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Chairman: Mr. Moraiwid M. TELL (Jordan).

GENERAL STATEMENTS (*continued*)

1. Mr. ROOSEVELT (United States of America) said that his delegation shared the general disappointment at the fact that developed and developing countries alike had failed to achieve the goals set in 1961 for the United Nations Development Decade. Member States had learnt that the obstacles to rapid economic and social progress in the developing countries were more difficult than had been anticipated, that radical changes in social and economic systems were resisted in many of those countries and political stability did not always emerge overnight in newly independent countries. The former countries, too, had undergone inflationary pressures and balance-of-payments difficulties, which had frequently prevented them from increasing their contribution to the development of others, and a certain disenchantment with foreign assistance had spread among legislators and the general public because of the slow rate of progress.

2. Those facts should not, however, be allowed to obscure the progress that had been made. National output was rising in both rich and poor countries at a rate never before achieved, although the *per capita* increase was considerably lower in developing countries due to population factors. The net transfer of resources to developing countries had reached a record level in 1965, despite the levelling off in official aid; his delegation considered that private investment was, generally, the most effective form of capital aid while agreeing that, in many cases, public aid was more effective.

3. One standard by which the effectiveness of the efforts of the international community might be measured was to survey the extent to which the United Nations and its agencies implemented recommendations for necessary institutional change. The previous year had witnessed a number of developments which indicated that the Organization had, indeed, made progress in that respect.

4. The merger of the Expanded Programme of Technical Assistance and the Special Fund was a reality. The Governing Council of the United Nations Development Programme (UNDP) was giving more effective policy guidance to both components of the Programme than its most ardent advocates had initially believed possible and the Programme was likely to become a most valuable vehicle for the technical assistance and

pre-investment activities of the United Nations system. Some improvements were still required: the system of project submission should be simplified; the role of the resident representatives needed to be strengthened and the Programme made more responsive to the needs and desires of the recipient countries. He was authorized to pledge, on behalf of his Government, a contribution of \$70 million to the Programme for 1967, subject to the usual proviso that the United States contribution would not exceed 40 per cent of the total contributions, including assessed and audited local costs, and to his Government's right to decide at a later date that up to \$2 million of the total should be devoted to the special industrial services described in paragraphs 9 and 10 of document A/6070/Rev.1,^{1/} and to the expanded industrialization activities referred to in General Assembly resolution 2089 (XX). It was his delegation's hope that the new target for contributions to the Programme would be achieved in the near future and it would do its share to make that possible.

5. Another achievement of the preceding year had been the success of the negotiations leading to the establishment of the United Nations Organization for Industrial Development (UNOID), thus breaking the deadlock that had persisted for a number of years. All that remained was for the Assembly to adopt the draft resolution on the terms of reference of UNOID. The new Organization was assured of voluntary resources for its activities, since it had full access to the facilities of UNDP; moreover, a number of Governments, including that of the United States, had made funds available for joint administration by UNOID and UNDP for the specific purpose of additional industrial services.

6. The increasing gravity of the world food situation had led to the continuation of the World Food Programme for an indefinite period. A programme of studies on multilateral food aid had been developed which might result in more lasting contributions to the solution of the problem. The United States had pledged enough so that the target of \$275 million would have been achieved had other countries matched its pledge. The United States was considering a revision of its pledge to help meet the target which, regrettably, had not been achieved.

7. The Economic and Social Council was making satisfactory progress with the reappraisal of its role and functions; it had taken measures to secure better inter-governmental control of economic and social programmes and improved co-ordination of the activities of the United Nations system. The Committee for Programme and Co-ordination was pro-

^{1/} Official Records of the General Assembly, Twentieth Session, Annexes, agenda item 40.

ducing a concerted approach to the problems of the developing countries, with special emphasis on the search for programme gaps and the co-ordinated effort to fill them. The joint meetings with the Administrative Committee on Co-ordination should prove helpful in that respect. The World Plan of Action, proposed by the Advisory Committee on the Application of Science and Technology to Development, which the Council was to consider in greater detail when it received a further report from the Committee, and the programme developed by the Committee for Development Planning were further instances of the vigorous action the Council was taking to assist developing countries.

