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Chairman: Mr. Bohdan LEWANDOWSKI
(Poland).

AGENDA ITEMS 12, 34, 35, 36, 37, 39 AND 84

Report of the Economic and Social Council (chapters I to III, V and VI) (A/5203) (continued)

United Nations Development Decade: report of the Secretary-General (A/5194, E/3613, E/3613/Add.1, E/3613/Add.2-3, E/3658, E/3664, E/3674) (continued)

Economic development of under-developed countries (A/5220) (continued):

(a) **Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General (A/5195);**

- (b) **Establishment of a United Nations capital development fund: report of the Committee established under General Assembly resolution 1521 (XV) (E/3654);**
- (c) **Industrial development and activities of the organs of the United Nations in the field of industrialization (E/3600/Rev.1, E/3656, E/3656/Add.1);**
- (d) **Long-term projections of world economic trends: progress report prepared by the Secretary-General (E/3628, E/3629, E/3661, E/3668);**
- (e) **Land reform: report of the Secretary-General (E/3603);**
- (f) **Decentralization of the economic and social activities of the United Nations and strengthening of the regional economic commissions (A/5196, E/3643)**

Question of holding an international conference on trade problems (A/5221, A/C.2/L.645, E/3631 and Add.1-4) (continued)

International measures to assist in offsetting fluctuations in commodity prices (A/5221, E/3447, E/3644, E/CN.13/43, E/CN.13/45) (continued)

Permanent sovereignty over natural resources (A/4905, A/5060, A/5225, A/AC.97/5/Rev.2, E/3511, E/L.914, E/L.915, E/L.918, E/L.919, E/SR.1177-1179, E/SR.1181) (continued)

The Cairo Declaration of Developing Countries (A/5162) (continued)

GENERAL DEBATE (continued)

1. Mr. TOMEH (Syria) considered that the main issue before the Committee was that of the economic development of under-developed countries, which had acquired new dimensions and an accelerated sense of urgency.

2. It was common knowledge that political instability and social upheavals could in most cases be traced back to economic backwardness and the slow rate of progress achieved. With the recent technological discoveries, peoples were no longer isolated and were aware of world developments. Since it was impossible to ignore their demands, the world community in the United Nations must see to it that change took place in an orderly and productive fashion. It would only be when man regained his self-respect and dignity through improved conditions of living that he could devote his energy and genius to the service of humanity.

3. While there were often differences of opinion among experts concerning the best methods for solving the problems of economic development, there seemed to be no basic disagreement on the issues involved and the principles to be applied. The major problems for the developing countries were the following: the presence of vast reservoirs of human

resources which were not being utilized because of the low level of national economic activity; the existence of natural resources which remained untapped for lack of technical knowledge, capital and markets; the lack of stability in agricultural production; the limitations imposed on production by the smallness of the domestic market or by inadequate demand on the international market; the sad legacy of colonialism; and the constantly deteriorating terms of trade.

4. The developing countries were not in a position to solve those problems alone, since they were due to factors beyond their control or to the inaction of other members of the international community. Many of them had made heroic efforts to improve their situation, but had been unable to carry out their development plans because of a decline in their foreign exchange receipts. The international community could not tolerate that deplorable state of affairs, and the industrialized countries should take steps to remedy it and to mitigate its effects on the developing economies.

5. In the past decade, the countries of the Middle East had succeeded in achieving progress, despite some difficulties and failures. The Secretariat was to be congratulated on its study entitled Economic Developments in the Middle East, 1959-1961,^{1/} particularly since the Middle East Studies Section of the Department of Economic and Social Affairs had been deprived of part of its staff. According to that report, most of the countries of the Middle East continued, despite some progress, to have an essentially agrarian economy. The dearth of arable land and the insufficiency of the water supply had placed obstacles in the way of economic growth and the execution of development programmes. Since 1958, the inadequacy of agricultural output and the deterioration in the terms of trade had created an unfavourable situation, despite budgetary allocations for irrigation and land-reclamation projects, legislative measures for improving the land-tenure system and the establishment of agricultural co-operatives.

6. In Syria, appreciable progress had been registered in the past decade. Between 1950 and 1957, the national income had increased by 75 per cent in the agricultural sector and by 85 per cent in the industrial sector. During the period 1953-1957, real per caput income had increased by 4 per cent a year, and that rise had been achieved almost totally from internal resources and largely through private initiative. Between 1957 and 1960, industrial production had continued its upward trend, but agricultural output had dropped sharply, owing to prolonged drought, causing a significant decline in national income. The Syrian Government was making great efforts to improve its irrigation system and to develop education. It was also trying to adapt its institutions to the complexity of modern life.

