. It was not just a question of common interest; the seventy-seven developing countries which were members of UNCTAD represented a lasting union of multi-racial, multi-religious, multi-political and multi-lingual societies all united in the endeavour to remedy their under-development.

17. The existence of such under-development was nothing short of scandalous. Two thirds of mankind were suffering from a lack of food, housing, education and future prospects and lived on the margin of the world economy. Chile faced a similar problem on the domestic level and was doing everything in its power to overcome it. Its efforts must be paralleled at the international level so as to eliminate the "economic apartheid" that existed throughout the world. The problem was urgent; traditional methods had failed to solve it and new and revolutionary ones must now be tried.

18. The more advanced countries often discussed their economic problems in closed groupings, but what was needed was a fruitful dialogue between rich and poor countries in a common forum. Such a forum already existed in UNCTAD which performed the triple function of promotion, confrontation and conciliation. Similarly, financial problems tended to be discussed by the developed countries in small exclusive groups. The time had come for UNCTAD to sponsor a world monetary conference where all countries had an equal voice and where international financial problems could be discussed constructively. The Bretton Woods Agreements were twenty years old and completely out of date. Thought should also be given to the convening of a world shipping conference to tackle the acute problems facing the developing countries, such as freight rates, tariffs and preferences.

19. Of great significance for development was the spread of technology which was a matter not for academic discussion but for practical action. Paradoxically, the development of technology so far had actually militated against the advancement of the poorer countries. The time had come to ensure that technology was harnessed for the betterment of all mankind. Nor was technology merely a matter of royalties and patents: ways and means should be found whereby the enormous advances of science and technology could bring about a rapid improvement in the situation of the Third World. In that respect, both the Second Committee and UNCTAD had a vital role to play.

20. As a result of the first session of UNCTAD, a solid body of principles for governing international trade already existed. There had been some opposition and some reservations from the developed countries but all the principles had been adopted with substantial majorities and were now an established fact. While it might take some time to formulate a world trade development plan, there were already many sectors in which advances could be made.

21. The needs of the developing countries had been clearly evaluated; what was needed now was a clear decision by the developed countries to allocate the

resources necessary to meet those needs. Vague statements of intention or discussions of the extent to which the 1 per cent target was being met were not very helpful. A definite commitment by the advanced countries was necessary to help solve the specific problems of the developing countries in the matters of finance, shipping, trade, etc. He therefore suggested that a summit conference of the developed countries should be held at which they could agree on a joint programme for helping the developing countries in such specific fields. They could then come before the developing countries—at the second session of UNCTAD, for example—and begin a constructive dialogue leading to a concerted action.

22. Land reform was another vital ingredient of development. It involved not only efforts to increase agricultural production but also basic changes in the social framework. The recent World Land Reform Conference had placed that problem in a worldwide perspective and he hoped that a world attack on it would be maintained. The problems of trade, food and literacy must be similarly tackled. To eliminate hunger, a crash programme, led by the advanced countries, was necessary, since studies prepared by the Food and Agriculture Organization of the United Nations showed that a crisis was imminent.

23. Chile was promoting development—land reform, taxes, education and the exploitation of natural resources—at the domestic level and was ready to play its part internationally. It was confident that with proper international co-operation progress could be made.

24. Mr. KARMARKAR (India) said that his delegation shared the disappointment expressed by the Secretary-General in his report on the United Nations Development Decade^{1/} at the failure of the world community to make progress towards two primary targets of the Decade—a 5 per cent annual growth rate for the developing countries and the transfer to those countries of 1 per cent of the national income of the developed countries. The gap between the two groups of countries, in terms of annual rates of growth and *per capita* income had, in fact, grown wider. There was a further disparity, however, which was causing even deeper concern: that of the declarations of intent and the actual implementation of specific programmes and policies, and it should be the object of the Second Committee to identify and recommend measures to reverse both trends during the second half of the Decade.

25. Although it was true that the main responsibility for improving the economic position of the developing countries had to be assumed by those countries themselves, their failure so far to attain the modest targets of the Decade had not been due to the lack of effort in mobilizing their internal resources but, in the majority of instances, to the insufficiency of external resources. All authorities were unanimous in acknowledging that the flow of external financial resources had slackened at a time when the capacity of the developing countries to make effective use of such resources had

^{1/} Official Records of the Economic and Social Council, Forty-first Session, Annexes, agenda item 5, documents E/4196 and Add.1-3.

become greater. In fact, while domestic savings in the developing countries had amounted to almost 14 per cent of the gross domestic product in 1964, the ratio of resources provided by the capital-exporting countries to their gross output had declined from 0.84 per cent in 1961 to 0.65 per cent in 1964. There was reason to believe that that situation was attributable not so much to the financial difficulties of the developed countries as to certain public and private attitudes, and if that were so, no effort should be spared to change those attitudes.

