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Chairman: Mr. Leo MATES (Yugoslavia).

**Question of assistance to Libya (A/2430, A/C.2/
L.221/Rev.1) (*continued*)**

[Item 60]*

1. The CHAIRMAN called upon Mr. Aneizi, representative of the United Kingdom of Libya, to address the Committee.

2. Mr. ANEIZI (United Kingdom of Libya) said that the current state of social development and the duties imposed on Libya by its newly acquired sovereignty placed it in a very difficult position. Its confidence in the future was based on the goodwill of Member States and on the help from States which were able to assist it. Its greatest difficulty was its limited resources. In that connexion he drew attention to his statement at the sixteenth session of the Economic and Social Council¹ and to his Government's memorandum (E/2469 and Corr. 1).²

3. The United Nations Council for Libya and the United Nations Commissioner had repeatedly urged that the resources available from the United Nations and its specialized agencies should be fully drawn upon to assist Libya in its economic development. The importance of that need had been fully recognized in the Economic and Social Council and at the sixth session of the General Assembly. The current consideration of the matter by the Committee was the logical culmination of General Assembly resolution 515 (VI). He referred the Committee to General Assembly resolutions 387 (V), 388 (V), and 398 (V), all of which stressed the principle that technical and financial aid should be liberally extended to Libya in view of its special position.

4. It had been recognized in the Council and General Assembly resolutions adopted in 1950 and 1951, that, in addition to helping Libya to prepare a constitution and to organize the transfer of power, it was necessary for the United Nations to formulate an economic and social development programme to provide an adequate foundation for economic viability. In 1951 experts of the United Nations and of the specialized agencies had thus made a general economic appraisal of Libya. Per capita national income had been estimated at \$35; infant mortality and illiteracy were very high and vocational stand-

ards very low; the diet of the people fell far short of the 3,000 calories considered a proper nutritional standard.

5. Early in 1952 a United Nations team of experts had drafted another comprehensive report. Both studies clearly showed that Libya needed substantial financial aid and technical advice. The second report had included recommendations which had proved helpful in formulating a five-year development plan.

6. Two agencies, the Libyan Public Developmental Stabilization Agency and the Libyan Finance Corporation, had been established to plan and execute the individual development projects. The original estimate for the programme had been about \$47 million. In the original plan no provision had been made for the construction of a road between Tripoli and Sebha, a basic need for administrative reasons alone, nor for the repair of strips of the road between Tripoli and Benghazi. The replacement of the electric generating station and distribution system in Tripoli within the next few years was a technical necessity and approximately \$2 million would have to be found for that urgent project. Nor did the original plans include provision for an agricultural credit agency to help finance small farmers, for which about \$750,000 would be required. Finally, it had been impossible to consider the development of the historic sites of Greek and Roman culture which could prove a considerable tourist attraction. That development plan had been ruthlessly cut down for want of resources until in the finalization of the Five-Year Development Plan early in 1953 only the most essential projects had been retained, constituting a programme of approximately \$18 million for the whole country.

7. Libya's modest 1953-1954 budget of approximately \$17 million showed a 45 per cent deficit, which was offset by funds made available under bilateral agreements. Libya would have at its disposal for development purposes during the coming five years only \$2,800,000 annually, of which 25 per cent must be set aside for stabilization as insurance against drought. On the basis of Libya's experience in 1947, the statute of the Development and Stabilization Agency provided for the constitution of a reserve of \$2,800,000, for which it had so far been impossible to set aside any funds whatsoever.

8. The most important factor in the selection of projects under the Five-Year Development Plan was the extensive war damage. The United Nations expert on war damage had estimated in very conservative terms in his 1951 report that the damage amounted to about \$35 million.

9. Although some care and maintenance had been undertaken, a major part of the limited funds available for development purposes had had to be devoted to continuing the reconstruction work so that too little was left for capital improvement.

10. Libya had not received any assistance for post-war reconstruction from UNRRA, from the Marshall Plan or even from UNICEF. A substantial proportion of the

* Indicates the item number on the agenda of the General Assembly.