7. The Syrian delegation believed that the broad aspects of the problems facing the developing countries had been sufficiently explored and that the time had come to make specific proposals, in the form of General Assembly resolutions, in order to carry out the objectives of the United Nations Development Decade. His delegation strongly supported the decision to convene a United Nations Conference on Trade and Development to study the problems of both development and trade with a view to reaching some

specific and practical solutions. In view of the constantly deteriorating terms of trade, Syria was in favour of the establishment of a development insurance fund or any similar scheme designed to stabilize the export proceeds of the primary producing countries. Since a large proportion of the resources of the developing countries had to be committed to building up their economic and social infrastructure, the developed countries should take measures, through the United Nations and associated agencies, to increase the financial resources available to the developing countries. While the activities of IDA were most useful in that connexion, the idea of setting up a United Nations capital development fund deserved thorough exploration. The Syrian delegation considered, however, that only disarmament could release the resources necessary for the economic development of the whole international community.

8. Several delegations had expressed anxiety concerning the impact of the European Common Market. It was to be hoped that developments in the European Economic Community would not result in the formation of other economic blocs designed to protect national or regional interests.

9. Given the limited potentials of national markets, it might be advantageous for countries belonging to a relatively homogeneous region to consider intra-regional specialization with a view to a more rational distribution of investment resources and a more realistic diversification of national economies, improved industrial structures, increased intra-regional trade and higher income levels.

10. It was common knowledge that the application of modern technology in the highly industrialized countries was dependent largely on the conditions in those countries. The development of new processes, techniques, tools and capital equipment more in line with the resources of the developing countries would contribute immensely to their progress. The co-operative efforts of both the industrialized and the developing countries to promote research in that direction could pay rich dividends.

11. There had been a reduction in the Secretariat section dealing with Middle East studies and research at a time when the United Nations was decentralizing its economic and social activities and strengthening its regional economic commissions. Unfortunately, there was no regional economic commission for the Middle East which could be of service to the Arab countries. His delegation fully shared the concern expressed by other Arab countries in regard to the Middle East Studies Section. The reorganization of that service, which could work in close collaboration with the Governments of the region, would contribute to a better understanding of the problems of the region and would facilitate its economic and social development. It was therefore to be hoped that the measures suggested by the Under-Secretary for Economic and Social Affairs in the statement he made to the Economic and Social Council during its thirty-fourth session (1213th meeting) would be adopted without undue delay.

12. The General Assembly, in resolution 1708 (XVI), invited Governments to submit requests to the Special Fund for assistance needed for the establishment of economic development and planning institutes. It was important to note that such institutes had already been or were soon to be established in the ECLA,

^{1/} United Nations publication, Sales No.: 62.II.C.2.

ECAFE and ECA regions. The establishment of such an institute for the Arab countries would fill a gap in the branches of training, advisory services and research. Many Arab countries in the area had already launched national development plans, the execution of which was seriously jeopardized by the shortage of trained staff, the lack of advisory services and the absence of adequate research. His delegation was contemplating, in conjunction with the other interested Arab countries in the region, requesting the Special Fund to give the necessary assistance for the establishment of an institute. It was obvious that the proposed reorganization and strengthening of the Middle East Studies Section would facilitate the establishment and functioning of such an institute.

13. In conclusion, he wished to point out that, while it was for the developing countries themselves to strive to catch up with economic progress, it was for the developed nations to help them do so, by proving, through constructive action, that they were capable of building a better world for all.

14. Mr. HELELA (Finland) said that the urgent needs of the low-income countries had led in recent years to the adoption of new approaches which had brought about a deeper understanding of the problem. Thus, the saying that development was growth plus change summed up the view that a purely economic approach to development had to be supplemented by studies on technical change, determinants of population growth, the influence of institutions and the importance of the human factor.

