

United Nations GENERAL ASSEMBLY

EIGHTEENTH SESSION

Official Records



SECOND COMMITTEE, 902nd
MEETING

Monday, 21 October 1963,
at 3.10 p.m.

NEW YORK

CONTENTS

	Page
General debate covering all agenda items referred to the Committee (concluded)	151
Organization of the Committee's work.	157

Chairman: Mr. Ismael THAJEB (Indonesia).

GENERAL DEBATE COVERING ALL AGENDA ITEMS REFERRED TO THE COMMITTEE (concluded)

1. Mr. CARRILLO (El Salvador) said that the report of the Economic and Social Council (A/5503) showed that economic development had become one of the basic preoccupations of the United Nations. By helping to eliminate poverty and all forms of backwardness, the United Nations would be fulfilling the purposes and principles of the Charter. Unfortunately, the rate of growth of the under-developed countries was still more or less imperceptible, but the signing of the Treaty banning nuclear weapon tests in the atmosphere, in outer space and under water encouraged the hope that some of the resources now being devoted to armaments could be spent on the development of such countries. Moreover, the United Nations Conference on the Application of Science and Technology for the Benefit of the Less Developed Areas had opened up greater prospects for their economic and social progress. Another source of encouragement was the forthcoming United Nations Conference on Trade and Development, which was called upon to take historic decisions. Careful preparations had already been made for the Conference, but it would be wrong to assume, as many delegations seemed to do, that they were complete. His delegation was ready to entertain any new suggestions put forward for ensuring the success of the Conference. Particular attention should be drawn to the joint declaration made at the second session of the Preparatory Committee by the representatives of seventeen developing countries and contained in the Committee's report (E/3799, para. 186).

2. El Salvador was aware of the vital importance of planning for economic development and had established a national council of planning and economic co-ordination under the direct authority of the President of the Republic. Its task was to co-ordinate planning activities in both the public and the private sector. It had under its authority a technical planning office composed of experts in programming and economic development. His delegation had noted with satisfaction the progress made by the Economic Projections and Programming Centre, as summarized in the report of the Economic and Social Council (A/5503, paras. 60-75), and the results achieved by the Committee for Industrial Development, recorded in its report (E/3781). It was particularly important that the recommendations in Council resolution 969 (XXXVI) concern-

ing the industrial development activities of the United Nations system should be implemented.

3. Finance was of vital importance for the developing countries. They had received invaluable assistance from such bodies as IDA, IFC and IMF, but they continued to press for the establishment of a United Nations capital development fund. The Second Committee had before it the report of the Committee on a United Nations Capital Development Fund (A/5536) and would have to consider whether a separate fund should be set up or whether the Special Fund should be enlarged. His delegation had not yet come to any conclusion on that subject and hoped that the question would be clarified by subsequent studies.

4. The need for decentralization had been fully brought out in the Secretary-General's report on that subject (E/3786) and in the report on the meeting of the executive secretaries of the regional economic commissions (E/3798). It had been recommended, in particular, that the executive secretaries of those commissions, in collaboration with the resident representatives of TAB and the directors of Special Fund programmes, should play an increasing role, not only in the formulation, but also in the execution of projects. El Salvador fully supported that recommendation and found it difficult to understand why certain representatives felt that limitations should be placed on the policy of decentralization.

5. His country fully realized the importance of the fight against illiteracy, which was dealt with in the report by UNESCO (E/3771 and Corr.1 and 2) and in the Council's report (A/5503, paras. 413-423). Illiteracy could not be eradicated in a decade or even in a century; it was an eternal and universal problem. His delegation would be prepared to support any constructive measure proposed by the Second Committee in pursuance of Council resolution 972 (XXXVII).

6. His delegation also welcomed the proposal for the establishment of a United Nations training and research institute. Such an institute should help the developing countries to send more experienced and effective delegations to United Nations bodies; but funds as well as training institutes were needed for that purpose.

