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CONTENTS

	Page
<i>General statements (continued)</i>	39

Chairman: Mr. Pierre FORTHOMME
(Belgium).

GENERAL STATEMENTS (continued)

1. Mr. BLUSZTAJN (Poland) said that he wished first to express his satisfaction that the United Nations, by establishing the United Nations Conference on Trade and Development, had at last provided itself with an instrument by which the problems of world trade could be seen from the point of view of economic growth. The Conference had sounded the knell of the old doctrine founded on the principle of strict equality of treatment for all countries in international trade and the free play of forces in the world market, a doctrine which in practice had profited the economically advanced countries at the expense of the less developed ones.

2. Now that the trade machinery had been set up, the Conference must solve as quickly as possible the administrative problems still outstanding and must embark on practical action aimed at basing international economic relations on a trade policy conducive to a rational division of labour and to economic expansion and the welfare of all. The principles recommended by the Geneva Conference should form the basis of this policy and become a new code of international economic relations. As, unfortunately, those principles had for the most part been approved only by the developing and the socialist countries, a procedure must be set up for elaborating principles which would be universally acceptable. Perhaps it would be best, first of all, to resume discussion on the least contested principles, and then, once agreement had been reached, go on to the others.

3. In his delegation's opinion, the Conference must give primary attention to the place to be accorded on the world market to manufactured goods from the countries in process of industrialization. That was a larger problem which did not only interest the developing countries. Universally applicable solutions were doubtless impossible to find, but the granting of preferences was one possible solution and others should be sought for particular situations.

4. There was no field in which the need to control the anarchical forces of the market was greater than in that of primary commodities. While his delegation attached much importance to the elaboration and the adoption of a general agreement on that

it was not by the conclusion of agreements on different primary commodities, it believed that it was not by the conclusion of agreements on different primary commodities, that the world market could be organized. Of course, it was necessary to begin with those products whose situation in the market was particularly precarious.

5. One of the main tasks of the Conference must be to encourage the expansion of trade between all countries, taking into account the differences in their political and economic systems and their degree of development. In that respect, East-West trade offered possibilities that had been ably described by the French representative (956th meeting). Poland was convinced that the technical and scientific progress made by the highly developed socialist and capitalist countries could contribute to an expansion of trade between those countries and that such trade could, in its turn, contribute to an increase in the volume of trade between the socialist and the developing countries. The result would be a real increase in multi-lateral trade and a better international division of labour, and it was in the light of those considerations that Poland was ready to take part in the formulation of the principles and methods which should regulate trade between East and West.

6. Turning to the problem of improving the Economic and Social Council, he stressed that for a long time that organ had not been fulfilling its functions under the Charter, especially its co-ordinating function. The specialized agencies enjoyed full autonomy, and the reports which they, as well as the functional and the regional economic commissions, submitted to the Council were so technical that the only resolutions which the Council could adopt concerning them were too general to be really useful. The Council should reassume the function which the United Nations Charter had assigned to it in the beginning, namely, the formulation of a general economic policy for the United Nations and its related agencies. It would thus be able to reaffirm its authority over the specialized agencies and, instead of exercising a necessarily too general and ineffective control over its commissions, it would be able to concentrate on fundamental problems such as the relationship between industrialization and agricultural development, the utilization of natural resources in speeding up the economic development of the developing countries, and many other problems.

7. United Nations activities concerning industrialization, which was the key to the economic problems of the developing countries, would be more effective if concentrated on a limited number of objectives which could then be gradually added to as the means became available. Some way must also be found to

make full use of the store of technical knowledge and experience already gained by such countries, in particular, as Poland, which had become industrialized fairly recently and for the most part by utilizing their national resources. The Secretariat would undoubtedly profit by establishing close relations with the Government and scientific institutions concerned in the different countries with questions of industrialization.

8. Industrialization was closely connected with the exploitation of natural resources. The General Assembly had already recognized, in its resolution 1803 (XVII), adopted at its seventeenth session, the sovereign right of each country to dispose freely of its national resources in the interest of its development. An effort must now be made to put that principle into practice by helping the developing countries to develop their natural resources themselves. New international standards should be evolved to strengthen the control exercised by those countries over their own resources when they were exploited by foreign enterprises, and, in particular, to provide for the participation of the country in the management and profits of the enterprise and the obligation of the enterprise to train national personnel. National and international organizations set up by the developing countries to market their national resources could play an important role in that field and their action should be encouraged.