15. His delegation warmly supported all the measures aiming at a higher standard of education in the developing countries and attached particular importance to the vocational training of technical staff. There had perhaps been a tendency, however, to overestimate the importance of formal education. It should be remembered that the industrialization process in the European countries had started with fairly low educational standards among the majority of the people. Illiteracy had disappeared and the general level of education had increased only simultaneously with the growth process. The difficulties of adaptation to industrial activities in the developing countries should not therefore be exaggerated. The Secretary-General had raised an important issue in his report on proposed measures for the United Nations Development Decade (E/3613) when he had pointed out that there had been too little effort to bring science and technology to bear upon the special problems of the under-developed countries. It could likewise be said that often, in the selection of techniques to be applied, too little attention had been given to the relative scarcity of some factors of production and the quality of manpower available. As the representative of Syria had said, it would be in the interest of both the industrialized countries and the developing countries to pool their efforts to encourage research in that direction, taking into account the relevant experience acquired by the United Nations.

16. During the past ten years, the economic development activities of the United Nations had become increasingly diversified, and the Organization, through the work of its various bodies, was gradually moving from the stage of discussion to that of action. It was in that spirit that Member States had undertaken to carry out the programme for the United Nations Development Decade, to which the Scandinavian countries had promised to make their contribution. There

were, however, certain problems that had to be taken into consideration in connexion with the targets set for the Decade. First, there was the question of the deterioration in the terms of trade. While the problem of primary commodities could certainly not be solved overnight, it might be hoped that, in the light of the experience already acquired, a satisfactory solution of those questions through concerted action would be found during the Decade. His delegation was ready to support any efficient measures designed to alleviate the hardships suffered on that account by the developing countries.

17. Secondly, there was the phenomenon of regional economic integration, which had undoubtedly created new problems. Thus, for example, the liberalization of foreign trade within each region prevented the continued application of various import regulating measures which formerly could be used to supplement monetary and budgetary policies during periods of decreasing total demand. If economic fluctuations became more pronounced in the future than they had been, for instance, during the period following the Second World War, the nations engaged in regional co-operation would have to decide whether or not they were ready to rely on concerted action in that respect. The regional integration plans might be regarded as an important step towards removing the artificial obstacles which had hampered the rapid expansion of world trade; the results, however, might prove beneficial only if the division of labour took place not only within each region but also between the various regions of the world. The forthcoming United Nations Conference on Trade and Development would provide an opportunity for reviewing the problems connected with world trade and discussing measures for promoting it. If the Conference was to give practical results, it would have to be preceded by careful and extensive preparations, and not only at the national level.

18. Turning to the strategy of development, he asked whether self-sustained growth should be attempted by creating import-saving industries or by relying on new export industries, as the Scandinavian countries had done at the start of their development period more than a century ago. A prosperous export industry or a modern factory producing for home markets was not always able to give impetus to self-sustained growth. More attention should be paid, in that connexion, to the ideas presented by the Under-Secretary for Economic and Social Affairs in his statement (795th meeting): he had suggested, on the one hand, that the developing countries should seriously consider to what extent the opening of foreign markets could be an alternative to the absorption of foreign assistance; and, on the other hand, he had drawn attention to the fact that the industrialized countries had the possibility of substituting for development assistance more liberal import policies towards the developing countries.

19. In that connexion, his delegation noted with satisfaction the spirit of co-operation that was clearly reflected in the Cairo Declaration of Developing Countries (A/5162), and it hoped that the regional economic commissions would prove to be increasingly useful instruments both in the expansion of regional trade and in promoting the division of labour within and between the various regions. It was quite possible that the whole system of international trade would have to undergo basic changes during the Development Decade, which might make it necessary,

not only in the developing countries but also in the industrialized countries, to explore new ground in order to promote the growth rate.

20. He observed that the Finnish economy had reached a stage in which the yearly net per caput national income amounted to \$1,000. The economy had not therefore attained a sufficient degree of maturity, and the nineteen-sixties would pose for Finland serious development problems. It would have to diversify its economy and develop export markets for new manufactured products. As an importer of capital, Finland could reach the targets which it had set itself for that period only by recourse to large loans from abroad.

21. Mr. SINU (Romania) said that intellectual and scientific progress now held out to mankind the hope of fulfilling its most legitimate aspiration, the raising of the economic and social level of living of all peoples. Amid the multitude of factors now influencing the world economy, the essential task of the members of the Committee was to seek, in common, the determinant elements so as to analyse them and propose the necessary concrete measures. The study of the economic situation made by the Economic and Social Council at its thirty-fourth session had shown the considerable changes which had occurred over the past ten years. Those changes had resulted, fundamentally, from the complex interaction of a number of factors, but their course had none the less been determined exclusively by two decisive phenomena.

