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*Chairman:* Mr. Jorge Pablo FERNANDINI  
(Peru).

GENERAL STATEMENTS (continued)

1. Mr. PEREZ LOPEZ (Mexico) said that the general trend of international trade had continued to be unfavourable to the developing countries: although the value of world exports had again risen in 1966 and early 1967, those countries' share of total world exports was still declining. The prices of primary commodities had fallen and were unlikely to improve. Even the success of the Kennedy Round of negotiations would bring little immediate benefit to the developing countries since the non-tariff barriers applied to some of their current exports were, in many cases, the main barrier to their trade. As an initial step, the developed countries participating in those negotiations should decide to extend the agreed concessions to all developing countries.

2. The second session of the United Nations Conference on Trade and Development (UNCTAD) should be devoted to a limited number of specific problems on which all participating countries were likely to reach agreement, and it was essential that the measures adopted should become part of the current policy of all countries. There were three matters which his delegation considered of sufficient importance to be dealt with by the Conference. The first was the maintenance of the status quo in international trade by the industrialized countries: an effort should be made to ensure at least that no new restrictions were placed on the exports of the developing countries. An important advance had been made in that connexion at the Punta del Este Conference in April 1967 when the Presidents of the States members of the Organization of American States (OAS) had undertaken to ensure compliance with international commitments not to introduce or increase tariff and non-tariff barriers affecting the exports of the developing countries.

3. Moreover, special efforts should be made to facilitate access to markets for the exports of primary commodities of those countries, which represented 85 per cent of their sales abroad, and to secure better prices for them. Although it was true that technological progress had reduced the demand in industrial countries for certain raw materials, restrictive trade policies and the protection of uneconomic domestic production were affecting the exports of the developing

countries equally severely. Although they constituted an imperfect instrument, commodity agreements were a useful method of securing agreement on reasonable prices for specific products and of a fair balance between world production and consumption, and all countries should endeavour to strengthen existing agreements and conclude new ones, based on the principles recommended by UNCTAD.

4. In 1965, the principle of non-reciprocity in the liberalization of foreign trade had been recognized by the developed countries in part IV of the General Agreement on Tariffs and Trade (GATT). Nevertheless, with the exception of Australia, no industrial country had so far granted unilateral preferences to developing countries. It was therefore most encouraging that at the Punta del Este Conference, the President of the United States had stated that his country was prepared to explore with other industrial nations the possibility of granting temporary preferences to developing countries in order to speed up their development. The Presidents of the States members of OAS had also agreed to work together for the elimination of tariffs and other restrictions on Latin American exports in world markets and to study systems of non-discriminatory general preferences for the manufactures and semi-manufactures of developing countries. His delegation hoped that the establishment of such a system would be approved by the developed countries at the second session of UNCTAD.

5. Many developing countries believed that regional free trade areas or common markets were one of the best ways of promoting industrialization and agricultural production. Developed countries should realize that such groupings in no way threatened their interests and deserved their support, through technical and financial assistance and more liberal trade policies. The proposed Latin American common market, for which the foundations had been laid at the Punta del Este Conference, implied no hostility towards the major industrialized countries and was intended to mobilize the efforts of all Latin American countries in their own interests.

6. Improved market opportunities for the developing countries' exports would be valueless, however, unless those countries were in a position to produce marketable goods at competitive prices. For that reason the emphasis in the programmes of the United Nations Industrial Development Organization (UNIDO) on the promotion of export-oriented industries was to be welcomed. An increase in export receipts would, moreover, help to reduce their crushing debt-service burden and lessen their dependence on external financing. Valuable as external co-operation was, its essential function was to supplement, not to replace

the efforts of individual countries to raise their levels of living by proper planning, the efficient use of domestic resources and training. It was his delegation's hope that with the growing appreciation of the role all countries had to play in international co-operation, the goal desired by all would be achieved.

7. Mr. MURGESCU (Romania) said that the following sentence from the introduction to the report of the Economic and Social Council (A/6703 and Corr.1, p. xi) summarized a major aspect of the Committee's work: "...the responsibility for world development is shared by all, but...within the global context, each nation is responsible for the development of its own economy".

