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Chairman: Mr. Pierre FORTHOMME
(Belgium).

GENERAL STATEMENTS (continued)

1. Mr. MWINGA (Zambia) noted with satisfaction that the year 1964 had on the whole been characterized by an expansion of production and trade in both the industrial and the primary producing countries. World production had increased by more than 5 per cent, and the value of world trade by about 12 per cent. So far as the developing countries were concerned, however, the prices of primary products, which had risen in 1963, had fallen again in 1964, with the exception of metal prices. Countries whose principal exports were metals had therefore enjoyed a boom. That was the case with Zambia, which was one of the largest copper-producing countries in the world. Yet the increase in demand and consequently in prices for copper was due to fortuitous circumstances and copper prices, like other commodity prices, were still subject to fluctuations in demand. International measures should therefore be evolved to stabilize the prices of primary products and assure the developing countries of regular export earnings. To complete the picture, it should be pointed out that while the prices of primary products had shown a tendency to decline in recent years, the prices of industrial products had been steadily rising, causing a further deterioration in the terms of trade.

2. The creation of the United Nations Conference on Trade and Development, which had enabled a heterogeneous group of seventy-seven developing countries to create a common front in order to make their voice heard in future international negotiations, as an organ of the General Assembly was therefore an important event. The developing countries would be able, through the machinery of the Conference, to work for changes in world trading arrangements. His delegation welcomed the recommendations of the Conference on increased access for the developing countries to the markets of the developed countries; it also welcomed the measures to stabilize prices and assure the developing countries of steady export earnings. ^{1/}

^{1/} See Proceedings of the United Nations Conference on Trade and Development, volume I: Final Act and Report (United Nations publication, Sales No.: 64.II.B.11).

3. As far as industrialization was concerned, it must be realized that the colonial Powers had not only restricted their dependencies to the production of the raw materials needed by those Powers' manufacturing industries but had also organized the foreign trade of the dependencies in such a way that other countries had no direct access to their markets. While industrialization would enable the developing economies to be less dependent on primary products as the major source of foreign exchange and would counteract unfavourable trends in the terms of trade, it was, unfortunately, hampered by tariff and other restrictions. His delegation therefore commended those Governments which fully supported the introduction of preferences for certain manufactured and semi-manufactured goods from the developing countries. Preferences could be an effective weapon in tackling under-development and poverty, which engendered racial hatred and discrimination in many parts of the world. The Zambian delegation welcomed the creation of the United Nations Committee for Industrial Development and the Centre for Industrial Development and the Committee on Manufactures of the Trade and Development Board. It believed that there was sufficient United Nations bodies and international and private agencies working to promote economic development. What really mattered was to make effective use of them and, where necessary, reorganize them. Zambia wished to take the opportunity to express its satisfaction at the elaboration of the Convention relating to Transit Trade of Land-locked Countries; that was a problem with which it was directly concerned.

4. The problem of financing development was far from being solved. Many appeals had been made to the developed countries to increase the flow of public and private capital to the developing countries. The target of 1 per cent of each developed country's national income had not been reached, and the flow of private long-term capital to the developing countries, and particularly to Africa, was very disappointing. The distribution of the capital among the regions was uneven. From 1960 to 1963, Latin America had received 61 per cent, East and West Asia 27 per cent and Africa only 12 per cent of the total. At the moment the flow of long-term capital to the developing countries was based mainly on bilateral arrangements. Most donor countries made part of their financial assistance conditional on the purchase of their own products, but such restrictions could only harm the recipient countries, which had difficulty in finding other sources of assistance. Multi-lateral assistance, which had the advantage of being disinterested and divorced from any political or ideological context, must therefore be increased.

At the same time, the terms of aid should be made more flexible in order to ease the burden which the servicing of the external debt placed on the economies of the developing countries. In that connexion, his delegation was glad to note that the percentage of loans bearing an interest of 3 per cent or less had increased from 19 per cent in 1961 to 40 per cent in 1963, while the maturity period had tended to lengthen.