22. First, the steady development of the economies of the socialist countries had exerted a favourable influence on the world's economy. Those countries were taking an ever-increasing share in production and were constantly strengthening their industries. Thus, during the period from 1950 to 1959, their industrial production had increased by 13 per cent yearly, one of the world's highest rates of expansion. By attaching great importance to heavy industry, which supplied industrial equipment, they had been able steadily to develop their agriculture and light industry, as well as their construction of dwellings. Thanks to that uninterrupted growth, the socialist countries had expanded their bilateral economic relations with an ever-increasing number of countries, without drawing any distinction between nations with different political or social systems, since they favoured trade relations based on equality of rights and mutual advantage. They were concretely helping the developing countries to consolidate their independence by building a stable economy in the interests of their peoples.

23. The second noteworthy factor during the past ten years had been the appearance, consequent upon the disintegration of the colonial system, of new independent States keenly desirous of making progress. Countries in Asia, such as Indonesia, India and Burma, as well as certain countries of Africa and Latin America, had already obtained valuable results, but they were all encountering obstacles caused by the neo-colonialist attitude of the former metropolitan countries and were advancing only very slowly and at the cost of great sacrifice.

24. According to the Secretariat, the per caput national income in the under-developed countries had increased by only 1 per cent per annum during the period from 1950 to 1959, so that the gap between

those countries and the capitalist industrial nations had widened even further. Their trade relations with the capitalist countries were based on inequality and their international position had constantly deteriorated. According to the GATT study entitled International Trade in 1960, the share of the under-developed countries in world exports had fallen from 31.5 per cent to 24.7 per cent between 1953 and 1960, whereas that of the industrial countries had increased from 58 per cent to 63 per cent. Despite the rich material resources of Latin America, the latter's share in world trade had fallen, similarly, from 11 per cent to 7 per cent during the period from 1950 to 1960. Moreover, the terms of trade of the under-developed countries had deteriorated, particularly in the Latin American countries, where, according to the Secretariat, they were sometimes less than 50 per cent of their level of thirty years ago. In addition, their products were subject to countless measures of discrimination; in that connexion, mention might be made of the eloquent example of Uruguay, thirty of whose products—absorbed to the extent of 85 per cent by nineteen West European countries—were subjected to at least 500 different restrictive measures, including those sanctioned by GATT. Lastly, the negative effect of the policy of surplus disposal, particularly in foodstuffs, should not be overlooked.

25. The losses which the under-developed countries had suffered in consequence had deprived them of an important source of capital for the financing of their industrialization plans, which had progressed only very slowly. Industrial production still represented only one-fifth of their national product and had been for them a cause of increased unemployment. The United Nations was helping them to establish industrialization programmes, but it did not attach enough weight to one fundamental factor, namely, the exploitation of natural resources in the interests of the countries in which they were located. It was well known that more than 80 per cent of the world's petroleum reserves, over 60 per cent of its iron-ore reserves, 70 per cent of its copper reserves and more than 90 per cent of its bauxite reserves—without counting vast areas of uncultivated land and immense reserves of unexploited hydraulic energy—were to be found in the under-developed countries of Latin America, Asia and Africa. But those countries did not control those resources, the great majority of which belonged to foreign monopolies. The export of those foreign companies' profits to the capitalist industrial countries—which generally exceeded, each year, the amount of investment made—deprived the under-developed countries of their own wealth. Despite the protective measures taken by certain countries, such as nationalization, revision of concession clauses and limitation of transfers of profits abroad, the mining industry was no longer a basis for national development but was a means of transforming those countries' economies into adjuncts of those of the industrial nations.

26. Moreover, foreign financial assistance was not playing the productive role that it might play if it were offered under advantageous conditions. At present, it was often so uncertain that the recipient countries could not draw up long-term plans. In some cases, it was much less than the losses in foreign trade, and at times it served only for the repayment of previous debts. As international financial bodies like the International Bank and IMF made their grants of loans subject to the condition that the recipient

country first adopt certain economic or administrative measures, it was not surprising that the borrowing countries sometimes regarded such conditions as attempts to interfere in their domestic affairs.

27. It was high time that the United Nations did more to eliminate all those harmful economic factors. The Committee should, in particular, adopt the economic programme for disarmament proposed by the Soviet Union (A/5233), which would offer wide prospects for progress to all the peoples of the world. It was indeed intolerable that the discoveries of science should serve to create means of destruction owing to the policy of Western imperialist circles, while hundreds of millions of persons were calling for effective measures to put an end to their poverty.