8. The far-reaching resolution on the flow of resources [Economic and Social Council (1183 (XLI))], was a milestone in the financial field. His Government had undertaken to contribute to the replenishment of the resources of the International Development Association provided other countries contributed their share and satisfactory arrangements for avoiding balance of payments problems were worked out. It had also participated in the negotiations aimed at improving international monetary arrangements and approved of the decision that the International Monetary Fund (IMF) and the Group of Ten should join in further discussions concerning the creation and distribution of new reserve assets. The recent liberalization of IMF compensatory financing arrangements would help many developing countries to deal with the results of fluctuations in commodity prices.

9. All those developments indicated that international co-operation had paid significant dividends during the preceding year. One pressing problem which still remained was that of cocoa, but it was his delegation's hope that the goodwill of all the Governments concerned would enable the negotiations on an international cocoa agreement to be resumed in the near future and brought to a successful conclusion.

10. His delegation had repeatedly affirmed its belief in the permanent sovereignty of countries over their natural resources; it maintained, however, that sovereignty implied freedom of choice as to the methods by which those resources were to be developed. There was admittedly a difference of opinion among Member States on whether resource development was better undertaken by private or State enterprises, but it was for developing countries themselves to decide which approach, or combination of approaches, to adopt. His delegation believed that General Assembly resolution 1803 (XVII) should be sufficient, but was prepared to discuss the aspects which were not covered if other delegations thought it necessary.

11. Future efforts to cope with the deficiencies of world resources would have to concentrate on a better utilization of the resources of the sea, both in the field of food and that of minerals. International co-operation in the exploitation of those resources should be encouraged by endorsing Economic and Social Council resolution 1112 (XL) and by requesting the Secretary-General to undertake a comprehensive survey of existing co-operative activities in marine science and technology, with a view to framing new proposals for consideration by the Council and the Assembly.

12. His delegation had hoped to avoid discussing the situation in Viet-Nam in the Second Committee; the constant repetition of historical misstatements had, however, made it necessary for him to refute unsubstantiated charges for the benefit of those who were genuinely seeking a solution to that unfortunate conflict, which did, of course, have economic repercussions in his country and others.

13. The United States forces in Viet-Nam were alleged to be guilty of aggression and to be there in violation of the Geneva Agreements. The obligations accepted by North Viet-Nam under the 1954 Agreement on the Cessation of Hostilities in Viet-Nam had not been fulfilled: that country's forces had not been regrouped north of the 17th parallel, nor had the promise to withdraw all forces from Laos been respected. In fact, the Hanoi Government had openly supported an organization with the avowed mission of stepping up the revolution in South Viet-Nam, had constantly sent supplies and materials for the purposes of that mission into South Viet-Nam, had armed, trained and equipped 30,000 men for hostile operations in that country and, during 1965, had infiltrated approximately 26,000 men into South Viet-Nam. The number of regular units of the army of North Viet-Nam in the South currently exceeded seventeen regiments. Moreover, in 1966, North Viet-Nameese troops had begun to use the demilitarized zone, in defiance of the Geneva Agreements, as an avenue into the northern part of South Viet-Nam. The International Commission for Supervision and Control had in 1962 confirmed that unarmed personnel, arms, munitions and other supplies had been sent from North Viet-Nam with the object of supporting and carrying out hostile activities against the armed forces and administration of South Viet-Nam and with the intention of overthrowing that administration. In 1965, an investigating team of the International Commission for Supervision and Control in Laos had confirmed the continued presence in that country of troops of the armed forces of North Viet-Nam and the statement of the representative of Laos to the First Committee (1395th meeting) during the twentieth session had provided further proof of that fact.

14. Such repeated violations of the spirit and letter of the Geneva Agreements had induced his Government and others to respond to requests for defensive military assistance by the Republic of Viet-Nam. Only in 1965, when infiltration from North Viet-Nam had been going on for six years, had the military forces of the United States begun to engage in combat operations and help to establish bases for those operations. That action had been taken in the belief that the United States had a moral and legal obligation to protect the right of self-determination and non-interference in the internal affairs of others. The right of the people of North and South Viet-Nam to decide their destinies was fully accepted by his Government.