7. Also welcome was the progress that had been made in the field of technical assistance. Under the United Nations regular programme, particularly valuable assistance had been given to the countries of Central America in the field of tax reform. His country had also received useful assistance through the Special Fund.

8. Finally, his delegation would support any measure designed to enlarge the membership of the Economic and Social Council.

9. Mr. PRIMELLES (Cuba) said that the economic situation of the majority of the less developed countries was characterized by the same features as in previous

years: a lack of the means to exploit their natural resources, difficulties in procuring industrial equipment and in obtaining credit on favourable terms for the import of capital goods, and inadequate payment for their exports. The United Nations had an important role to play in the collective effort to put an end to economic inequalities in a world whose abundant natural resources were sufficient to ensure a good life for all.

10. The Alliance for Progress, which had been prompted by a desire to prevent the possibility of movements like the Cuban revolution arising in Latin America, showed poor results after its two years of existence. Most of the \$361 million already spent had been used, not to finance development programmes, but to cover budgetary deficits, to support depreciating currencies or to pay for imports made necessary by the decline in the prices of exported products. Very little had been invested in machinery which would enable the under-developed countries to industrialize. The reluctance of the oligarchies in many Latin American countries to introduce economic and social reforms had done much to cause the failure of the Alliance, while political instability resulting from economic injustice, social inequality and foreign intervention had provoked a flight of Latin American capital to Europe and the United States. At the same time, United States investments in Latin America were perceptibly diminishing.

11. Latin America should seek the road to economic liberation through genuine agrarian reform, through the elimination of large landed estates, the nationalization of property held by foreign monopolies, which would stop the flight of capital to the advanced capitalist countries, and the expansion of world trade in order to combat the persistent deterioration in the terms of trade. His delegation would support any proposal for the expansion and diversification of agriculture along reasonable lines and for a reform of the archaic agrarian structures which were still in effect in a large number of countries.

12. Agrarian reform had been one of the essential features of the Cuban revolution. Before the revolution, vast tracts of land had been held by a handful of individuals; North American firms had owned almost a quarter of the best arable land; much of the land had remained uncultivated; and agricultural unemployment had reached a high level. Cuba, an agricultural country, had had to import 29 per cent of the food it consumed, and industry had been virtually non-existent. Under the land reform law of 1959, farmers cultivating not more than 67 hectares had been given possession of their land, and co-operatives had been established on the large landed properties. As a result of the agrarian reform, live-stock and agricultural production, with the exception of sugar, had increased considerably, cotton production, introduced in 1960, was showing good results and the textile industry was to be expanded.

13. The Cuban Government had begun the last phase of land reform with the promulgation on 3 October 1963 of the law nationalizing rural properties in excess of 67 hectares. Under that law, approximately 2 million hectares would be added to the national patrimony. The former proprietors would be compensated by regular monthly payments over a period of ten years. Despite certain unfavourable factors, agrarian reform in his country would continue to serve

as an example for the developing countries of Africa, Asia and Latin America.

14. With regard to the United Nations Conference on Trade and Development, Cuba had advocated the holding of such a conference at the Conference on the Problems of Economic Development, held at Cairo in 1962, and it supported the joint declaration by the representatives of seventeen developing countries concerning the work and objectives of the Conference.

15. Agenda item 39 (Co-operation for the eradication of illiteracy throughout the world) was of particular interest to his delegation. Thanks to the efforts made in connexion with the 1961 programme (Education Year), illiteracy had been virtually eradicated in Cuba, having dropped from 23 per cent in 1958 to its present 3.9 per cent, one of the lowest rates in the world. The decisive factor in the campaign had been the efforts of voluntary and professional teachers to reach the goal laid down by Dr. Fidel Castro for the elimination of illiteracy within a year. An account of the campaign had been submitted by the Cuban delegation to the General Conference of UNESCO at its twelfth session.