9. Mr. SUMULONG (Philippines) said that an assessment of the progress made in the first half of the United Nations Development Decade was particularly distressing for the developing countries, as their backwardness in relation to the rest of the world had become even more marked, particularly if a comparison was made in terms of the gross domestic product per capita. Although most of those countries had recently attained independence, they would derive little profit from political freedom if they could not liberate themselves from economic distress and social injustice. Their rate of economic growth had been below the 5 per cent target set for the decade and had even been lower than the rate achieved during the second half of the previous decade. The picture concerning trade was just as dark: the share of the poorer countries in world trade had even decreased during the first years of the Decade. The same setback had been observed in agricultural and food production and had thus necessitated a substantial increase in imports with a concomitant strain on the balance of payments. The only bright spot was afforded by the gains in industrial production, but there, too, the rate of expansion had shown a tendency to slacken compared to the second half of the 1950's.

10. To be sure, when the present decade had been designated as the United Nations Development Decade, there had been no intention of implying that the poorer countries could overcome their backwardness in the space of ten years. The intention had rather been to awaken the conscience of mankind to the essential need, if peace and order were to be preserved, for the blessings of prosperity and social justice not to be limited to a privileged few but to be extended equally to the less fortunate peoples of the earth.

Modest targets had been set, but the results so far achieved indicated that the much-longed-for day of a better life for all peoples remained quite distant.

11. Yet hope must not be lost, and indeed the past five years did show some encouraging aspects. A United Nations Conference on Trade and Development had been held which had brought the problems of the under-developed countries in the economic and social fields to the forefront of world opinion. The discussions of the Conference at Geneva had been of relevance to problems which particularly concerned the Philippines, namely; the need to accelerate not only agricultural production but also industrialization; the inability to acquire and maintain sufficient reserves of foreign exchange for the purchase of the capital goods needed for development programmes; and the fact that the efforts of the poor countries would remain futile so long as the developed countries were not willing to eliminate trade barriers and to give financial and technical aid more generously. The Conference had prepared the way for fresh negotiations and discussions, and it was but fitting that it had been made into a permanent organ of the General Assembly. His delegation was happy to note that the institutional machinery needed for the functioning of the Conference had been established.

12. Turning once more to the disappointing aspects of the period under review, he said it was a fact that the current situation called for bold and courageous decisions on the part not alone of the developed countries, but equally of the developing countries. There need be no shame in admitting, in the case of the Philippines for instance, that mistakes had been made in the formulation and even in the execution of the development programmes. Such mistakes, it should be recalled, were certainly to be attributed to the circumstance that, during the time when they had been under colonial domination, the newly independent nations had been nothing more than sources of raw materials and markets for the manufactured goods of the colonial Powers. The developing countries must be careful to avoid any repetition of their earlier mistakes. The developed countries, for their part, must be ready to extend their fight against poverty, ignorance and disease from the national to the international level; the amount to be expended for such international aid had been fixed by General Assembly resolution 1522 (XV) at the equivalent of 1 per cent of the national income of the developing countries.

13. Clearly much more could and should be done by the international community in providing long-term capital and grants to the developing countries.

14. The studies made thus far showed that the net outflow of long-term capital from the developed market economies to the developing countries and to the multilateral institutions concerned with the provision of loan capital or grants-in-aid to the developing countries had not significantly changed between 1963 and 1964. It had even been appreciably lower than the corresponding figure for 1961, and it was significantly lower than the target rate of 1 per cent of the national income. On the other hand, the period 1961-1964 had been one of substantial and continuous growth in the developed market ec-

onomies. Much the same could be said regarding economic assistance from the countries with centrally planned economies. That assistance had shown a continued decline from 1961, except that in 1964 there had been a sharp rise in the commitments of those countries. An analysis by the World Bank showed that the developing countries could make effective use of some \$3,000 million to \$4,000 million more each year, over the coming five years, than had been made available to them in recent years. The same report also showed that, taken as a group, the developing countries had greatly increased their ability to absorb and effectively employ the capital provided. The sharp fall in the net outflow of contributions from the developed market economies to multilateral institutions providing financial assistance to the developing countries was disturbing to note. His delegation hoped that assistance provided in that form would continue at the same pace as bilateral financial assistance, if not faster. It was to be noted in that regard that the rapid increase in the volume of lending by the IDA provided an appropriate response to the capital requirements of the developing countries. The servicing of their outstanding indebtedness imposed an increasing strain on the balance of payments of those countries. For thirty-four of them, the amount paid out for that purpose in 1960 had been over double the amount paid in 1956. A World Bank release stated that a large and rising proportion of the grants and loans received by the developing countries was returned to the aid-granting countries in the form of service payments on existing debts.