15. The important issue at the moment was not to assign blame, but to secure recognition that all parties had a responsibility for setting up the machinery for bringing about a cessation of hostilities and laying the foundations for an honourable peace. All Governments and all peoples appeared to hold at least one opinion in common: that the essential principles of

the Geneva Agreements should be reaffirmed and carried out. The United States had been urged to take the first step by ordering a unilateral halt to the bombing of North Viet-Nam, but it was not encouraged by the experience of its previous suspension of bombing, when the only response to its peace initiatives had been the continued infiltration of men and materials and continued acts of violence within South Viet-Nam. The United States, as its representatives had repeatedly indicated, was prepared to take the first step, provided that it was assured that corresponding steps were promptly taken to reduce or bring to an end military activities against South Viet-Nam. It recognized that, while every country had a responsibility for seeking a peaceful solution to the conflict, the chief obligation rested with those actually engaged in the conflict. Nevertheless, there was little indication that any other party had made proposals that would allow the people of South Viet-Nam to choose their own future, whatever that might be, free from outside coercion. It would be helpful and instructive if all nations could give an account of any action or initiative their Governments had taken or promoted to further the aim of peace in Viet-Nam.

16. No responsible statesman now held the view that efforts to secure peace might be construed as evidence of a weakening determination by the opposing side. It was his hope that all capitals of the world would show their willingness to preserve mankind and civilization, and to permit people to work for the solutions to the injustices and inequalities with which the Committee was concerned.

17. Mr. MAKEEV (Union of Soviet Socialist Republics), speaking in exercise of the right of reply, expressed regret that the representative of the United States had taken the floor in the Second Committee in order to express the United States view of the history of factual developments in Viet-Nam, rather than outlining the attitude of his Government to questions included in the agenda of the Committee; for example, the question of how the United States was implementing the recommendations of the United Nations Conference on Trade and Development (UNCTAD) or how it proposed to implement them.

18. The representative of the United States had seen fit to devote a major part of his statement to an effort to shun the responsibility for the aggressive war the United States was waging in Viet-Nam, to lay the blame at somebody else's door by making it appear that it was not the United States but the Democratic Republic of Viet-Nam that had violated the Geneva Agreements and was well-nigh the aggressor.

19. The Soviet delegation considered it its duty to refute those assertions and that gross misinterpretation of history and the facts, as well as the defamation of the Democratic Republic of Viet Nam. It was well known that there were no troops in Viet-Nam other than those of the United States and their allies.

20. It was common knowledge that the flagrant intervention of the United States in the internal affairs of Viet-Nam was part of the current over-all policy of Washington which was aimed at suppressing any tendency towards genuine freedom and independence that did not suit the ruling circles in the United States.

The aggression in Viet-Nam was part of a crusade by those ruling circles against the national liberation movement, as well as an attempt to reverse history and to keep the people of that Asiatic country in neo-colonial slavery.

21. The peoples of the world were alarmed to see that the United States was trying to assume the role of a judge deciding on the destinies of nations, laying down as he saw fit the system of government that the peoples of other countries ought to choose, and deciding whether or not the people of a country might begin a war for their national liberation, carry out social changes, or overthrow a régime of puppets. Public statements by the Secretary of State and General Taylor were clear evidence of the fact that the existing reactionary régime in South Viet-Nam was being maintained in power by the United States primarily to crush the national liberation movement. Opponents of the United States policy of setting itself up as the judge of people's destinies, such as Senators Fulbright and Church, had drawn a parallel between such actions and those used in the past by great empires and had pointed out that in South-East Asia, as in the Dominican Republic, it was a mistaken policy to endeavour to prevent popular revolution, which was the only means available to the people of ending foreign and domestic oppression and for which a country's people would obviously fight until final victory was achieved.