8. Each country was indeed responsible for the structural and institutional transformation and for the development of natural and human resources which progress demanded. Nevertheless, the progress of mankind was a universal responsibility: the independence and national sovereignty of each country must be respected, so that it could freely pursue its national development objectives. Member States should therefore give their full support to the efforts of countries to develop their natural resources efficiently, and, in particular, to measures of implementing the survey programme for the development of natural resources. Full State sovereignty over natural resources, together with accurate information of the needs for and development potential of mineral, water and energy resources, would provide a valuable basis for subsequent industrial development and for the operational activities of the United Nations.

9. Those operational activities, particularly those of the United Nations Development Programme (UNDP), constituted one way in which the United Nations directly helped the economic growth of the recipient countries. The partnership between UNDP and recipient countries, founded on clear mutual obligations, helped to develop new productive forces within those countries. The United Nations Capital Development Fund provided the United Nations with a further opportunity of directly assisting development and his delegation hoped that substantial progress towards bringing the Fund into operation would be made at the current session.

10. The time had come for manpower training to be given the priority it deserved in United Nations programmes. Post-war population growth had worsened the lamentable educational situation in some areas of the world. Recent UNESCO statistics showed, for instance, that while 30 per cent of the young people in some countries obtained higher education, in others only 3 per cent of adults were literate. The Committee should, in that connexion, draw attention to the importance of implementing Economic and Social Council resolution 1274 (XLIII) of 4 August 1967 on the development and utilization of human resources.

11. A similar situation existed in the case of science and technology. Some thirty countries had a virtual monopoly—95 per cent—of all scientific research, while the remaining 5 per cent was spread over countries which had two thirds of the world's population—the very countries which, according to the Advisory Committee on Science and Technology to

Development, had no organized national scientific services. Those circumstances, together with the brain drain, were depriving the developing countries of the facilities and personnel they required to apply new scientific and technological advances to their own development. Moreover, that situation could lead to new forms of dependence and neo-colonialist practices. His delegation would therefore support any scheme for the establishment of national scientific systems, training of national personnel at all levels, access to modern technology, improvement of national planning systems and training in business management.

12. The United Nations had in the past rightly concentrated on promoting multilateral co-operation among States. In practice, however, economic relations among States were, to a large extent, conducted on a bilateral basis. That United Nations agencies and other bodies could usefully encourage bilateral co-operation was shown by the example of UNIDO, which intended to make arrangements for the promotion of industry at the forthcoming International Symposium on Industrial Development.

13. Resolution 14 (XXII) of 28 April 1967, adopted by the Economic Commission for Europe, was designed to promote scientific and technological co-operation and the exchange of scientific information, should encourage the other regional economic commissions to intensify their work on problems of scientific, technical and economic co-operation.

14. It was universally recognized that the existing system of international trade and financial relations operated to the disadvantage of developing countries. His delegation therefore hoped that, at the second session of UNCTAD, successful negotiations would be held to overcome the obstacles that still existed. The Committee should also bear in mind the suggestion made by the Under-Secretary for Economic and Social Affairs in his opening statement (1109th meeting) to the effect that the preparation for the second session of the Conference provided an opportunity for re-examining the nature and operation of the institutions of the United Nations system.

15. Mr. ZAKHAROV (Union of Soviet Socialist Republics) said that the lack of a solution to a number of urgent international economic problems placed before the Second Committee extremely important and responsible tasks. The Soviet delegation, therefore, attached great importance to the general debate in the Committee, since it would enable the representatives of all countries to hear all points of view concerning the problems that are of concern to the peoples.

16. The October Revolution in the Soviet Union, the fiftieth anniversary of which was being celebrated this year, had its effects in remote corners of the earth and implied the introduction of new principles of international relations in all fields, including social and economic fields.

17. If the United Nations Charter stated that the United Nations was resolved to promote social progress and the improvement of living conditions in larger freedom, as well as to promote the economic and social progress of all peoples; and if, in our days, the struggle to transform those principles into life and reality was constantly growing, their sources went back to

the first acts of the young Soviet State. That could be seen in the treaties signed by the Soviet Government with Iran, Afghanistan, Turkey and Mongolia soon after the 1917 Revolution. In those treaties, the unjust political and financial policies of the Czarist régime had been renounced and its agreements declared null and void.