16. In addition to agricultural and educational advancement, progress had been made in industry. Industrial production, other than sugar, had increased in 1962 by 39.3 per cent over the 1958 level, owing primarily to the creation of new industries and the better utilization of existing capacity. The industrial production plan for 1963, which had already been largely completed, envisaged a further advance of 20 per cent. Cuba had laid down three basic goals for its first economic plan for the years 1962-1965: to achieve the full utilization of productive capacity; to lay the foundation for the maintenance of existing productive capacity; and to invest in new areas of production. Advances were also being made in mining, reforestation, the merchant marine, the fishing industry and water resources.

17. The Cuban people's achievements were, however, being constantly threatened by United States aggression, in violation of the principles of the United Nations Charter. The most recent such aggression had been the adoption by the Foreign Relations Committee of the United States Senate, on 16 October 1963, of the so-called "Cuban shipping amendment" prohibiting military or economic assistance to any country which did not prohibit the use of its ships and aircraft for the transport of any kind of economic or military material to Cuba. The United States Government should realize that it could not thwart the course of history by halting the Cuban revolution; it could not conquer a people determined to defend its achievements. It should also recognize that, despite its military and economic power, it was not master of the hemisphere. On the contrary, it should devote itself during the United Nations Development Decade to a real policy of peace toward all States without exception and should respect the sovereignty and self-determination of peoples. Cuba, for its part, relied for its future progress on the help and solidarity of friendly States and on its people's irrevocable decision to triumph in their historic struggle.

18. Mr. CAPPELEN (Norway) said that his delegation fully recognized the importance of the forthcoming United Nations Conference on Trade and Development. If the primary-producing countries were to increase their export earnings, the industrialized countries would have to establish a liberal trade policy and main-

tain a high level of economic growth. It was the declared policy of Norway to aim at those objectives. The Preparatory Committee of the Conference had done useful work, but during its third session it should emphasize those issues on which immediate practical results could be achieved. Norway applied very few restrictions on imports and consumption of primary commodities exported by the developing countries, a policy that all industrialized countries should follow. The removal of barriers to the manufactured exports of the developing countries was a much more difficult and complex problem. Nevertheless, unless means were found to enable the developing countries to export more finished or semi-finished products, it would be impossible to reduce the present disequilibrium between the industrialized and the primary-producing areas.

19. Trade policy measures were hardly sufficient to boost the exports of the developing countries. Equal emphasis must be placed on other measures designed to create new economic ties with those countries. Norway had introduced a governmental guarantee system for export credits and investment. It had also decided to give first priority to projects designed to promote economic development. While aid was important for the developing countries, in the long run it must give place to increased trade and the forging of genuine economic links based on mutual advantage.

20. His delegation agreed that the United Nations should increase its efforts in the industrial field. Greater co-ordination was obviously needed, but in view of the budgetary problems involved, further consideration should be given to the question of establishing new machinery.

21. His delegation welcomed the decision taken by the Economic and Social Council to establish a new body to follow up the results of the United Nations Conference on the Application of Science and Technology (resolution 980 (XXXVI)). At the same time, a major international effort should be made to study the natural resources of the world. A global survey of such resources, which might be undertaken with the International Geophysical Year (1958) as a model, would be of great value to the United Nations in its attempts to close the gap between the rich and the poor countries.

22. Mr. SMID (Czechoslovakia) welcomed the favourable development of the international situation and the improved prospects of peaceful co-operation among States. His Government, which followed a policy of peaceful coexistence, would do its utmost to consolidate that development. At the same time, co-operation in the economic field, in which the United Nations had begun to play an increasingly significant role, was still in its initial stages.

23. His delegation expected the forthcoming United Nations Conference on Trade and Development to be a turning-point in international economic co-operation. There was, however, much preparatory work still to be done. Despite the expansion of the Preparatory Committee, the majority of future participants in the Conference, in particular the developing countries, had not had the opportunity to participate fully in the preparations for the Conference. The current session of the General Assembly therefore provided an opportunity for a fuller exchange of views. While his delegation realized that it lay with the Conference to take the appropriate decisions on the various problems, there were a few problems on which it felt that atten-

tion should be focused in the short period remaining before the Conference.