15. His delegation hoped to see a faster trend towards the liberalization of the terms of development financing, whether through bilateral or multilateral channels. All possible avenues must be explored to increase the resources of the IDA and thus enable it to participate in a wider and more effective manner in the task of economic development. The Horowitz Proposal (E/CONF.46/C.3/2) was an example of the type of initiative which could lead in that direction. His delegation hoped that the IDA would be able to extend its facilities to countries which, by reason of their relatively advanced degree of development, had thus far been held ineligible for IDA credits. Those countries should be assured access to IDA credits, since they had reached the phase in the development process where the need for large capital infusions had become critical and where the debt-servicing requirements were heaviest.

16. There should at all times be free discussion between the developed and the developing countries with a view to achieving greater co-ordination in their development activities.

17. His delegation wished, in conclusion, to put forward its views concerning the role which the United Nations could play in promoting the study of scientific methods for predicting the occurrence of natural disasters, such as the volcanic eruptions which had recently occurred in the Philippines. Economic development was closely related to social and technological advances. The Philippine delegation therefore welcomed the activities of the United Nations in the area of natural disasters, for such

events disrupted the economic and social life of a country. The Second Committee should consider how the United Nations might deal with such problems on a long-range basis. His Government deeply appreciated the help which the World Food Programme had already extended, and it thanked the Secretary-General for his offer to provide United Nations assistance to the Philippines in dealing with the disaster. The immediate need of the Philippines was for experts to help improve the Philippine organization which had been set up to study and forecast volcanic activity, fellowships for Philippine specialists in that area and up-to-date equipment for the organization in question. Consideration should also be given to the possible establishment, within the United Nations or UNESCO, of a centre for volcanology which would intensify studies concerning the prediction of eruptions, co-ordinate the research and other activities of national and international scientific societies in that field, apply existing research and forecasting methods in countries such as the Philippines, and assist in preparing emergency plans to deal with volcanic eruptions. Matters such as evacuation methods, effects on water and power supplies, and damage to crops and livestock, should also be carefully studied.

18. Mr. ARKADYEV (Union of Soviet Socialist Republics) said that, contrary to the situation obtaining in previous years, the consideration of world economic problems was taking place in the context of increased international tension resulting, in particular, from the acts of aggression committed by the United States in Viet-Nam and other parts of the world.

19. In 1964, and at the beginning of 1965, the economy of the developed capitalist countries had remained on the whole quite active. That was to be explained by a number of factors, such as the volume of investment, the stimulation of business conditions by government authorities, the expansion of international trade, and so on. Nevertheless, the expansion and modernization of business concerns was taking place in the context of a chronic under-development of existing production capacities. Moreover, given the history of capitalist economic development and its anarchic character, the stability of current business conditions was open to question, and might well give place to a recession. The trends apparent in 1964 and 1965 in certain countries—difficulties in the selling of goods on domestic and foreign markets, swollen inventories, recrudescence of inflation and rise in the cost of living—were evidence of economic "over-heating". Serious difficulties had arisen in regard to international liquidity, which had turned out in 1964 to be one of the vulnerable points in the capitalist economy. In some countries, those difficulties had led to a decline in public expenditure, a rise in taxes, the freezing of wages and, consequently, a contraction of the market. The forecasts of economists and government spokesmen in the United States and Western Europe were marked by pessimism. Such instability and uncertainty inevitably reacted on the economic situation of the developing countries.

20. General assessments of conditions in the developing countries were inadequate. The positive elements shown by the general indices of economic growth in the developing countries related principally to a small

number of the relatively more advanced countries in that group and covered up the distinctly more precarious position of the majority among them. In that connexion, his delegation was gratified to note that countries such as the United Arab Republic, India, Ghana, Afghanistan, Algeria, Mexico, Mali, Syria, Iraq, Pakistan and others had succeeded in discovering fairly efficient methods for achieving economic development.

21. Despite a contrary trend which, unfortunately, was evident in some countries, the strengthening of the public sector remained one of the basic features of the economic growth of the developing countries. Those countries were endeavouring in that way to put an end to the anti-national activities of foreign monopolies, to control foreign investments and to combat neo-colonialism, which was assuming increasingly subtle forms. The elimination of the colonial structure of their economies had enabled the developing countries to raise their industrial output by 150 per cent over the past five years (1960-1964)—and at a more rapid rate than the developed countries. All the positive aspects of the experience of the developing countries should certainly be given systematic study by United Nations bodies, particularly the regional economic commissions and the Economic and Social Council. The documentation available at present indicated that, despite the favourable trends apparent in the economies of a number of those countries, their position remained, on the whole, rather difficult. Some of them were still in large measure prisoners of the economic ties which had formerly bound them to the metropolitan country or to other Western countries. The economic potential of some other Powers which in the past had not had direct relations of a colonial type with the developing countries also enabled them to pursue a neo-colonialist policy towards them; that policy assumed very varied forms, including "association" patent agreements, the establishment of undertakings wholly or partly owned by foreign companies, the exploitation of natural resources and the manipulation of raw materials prices on world markets.