18. The first fifty years of the Soviet State were filled with such important and tempestuous events that those years may confidently be regarded as a decisive test of the strength and durability of the socialist State and social system. Twenty of those fifty years were spent on the military defence of the country and on rehabilitating the economy, which had been devastated by war. After its inception, the Soviet régime had to undergo the heavy ordeals of foreign intervention and civil war. Thereafter, it was necessary, in an extremely short time, counting only on its own domestic resources to carry it through on the basis of scientifically elaborated plans, to effect the socialist industrialization and co-operativization of agriculture, and to secure the progress of science and culture. The economic potential that was created in the pre-war years did much to predetermine the Soviet Union's victory over Hitler's Germany.

19. Having surmounted the grievous economic consequences of the Second World War, and having rehabilitated the war-devastated economy, the Soviet Union made giant strides forward. The principal achievement of the revolutionary and transforming activity of the Soviet people and of its Communist party is the full and definitive victory of socialism. In historically short periods, powerful productive forces were created. Whereas on the eve of the October Revolution, Russia accounted for less than 3 per cent of the world's industrial output, the Soviet Union now produced 20 per cent of the world's industrial output.

20. The industry of the Soviet Union had been developing at high and stable rates of growth. In the forty-nine years comprising the period 1918-1966, the annual average rate of growth in the Soviet Union was 10 per cent; whereas in the United States of America the rate was less than 4 per cent. The statistics were still more striking if the war years were excluded: the average annual rate of growth in the industrial output of the Soviet Union was over 14 per cent; whereas, in the United States, as before, it fell below 4 per cent. That was the guarantee of our victory in peaceful economic competition with the United States of America. If Soviet metallurgy had developed at the United States rate of growth, the Soviet Union would now be smelting 17 or 18 million tons of steel. The fact was, however, that the Soviet Union in 1966 produced about 97 million tons of steel, and in the current anniversary year the output of steel would exceed 100 million tons.

21. The victory of the collective farm system had transformed the face of the countryside. In place of thousands of small peasant holdings, the largest agricultural system in the world had been created on the basis of modern technology. The total volume of agricultural output in 1966 was almost three times over the 1913 level.

22. On the basis of growth in the economy, there had been radical changes in the material situation and in the cultural level of the people. Full employment of the entire able-bodied population had been secured and also a high rate of growth in the welfare of the people. The real income of manual and non-manual workers in industry and construction had increased more than sixfold since 1913, and the real incomes of peasants had increased by more than eightfold.

23. At the present time, with the increasing growth in the output of the means of production, which was necessary for the systematic increase in the mechanization of labour and the increase of labour productivity, the rates at which the output of the means of production and consumer goods was growing were coming closer together. An increase in the effectiveness of social production, which was the principal task of the national economic development plan of the Soviet Union for the period 1968-1970, would play a decisive role in ensuring the further rapid rise in the level of welfare.

24. The Soviet Union, which was playing the role of the pioneer in blazing hitherto untrodden paths, had tried out in practice the forms and methods for constructing the economic basis of a new society. Other countries had thereby received the possibility of avoiding, thanks to the experience of the Soviet Union, the difficulties that would arise in the search for the most effective ways of securing economic construction.

25. In its foreign trade and economic relations, pre-revolutionary Russia had been heavily dependent on foreign capital, which in 1913 had accounted for 47 per cent of its total investment in industry and two thirds of its entire foreign trade. Today, the USSR traded with almost all countries of the world: since the Second World War, it had increased its trade with socialist countries twelve times and with the developing countries twenty-one times. In addition, the USSR provided widespread technical and economic assistance to both socialist and developing countries: at the beginning of 1967, 1,413 establishments in socialist countries and 599 establishments in developing countries, had been or were being constructed with Soviet assistance. The Soviet Union also participated in United Nations technical assistance programmes, but it noted with regret that its contributions were not being used effectively and that not enough Soviet experts were invited to participate in UNDP projects.

26. The foreign economic relations of the USSR were based on mutual respect, the promotion of progressive economic principles, and co-operation in the acceleration of economic development and in raising living levels.

27. The most important achievement in the development of human society over the past half century was the emergence of socialism beyond the framework of one country, and the formation of a world socialist system. The socialist world now comprised over 35 per cent of the population of the planet. Another very important change had been the destruction of the colonial system. The great October Revolution struck a tremendous blow at the whole system of imperialist and colonial rule. Whereas half a century ago the population

of the colonies and semi-colonies comprised 69 per cent of the world's total, today it accounted for a little over 1 per cent. Over seventy sovereign States had risen from the ruins of the colonial empires.