26. A problem of almost equal concern to the developing countries was the very rapid rise in their debt-servicing obligations. It had been estimated that, unless the terms on which aid was made available were made considerably softer, repayments of existing loans would completely neutralize the inflow of capital in a little more than fifteen years. A satisfactory solution to that problem was, moreover, in the interest of both borrowers and lenders, since the impoverished two thirds of the world constituted a potential export market which no major trading country could afford to ignore. His delegation hoped that the constructive proposals in Economic and Social Council resolution 1183 (XLI) concerning the volume and the terms of aid would be implemented with the urgency they deserved.

27. India's substantial progress during the previous fifteen years towards expanding and diversifying its economy had been achieved through a massive effort by its people. Of the total investment of \$22,800 million in the first two five-year development plans, only \$2,200 million had come from external assistance, the remainder was from domestic savings in a country in which per capita income was among the lowest in the world, that represented no small sacrifice on the part of the people. The necessary infra-structure for a diversified economy had been built, industrial production had grown at the rate of 8 per cent per annum during the previous fifteen years and it was hoped that by 1970, within two decades, India would have doubled its food production.

28. Despite all those achievements, India was painfully aware of the need to raise the appalling low living standards of its people to an adequate level. The difficulties it faced in so doing were those common to all developing countries, one of the foremost being the decline in foreign exchange reserves as a result of the increasing burden of debt-servicing. The Under-Secretary for Economic and Social Affairs had suggested the creation of a system of regional and global planning based on mutual commitments. However, there was need for caution in view of the political implications of such a system. It must be clearly understood that the aid-giving process would involve no interference with the social and political framework within which the developing countries were seeking to transform their societies. There was need for continuity in the flow of external resources for planned economic growth. As matters stood, commitments were limited to one year at a time, which tempted the donors to use criteria which were not purely economic when renewing their commitments.

29. The wide support for the establishment of a United Nations capital development fund was based on the reasoning that the multilateral approach to aid for development would make the international community responsible for investment in the developing areas and thus relieve the apprehensions of the aid-giving countries concerning the effective utilization of the resources provided by them. His delegation therefore appealed to all delegations to speed up the establishment of the fund.

30. Progress in implementing the recommendations of UNCTAD had been disappointingly slow: the prices of some primary commodities had declined; efforts to conclude international agreements on cocoa and sugar had failed; and, with the exception of Australia, the developed countries had done little in regard to schemes for general preferences. Progress in the removal of tariff and non-tariff barriers had also been slow. For that reason, it was to be hoped that the approach suggested for the second session of the Conference—that of concentrating on selected issues of fundamental importance—would lead to specific agreements and plans of action.

31. The establishment of UNOID fulfilled a long-felt need of the developing countries, and his delegation hoped that the Second Committee would endorse the draft resolution (A/6229, para.11) submitted by the Ad Hoc Committee on UNOID, particularly the provision relating to a separate pledging conference for UNOID.

32. His Government had offered New Delhi as a site for the headquarters of UNOID in the belief that the location of one major organ in a developing country would bring the United Nations closer to the developing world. Moreover, the location of UNOID in India, which had the experience of two decades of planned development in the industrial field, would give that organization an opportunity to study at close quarters the problems facing the developing countries in the process of industrial development.

33. The extent to which economic development could be nullified by population growth had long been recognized by the developing countries. His Government realized that the social and economic betterment of the people of India could be achieved only if its population growth was controlled and its human skills and resources developed to the desired extent; it was therefore organizing what was perhaps the largest control programme ever known.

34. The increasing scope and complexity of the activities of the United Nations and its agencies had led to the demand for better co-ordination. His delegation hoped that the Second Committee's general review of programmes and activities and of the functions of the Council, as well as its consideration of the decentralization of economic and social activities would further co-ordination. His delegation wholeheartedly supported the recommendations of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies on the question of co-ordination.

35. In conclusion, he expressed his delegation's hope that Member States would accept their responsibility under the United Nations Charter to employ

international machinery for the economic and social advancement of all peoples.

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

36. Mr. Al-RASHID (Kuwait) observed that, unless serious efforts were made to check the growing disparity between the living standards of the advanced and those of the developing countries, the current trend might well continue for decades to come. One measure urgently needed to offset the crippling burden of those countries' indebtedness was the provision of aid in the form of gifts, or of low-interest, long-term loans. Moreover, the failure of the developed countries to meet the 1 per cent target for the transfer of resources was most disappointing; it was perhaps not sufficiently appreciated that an increase in the per capita income, and consequently, in the purchasing power, of developing countries would have a salutary effect on the markets of the developed countries.