5. The aim of judicious development planning should be to lay the foundations for industrialization by increasing agricultural productivity, creating the necessary infra-structure, encouraging entrepreneurship and compiling accurate statistics on the performance of the economy.

6. In conclusion, his delegation expressed the view that the proposed merger of the Special Fund and the Expanded Programme of Technical Assistance in a United Nations Development Programme would strengthen the combined activities of the two programmes and facilitate the administration of projects.

7. Mr. BOIKO (Ukrainian Soviet Socialist Republic) said that among the important and urgent problems on the Committee's agenda was that of eliminating the economic backwardness of the developing countries and properly directing United Nations action to that end. One aspect of the problem was the financing of the economic development of those countries and the role of the United Nations in granting economic and technical assistance to the developing countries on favourable terms.

8. The fact that the economic backwardness of the developing countries was attributable to their colonial past should be a reminder to the former mother countries of their historic responsibility, both material and moral which they bore towards their former colonies. That responsibility was all the heavier because the Western countries, by imposing unfavourable terms of trade on the developing countries, were reducing them to the position of permanent applicants for foreign aid.

9. The competent departments of the United Nations should begin by systematizing general indicators for the national economic programmes of the developing countries and preparing the ground for an objective study of that problem. The Secretariat should at the same time revise its outdated evaluation of the foreign-aid needs of those countries and ascertain whether those needs were growing or diminishing.

10. The assistance provided by the Western Powers was mainly designed to create conditions in the developing countries favourable to investors of private capital, who were motivated solely by self-interest. The diligent protectors of those investors counted among such conditions not only the creation of an appropriate political situation but also the presence of competent technical cadres and manpower, adequate sources of energy and means of transport, and all the other elements that go to make up a country's infra-structure. It was for that reason that the Western Powers were trying to limit the activities of the World Bank and the other financial institutions that they controlled to the domain of infra-structure. The priority given by the Bank to investment in

infra-structure had been mentioned in the last report of the Economic and Social Council to the General Assembly.^{2/} The Western countries wanted, for the same reason, to channel the action of the Special Fund and the Expanded Programme of Technical Assistance in that direction, and they objected to participation by the international financial institutions in the financing of diversified industry and, in particular, of the sectors manufacturing producer goods. The same motives explained the categorical opposition of the Western countries to the establishment of a United Nations Fund for Economic Development (SUNFED). The proposal to set up a United Nations Development Programme by the consolidation of the Special Fund and the Expanded Programme might be used to place the developing countries in a position where it would be impossible for them in the future to request the transformation of the Special Fund into a capital development fund. The consolidation of the Special Fund and the Expanded Programme would make it possible to disregard the General Assembly resolutions concerning that transformation.

11. His delegation wished to point out that the proposal to merge the Special Fund and the Expanded Programme appeared in the report by the Secretary-General entitled: "Transformation of the Special Fund into a United Nations capital development fund", which had been submitted to the United Nations Conference on Trade and Development^{3/} and which had been before the Economic and Social Council at its thirty-seventh session.^{4/} That proposal had been all the more unexpected since it had followed the adoption of resolution 1936 (XVIII) by the General Assembly requesting the Secretary-General to prepare a study of the practical steps to transform the Special Fund into a capital development fund and had come at the precise moment when the application of resolutions 1521 (XV) and 1936 (XVIII) was meeting with stubborn opposition from the Western Powers. In acting as it had done, the Secretariat had in fact espoused the cause of those Powers. His delegation considered it necessary, in the interest of the developing countries, to give effect to General Assembly resolution 1936 (XVIII). It also considered that the situation of the regular programme should be taken into account in any decision concerning the consolidation of the United Nations technical assistance programmes.

12. In approving resolutions such as its resolution 1020 (XXXVII) and refusing to take any initiative in the sphere of international trade, the Economic and Social Council was belittling its role and its importance. Its failure—which was one of the reasons for the support which the proposal to establish permanent machinery for the United Nations Conference on Trade and Development had received—was being used to advantage by those who wished its role to be merely that of a co-ordinator. His delegation

^{2/} See Official Records of the General Assembly, Twentieth Session, Supplement No. 3 (A/6003), paras. 223 and 224.