28. Changes in the political map of the world had confronted the United Nations, and in particular its Second Committee, with important international economic problems. Those problems had found practical expression in the Committee's agenda and, in particular, in the following three items: first, the United Nations Conference on Trade and Development (item 38); secondly, the United Nations Development Decade (item 41); and thirdly, external financing of economic development of the developing countries (item 42).

29. The socialist countries, with 35 per cent of the world's population, produced 38 per cent of the world's industrial output. The developing countries, which accounted for 46 per cent of the world's population, produced only 7 per cent of the world's industrial output. The developed capitalist countries, which accounted for 19 per cent of the world's population, produced 55 per cent of the industrial output of the world.

30. Those statistics reflected the exploitation of the peoples of Asia, Africa and Latin America by the capitalist countries of the West. With the liquidation of the former colonial régimes, such exploitation of the developing countries had not ceased but rather had assumed new forms. That was the main reason for the enormous and growing gap in the levels of economic development between the Western group of countries and the great group of developing countries.

31. The socialist countries could not and would not bear either moral or material responsibility for the dire economic straits of the developing countries. The responsibility remained wholly and entirely with the developed capitalist States. Only recognition of that indisputable fact could lead to the adoption of correct decisions concerning the sources of the financing of programmes and plans to overcome the economic backwardness of the developing countries.

32. The time had come for the United Nations to declare that newly independent States were entitled to compensation from their former colonial masters for the economic damage they had suffered and that any agreements and treaties imposed on such countries, either before independence or under military, political or economic pressure following independence, should be abrogated if they were incompatible with national sovereignty. In addition, neo-colonialist practices such as the exploitation of developing countries by artificial increases in the prices of manufactures and decreases in the prices of raw materials, and the outflow from developing countries of resources in the form of huge profits must be condemned.

33. The socialist and most of the developing countries firmly opposed any attempts by imperialist nations to maintain colonial or neo-colonial relations with countries of the Third World. Much remained to be done, to normalize international economic relations and the United Nations should promote co-operation by taking steps to defend the economic interests of the developing countries.

34. Most countries had endorsed the principles formulated at the first session of UNCTAD,<sup>1/</sup> but a number of countries had opposed many of those principles, and the United States had, in particular, failed to support eleven of the fifteen general principles contained in the Final Act, including those relating to respect for the sovereign equality of States, self-determination of peoples, and non-interference in the internal affairs of other countries, elimination of discrimination on the basis of differences in socio-economic systems, and the sovereign right for every country freely to dispose of its natural resources in the interest of the economic development and well-being of its own people. That negative position was obviously dictated by a concern to retain the vast wealth which imperialist monopolies pumped out of the developing countries, leaving them with chronic balance-of-payments deficits: those countries were currently paying the developed Western countries \$5,000 million in profits and \$4,000 million in interest every year. Discussion in the Committee had shown that it might become necessary to adopt an international instrument to defend the economic interests of the developing countries, in particular in connexion with the second development decade.

35. The value of foreign aid must be assessed qualitatively, by its effect on the economy of the recipient country and by the criterion whether its purpose was to lay the foundations of economic development or to derive profits. For example, while United States oil interests in the Middle East accounted for 3 per cent of all United States foreign investments, they reaped 20 per cent of total United States profits earned abroad. Oil revenues were of equal importance for the balance of payments of the United Kingdom. That situation explained the role of the United States and certain other Western Powers in the military aggression unleashed by Israel against the Arab States, as a result of which severe damage had been done, and was still being done, to the economies of three Arab nations. The United Nations must hold Israel responsible for the aggression and demand that it should make that damage good, in full and in the shortest possible time. The Soviet delegation firmly supported the proposals already put forward in that connexion by a number of representatives.