37. The efforts of developing countries were being hampered by the rate of population growth. Such palliative measures as the World Food Programme merely emphasized the need for far-reaching agrarian reform. The development of agriculture and other natural resources should, however, be undertaken in conjunction with industrialization, since priority necessarily had to be given to export-oriented industries.

38. The developed countries had so far shown little inclination to adopt the trade policies recommended by UNCTAD. Countries heavily dependent on the export of non-renewable natural resources, for instance, had witnessed little progress towards the reduction and elimination of barriers to the trade in and consumption of such products. The co-operation of the developed countries with UNCTAD would do much to allay the suspicion that they were still eager to impose their economic sway on newly independent countries.

39. His delegation had consistently supported the establishment of UNOID. It was to be hoped that UNOID would establish regional centres to accelerate the industrialization of developing countries and devote particular attention to the promotion of industries capable of absorbing surplus manpower.

40. The expansion of the activities of the United Nations Institute for Training and Research was particularly gratifying. His country's sore need for technical knowledge and skilled personnel for its development projects led him to hope that priority in the Institute's work would be given to training that would meet the immediate needs of the developing countries, and that some programmes would be undertaken in those countries.

41. The consolidation of assistance activities within UNDP had led to closer co-ordination and greater efficiency in programmes, and better utilization of available funds. The Programme was a clear example of development assistance untainted by military, political or ideological considerations.

42. The rapid economic transformation of Kuwait was due to revenues from oil production; Kuwait

was, in fact, the world's fourth largest producer of oil. Efforts were being made, however, to diversify the economy and lessen dependence on oil. Social advance had kept pace with economic prosperity and Kuwait's wealth was also being applied to helping other countries in the Arab world. The Kuwait Fund for Arab Economic Development, for example, assisted projects in Arab States by providing low-interest loans, and his country was participating in the establishment of an Arab-African bank. His Government was therefore translating its belief in the importance of regional and international co-operation into practical action, and would welcome the strengthening of an important instrument of regional co-operation in its area, the United Nations Economic and Social Office at Beirut.

43. Sir Edward WARNER (United Kingdom) said that he would confine his remarks to explaining his country's present position and its bearing on the United Kingdom's capacity to extend aid, and to the urgent need for economy in the administration of available aid.

44. The United Kingdom recognized its moral responsibility, shared with other industrial countries, to help the developing countries raise their standards of living and expand their trade, thus stimulating world prosperity. It could not tolerate poverty in large areas of the world side by side with affluence. Unfortunately, the United Kingdom's present economic situation prevented it from doing as much as it wished, but it was determined, at the proper time, to increase its assistance to the developing countries. Its capacity to do so would depend on the strength of its recovery.

45. To achieve that recovery, stringent measures had been taken in July 1965 to restore the balance of payments by curtailing internal consumption and re-deploying labour for employment in export industries. Those measures had been followed by plans to modernize and re-equip United Kingdom industries and make them more competitive in world markets. A new relationship between Government, employers and labour had been achieved at the United Kingdom's first Productivity Conference, which had recently been under the chairmanship of the Prime Minister. At that Conference, the Prime Minister had stated that in any country, regardless of its economic motivation, rising living standards were possible only to the extent that productivity increased; productivity was, in fact, the only road to greater prosperity.

46. That principle could also be applied in the United Nations family of organizations. If developing countries were to benefit fully, it was essential that operational aid in the field should be maximized and made as productive as possible, in accordance with national and regional development plans, and not dissipated in the excessive administrative overheads of overlapping and competing institutions. There must be a constant endeavour to eliminate duplication and the ineffective use of resources, and he therefore warmly welcomed the strengthening of the position of UNDP representatives in the field, on whom much would depend. The United Kingdom remained opposed to the establishment of any new institutions which might cause further duplication in the work without increasing the resources available

or the effectiveness of their utilization. It was strongly in favour of multilateral aid, although the extent to which aid was channelled through the United Nations and associated organizations would depend partly on the degree of confidence which their staff could create among donor countries. In that connexion, his delegation hoped that the recommendations of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies would be put into effect at an early date.

47. The United Kingdom, fully aware of the problem of growing indebtedness in the developing countries, had taken the lead in providing interest-free loans, with waivers of capital repayment for the first few years. It also attached high priority to the International Development Association (IDA); it had made provision in its aid programme for a substantial replenishment of IDA resources, and would be ready to join with other countries in working out a new programme.