28. The creation of closed economic groups, such as the European Economic Community, which applied discriminatory tariffs and shut their market to the products of non-member countries, adversely affected the trade of the under-developed countries and normal trade in foodstuffs. The attempts made by the members of the Common Market to present that group as a harmless movement were unconvincing. As for the measures adopted by the United States in that connexion, they represented no more than an "entente" between the monopolies of the United States and those of Western Europe. The States agreeing to associate themselves with the Common Market would not strengthen their economies but would subordinate them to that of the whole coalition of European industrial powers. Among the measures of discrimination should also be mentioned the intolerable measures, contrary to the principles of the Charter of the United Nations, taken by the United States as part of a veritable economic war against Cuba, a country which had just won its independence; the United States had not hesitated to cut off all its trade with Cuba and to request other countries to do the same, exerting upon the latter political or economic pressure.

29. Believing that international trade should be based on the principle of peaceful co-operation among all nations, Romania desired the convening, under United Nations auspices, of an international conference to study the achievements and prospects of international trade, with special emphasis on the obstacles and tendencies hampering the development of international exchanges; the situation of the primary commodities markets and the measures necessary to stabilize prices; the possibility of transforming ECE and other regional economic commissions into true instruments of co-operation; and the desirability of creating an international trade organization open to all States—whether Members of the United Nations or not, and without distinction as to their social system or level of economic development—and having the duty of studying the international economic situation, as well as the problems of price formation and of transport and transit conditions and the circumstances governing the granting of commercial credits. Under those auspices, regional, inter-regional or international meetings could be organized for periodical analysis of the progress made in the freeing of trade. That organization should co-operate closely with the Commission on International Commodity Trade, FAO, the regional economic commissions and all international economic agencies. As such an international conference had been deemed essential by a large number of countries, including those participating in the Conference on the Problems of Economic Development, held

at Cairo, it should be prepared without delay, with a view to its meeting in 1963. In taking its decision, the Second Committee should base itself on the draft resolution submitted for that purpose by the Soviet Union (A/C.2/L.645).

30. In conclusion, he reviewed what his country had accomplished since it had become master of its own destiny after the Second World War. Since its resources had ceased being exploited by the great foreign monopolies, Romania had been able to mobilize all its material and human forces for the raising of its economic and social level of living. Its industrial production was now six times greater than in 1938 and had during the past three years increased at a rate of 15.8 per cent, that is more than what had been prescribed for the six-year plan covering the period 1960-1965. Romania was now producing almost 2.5 million tons of steel and nearly 9,000 million kWh of electric power. It no longer imported industrial equipment for oil prospecting, or refined petroleum products, since it manufactured its complex equipment itself and had even established a chemical and petrochemical industry. An extensive network of teaching and research institutes trained its technicians and even certain specialized staff of the under-developed countries. Illiteracy had disappeared and the period of compulsory schooling would be expanded to eight years. Real wages and the income of farmers had increased considerably. Romania carried on an increasing volume of trade with more than eighty countries of various social and political regimes. It favoured peaceful coexistence; more particularly, it advocated the conclusion of a treaty of general and complete disarmament and the elimination of artificial trade barriers with a view to establishing among all States multilateral relations based on the principles of equal rights and mutual advantage.

31. Mrs. WRIGHT (Denmark) recalled that her country had twice been a member of the Economic and Social Council: first, in the Organization's early years, which had been a period of studies, reports and recommendations on economic, social and cultural matters; and then, more recently, during the period culminating in the decision to proclaim the United Nations Development Decade and to call a United Nations Conference on Trade and Development. Those two periods were extremely important milestones.

32. She did not agree with the Yugoslav representative's view that the time for research, studies and analyses had passed and that the time for action had come. She believed it more accurate to say that the time for unco-ordinated action had passed and that the time had come for a concerted effort to deal with the complex problems of growth and development. The United Nations had gradually increased its efforts to promote industrialization, better housing, technical assistance and pre-investment; the IBRD, IMF and IDA were granting loans on favourable terms. Perhaps the United Nations should lay greater stress on the financing of the economic infra-structure, particularly in the field of transport; as the representative of Ghana had pertinently stated in the Governing Council of the Special Fund, the absence of an adequate transport system hampered access to the world market, thereby greatly diminishing the beneficial effects of diversification of industry and agriculture. In fact, a powerful machine, the component parts of which already existed, should be harnessed

for the cause of development; all that was needed was a concerted effort to use the tools available and to help the developing countries to participate, on equal terms, in the building of an expanding world economy firmly founded on a fruitful exchange of goods and services. That was what the Council had had in mind when it had decided to convene an international Conference on Trade and Development. No one had denied that such a Conference would be useful. It simply remained to settle administrative and practical questions, such as the date of the Conference and the suggestions to be made to the preparatory committee which would draw up the agenda.