36. The monopolist bourgeoisie often boasted of high growth rates in the developed Western countries, but they failed to mention that the lack of resources to solve urgent problems involving the vital interests of peoples throughout the world resulted from squandering on imperialistic and militaristic policies. It had been estimated that only a small part of the resources spent on the arms race would be sufficient to bring all the countries of Asia, Africa and Latin America to the economic level of France or the United Kingdom within twenty or twenty-five years. Unfortunately, certain circles preferred adventurous militaristic policies to peaceful development: according to the United States Press, for example, United States corporations had in 1967 received orders from the Pentagon totalling \$42,000 million, or \$6,500

<sup>1/</sup> See Proceedings of the United Nations Conference on Trade and Development, vol. I, Final Act and Report (United Nations publication, Sales No.: 64.II.B.11), annex A.I.1.

million more than in 1966. Thus, those corporations converted the escalation of United States aggression in Viet-Nam into the escalation of dividends and profits. Growing militarism in the Western countries and their direct acts of aggression were undermining international co-operation and the United Nations could not remain silent in the face of those alarming developments. Moreover, the increased danger of war compelled peace-loving States to divert a considerable proportion of their resources to defence, thereby slowing up economic development and social progress.

37. His delegation shared the view that the second session of UNCTAD must be adequately prepared, and fully supported the claim of the developing countries that the former colonial Powers must compensate them for decades of exploitation. The imperialist Powers' artificial division of the world into "north" and "south" was intended to conceal their responsibility for the economic backwardness of their former colonial territories, and could not be justified on historical, political or economic grounds.

38. The success of the second session of UNCTAD, to be held in New Delhi, would obviously be facilitated if it would be universal in the broadest sense of the word—universal both in terms of participation and in terms of the problems to be discussed.

39. Without normalizing the whole of international trade and without universal recognition and practical application of the principle that there should be no discrimination in international trade relations based on the differences in social and economic systems, it was doubtful whether effective solutions could be found to the economic problems of the developing countries.

40. The report of the Economic and Social Council (A/6703 and Corr.1) recorded the statements by a number of delegations to the effect that obstacles continued to be created in the way of participation in United Nations activities of the German Democratic Republic. The German Democratic Republic was a highly developed industrial State which was capable of making no small contribution to the efforts of the United Nations to expand international co-operation. The share of the German Democratic Republic in world industrial output amounted to almost 3 per cent, and the German Democratic Republic was among the first ten industrially developed countries of the world. The policy pursued by the German Democratic Republic was fully in accordance with the principles of the United Nations and in particular with the Geneva principles adopted by UNCTAD.

41. The German Democratic Republic accordingly had every reason to take part in the activities of the United Nations and in particular in its economic bodies on an equal footing with all other States. The Soviet delegation considered it necessary once again to emphasize that discrimination against the German Democratic Republic by organs of the United Nations was contrary to the requirements of the Charter and the principle of universality.

42. The Soviet Union attached great importance to the United Nations and its economic organs as a means of achieving international co-operation on the basis of peaceful coexistence between countries with

different social and economic systems. That co-operation presupposed the equality of rights of all nations, respect for the national sovereignty of all countries and for their national interests, the elimination of political and other discrimination, and renunciation of any attempt to use economic relations for the exploitation of the weak by the strong.

43. The Soviet people was engaged in the constructive labour of building a new society which embodied the most enlightened ideas of mankind. The principal direction of the foreign policy of the Soviet State had been and continued to be the creation of favourable international conditions for the construction of communism in all countries. For that purpose the Soviet Union did not have need of wars, but stable peace and mutually advantageous co-operation.

44. Mr. HUSSEIN (United Arab Republic) said that the United Nations had recently been both witness and victim of a situation in which the basic principles of justice and equity embodied in the Charter of the United Nations had been flouted, and injustice and aggression tolerated and abetted. The developing countries could hardly expect their problems to be considered equitably in such a climate.

45. The world economic situation had not improved during the past year and the economic development of most of the developing countries was proceeding at an unsatisfactory pace. Many countries, especially those in the Middle East, had been seriously affected not only by the adverse factors inherent in the present international economic system but also by the political and military situation in that region. If that situation were to continue, it would have far-reaching effects on other countries, including developed ones which were situated outside the Middle East but whose interests were influenced by its stability.