24. First of all, not enough attention had been given to proposals aimed at a long-term solution of basic structural problems of the world economy and international trade; the level of the preparatory work done and the concrete measures proposed did not correspond to the increasing urgency of the situation. The feasibility and effectiveness of measures in that regard depended upon the fulfilment of certain conditions, the most important of which was that any action taken should be of world-wide scope, since the development of trade in any group of countries was closely connected with the development of world trade as a whole.

25. A proper place in the Conference's deliberations should be given to problems of trade between countries with different economic and social systems, which was of great importance to the development of world trade in general and of the trade of the developing countries in particular. The socialist countries had always stressed the need for fundamental long-term measures to help improve the position of the developing countries in world trade and had done their utmost to help those countries, but they could hardly be expected to consider structural adjustments in their economies and the diversion of investments unless the questions of trade embargoes and discrimination were resolved and trade relations normalized. It would be unrealistic, too, to expect a substantial increase in exports to the socialist countries unless the necessary conditions for corresponding increases in the exports of the socialist countries were created.

26. It was equally necessary that joint international action should be complemented by purposeful national economic policies. That was an urgent problem, particularly in view of the fact that the national economic policies of some countries did not as yet take account of the need to improve the economic position of the developing countries or to resist conservative forces and vested interests.

27. One prerequisite for the success of the Conference was the participation of representatives of the regional economic groupings. It would be of advantage to the work of the third session of the Preparatory Committee and of the Conference itself if representatives of the Council for Mutual Economic Assistance (COMECON) were invited as observers. Representatives of business circles and of chambers of commerce should also be invited. Lastly, if the Conference was to adopt concrete measures for the expansion of the trade of the developing countries with the rest of the world, it was essential that all interested countries, and not only States Members of the United Nations and members of the specialized agencies, should take part in its work. For example, the German Democratic Republic was an important trade partner of many developing countries and an important producer and exporter of the capital goods necessary for the implementation of their economic plans and programmes; consequently, it was in the interest of those countries that the German Democratic Republic should take part in the Conference.

28. There had been insufficient preparatory work in connexion with the elaboration of a programme for international trade which would take into account the resources released by general and complete disarmament. The Secretariat should devote much more attention to that problem in the future.

29. Another question that had not been settled was that of the need for institutional changes in world trade. His delegation favoured the establishment of a universal world trade organization and supported the Soviet Union memorandum on that question (A/C.2/219). In spite of the differences of views on the question, there had been an increasing awareness of the need for the creation on a permanent basis, after the Conference, of an effective organ to execute its decisions, as the Under-Secretary for Economic and Social Affairs himself had recognized. The differences of views expressed concerned primarily the method of establishing such an organ and its character. In considering the question of a suitable institutional framework, his delegation considered that the Conference should try to meet the following needs: to ensure the economic and trade equality of all countries and to liquidate the existing inequality in economic relations between States; to expedite the process of normalization with a view to deriving full advantages from the international exchange of goods; to stress the principle of the most-favoured-nation clause and non-discrimination as the legal expression of the equality of States in the economic field; to state that planned all-round development was superior to free competition; to create conditions conducive to the growth of trade between countries with different economic and social systems and at different levels of development; to formulate principles which should be respected by the regional economic groupings; to formulate objectives for the stabilization of commodity prices and for the marketing of surpluses; to create a procedural mechanism whereby the United Nations could use its influence to accelerate the decolonization of the economies of the developing countries and to ensure their economic independence; and to create a suitable consultative mechanism and procedure for the solution of disputes.

30. Industrialization, combined with the utilization of natural wealth, labour resources and existing economic conditions, with suitable investments and with the widest application of science and technology, was the principal means to economic growth in the developing countries. The process of industrialization required the strengthening of the role of the public sector, since only that sector offered the necessary conditions for the most effective concentration of the instruments of industrial development and for the implementation of industrialization plans. United Nations industrialization activities should concentrate on the most important problems in that field and give effective and organized assistance to the developing countries.