22. His country was opposed to the exportation of both revolution and counter-revolution. The United States, however, although it was a party to the Declaration on the Inadmissibility of Intervention in the Domestic Affairs of States, and the Protection of Their Independence and Sovereignty (General Assembly resolution 2131 (XX)), was actively intervening in what the late President Kennedy had described as a civil war; the argument that the liberation struggle in South Viet-Nam was being waged by outsiders was effectively exploded by the admission by many United States journalists, one in particular, that a high proportion of the Viet-Cong forces had been born and had grown up in South Viet-Nam. Moreover, if that struggle was branded as aggression, it would be necessary to describe the movements which had led to the independence of almost all the Latin American countries, and of the United States itself, in similar terms.

23. The representative of the United States had stressed that his country had no selfish interests in South Viet-Nam. The facts published about the United States economy, however, told another story. The military action in Viet-Nam was absorbing surplus productive capacity and the escalation of the war in 1965, with the consequent expansion of the defence industries, had brought about a 20 per cent increase in corporation profits.

24. The solution to the conflict was both obvious and simple: It would be in the interests of universal peace if the United States strictly adhered to the Geneva Agreements on Indo-China, that they stopped, unconditionally and irrevocably, bombing the territory of the Democratic Republic of Viet-Nam, withdrew its troops and those of its satellites, dismantled its military bases in that area, recognized the National Liberation Front as the only true representa-

tive of the people of South Viet-Nam and allowed the Viet-Nameese people to manage their domestic affairs themselves. The world expected the United States to respond, not merely with words, but with concrete deeds.

25. Mr. NENEMAN (Poland), speaking in exercise of the right of reply, said that the previous speaker had dealt adequately with the political and moral aspects of the Viet-Nam conflict which his delegation, in its general statement, had left aside in order to stress the devastating effects of United States aggression on the modest agricultural and economic potential of a small country. He pointed out, however, that the statement of the United States representative contained no reference to the legitimate rights of the people of Viet-Nam to unity and independence.

26. The passages cited by the United States representative from the so-called report of the International Commission for Supervision and Control were misleading because that document had not been signed by all the members of the Commission and, as such, under the Geneva Agreements, it could not be considered to be a report of the Commission.

27. The new peace initiatives of the United States should be treated with caution, since each such initiative tended to be followed by increased military involvement. Indeed, that tendency had been the subject of recent editorial comment in an authoritative United States newspaper, which had remarked on the futility of making peace overtures to Hanoi, while at the same time continuing hostilities in South Viet-Nam. It was instructive to compare the deeds of the United States Government with the words of its representatives.

28. Mr. PEREZ LOPEZ (Mexico) said that the results expected of the first half of the United Nations Development Decade had not been achieved. That was the most significant economic fact that the Committee must examine. In spite of the efforts made both by the industrialized countries and the United Nations family, the developing countries were still lagging far behind the developed ones. Agricultural production in the former countries was increasing at a rate substantially lower than the growth rate of the population. At the same time, they needed larger amounts of foreign exchange in order to finance imports of capital goods.

29. Although Mexico had obtained increasing amounts of foreign capital since 1950, the general flow of capital from the developed to the developing countries had begun to level off. The latter countries realized that some of the former had difficulties with their balance of payments but they should not allow such difficulties to reduce the flow of resources to the poorer countries. The problem of external financing had been closely studied during the past year and the analysis that had been made led inevitably to the discouraging conclusion that the import capacity of the developing countries had become entirely dependent on their export earnings. Given the close relationship between the importation of capital goods and economic development, the reduction of the trade deficit of the developing countries during the past five years had been achieved at the cost of a contraction in their growth.

30. Such had been the situation in Latin America as a whole. Its share of world trade had been reduced and the increase in its per capita national product had fallen from 3 per cent in the post-war years to 1.6 per cent in recent years. To remedy that situation, various countries of Latin America, including Mexico, were engaged in creating a regional common market. Mexico was gratified that the problems of regional integration would be tackled by UNOID. It was also pleased that in resolution 1183 (XLI) the Economic and Social Council had recommended a study of the economic factors affecting the ability of developed countries to transfer maximum financial resources to the developing countries. By any standard, the magnitude of financial assistance to the developing countries was inadequate and, if the trend continued, their economic advancement would be seriously retarded.