¹ See *Official Records of the Economic and Social Council, Sixteenth Session, 746th meeting.*

² *Ibid.*, Annexes, agenda item 21.

funds available at the moment and in the foreseeable future would have to be used for the restoration of war-damaged installations and public utilities, thus leaving very little for the actual development so urgently required. It would be remembered that, in resolution 529 (VI), the General Assembly had expressed the view that the problem of war damage should be considered within the general framework of the country's development plans.

11. The United Nations chief economist had recommended a minimum United Nations technical assistance budget of \$1,500,000 and approximately 128 experts. For the greater part of 1953 there had been no more than seventy experts at work in the different fields operating on a budget of about 50 per cent of the original estimates. Libya was grateful for the useful work done under the United Nations technical assistance programme and by "Point Four" experts and for the waiving of local costs incidental to technical assistance experts. It hoped that that waiver would continue. It was important to note, however, that the budgetary limitations of the United Nations technical assistance programme had placed upon Libya the additional obligation to make good the deficit from its own limited resources.

12. Libya lacked the financial and material resources required for complete independence. It depended on friendly States to supply up to 45 per cent of its annual budget requirements for purely administrative expenditure. Development funds so far available did not meet even the minimum requirements for Libya's Five-Year Development Programme. In addition, a major part of the war damage still had to be repaired. Urgent educational, agricultural and health programmes had to be carried out if productivity was to be increased, living standards improved and if Libya was to pay its administrative expenses from its domestic resources.

13. He had followed with great interest the discussion of the proposal to establish a special United Nations fund for grants-in-aid and for low-interest, long-term loans to assist under-developed countries and presumed that the Turkish and Egyptian representatives in the Economic and Social Council had had that kind of development problems in mind when they had framed the part of Council resolution 493 (XVI) which recommended that, in the operation of the fund, due consideration be given to the specific needs of Libya. In the meantime, Libya's minimum requirements continued to be urgent and to postpone its plans until such a fund had been established would result in definite hardship.

14. The joint draft resolution (A/C.2/L.221/Rev.1) was an attempt to implement the major recommendations of the Economic and Social Council and he appreciated the efforts of its sponsors. He hoped that further contributions from governments would be forthcoming and that they would be generous enough to enable Libya to carry on with its minimum development programmes. Libya was confident that the United Nations would support its request and take action to enable it to proceed with its development in order to achieve the financial independence which would correspond to its political sovereignty.

15. Mr. ABDEL-RAZEK (Egypt) said that the United Nations, since its inception, had been specially interested in the future of the former Italian colonies and had taken steps to ensure their economic development and social progress. Under resolution 289 A (IV) the United Nations had not only guaranteed the unification and independence of Libya but also that its inde-

pendence should become effective at the latest on 1 January 1952. But to make Libya viable it had been necessary to take steps to encourage its economic and social development. In resolution 289 A (IV), paragraph 9, the General Assembly had therefore recommended that the United Nations Commissioner should offer suggestions to the General Assembly, to the Economic and Social Council and to the Secretary-General as to the measures that the United Nations might adopt during the transitional period regarding the economic and social problems of Libya. That resolution had subsequently been confirmed by resolutions 387 (V), 389 (V) and 398 (V). The General Assembly had thus guaranteed the unity and political and economic independence of Libya and had affirmed its right to receive whatever international technical and financial assistance it might require to strengthen its economic independence.

16. The reports of the United Nations Commissioner and the memorandum by the Libyan Government (E/2469 and Corr.1) showed that because of the limited area of arable land, the heavy winter rainfall and the periodic droughts, Libya must be given every assistance in improving its agriculture and irrigation in order to increase agricultural production, particularly of food-stuffs. As Libya was poor in minerals, its main industries were fishing and oil processing. Of a total population of 1,250,000, 20 per cent lived in towns, 40 per cent in rural communities and 40 per cent were nomads or semi-nomads; further agricultural development was therefore necessary, particularly to reduce nomadism. Libya also urgently needed schools, universities, teachers and school equipment, hospitals, dispensaries and doctors.