31. Although the Centre for Industrial Development had achieved certain results in the field of research and technical assistance, the debates at the third session of the Committee for Industrial Development and the report of the Advisory Committee of Experts on the Industrial Development Activities of the United Nations System (E/3781, annex VIII) had revealed gaps in its work. It was imperative for United Nations activities in the field of industrial development to be intensified and based on a solid organizational structure. Natural resources and energy should be an inseparable part of the activities of the Centre or of any other organ to be established. Industrialization should be linked with the question of international trade; there was insufficient emphasis on the interrelation between the different productive sectors in the economies of the developing countries. More attention should be devoted to the financial aspects of the process of industrialization and there should

be a thorough analysis of the replies of Governments to the questionnaire on industrial planning and development (E/C.5/24/Add. 1-35).

32. The Centre should concentrate on expanding advisory services and assistance, especially in establishing priorities in the field of industrial development and in formulating requests for technical assistance and Special Fund projects. It should co-operate with the Special Fund and include in its activities the establishment of pilot enterprises and the investigation of natural and power resources in the developing countries. It should deal with the application of science and technology to industries in the developing countries and with the training of specialists of those countries. A suitable instrument for that task seemed to be the technological institutes and the more complex industrial development institutes. All United Nations activities in the field of industrial development should be centred in one organ, preferably a new specialized agency.

33. Economic planning played an important role in the process of industrialization in the developing countries. In the complex task of planning, the experience of the economically advanced countries which had pursued a planned course of development might be useful to the developing countries, although planning methods would naturally have to be adapted to local conditions and needs. Czechoslovakia, which had been planning its economic development for seventeen years, offered its experience to the developing countries both on a bilateral basis and through the United Nations by the provision of experts and fellowships. It was prepared to increase its assistance through the United Nations, particularly its assistance to the planning institutes within the regional economic commissions.

34. His delegation endorsed the conclusions in the report of the Committee on a United Nations Capital Development Fund (A/5536), which had recommended a study of practical steps to transform the Special Fund into a capital development fund.

35. In the past two years, there had been progress in the activities of the Expanded Programme of Technical Assistance. There had been an improvement in activities relating to fellowships, in regional and inter-regional projects and in co-operation with the regional economic commissions. Czechoslovakia was glad that there had also been an improvement in the use of its contribution to technical assistance programmes and that an inter-regional symposium on the application of modern techniques in the iron and steel industry in developing countries would shortly be held at Prague. Such an exchange of experience between developing and industrially advanced countries was of key importance in the process of industrialization. There were, however, some negative aspects of the technical assistance programmes. The already small number of industrial projects was further diminishing. The co-ordination of the Expanded Programme with bilateral programmes should be effected exclusively by the Governments concerned and not by the resident representatives. The time had come to consider a merger of the regular programme and the Expanded Programme and the simplification of existing machinery.

36. The Czechoslovak delegation was aware of the difficulties that had yet to be overcome in the solution of the urgent problems of the world economy, but it was

convinced that the present circumstances were conducive to the achievement of significant progress in that matter. It was prepared to do its utmost to that end.

37. Mr. KAPLANSKY (Canada) said that his country was not complacent about the world economic situation but realized the need for joint efforts to attain the objectives of the United Nations Development Decade. The principal task, which would involve difficult decisions for the developing countries and sacrifices for the wealthier nations, was to improve living standards and economic conditions in the developing countries. Economic development, like peace, was indivisible and all must share its benefits. Consequently, economic development should have social objectives and should embody respect for human rights and for the dignity of the individual. International trade was not the only means to such development; it was equally important to create internal markets. The appalling human suffering which had accompanied the industrial revolution in most of the developed countries should not be repeated in the developing nations. If the general level of living of the population was raised, the national economy would in turn develop. In his statement to the Committee (881st meeting), the Under-Secretary for Economic and Social Affairs had rightly stressed the need for the United Nations to conduct discussions with the trade union movements.