22. The increase in the prices of raw materials and food products in 1963 had been almost entirely offset by that of the prices of industrial products. The developed countries had benefited most from that development. A survey prepared by the Economic Commission for Europe showed that the terms of trade had become less favourable for the developing countries in 1965. The growth rate of their exports had declined. Those countries sought the abolition of the high import duties levied on the goods they exported to the industrialized countries. They were opposed to the duty-free importations of industrial products, which limited their opportunities for industrialization, and they rejected the special preferential tariffs granted to some of them in order to make them dependent on the economically advanced countries.

23. A solution of the problem of the accumulation, efficient utilization and development of the natural resources of the developing countries called for a drastic solution of the problem of agriculture. The present situation and the rate of growth in agriculture

were far from satisfactory. Per capita production of foodstuffs had actually declined in some areas, and the developing countries were forced to spend on food imports some \$4,000 million per year which could have been invested in industry or in other sectors of the national economy. Only industrialization could bring about increased productivity in agriculture, which would in turn expand the market for industrial products and provide greater quantities of raw materials for industrial use. The very low rate of accumulation accounted for the tendency to resort to foreign loans and credit, with the result that the indebtedness of the developing countries was becoming an increasingly serious problem. Their indebtedness had exceeded \$30,000 million in 1964, as compared with \$10,000 million in 1955, and debt service currently accounted for 12 per cent of those countries' export earnings and about 30 per cent of the aid which they received. The decisions of the United Nations Conference on Trade and Development concerning interest rates on loans were not being carried out by private financial establishments in the West or by international organizations, including the United Nations specialized agencies. The developing countries were rightly seeking to correct that situation by organizing regional economic groups.

24. The Soviet Union and the socialist countries were fully aware of the importance of disinterested economic and technical assistance to the developing countries. The USSR had concluded bilateral agreements for that purpose with twenty-eight of those countries, under which it was helping them to carry out some 600 projects (industrial and agricultural undertakings, educational establishments etc.). It was building some forty industrial undertakings in India alone. The technical and financial assistance provided by the USSR and the member countries of the CMEA (Council for Mutual Economic Aid) was at present enabling forty-two African, Asian and Latin American countries to carry out a total of 1,200 economic and cultural projects.

25. In 1964, the value of the industrial equipment supplied by the USSR to the developing countries had amounted to \$300 million, as compared with \$1 million in 1955. Thus, the capitalist countries no longer had a monopoly in that field. Nevertheless, the developed countries were continuing not only to produce but also to absorb the bulk of the industrial machinery and equipment manufactured in the capitalist world. The developing countries' share in world imports of those products had declined from 34 per cent in 1955 to 26 per cent in 1963.

26. One of the questions raised in connexion with United Nations economic and technical assistance to the developing countries was that of a merger of the Special Fund and the Expanded Programme of Technical Assistance. The establishment of the Special Fund had been proposed by the United States at the twelfth and thirteenth sessions of the General Assembly in order to block the establishment of SUNFED (Special United Nations Fund for Economic Development) sought by the developing countries, which would have enabled them to retain some measure of independence vis-à-vis the International Bank and other financial institutions controlled from New York.

Not only had the absorption of the Expanded Programme by the Special Fund, proposed by the United States, been rejected at that time by the developing countries, supported by the socialist countries, but General Assembly resolutions 1219 (XII), 1240 (XIII) and 1936 (XVIII) had provided for the possibility of a review of the activities of the Special Fund and the application of measures designed to make it a capital development fund. The United Nations Conference on Trade and Development had taken a similar view.