31. The trade picture was also discouraging. In spite of the principles and recommendations adopted by the first session of UNCTAD, the industrialized countries had not significantly changed their policies so as to allow the developing countries to increase their foreign exchange earnings through expanded trade. The report of the Secretary-General of UNCTAD^{2/} was a clear illustration of the difficulties which the developing countries had experienced as a result of the failure of the developed countries to implement the decisions taken at the first session of the Conference. For example, in spite of the recommendation in favour of general and non-discriminatory preferences for the developing countries, the developed countries had intensified regional preferences, a trend which had been followed by other countries. Thus, the five Latin American countries which had recently signed the Declaration of Bogota (see A/6410) had stated that, until a general system of preferences was applied, they would consider the desirability of establishing a special preferential system in the American hemisphere.

32. The developing countries had made enormous efforts to further their economic development and mobilize their own resources but, in many cases, the main limitation had been the inadequacy of external aid. On the domestic level, economic planning was essential for formulating and clarifying economic and social objectives, for achieving a better balance between the main sectors, and for bringing about the necessary infra-structural changes. Unfortunately, most of the developing countries had reached only the planning stage; they lacked the means of implementation. Nevertheless, in spite of the difficulties involved, the problems of planning must be tackled and in that respect Mexico attributed great importance to the establishment of the Committee for Development Planning.

33. There was no lack of resolutions pinpointing the difficulties and setting forth the principles of solving them. What was required was the will to translate those principles into the day-to-day realities of national policy. Undoubtedly, the developed countries were in a much better position to make the necessary readjustments; without requiring reciprocity. Most of

^{2/} Document TD/B/82 and Add. 1-4.

them could take the measures that had been requested of them without any adverse effect on their economies.

34. Mr. M'BAYE (Guinea) said that, in spite of such encouraging signs as the enlargement of the Economic and Social Council, the establishment of UNCTAD, the consolidation of the Expanded Programme of Technical Assistance and the Special Fund, and the creation of UNOID, the plight of the developing countries had actually become worse. It might be asked whether the structural transformations that had taken place in the United Nations really reflected a determination on the part of the international community to make radical changes in the world economy or whether they were designed as a sop for the developing countries whose demands were becoming louder and louder.

35. In any event, his delegation could only note the existence of a deep chasm between the bold decisions adopted in the various United Nations bodies and the gloomy situation facing the developing countries. All available statistics showed how their economies had stagnated in recent years. They were importing less capital from abroad; their burden of debt had become heavier; their development programmes had been retarded; the prices of their primary commodities continued to slump. His delegation hoped that the efforts now being made by the International Bank for Reconstruction and Development would result in the stabilization and revaluation of the prices of primary commodities guaranteed by a system of compensatory financing.

36. Of course, bilateral and multilateral aid was essential for accelerated development, but the determining factor remained the mobilization of domestic resources. That required an effective control of all economic sectors such as Guinea had exercised since its accession to independence. Guinea had chosen a non-capitalist path to development but had left the door open to private investments which were perfectly protected by the national investment code. One of Guinea's basic aims was to build solid foundations for an independent economy. To achieve that aim it had adopted a policy of self-reliance. It had put into practice an agricultural plan designed to raise the level of living of the agricultural workers who represented 80 per cent of the population. Indeed, a veritable agricultural revolution was in progress. At the same time, Guinea had launched a seven-year plan designed to place it on a sound industrial footing through the exploitation of its immense natural resources.

37. Believing that industrial development constituted one of the key solutions to under-development, Guinea had participated actively in the establishment of UNOID, which, it hoped, would play a central role in accelerating industrial development in the developing countries. To achieve that aim, UNOID should possess the necessary financial resources and co-ordinate its work properly with all other members of the United Nations family.