38. In the process of its industrialization, Canada had faced the very problems now confronting the developing countries and it still had serious problems which it would seek to solve through its own effort and through international co-operation. Nevertheless, it was prepared to place its resources of foodstuffs and raw materials and its technological and scientific knowledge at the disposal of the developing countries, through United Nations programmes or its own bilateral programmes. Because of its Commonwealth associations and its bilingual heritage, Canada had close ties with countries in Asia, Africa and elsewhere at various stages of economic development.

39. The challenges of the United Nations Development Decade were great and urgent. The recent relaxation in international tension offered an opportunity to strengthen the authority and effectiveness of the specialized agencies and other United Nations bodies working to promote economic and social progress. In addition to various recent international conferences, there had been a number of other co-operative measures. Canada had welcomed the decision to increase by \$750 million the resources of IDA and it would contribute its share of US\$41.7 million. The International Bank had increased its aid to countries in planning their development and was playing an increasingly effective role in marshalling domestic and international development resources. Canada hoped that the Bank would succeed in increasing the flow of international private capital and had noted with interest its decision to create new international machinery for arbitration and conciliation. In addition, Canada had always strongly supported the work of the specialized agencies, which were playing an essential role in the promotion of economic development. An international coffee agreement had been concluded in 1962 and there were prospects for improving trade in some other commodities. The IMF had increased the facilities available to primary-producing countries whose export earnings were affected by short-term fluctuations in commodity prices or by shortfalls in export production. During

the current year, there had been a growing interest in the workings of the international monetary system. There was general agreement that the system could be improved, and the studies on that subject undertaken by IMF and other bodies should contribute to a better international equilibrium and to the acceleration of economic growth. Whatever needed to be done must be done on a world-wide basis and within the framework of the multilateral procedures and arrangements provided for by IMF.

40. The aim of the United Nations Conference on Trade and Development and of the forthcoming GATT negotiations was to lower the barriers to world trade and to find new and positive ways of expanding trade. The successful outcome of those conferences could be of immense significance to the developing countries and provide a new basis for their trading patterns. Canada, which had always sought to lower barriers to world trade and to secure better and more stable terms of access for world exports, was particularly interested in the success of those activities. It well understood the problems involved in the establishment of sound manufacturing industries. It was essential to work within the framework of the multilateral system of world trade, which should on no account be weakened.

41. It was clear that the bulk of the aid received by the developing countries would continue to come from bilateral sources. An increasing amount of such aid was, however, being provided through the programmes of the United Nations and its specialized agencies. The Canadian delegation considered that the United Nations system was now generally adequate and capable of making effective use of any additional resources. The Canadian Government was considering expanding its aid programmes and had already announced a new food aid programme. It gave continuing support to United Nations assistance activities and had almost doubled its contribution to the Special Fund.

42. In conclusion, he wished to assure the Committee that his delegation approached the problems before the General Assembly in a spirit of understanding and willingness to co-operate, and cherished the hope that mutually acceptable solutions would be found.

43. Mr. de SEYNES (Under-Secretary for Economic and Social Affairs)^{1/} proposed to reply to some of the comments and criticisms made in the course of the general debate.

44. The representative of the Ukrainian SSR had referred to the shortcomings of the terminology used by the Secretariat in making its economic analyses: the Secretariat usually distinguished between the private-enterprise industrialized countries, the countries with centrally planned economies, and the developing countries. That classification, though far from being entirely satisfactory, reflected real differences as well as certain interrelationships between different groups of countries. The Secretariat referred to "countries with centrally planned economies" rather than to "socialist countries" because the description "socialist" was today claimed by many countries whose economies were very different from that of the group to which the Ukrainian SSR belonged.