^{3/} See Proceedings of the United Nations Conference on Trade and Development, volume V: Financing and Invisibles; institutional arrangements (United Nations publication, Sales No.: 64.II.B.15), p. 346.

^{4/} See Official Records of the Economic and Social Council, Thirty-seventh Session, Annexes, agenda item 10, document E/3947.

hoped that the increased membership of the Council would put a stop to that dismal process.

13. The Economic and Social Council and the United Nations Secretariat were duty bound to help the developing countries to assert their sovereignty over their natural resources. Yet those organs were not giving sufficient attention to devising measures to combat the neo-colonialist policy practised in that regard by the Western Powers. The relevant United Nations documents were stamped with a certain bias and were to a great extent devoted to defending the interests of foreign investors. At the same time, the beneficial experience of the developing countries that were applying nationalization measures and trying to limit the harmful action of foreign monopolies had not received the prominence it deserved. The United Nations could not examine the problem of sovereignty over natural resources without noting that such resources were the subject of pitiless destruction in Viet-Nam as the result of the barbarous bombing raids carried out by the United States, which, in violation of the Charter, was conferring on itself the right to interfere in the domestic affairs of other States, thus trampling underfoot the very notion of national sovereignty.

14. Considering that all the economically advanced countries did not bear equal responsibility for the economic backwardness of the developing countries, his delegation could not admit that the effort made by the various industrialized countries to aid the developing countries should be measured by the same yardstick, as was the case in the General Assembly resolutions, which provided for the setting aside for that purpose of at least 1 per cent of the national incomes of the industrialized countries. For the same reasons it protested against the division of countries, in the United Nations documents, into poor and rich, with disregard for the economic and social conditions that had given rise to such a division. That kind of classification was being used by the imperialist Powers to transfer to other countries a part of their responsibility for the low level of development of their former colonies, whose resources they had so long exploited and were continuing to exploit.

15. His delegation associated itself with those delegations which had stressed the importance, for economic development, of establishing the United Nations Conference on Trade and Development as a permanent body. It hoped that the secretariat of the Conference would be promptly set up so that it might devote itself to applying the recommendations made at Geneva and thus contribute to the quickest possible solution of problems such as the creation of an international trade organization, the establishment of equitable trade relations, the expansion of trade between West and East, and many others.

16. The expansion of the fruitful activities of the Centre for Industrial Development was also a matter for congratulation. The regional and inter-regional seminars that it was organizing—one of which, concerning mineral fertilizers, had just been held in the Ukrainian SSR in virtue of that country's participation

in the technical assistance programme—were extremely useful to the developing countries, and it was to be hoped that further seminars would be held, especially in Africa.

17. With regard to the conversion to peaceful needs of the resources released by disarmament, he believed that the United Nations and the specialized agencies should pursue their studies on the economic and social consequences of disarmament without waiting for the conclusion of an agreement on general and complete disarmament. Such studies could not fail to contribute to a definitive solution of the problem.

18. One of the essential conditions for accelerating the industrialization of developing countries was the training of national technical personnel. Such training was largely facilitated by bilateral aid agreements; many students from Asia, Africa and Latin America were training, for instance, in the Ukrainian SSR. But it should not be limited to the assistance rendered only on the bilateral basis. The United Nations must make more effective use of its resources in order to increase the possibilities of aid to developing countries for the training of specialists in industrialization.