17. It must be remembered that Libya had suffered severely from the war; a United Nations expert had estimated the damage very conservatively at £L12,500,000. Again, it had not received aid from UNRRA, the Marshall Plan or UNICEF. Its financial situation was therefore most deplorable. The current budget deficit of £L4,800,000 was approximately 35 per cent of total expenditure. In addition Libya suffered from a chronic deficit in its balance of payments which was covered by subsidies from the former administering Powers.

18. In the circumstances, neither the United Nations Commissioner nor the Libyan Government had hesitated to ask for the necessary technical and financial assistance. The Commissioner had acted in accordance with both the letter and spirit of the Assembly's resolutions and had rendered great service to Libya in regard to the provision of technical assistance. In addition the United Nations assistance had been supplemented by technical assistance provided by the United States Government under the Point Four Programme, a situation in accordance with the recognized principle that the under-developed countries should be able to draw on all kinds of technical assistance granted in conformity with the principles of the Charter and of the resolutions adopted by the Assembly and the Economic and Social Council.

19. The implementation of the various technical assistance programmes was, however, difficult as the Government was unable to meet the local costs and would be unable to do so in the foreseeable future. In its memorandum (E/2469 and Corr.1) the Libyan Government had therefore expressed the hope that the United Nations and the specialized agencies would continue to grant Libya favourable treatment in that respect.

20. In view of that situation, the General Assembly had taken action in 1952 with a view to the provision of

increased international financial assistance to Libya within the framework of the United Nations. In resolution 515 (VI) it had requested the Economic and Social Council to study means by which the United Nations could furnish Libya with additional assistance to finance its development programmes.

21. The Libyan Government for its part had submitted its five-year plan to the Economic and Social Council. The plan, which was concerned only with urgent projects for the expansion of agricultural production, the reconstruction of public services and social development, called for the expenditure of £L6,419,120 or approximately £L1,500,000 annually. In addition £L50,000 was required for the local costs of the technical assistance programme, £L250,000 for the establishment of an agricultural credit agency and £L1 million for the stabilization fund. In other words, Libya needed annual grants of £L1,660,000 over a period of five years.

22. In its memorandum to the Economic and Social Council the Libyan Government had stated that it would gratefully receive any financial aid which might be forthcoming from an international financing agency and expressed the hope that a greater number of United Nations Members would take the opportunity of helping a State which the United Nations had helped to establish.

23. With that end in view, Egypt had helped to sponsor the joint draft resolution (A/C.2/L.221/Rev.1) the terms of which required no explanation. It was based on the previous resolutions adopted by the Council and the Assembly and would, he hoped, receive the Committee's full support.

24. Sir Clifford NORTON (United Kingdom) said that the Libyan representative's clear and able exposition had made it abundantly clear that, if Libya was to overcome the grave and urgent problems with which it was faced, it needed substantial financial and technical assistance. The United Nations, having played a part in bringing about Libya's independence, should consider what could be done to help provide such assistance.

25. Even with outside help, the difficulties facing the Libyan Government would remain formidable. The fact that the country was almost completely devoid of mineral resources meant that economic development must be planned very largely on the basis of an expanded agriculture. However, the rugged terrain and the irregular climate presented special obstacles. The wide-spread damage which Libya had suffered during the Second World War, particularly in the coastal towns, was still largely unremedied.

26. To overcome those difficulties and to ensure Libya's smooth development, there must be careful and integrated planning. Such planning should take into account the danger, inherent in a weak economy, of too rapid expansion and consequent inflation.

27. In discussing the possibility of United Nations aid to Libya the Committee should take into account what the Libyan Government was already doing. The Libyan representative's statement was reassuring in that it showed that his Government had given careful thought to the need for an over-all development plan and for appropriate mechanism to implement it. Without entering into a detailed discussion of that programme, the Committee could note its existence as an answer to Libya's difficulties and the fact that expert advisers from United Nations bodies had played a part in its formulation. Any additional assistance would certainly be put to good use; its administration would be supervised by the

Libyan Government and it would not be allowed to go to waste on non-essential and unco-ordinated projects.