46. It was generally agreed that the objectives of the current United Nations Development Decade were unlikely to be attained, for reasons which had prompted his delegation to sponsor General Assembly resolution 2218 (XXI). If the second Decade was to be more successful, the whole international community must make greater efforts to implement the principle of international co-operation embodied in the Charter, with a view to achieving world stability by closing the ever-widening gap between rich and poor nations. The success of the second Decade could also be ensured by carefully analysing the experience gained during the first. His delegation was gratified by the preliminary work done along those lines by the Committee for Development Planning, and hoped that it would continue its efforts and eventually produce specific guidelines and targets.

47. The important problem of external financing was a perennial item on the Committee's agenda. The developing countries' recognized need for additional resources was still frustrated by the intransigence of the developed countries. The volume of foreign assistance had remained static and the terms on which it was granted had hardened, for grants had declined from one half to two fifths of total aid flows. The resultant increase in the developing countries' debt-servicing burden, combined with the deterioration in their terms of trade, had led many of



them to request the re-scheduling of their debt amortization tables. It was convenient to state, as the Secretary-General had done in his report entitled "The outflow of capital from the developing countries" (E/4374), that re-scheduling was an abnormal undertaking, obviously inimical to a country's credit standing, and that the remedy should be sought in borrowing policy itself. The fact remained that the developing countries had been forced to borrow funds on the terms offered, and further investigation might prove that re-scheduling provided a useful short-term solution to the resultant debt-servicing problem.

48. The funds made available to the developing countries through multilateral institutions constituted only one tenth of the total inflow, and their efforts to obtain more from such sources, either by more intensive use of existing institutions or the establishment of new ones, had been consistently thwarted by the developed countries. The latter argued that it was difficult for them to replenish the resources of existing institutions, owing to balance-of-payments and budgetary difficulties, and that the establishment of new institutions would cause overlapping and proliferation. The result was a vicious circle which seemed to preclude an early solution of the problem.

49. After fifteen years of continued effort by the developing countries and procrastination by the developed countries, the United Nations Capital Development Fund had been established in 1966 (General Assembly resolution 2186 (XXI)). It was regrettable that certain countries whose contributions could ensure a successful start for the Fund had objected to its creation; he hoped that they would eventually change their views, and that those countries which had voted for its establishment would not shirk their responsibility to make it a going concern.

50. In the introduction to his annual report (A/6701/Add.1, para. 64), the Secretary-General mentioned the possible establishment of a link between the United Nations Capital Development Fund and UNDP, but it would be premature to comment on that matter until a clearer picture emerged as a result of the current negotiations between the parties concerned.

51. The developing countries attached great importance to the success of UNIDO, which must be financially independent if it were to yield maximum benefits. He hoped that the General Assembly, at its current session, would take the first step towards that goal.

52. Mr. VASCONCELLOS (Brazil) observed that there was a marked contrast between the objectives proposed for the first United Nations Development Decade and the results achieved. The relative position of the developing countries was not substantially better than in 1960, and United Nations action had had scarcely any impact on the general international trade situation or the developing countries' economic development. Furthermore, there was good reason to believe that the long-standing unfavourable trends affecting those countries had become considerably worse. Little had been done to improve the conditions of access of primary commodities to the industrialized countries' markets, establish market-stabilizing machinery or provide international financial assistance that would permit the adoption of measures to supple-

ment traditional agreements. The sole exception was the International Coffee Agreement of 1962, which, although far from perfect, had been a significant stabilizing factor for one of the most important commodity markets. The abortive attempts to negotiate similar agreements for cocoa and sugar showed that the spirit of co-operation was lacking in the industrialized countries, where political will and political conscience were not strong enough to overcome internal resistance and relatively minor difficulties.

53. The situation with regard to the expansion and diversification of exports of manufactures and semi-manufactures was possibly even gloomier. Many objectives of the highest priority for the developing countries, such as the negotiation of a general system of non-discriminatory preferences and the reduction or elimination of tariff and non-tariff barriers, had been widely discussed in UNCTAD, but no progress had been made towards their attainment. The developed countries had, on the whole, been the principal beneficiaries of the Kennedy Round, to which the developing countries' interests had been virtually incidental. Moreover, the developing countries' efforts to industrialize primary production for export purposes provoked strong resistance in the developed countries, as Brazil had found when it had started exporting its coffee in soluble form.