19. He wished, in conclusion, to give a brief description of the economic situation in his country, where industrial production had increased forty-fold since the Revolution. In former times, the Ukraine had been no more than a colony of tsarist Russia and of foreign capitalists. It had been delivered over to exploitation by foreign concerns, which had owned, among other things, 90 per cent of the iron-ore mines and chemical industries and two thirds of the railways; 52 per cent of the land and forest had belonged to a small number of big landowners. By nationalizing all its wealth, the people of the Ukraine had been able to ensure its rapid economic growth while State ownership of the means of production had made it possible to carry out over-all rational planning. The Ukrainian SSR, whose population constituted only 1.5 per cent of the world population, was producing one tenth of the cast-iron and steel produced in the world, one twelfth of the beet-sugar and of tractors, and one thirteenth of the coal. With regard, moreover, to a large number of agricultural and industrial products, its per capita output exceeded that of many of the great industrial countries. The Ukrainian SSR wished, however, to satisfy the needs of the workers even more fully by increasing the economic worth and improving the quality of its products and by accelerating the rate of its economic growth; it was therefore drawing up new industrial organization plans aimed at improving the planning process and introducing new techniques and at providing centralized direction while leaving sufficient initiative to local agencies and productive enterprises.

Organization of the work of the Committee (continued)
(A/C.2/L.791 and Corr.1)

20. The CHAIRMAN said that, with a view to achieving greater flexibility, he had, on the timetable which he had established (A/C.2/L.791 and Corr.1), merely grouped the agenda items by weeks without assigning a specified number of meetings to each item. Item 51 (Consolidation of the Special

Fund and the Expanded Programme of Technical Assistance in a United Nations Development Programme), the consideration of which was set for the week beginning 1 November, might be taken up sooner if necessary and if the session of the Council for Trade and Development permitted. Item 47 (World campaign for universal literacy), which was scheduled to be considered at the beginning of the week of 8 November, might better be postponed to Thursday, 11 November, or Friday, 12 November, since the Director-General of UNESCO was due to be in New York at that time. The setting of deadlines for the submission of draft resolutions was designed to speed up the Committee's work by making it possible to circulate such drafts informally before their official distribution.

21. Mr. BLUSZTAJN (Poland) suggested that it might be preferable to have the deadlines coincide with the beginning of the discussion on each item.

22. The CHAIRMAN pointed out that the Committee was merely discussing suggestions designed, as he had said, to speed up its work by allowing delegations to study the draft resolutions before the beginning of the consideration of each item; it was not discussing hard and fast deadlines.

23. Mr. MUSIK (Czechoslovakia) suggested that, in order to save time, the Committee should discuss agenda item 51 and item 39 (Establishment of a United Nations capital development fund) at the same time. A number of delegations had made the same suggestion during the preliminary discussion on the organization of the Committee's work (954th meeting), and a good many speakers had linked the two questions in their general statements.

24. Mr. BRADLEY (Argentina) conceded that the two items were linked but pointed out that whereas the item concerning the consolidation of the Special Fund and the Expanded Programme was not likely to create any problems other than purely formal ones, the consideration of the establishment of a

capital development fund, and its possible merger with the United Nations Development Programme, might involve far more complex questions of substance. It would therefore be preferable to consider the two items separately, beginning with the simpler one.

25. Mr. MAKEEV (Union of Soviet Socialist Republics) felt that there was every reason to consider the two items together. The background of the two problems showed that they were closely linked, and the general debate had proved that it was impossible to speak of one while disregarding the other. He therefore supported the Czechoslovak representative's suggestion and said that his own delegation would in any event refer to the two items together.

26. With regard to the submission of draft resolutions, the Soviet delegation supported the request already made for deadlines. According to its interpretation, the dates indicated did not apply to the submission of amendments.

27. The CHAIRMAN confirmed that interpretation. He said that the suggested deadlines applied only to initial drafts; amendments and revised texts might of course be submitted in accordance with the rules of procedure.

28. With regard to the joint consideration of agenda items 51 and 39, he recalled that that suggestion, supported by some delegations, had given rise to a number of objections. By listing those two items successively on the Committee's time-table, he had attempted to achieve a compromise which would enable delegations which so desired to deal with both questions at the same time, without thereby giving rise to a procedural discussion which might be long and complicated.

29. He proposed that the Committee should adopt his suggestions on the conduct of its work (A/C.2/L.791 and Corr.1) as general guide-lines.

It was so decided.

The meeting rose at 4.40 p.m.