33. As a member of that preparatory committee, Denmark thought it might be useful to state its own general views on that subject. The Conference should be held at the earliest possible date. The Preparatory Committee would meet in the spring of 1963. If it were to report to the Council before the summer session, it would not be able to give sufficient attention to the various views expressed in the Committee during the seventeenth session of the General Assembly; it would therefore be unable to establish the agenda before August at the earliest. Thereafter, at least so far as Denmark was concerned, several months of preparation would be needed, since foreign trade accounted for so large a part of Denmark's national income. Furthermore, in view of the present financial predicament of the United Nations, administrative expenses should be kept to a minimum, which would certainly not be the case if the Conference were to coincide with the eighteenth session of the General Assembly. Consequently, Denmark considered that it would be impossible for it to be sufficiently prepared to participate in the Conference before the first part of 1964.

34. As the Under-Secretary for Economic and Social Affairs had said (795th meeting), reorientation of world trade was inevitable. It remained to be decided whether the reorganization would be the result of a context between major trading groups or whether the United Nations would be influential in shaping a strategy of concerted action, attacking problems from a global point of view and aiming at universal prosperity. If the Conference could agree on automatic stabilizers ensuring contra-cyclical expansion of multilateral trade, it would have done much towards protecting the less resistant economic structures of the developing countries against reversal and instability. It was encouraging to note that the Prime Ministers of the Commonwealth countries had been unanimous in considering that improved opportunities for trade were even more important than financial aid and that, as was indicated in the communiqué issued at the end of their conference in September 1962, they were resolved to do the utmost to foster a harmonious expansion of world trade.

35. The United Nations Conference on Trade and Development should also study ways and means of assisting the developing countries to adapt their national economies to full-fledged participation in a world-wide exchange system; for that purpose, they

should diversify their economies, a process which required capital and a climate of comparative stability. The downward trend in prices of primary commodities impeded their efforts seriously; in that connexion, it was gratifying to note that the Commission on International Commodity Trade had proposed that IMF should play an increasing part in the compensatory financing of fluctuations in the export earnings of primary producers. To correct the deterioration of the terms of trade, Denmark favoured wider use of commodity agreements, based on the regularization of international trade in those products, the abolition of protected domestic markets and provisions to curb high-cost production. Where an agreement called for a cut in production, provision should be made to counteract the disturbances that such a cut would create in the less developed countries concerned, and financial assistance should be offered to create new undertakings that would absorb idle manpower. Those measures should be regarded not as a goal in themselves, but as an intermediate step to facilitate diversification and industrialization in the countries concerned.

36. Her delegation believed that the newly independent countries had followed a sound policy in promoting their integration in the world economy through regional and not exclusively through national planning. The diversification process had often been severely handicapped because the domestic market was too small; through regional integration of a number of countries at the same level of development, it should be possible to provide a sufficiently large regional market for the effective operation of new industries. Bilateral and multilateral assistance could facilitate that adaptation. If all those measures made it possible to establish a climate of stability in those countries, there was reason to hope that private capital might also find it advantageous to contribute to national and regional development programmes. In order to encourage international action in that field, her Government would strongly support multilateral agreements designed to protect the investor against non-commercial risks or at least to assure him of indemnification if losses should occur. Any constructive solution which the Conference might be able to provide in that respect would certainly be highly appreciated by capital importing and exporting countries alike.

37. It was particularly important not to repeat the mistakes which had been made by the League of Nations at the International Economic Conference in 1927. The industrialized countries had long ago learnt to counteract depression at the outset by applying contra-cyclical measures. Such measures should also be applied on the international plane, in order to give the world economy the necessary stimulus to resist recessions and their harmful effects on the sensitive structure of international trade, which was so essential for the maintenance of the world's peace and prosperity.

The meeting rose at 12.20 p.m.