27. However, instead of implementation of the recommendations of the General Assembly and the Conference, something quite different was now being proposed, namely, the merger of the Special Fund and the Expanded Programme. Of course, if the Special Fund ceased to exist, there would no longer be any question of transforming it into a capital development fund. Some countries had hastened to voice approval of the proposed merger, oblivious of its authors' intentions. The only acceptable merger was one which would lead to the establishment of SUNFED on the basis of the Special Fund and the Expanded Programme. In that connexion, it should be borne in mind that SUNFED was originally to have had from \$200 to \$250 million at its disposal. Between 1960 and 1965, voluntary contributions to the two programmes (the Special Fund and the Expanded Programme) for technical assistance had amounted to about \$700 million, and they were expected to reach some \$800 to \$850 million over the next five years. Hence, SUNFED would be able to undertake much larger-scale operations than those originally envisaged. Moreover, it could benefit from the contributions and deposits made directly by its members. The funds available to it would be used to stimulate the economic and industrial growth of the developing countries through gifts, subsidies, the services of experts provided free of charge, and long-term, interest-free loans and credits. Of course, SUNFED should be managed not by a single director but by a directorate comprising the heads of the present Expanded Programme and of the Special Fund, two directors representing the developing countries and one director representing the socialist countries. Its board of directors should be set up on the same basis and should have the same composition as, for example, the corresponding body of the Conference on Trade and Development. His delegation was confident that the General Assembly would consider the question without undue haste and would bear in mind all the consequences of the proposed reorganization.

28. The Soviet Union was completing the seven-year national economic development plan in 1965 and would soon begin carrying out the new five-year plan (1966-1970). The seven-year plan would result in an increase in the production of steel from 55 million tons in 1958 to 91 million in 1966, of petroleum from 113 to 242 million tons, and of electric power from 235 to 509 thousand million kWh. The output of engineering industries had increased by 140 per cent and that of the chemical industry by 150 per cent. During the first six years of the plan period, the Soviet Union had built 5,500 large industrial undertakings. Great advances had been made in urban and rural housing. Industrial production for the first half of 1965 was 9.3 per cent greater than in the

second half of 1964. In its effort to maintain a high rate of economic development, the Soviet Union was seeking the most effective forms for the organization of the national economy. At present, it was endeavouring to improve management and planning methods and to strengthen material incentives in industrial production. That reorganization had become necessary not because of any alleged setbacks but because of the very successes attained and the gigantic growth and new possibilities of Soviet industry.

29. One of the great advantages of the Soviet economic and social system was that it permitted the rapid introduction of new forms of organization of the national economy to replace those which no longer met contemporary needs. The establishment of twenty-eight industrial ministries would make it possible to direct the various sectors of the economy and develop the various branches of industry on the basis of the latest scientific and technical advances and to satisfy more adequately the needs of the national economy. The reorganization of the forms of industrial management would make it possible to combine central planning with a greater measure of autonomy for undertakings and to eliminate existing shortcomings in planning. It would make it possible to speed up the construction and entry into operation of uncompleted undertakings, to make full use of the new equipment of such undertakings and to avoid leaving material and financial resources idle and unproductive.

30. The new five-year plan was intended to remove the obstacles to the development of productive resources in agriculture and to eliminate the production lag in that sector. It provided for investments in agriculture amounting to 71,000 million roubles. The plan was already under way. In the first half of 1965 alone, 118,000 tractors, 68,000 harvester-threshers and various other types of agricultural machinery had gone into operation. Very important work was either under way or planned for the future in irrigation and land development.

31. The Soviet Union was in favour of developing trade with all countries, regardless of their economic and social systems. It had trade relations with more than ninety countries, and in 1964 the value of its trade had exceeded \$15,000 million. The Soviet Union had concluded important trade agreements with socialist countries, many developing countries and a number of advanced Western countries. Trade relations with France, Japan, Italy, Finland and such developing countries as the United Arab Republic, India, Afghanistan, Iraq, Iran, Pakistan, Indonesia, Burma and Brazil were developing favourably. The Soviet Union actively supported the United Nations Conference on Trade and Development and its Board.

32. His delegation endorsed the remarks of the French representative regarding the importance of developing trade between the socialist countries and the market-economy countries, which, without any doubt, would be profitable to the developing countries. It wished to observe, in that connexion, that the possibilities for economic and scientific co-operation between the USSR and France had by no means been exhausted.

33. Mr. POLLA (Uruguay) said that he wished first to express his delegation's deep regret that the Assembly had postponed until its twenty-first session the consideration of two very important items on its provisional agenda dealing respectively with regional development (item 40) and the relationship between inflation and economic development (item 47).

34. It was generally recognized that, despite the efforts made over the past twenty years, economic and social conditions remained very unstable in many parts of the world. The Under-Secretary for Economic and Social Affairs had described the situation very well in his opening statement (955th meeting) when he had said that a considerable part of the economic progress achieved in the under-developed countries was in fact absorbed by the growth of population, that per capita consumption was rising more rapidly than production with the result that the under-developed countries were even more dependent than before the war on external sources of supply, that agricultural production remained vulnerable to the hazards of the weather, and that the prices of the products which accounted for the greater part of the developing countries' earnings, had been declining steadily since the beginning of 1964. That was a very accurate picture of the situation in Uruguay, which, since 1959, had suffered first from heavy rains, leading to unprecedented floods, and then from a prolonged drought which had had a disastrous effect on stock-breeding.