54. International financing prospects too were far from encouraging. The present flow of international financial assistance fell far short of the 1 per cent target. The ratio of the industrialized countries' gross national product to the amounts earmarked for international aid had, in fact, declined, and the terms and conditions on which aid was granted had hardened with the increase in tied aid and interest rates and the shortening of repayment periods. The UNCTAD secretariat had stated that, if the present situation continued, the new flow of international aid would be nil by 1975, owing to the developing countries' debt-servicing burden.

55. Fortunately, there was also a brighter side to the picture, exemplified by the amendment of the rules governing international trade and the establishment of new machinery for international economic co-operation. That machinery must be made to work efficiently. His country had always taken an active part in the work of UNCTAD, which was beginning the operative phase of its work and was faced with the onerous task of implementing the principles set forth in the Final Act of its first session. The recent negotiations concluded by GATT showed that considerable progress could be made, given the necessary political will. He therefore hoped that the developed countries would work actively to ensure that the second session of UNCTAD would accelerate the developing countries' economic development.

56. The developing countries also placed great hopes in UNIDO. The staff was still engaged in organizing its headquarters and preparing for the International Symposium on Industrial Development, but UNIDO should start its operative activities without delay, and the international community should co-operate to that end by providing the funds needed to implement the work programme approved by the Industrial Development Board. In order to meet the developing

countries' urgent needs, UNIDO must concentrate on its operational work, but must not neglect research. Brazil had suggested that both the International Symposium on Industrial Development and UNIDO should examine in depth the technological gap between developed and developing countries, particularly the way in which the former's drive to find new and improved industrial techniques affected the latter. UNIDO could thus help to facilitate the transfer of technology to the less developed countries.

57. The United Nations Development Programme, too, had an important function to perform, but it was still hampered by lack of funds; he hoped that at the forthcoming pledging conference contributions would be more commensurate with needs. The United Nations Capital Development Fund was even more severely crippled by lack of resources, and he trusted that it too would soon be given the means to do its work.

58. The organizations of the United Nations system were the best transmitters of accumulated experience and the most uncommitted source of financial and technical resources for development, but if they were to fulfil the hopes placed in them, greater efforts must be made to increase their resources, define their respective areas of competence and eliminate rivalry and duplication.

59. The whole international community must strive to lessen the rapidly widening gap between rich and poor countries. He hoped that the developed countries would not lay undue stress on their balance-of-payments difficulties and would allocate a reasonable portion of their national wealth to international assistance. It would also be helpful if they were to remove barriers to exports by developing countries and make a more direct effort to stabilize commodity markets. The developing countries must try even harder to mobilize their domestic resources, but their efforts would be vain if cancelled out by external factors. In that connexion it would be advisable for the Committee to consider the problems of the brain drain, which was depleting the developing countries' scarce human resources and thus widening the technological gap

between rich and poor nations. The "food gap" was another aspect of the disparity between those nations, and his delegation would support any action to improve world nutrition levels that the General Assembly might take along the lines recommended in the excellent report by the Advisory Committee on the Application of Science and Technology to Development.<sup>2/</sup>

60. Mr. BOIKO (Ukrainian Soviet Socialist Republic), speaking on a point of order, drew attention to the fact that, in reporting his statement at the Committee's 1111th meeting, Press Release GA/EF/1047 stated that his country's grain production had increased forty-three times, whereas in fact he had said that its industrial production had increased by that amount over the past fifty years. That was a serious error, indicating incompetence and ignorance of the subject under discussion, and he hoped that the Secretariat would take steps to ensure that such mistakes did not recur. The Press Service was supposed to give a clear and undistorted picture of United Nations proceedings. If it failed to perform its duties properly he would be forced to request his Government to consider the possibility of asking its representative in the Fifth Committee to vote against the proposed budget allocation for that service.

61. The CHAIRMAN said that the matter would be brought to the attention of the Press Services of the Office of Public Information.

62. Mr. OULD SIDI (Mauritania), speaking on a point of order, drew attention to the delay in circulating the French texts of summary records and other documents. Steps should be taken to remedy that situation, which prevented his delegation from contributing fully to the Committee's work.

63. Mr. KASSUM (Secretary of the Committee) replied that he would look into the matter and inform the Mauritanian representative of the results of his inquiry.

*The meeting rose at 1 p.m.*

<sup>2/</sup> United Nations publication, Sales No.: E.68.XIII.2.