28. The United Nations was already active in granting assistance to Libya but should now examine what more could be done. The joint draft resolution represented one way in which Member States could do something to help. The spirit in which it had been put forward by its co-sponsors was gratifying. He understood from the Libyan representative that the latter would regard its adoption as a positive and helpful action by the United Nations. With that in mind, his delegation would support the draft resolution and hoped that other delegations would do likewise.

29. Mr. OZGUREL (Turkey) said the Libyan representative's lucid statement had emphasized that country's slender resources and immense needs. The main problems to be tackled were the low per capita income, the 45 per cent deficit in the already modest budget, the unsatisfactory nutritional standards, the high mortality rate, the aridity of the climate and war devastation.

30. Since the transfer of power, the Libyan Government had done everything possible for the rehabilitation of the country and in particular, with the help of United Nations experts, had instituted a five-year plan. Unfortunately it had been impossible to implement that plan fully and a two-thirds' cut had been necessary. Although Libya had received aid from the United Nations technical assistance programme, from the United States Point Four Programme and from the United Kingdom, France and Italy, that assistance was still insufficient to satisfy the country's enormous needs. Additional financial assistance was required from abroad in order to ensure the country's economic independence.

31. The assistance given by the United Nations should not be interpreted as charity but as the fulfilment of the obligations incurred by the Organization in establishing the new State. That fact and the resolutions passed by the General Assembly should continue to guide the United Nations in granting assistance to Libya.

32. Those considerations and Turkey's friendship towards Libya had led his delegation to co-sponsor the joint draft resolution as it had co-sponsored the draft resolution which had become Economic and Social Council resolution 493 (XVI). In the light of that resolution he hoped that the joint draft resolution would command the support of the Committee.

33. Mr. MIR KHAN (Pakistan), after complimenting the Libyan representative on his statement and expressing the hope that Libya would soon become a Member of the United Nations, said that the General Assembly's decision to create an independent State of Libya had been largely due to the efforts of the Arab States and Pakistan. Shortly after its election to the Security Council in 1952, Pakistan had proposed the adoption of a resolution admitting Libya to membership in the United Nations.

34. Like every under-developed country attaining its independence, Libya was facing serious administrative and financial problems, of which the chief were the institution of a sound administrative structure, the establishment of a currency and attainment of a balanced budget. Having regard to those problems, the General Assembly had recommended in resolution 398 (V) that a comprehensive plan for the economic, social and cultural development of Libya should be prepared and that Libya should be regarded as eligible for technical assistance even before it had become a Member of the United Nations. That was the first occasion on which a non-

member State had been offered such assistance, an indication of the special relationship which existed between the United Nations and Libya. That country's need for technical and financial assistance was too obvious to require emphasis. He had therefore had pleasure in sponsoring the joint draft resolution and hoped it would receive unanimous support.

35. Mr. UMARI (Iraq) had been particularly impressed by the information given by the Libyan representative regarding the destruction of Libyan ports and cities during the Second World War and by the fact that Libya had received no financial assistance for their reconstruction. It therefore seemed fitting that the United Nations should adopt a proposal along the lines of the joint draft resolution just introduced by the Egyptian representative. Iraq in fact considered that the United Nations could do no less for a new State, which it itself had brought into being and to which it was bound by a special relationship. The Committee should also bear in mind that the policy of the United Nations towards Libya would create a precedent for the treatment of any other independent States it might decide to set up in future. The Iraqi delegation accordingly hoped that the joint draft resolution would be adopted by the largest possible majority.

36. Mr. HALIQ (Saudi Arabia) pointed out that the Secretary-General's report (A/2000),³ to which the Libyan representative had referred in connexion with war damage, had been discussed at the sixth session of the General Assembly, at which the Secretary-General had been requested to prepare a more comprehensive report. He inquired what progress had been made with the preparation of that further report.