35. The solutions to the problem of development could be grouped under three headings: scientific and technological development, improvement in the terms of trade and international financial assistance. Under the first heading, the United Nations could be credited with having created a complex group of organs which had greatly contributed to the advancement of science and technology in the under-developed world. His delegation believed, however, that the time had come to revise the existing system so as to avoid duplication and achieve greater flexibility in procedures; it was therefore whole-heartedly in favour of merging the Special Fund and the Expanded Programme of Technical Assistance. It also felt that training bodies should concentrate their efforts on practical field work rather than theoretical instruction. Practical instruction was the best means of convincing the trainees of the advantages of modern technical methods, as Uruguay had found with the help of the loans from the Bank which had enabled it to introduce modern methods successfully to farmers and stock-breeders who had been very much bound to traditional practices.

36. The solutions in the second category, namely, improvements in the terms of trade, would unquestionably make it possible to put the developing countries on the road to genuine progress, for remunerative prices and a stable market would enable them to develop their natural resources while increasing their purchasing power. At the present time, those countries had no protection and no recourse against the tariff and tax policies which they encountered on the international market. The industrialized countries controlled nearly 70 per cent of world trade and at the

same time provided nearly all maritime transport and insurance to other countries. Uruguay was a good example of the countries in that disadvantaged group: wool, which comprised 70 per cent of its exports, was meeting with constantly increasing competition from synthetic fibres, and the drop in its exports was simultaneously reducing its foreign exchange earnings, its imports, employment in the textile industry and, of course, its customs and tax revenue. Since social progress could not be reversed, the Uruguayan budget showed a deficit and the lack of foreign exchange was causing devaluation of the currency, inflation and a rise in the cost of living. That situation, which prevailed in many other countries as well, should be sufficient reason for a bold, determined attack on the problem of trade imbalance.

37. The third type of solution available to the developing countries was international financial assistance. Although there had been an increase in the amount of financing by international bodies—both those which were affiliated with the United Nations and those which were not—it was not sufficient to solve the existing problems. The terms of such loans should be eased: the requirement that the recipient should undertake local costs relating to the execution of a project was sometimes impossible to fulfil; similarly, when a debtor country was faced with circumstances beyond its control, as in the case of Uruguay, where two hydroelectric plants had been put out of operation first by floods and then by drought, it should be permitted to benefit from speedy refinancing arrangements or an extension of the period of repayment.

38. All these facts led inescapably to the conclusion that positive action was essential. The solution seemed very complicated but was in reality very simple. It appeared in agenda item 44 of the Assembly under the title "Conversion to peaceful needs of the resources released by disarmament". The longed-for progress, despite the daily efforts to achieve it and the many international bodies that had been set up, could not be really brought about without the necessary political will to act. Although the way had been mapped out and technical and scientific institutions established, no advances were being made and in many fields setbacks were being suffered. All the while that remedies were being sought, institutions which were the cause of the sickness were being maintained. While millions of human beings were starving, astronomical sums were being invested in the manufacture and upkeep of armaments. The arms race, which might be further accelerated by the desire of some Powers to acquire nuclear weapons, involved great economic sacrifice for the populations of the great Powers as well as for other peoples. Those countries which were victims of the arms race even though they were not participating in it had the duty to unite in a tireless struggle for world disarmament. Nations should respond to the appeal which Pope Paul VI had recently made to the General Assembly, for the economic and social well-being of the small countries was essential to world stability. The fate of the powerful countries was indissolubly linked with that of the small countries. Sooner or later, people would realize that, without economic justice, world peace was a myth; it was

essential to ensure that that fact was not realized too late.

39. Mr. CUHRUK (Turkey) said that progress towards the targets of the United Nations Development Decade did not seem encouraging, as was apparent from the Secretary-General's memorandum entitled "United Nations Development Decade at Mid Point".^{1/} The annual growth rate of the developing countries, after reaching 4.5 per cent during the period 1955-1960, had dropped to 4 per cent in the period 1960-1963. That figure was appreciably below the target of 5 per cent fixed for the Decade. Population growth in the developing countries must also be taken into account, since it had absorbed a good part of the increase in the national income. Thus, while annual average per capita income in the developed countries had increased by \$100 during 1960-1962, it had risen by barely \$5 in the developing countries during the same period.

40. There was no question that economic development depended mainly on self-help; however, even though the developing countries were making maximum use of their natural and human resources, they were still confronted with a great many acute problems which required urgent international action for their solution.