45. The representative of the Ukrainian SSR had also criticized the United Nations programme of work in the

^{1/} The complete text of the statement made by the Under-Secretary for Economic and Social Affairs was circulated as document A/C.2/L.732.

field of planning and programming, and had observed that the documents submitted to the Seminar on Industrial Programming held at São Paulo had failed to deal with the economies of the group of countries to which his own belonged. That was quite true, and it was to be regretted; a study of the Soviet economy, which had been planned for that seminar, would probably be published soon. Moreover, the Secretariat was actively continuing its studies of planning in the different types of economy. He pointed out in that regard that the report of the group of experts on planning for economic development named in pursuance of resolution 1708 III (XVI) of the General Assembly (A/5533 and Corr.1), which had just appeared, gave equitable treatment to each different type of planning, as the representative of the Ukrainian SSR could judge from the document itself.

46. The representatives of Poland and Czechoslovakia had referred to certain features of the Secretariat's organization in the field of industrialization and natural resources. The method which the Secretary-General had adopted in that matter was certainly not the only one possible, but it would be futile to try to identify it with any given political tendencies. Moreover, the Secretariat's plan of organization on that point was far from being exceptional, since one often found, in the Governments of countries with very different systems, similar structures which entrusted the questions of industry and natural resources to separate units. He assured the Polish representative that in the Department of Economic and Social Affairs there was the closest possible co-operation between the organs dealing with those two matters; those organs operated under the direct authority of the Secretary-General.

47. Several representatives had referred to his remarks about the examination of world economic trends in connexion with the objectives established by the United Nations Charter and, from time to time, by the Second Committee and the Economic and Social Council. Some, particularly the New Zealand representative, had raised pertinent questions in that regard which should be answered not only by the Secretariat, but by Governments themselves. His remarks had been prompted by his reflections on the means of adapting the Organization's methods of work to new circumstances and of further influencing world economic trends. The task which seemed to follow logically from the activities of recent years was that of seeking means of establishing, for the examination of international action, a frame of reference, a discipline of a purely indicative character, such as that which even those Governments having no planning machinery proper had found it necessary to evolve.

48. Certain previous decisions seemed to give some clear indications in that regard. He would refer in particular to the decision, taken in 1961, to establish the Economic Projections and Programming Centre. The aim of that measure had been not only to supplement the existing statistical machinery with a whole new set of data and studies, but also to reinforce the foundations of international action with a view to achieving an increasingly effective world strategy.

49. As to objectives already adopted, such as that of devoting 1 per cent of national income to international aid and of achieving a 5 per cent rate of growth during the United Nations Development Decade, they must be incorporated in a sufficiently detailed general picture of world trends, of the relationship between the different sectors and of the variables needed for a

proper evaluation of the "performance" of the world economy.

50. Lastly, an examination of that kind seemed to be an inevitable corollary of the United Nations Conference on Trade and Development, the convening of which had been prompted primarily by the anxiety caused by existing or foreseeable external deficits in the economies of the developing countries. An effort must be made to determine the size and probable evolution of that deficit, so that the necessary corrective measures could be defined.

51. As the New Zealand representative had said, the examination of performance should be as comprehensive as possible and should take into account government policy trends. The Secretariat was now trying to prepare a world-scale model which could provide a statistical instrument sufficiently refined to permit a useful start to be made, at the political level, on the study of long-run trends, and make possible the preparation of better-informed decisions. A preliminary outline of the model appeared in chapter I of part I of the World Economic Survey, 1962 (E/3774), and the Secretariat was engaged in revising it so that it could be in a more reliable form by the opening date of the Conference. Despite its imperfections, it offered a picture which better reflected the nature and scope of the existing problems. Naturally, that picture must be constantly reviewed, since its principal purpose was to encourage Governments to take steps to alter trends already detected. That would be a permanent function for the Organization; however, if the statistical examination of performance was to be useful and constructive, Governments must actively participate in it through institutional machinery which was still to be devised and through which it would be necessary to define the nature of the instrument which Governments might think most appropriate for the tasks envisaged, and also the recommendations that would emerge from the periodic examination. The nature of the institutional machinery would depend on the measures contemplated on the basis of the work of the Conference and on whatever action was taken on the proposal of the Committee on a United Nations Capital Development Fund regarding the creation of a committee of the Economic and Social Council charged with examining the question of the flow of capital.