37. Mr. MENDEZ (Philippines) said that the Libyan representative's statement had convinced the Committee that Libya had a special case, to which the United Nations was in duty bound to give every possible consideration. While, in the interests of expediting the Committee's business, he would abstain from submitting formal amendments, there were two points he wished to raise in connexion with the joint draft resolution in order to make his delegation's position clear.

38. In the first place, he would suggest that the phrase "*Suggests that*" would have been preferable to "*Invites*" as an opening to paragraph 1 of the operative part, since it would have obviated the difficulties which would arise if governments failed to respond to the "invitation". In the second place, although his delegation had every sympathy with Libya's difficulties, it thought it desirable to avoid any suggestion that assistance would continue indefinitely and, in particular, to make it clear that the waiving of local costs was intended as an interim measure. It should be understood that the General Assembly's purpose was to enable Libya to stand on its own feet. It might therefore have been better if paragraph 3 of the operative part were redrafted to read as follows:

"Requests the Secretary-General and the specialized agencies concerned, in view of the special and pressing needs of Libya, to continue to waive local costs and to give all possible favourable consideration to requests of Libya for technical assistance in accordance with the principles enumerated in resolution 222 (IX) of the Economic and Social Council."

39. Mr. MORALES (Argentina) said that, in his delegation's opinion, the United Nations had an unques-

tioned responsibility for the economic development of Libya, which it itself had brought into being. In view of Libya's close ties with the Arab States, with which Argentina also maintained the most cordial relations, Argentina had followed the development of the new State and its efforts to overcome its present difficulties with the keenest sympathy and would, therefore, support the joint draft resolution. It did not, however, consider that support of the proposal implied the assumption of an obligation to provide financial assistance. There was a group of Member States, whose interests were closely bound up with those of Libya, and which would no doubt co-operate in its economic development. Argentina would vote for the draft resolution as a token of its sympathy for Libya and as an endorsement of the principle of United Nations assistance to that country.

40. Mr. GUERRA (Chile) said that his delegation would support the joint draft resolution, which, however, it regarded as a gesture of sympathy and solidarity with Libya and not as imposing any obligation upon Member States. Chile's present economic difficulties, which were due to a lack of markets for its copper, unfortunately precluded the use of any of its financial resources for external purposes.

41. Mr. ABDEL-RAZEK (Egypt), replying to the Philippine representative's comments on the joint draft resolution, said that, in using the word "*Invites*" at the beginning of paragraph 1 of the operative part, the sponsors of the draft had taken an optimistic view and had not envisaged the possibility of any refusal to comply with the invitation. The text of paragraph 3 of the operative part was based on that of Economic and Social Council resolution 493 (XVI), for which he assumed the Philippine representative had voted. The waiving of local costs was intended to be a provisional measure and there was no suggestion that it should continue indefinitely. It was to be hoped that, as a result of United Nations assistance, Libya would soon be in a position to meet its own needs.

42. Mr. SUAREZ (Uruguay) said that his delegation would vote for the joint draft resolution in accordance with its policy of solidarity with countries in need of economic assistance. It regretted, however, that its present economic position would not permit it to make any funds available for assistance to Libya.

43. Mr. ENCINAS (Peru) said that, while his delegation would vote for the joint draft resolution, it wished to make it clear that Peru did not regard the invitation contained in paragraph 1 of the operative part as imposing any obligation upon it.

44. He agreed with the Philippine representative that a different drafting of that paragraph would avoid possible difficulties, but he was prepared to accept paragraph 3 of the operative part in its existing form, provided that it did not establish a precedent except in the case of a State in a position similar to that of Libya.

45. Mr. STANOVNIK (Yugoslavia) said that, although the United Nations did not have a constitutional obligation to provide Libya with economic assistance, it was under a moral obligation to do so. It was impossible to grant political independence without at the same time providing for economic independence. It was therefore the duty of all Member States to do everything in their power to ensure that Libya had not merely political, but also economic independence. For that reason, his delegation whole-heartedly supported the joint draft resolution.

The meeting rose at 12.55 p.m.

³ See *Official Records of the General Assembly, Sixth Session, Annexes*, agenda item 21.