41. It must be acknowledged that the experience gained so far by the developing countries in the field of planning was most encouraging. However, it should also be recognized that those countries needed assistance in adapting to their own economic, social and political institutions the extremely complex techniques of planning and projection. The declared intention of the Secretary-General to set up a group of highly qualified experts who would make their experience available to the United Nations was therefore to be welcomed. Although planning methods varied from country to country, there were some generally agreed priority objectives which could be taken into consideration in the preparation of development plans, for example, the requirements with regard to scientific and technical training, the rate of growth, employment, the balance in external payments, and social justice. Among the measures to be taken to achieve those objectives, top priority should be given to the control of population growth, which could be accomplished by educating people on the subject of birth control.

42. While not ignoring the importance of the agricultural sector, the developing countries should simultaneously accelerate the pace of their industrial development. No one at the present time had any doubt that industrialization was an integral part of the process of economic development; and, since it increased the purchasing power of the developing countries, it was also in the interests of the developed world. Though the approach to the problem of industrialization differed from country to country, the highest priority should be given to export-oriented industries and greater emphasis placed on import-substituting industries which would raise the domestic production of essential consumer goods, so that the

developing countries could save considerable amounts of foreign exchange and import more capital goods. Furthermore, a balance should be maintained between industrial and agricultural sectors on the one hand, and among various branches within the industrial sector on the other, depending on the resources available and the economic and social characteristics of each country. His Government wished to congratulate the Centre for Industrial Development and the various specialized agencies on the contribution they had made in the field. It was also in favour of the principle of setting up a specialized agency for industrial development; and, pending the establishment of the agency, it fully supported the measures recently adopted by the council and outlined in its resolution 1881 E (XXXIX), particularly the substantial increase in the resources of the Centre and in the percentage of funds from the Expanded Programme of Technical Assistance and the Special Fund devoted to projects directly related to manufacturing industries.

43. On the subject of financial aid, he observed that, while there had been an increase in bilateral government lendings in 1962-1963, the flow of funds into the international finance institutions had decreased during the same period. The over-all ratio of loans and donations to developing countries in relation to the combined national income of all the developed countries had ceased to increase, even before it had reached the 1 per cent target set by the General Assembly. On the other hand, the debt service obligations of developing countries—which had represented 4 per cent of their total exports in the mid-1950's—had risen to nearly 12 per cent in recent years. The terms on which loans were granted had therefore become as important as the size of the loans. The Committee on Invisibles and Financing relating to Trade of the United Nations Conference on Trade and Development should make a detailed study of all aspects of the problem of loan repayments and their adverse effects on the development of developing countries, with a view to formulating some concrete measures likely to stimulate international action in that field. His delegation also welcomed the initiative taken by the Secretary-General, and later endorsed by the Economic and Social Council in its resolution 1088 B (XXXIX), to convene an expert group to consider the problem of concepts and methodology in the measurement of flows of capital and aid to developing countries. The studies undertaken by the group would provide specific information on the volume of assistance which the developed countries were actually giving to the developing countries.

44. With regard to trade problems, his delegation had observed with anxiety that the developing countries' share in the total of world exports had declined steadily from almost one third in 1950 to one fifth in 1962. The terms of trade were still moving against the developing countries. The prices of most goods exported by them had continued to decline, while the prices of manufactured goods had steadily risen since the Second World War. Accordingly, one of the most urgent problems of the Development Decade was how to increase the export earnings of the developing countries so as to enable them to finance their

^{1/} Official Records of the Economic and Social Council, Thirty-ninth Session, Annexes, agenda item 2, document E/4071.

development projects. To that end, it was essential to stabilize commodity prices at remunerative and equitable levels and to remove, as far as possible, tariff barriers and other obstacles to trade. Seen in that light, the United Nations Conference on Trade and Development could be regarded as one of the spectacular events of the Development Decade, provided that it did not become a mere debating forum. All countries should in good faith try to implement the recommendations of the Conference in a spirit of understanding and co-operation. The conciliation procedure adopted by the United Nations was an encouraging start. The Conference already made some progress towards its objectives during its very short history. The United Nations Conference on Transit Trade of Land-locked Countries, which had been held under its auspices, had drafted a convention; the Committee on Commodities had held its first session and, in accordance with a decision by the Committee, the United Nations Sugar Conference had been convened and had drafted a new international sugar agreement. As for cocoa, some short-term measures had been referred for consideration to the Working Party on Prices and Quotas of the United Nations Cocoa Conference. A twelve-member permanent group on synthetics and substitutes had also been established.