52. He had emphasized those issues because he was convinced of the need for action on those lines if the Organization was to continue to aid in the study of the problems of world trade and international assistance, in other words, the problem of development.

53. The studies made in preparation for the Conference had shown the magnitude of the problem and the need to seek, as carefully as possible, appropriate methods of work. Some speakers, particularly the representative of Poland, had taken up a point which he himself had stressed, that of regional groupings. It did not seem desirable that such groupings should remain in isolation. Without contact between them and with the United Nations, they might well become inward-looking in a way that would be detrimental to the development of the world economy.

54. He had referred to the changes that should be encouraged in the economies of the various countries, particularly the industrialized ones, if an acceptable trade policy was to be evolved. He was glad that his observations on the role of trade union movements in that connexion had been taken up subsequently, and

he read out a passage from a manifesto of the Federation of Swedish Trade Unions which indicated the nature of some of the problems to be solved and confirmed the need to establish relations with forces having such an important role to play in the development of nations.

55. He wished to present some further particulars regarding the suggestions which the Secretary-General had made to the Economic and Social Council concerning the possibility of merging the administrative organs of the Special Fund and the Expanded Programme of Technical Assistance. It had been said that the merger of those organs of the two programmes might hamper the establishment of a capital development fund. If the Secretary-General had shared that view, to however slight an extent, he could never have taken the position which he had in fact taken, since the vast majority of Member States had decided in favour of a fund of that kind. The Secretary-General's position was based on a critical analysis of the possibilities for an expansion of the Organization's activities in the field of international aid in the years to come. One of the essential factors considered in the analysis was the evolutionary character written into the very statute of the Special Fund, a character which would obviously have to be preserved in the proposed merger. In the Secretary-General's view, rationalization and improvement of the existing programmes should encourage donor countries to entrust to the United Nations a steadily increasing proportion of the resources devoted to international aid. There was not the slightest intention of delaying a development desired by most Governments, or of allowing the assistance activities of the United Nations to become set in their present moulds. The Secretary-General's desire, on the contrary, was to lay a firmer foundation for the expansion of United Nations activities, to create a new structure capable not only of improving the efficiency of the existing programmes but also of encompassing new programmes administered according to rules which would not necessarily be those of the existing programmes, in accordance with aims which would better correspond to the aspirations voiced.

56. The Secretary-General could not fail to be struck by the multiplicity of proposals for the expansion of

United Nations activities and the establishment of new institutional machinery. Apart from the question of a capital development fund, which was still on the agenda, proposals had emerged in the past few years for new programmes and new organs in the fields of industrialization, housing, urbanization, science and technology. He recalled in that connexion the proposals recently made by the Minister for Foreign Affairs of Norway before the General Assembly for a world-wide study of natural resources (1233rd plenary meeting) and those made to the Second Committee by the Director-General of UNESCO concerning a campaign for universal literacy (889th meeting). It might well be asked whether at least some of those undertakings might not be conducted within the framework of a new administrative structure which would combine the two main assistance programmes and might also handle other programmes, remaining open to any development which might seem desirable and possible.

57. In conclusion, he expressed his conviction that the United Nations had reached a stage where it could exercise a greater influence on the course of events and on the trends of economic policies. He had been struck by the common outlook now prevailing with respect to the general aspects of the problem of economic development, which was at the centre of the Committee's deliberations. That should allow the Committee to give its debates a more specific turn with a view to solving the concrete problems which would arise.

Organization of the Committee's work

58. The CHAIRMAN suggested that at its next meeting the Committee should consider the draft resolution concerning the United Nations Conference on Trade and Development (A/C.2/L.729). The Committee could provisionally decide to take up the other draft resolutions on agenda items in the first group of questions, concerning economic development in general, with the exception of item 34 (Conversion to peaceful needs of the resources released by disarmament), in the order in which they were received.

It was so decided.

The meeting rose at 6.30 p.m.