48. The United Kingdom shared the general disappointment that development aid had levelled off in the middle of the United Nations Development Decade, and hoped that it would soon be able to resume the progressive increase in its contributions towards the objective of upgrading the productivity of two thirds of mankind to levels that were now technically possible. On that task depended not only the well-being of the under-privileged, but also the future prosperity of the United Kingdom itself, it being a nation vitally dependent on imports of food and raw materials, and consequently on the existence of flourishing export markets for its manufactures. That upgrading of productivity must be achieved both in agriculture—in order to increase food production and offset the alarming increase in world population—and in industry, where UNOID would have an important role to play.

49. The United Nations Conference on Trade and Development provided a framework for strengthening the trade situation of the developing countries by such means as the conclusion of commodity agreement and, in that regard, he regretted the set-back over cocoa, as well as the elaboration of a system of supplementary financing, for which the United Kingdom, together with Sweden, had put forward proposals at the first session of the Conference. The United Kingdom would play its full part at the second session of the Conference.

50. Mr. OLSEN (Denmark) said that all the problems of economic development were closely interrelated. Hence, it had become increasingly clear that overall co-ordination and planning were of paramount importance. He emphasized the important role which the Second Committee and the Economic and Social Council could play in that respect and welcomed the joint meetings held between the Administrative Committee on Co-ordination and the Special Committee on Co-ordination as well as the activities of the Advisory Committee on the Application of Science and Technology to Development and of the newly established Committee for Development Planning. It was gratifying to note that the Council had already assumed the guiding and co-ordinating role assigned to it in the Charter.

51. Recent population growth and bad harvests had underlined the problem of insufficient food production.

As a result, his delegation hoped that new agricultural policies would be adopted in many countries. There was no universal panacea; in most of the densely populated areas food production could be raised only through higher productivity, for which much technical and financial assistance would be needed. Denmark, which until recently had been a predominantly agricultural country, had been actively engaged in providing technical assistance in agriculture and would continue to give priority to it. It had also taken an active interest in the World Food Programme and had raised its contribution for the second three-year period of the Programme from \$2 million to \$7 million.

52. Since the twentieth session, when the item "Population growth and economic development" had first been debated in the Second Committee, a remarkable change in attitude had taken place in many countries, as had been reflected at the World Population Conference in 1965. The time had come for the United Nations to play the role that many countries with serious population problems wanted it to play.

53. His delegation was concerned at the mounting number of items suggested for inclusion in the agenda of the second session of the United Nations Conference on Trade and Development. As Mr. Prebisch, Secretary-General of UNCTAD, had suggested, the Conference should play a negotiating role and concentrate on a limited number of questions which were likely to yield results. The Conference could be of the greatest importance as a forum for the formulation of trade and development policies and as an institution capable of achieving practical results, but it must improve its procedures and institutional arrangements and adapt them to needs and practical possibilities.

54. Undoubtedly, the exchanges of views that had taken place in UNCTAD had created in many countries, including Denmark, a growing understanding of the vital problems of the developing countries. Denmark was ready to support certain proposals based on the principle of reciprocal obligations, including those for supplementary financing and for the conclusion of international commodity arrangements.

55. His delegation agreed with the Under-Secretary for Economic and Social Affairs on the subject of the mutual commitments which must be undertaken in the framework of the United Nations Development Decade. It shared the concern expressed over the low growth rate in the developing countries and the insufficient flow of capital resources from the developed to the developing world. The performance during the first half of the Decade had been unsatisfactory and must be improved during the second half. It might be useful in the future not to base discussions on average figures for growth rates, which were somewhat misleading, but to use a few group averages, which was a better yardstick.

56. Although Denmark viewed with concern the levelling-off in the transfer of resources to the developing countries, it found some consolation in recent institutional improvements, such as the extension of the activities of the International Bank for Reconstruction and Development, the close co-operation between the Bank and UNDP, the projected

strengthening of IDA and the establishment of the regional development banks. Denmark had not yet achieved the 1 per cent target, but in the financial year 1966-1967 its disbursements would be no less than 85 per cent higher than in the preceding financial year. It intended to continue to increase its disbursements at a high rate in the coming years both for multilateral and bilateral programmes.

57. The increase of 85 per cent covered all major branches of aid. The largest expansion had been in bilateral financial assistance, and in the first seven months of 1966 more than \$14 million had been committed as government loans to developing countries.

In deciding upon liberal terms for such loans, his Government had been influenced by similar decisions taken by the United Kingdom and Canada and by the general recommendations of the Development Assistance Committee of the Organization for Economic Co-operation and Development. Denmark has also subscribed \$5 million to the Asian Development Bank.

58. Finally, Denmark regarded the decision to establish the United Nations Organization for Industrial Development as highly important and intended to participate fully in the efforts to launch it.

The meeting rose at 1.50 p.m.