45. With regard to the application of science and technology to development, his delegation hoped that it would be possible to reduce the number of priority areas indicated by the Advisory Committee on the Application of Science and Technology to Development, so that greater emphasis could be placed on vital problems which required more effort and larger resources. In particular, efforts should be made to raise the standard of education throughout the under-developed world, with a view to overcoming the serious difficulties due to the shortage of trained personnel and the absence of suitable institutions in those areas.

46. On the question of technical assistance, his delegation hoped that the target of \$200 million proposed by the Secretary-General for the Expanded Programme of Technical Assistance would be reached at the forthcoming pledging conference. It was convinced that the merger of the two programmes into the United Nations Development Programme would render their operations more rational and enhance their efficiency. The Governing Council of the new Programme should be composed in such a way that it could function efficiently. The two methods of election which had been proposed were not irreconcilable, and it was to be hoped that a satisfactory compromise could be reached.

47. His Government believed that the World Food Programme should be continued as long as food aid was regarded as feasible and desirable. The target of \$275 million for voluntary contributions should enable the Programme to expand its valuable efforts. In the future implementation of the Programme, due consideration should be given to projects of a multi-purpose character.

48. Since the inception of the United Nations in 1945, various bodies had been established to assist the Economic and Social Council in solving economic

and social problems. In some fields of activity that complex machinery had given rise to duplication and overlapping, while other problems had on occasion been neglected altogether. The establishment of those bodies was, of course, entirely in keeping with the spirit of specialization which was characteristic of the twentieth century, but it did obviously call for an increasing degree of co-ordination. Consequently, while continuing to formulate general policy guidelines for the work of its various subsidiary bodies and the specialized agencies, the Economic and Social Council should concentrate its efforts on the task of co-ordination, leaving the solution of specific problems to the bodies concerned. There was no doubt that the recent enlargement of the membership of the Council would contribute to the effective fulfilment of that task.

49. The full achievement of the objectives of the United Nations Development Decade required greater efforts and bolder decisions on the part of developed and developing countries alike. Accordingly, his delegation was whole-heartedly in favour of the measures relating to the second half of the Development Decade which were outlined in operative paragraph 2 of Council resolution 1089 (XXXIX).

50. Mr. O hEIDEAIN (Ireland) said that his delegation agreed substantially with the views expressed by the Australian representative (957th meeting). He would thus confine his remarks to the two interrelated matters of world food and world population. In his view, some of the people obsessed by the idea of the so-called "population explosion" had unfounded ideas about the potential food resources of the world. Doctrinaire advocates of indiscriminate birth control by every possible method had based their theories on the unproved assumption that the food resources of the world would be inadequate to feed the earth's population in the year 2000. But a specialized paper submitted by Professor K. M. Maline to the second World Population Conference had shown that the cultivated area of the earth could be extended to 2,670 million hectares without capital expenditure, and to 5,490 million hectares with some capital expenditure, and that that area could supply food for 7,000 million people—which was the highest estimated world population for the year 2000. If the yield capacity at present achieved by the agriculturally advanced countries were extended to all countries, the present cultivated area could provide food for 10,000 million people. With considerable capital expenditure, the planted acreage could be expanded to as much as 9,330 million hectares, which could provide food for 13,000 million people. Further, those figures did not take into account the possibilities of using solar energy or hydroponics (soilless farming) or the almost inexhaustible resources of the ocean to which the United States representative had referred in his remarks on the Sea Lab tests carried out by the United States Navy off the California coast.

51. On the national scale—and the Irish second programme of economic expansion was a notable example—both developed and developing countries could take various steps to improve their agricultural output and thereby increase their food production. Skilful programmes were also carried out by FAO, such

as the Freedom from Hunger Campaign, with a view to increasing food productivity in the developing countries. The community of nations had a responsibility, particularly through FAO, to help the developing countries to improve their food supply by a combination of the methods which countries like his own were successfully applying.

52. There were, of course, important ethical considerations which severely limited the action which Governments and international organizations could properly take in the highly personal sphere which the doctrinaire family planners were trying to invade. During his recent visit, His Holiness Pope Paul VI had pointed out to the General Assembly that the task of the United Nations was to ensure that there was "enough bread on the table of mankind, and not to favour an artificial control of births, which would

be irrational (1347th plenary meeting). At the second World Population Conference, participants had pointed out that it had not yet been proved that State-organized birth control would effectively reduce population. It would be irrational several times over if the United Nations or any other international body should, on the grounds of an unproved and unprovable assumption, pay for birth control programmes and so divert scarce resources from objectives which were of economic, social and cultural benefit to the developing countries. His delegation would strongly urge that the Committee, while pursuing a balanced economic programme, would give particular emphasis to the agricultural and food requirements of the developing countries.

The meeting rose at 6.25 p.m.