38. The first two years of UNCTAD's existence had been disappointing. It had not yet succeeded in translating the decisions of the first session of the Conference into actual facts. The next session of the Conference must transcend academic debate and

enter the practical field of negotiations. The developing countries should discuss first among themselves their basic needs and come to the Conference with their priorities clearly established. The negotiations at the Conference should result in the conclusion of international agreements. Naturally, before such agreements could be reached, the necessary political determination must be shown.

39. Finally, his delegation would support any draft resolution aimed at the establishment of a United Nations capital development fund. The consolidation of the Expanded Programme of Technical Assistance and the Special Fund was a step in the right direction.

40. Mr. BRADLEY (Argentina) considered that the date which had been fixed in principle for the second session of UNCTAD was extremely unfortunate. It clashed with the twenty-second session of the General Assembly, with the annual meetings of the IMF and the International Bank, and with the resumed summer session of the Economic and Social Council. After a careful evaluation of all the factors involved, a new date should be fixed so that the Trade and Development Board and its Committees would have more time to prepare for the Conference, in particular the items for its agenda. The first session of the Conference had done quite enough in the way of formulating principles and concluding organizational arrangements. To return to the principles and the recommendations would only lead to frustration. The second session of the Conference must seek to solve a small number of specific problems which experience had shown to be the most urgent. Otherwise, it would become the scene of academic debates and sterile political arguments.

41. For Argentina, the problems involved in the world production of foodstuffs and their marketing were of vital importance. On that subject, following the initiative of the Argentine delegation, the General Assembly had unanimously adopted resolution 2096 (XX). He was confident that the conclusions of the studies recommended in that resolution would lead to a solution to the terrible problem of hunger which affected two thirds of the world's population. A series of basic measures must be formulated and their application required only political determination on the part of certain countries. An increase in agricultural production in the developing countries through adequate technical assistance and substantial investment was one method. Another of equal importance was the maximum utilization of the productive capacity of the temperate-zone countries. However, in order to do that, incentives must be given to food production and the protectionist and anti-economic policies followed by certain countries must be abandoned. There again the major difficulty was finance. Important land reform projects were costly, time-consuming and unattractive to private investors. The United Nations Development Programme, to which the Argentine Government attributed great importance, might fill the gap.

42. His delegation had always been somewhat puzzled by the item entitled "Permanent sovereignty over natural resources". In its view, sovereignty must always be permanent and natural resources must always remain in the hands of the State as long as it

existed. The way in which natural resources were utilized was a matter solely for the Government and citizens of the country concerned. The participation of private foreign capital was a subject for bilateral agreement after negotiation between the interested parties. The legislation of each country and the special agreements entered into would provide the assurances of mutual security relevant in each case.

43. Argentina had played an active role in the discussions leading to the establishment of UNOID. The draft resolution based on the compromise reached in the *Ad Hoc* Committee on UNOID (see A/6229, para. 11) was an effective document which would enable the new Organization fully to discharge its duties. Any change now made in the text could only weaken it. While grateful to those countries which had offered their capitals as possible sites for UNOID, his delegation felt it would be most unwise to establish its headquarters away from the centres now occupied by the United Nations family.

44. Mr. KARIM (Afghanistan) said that the situation during the second half of the United Nations Development Decade was far from satisfactory. The goals set for the Decade were far from being achieved. The economies of the developed countries prospered while those of the developing countries remained almost stagnant. The gap between the rich and poor nations was even wider. The developing countries were doing their utmost to raise their standards of living but the success of the Decade depends to a large extent on more international co-operation and assistance.

45. An accelerated flow of capital and technical assistance to the developing countries was vital. Before those countries could industrialize, they needed capital and trained personnel. Although the flow of capital and reinvestment had increased in recent years, its distribution still remained uneven, and countries with the lowest per capita incomes sometimes received less per capita assistance than countries with higher per capita incomes. Foreign aid was still inadequate and the terms on which it was granted were unsatisfactory. The burden of debt on some developing countries was becoming even heavier. The establishment of the United Nations capital development fund would do much to remedy those difficulties.

46. Afghanistan was receiving greatly appreciated aid from UNDP and a number of friendly countries. But its problems were great and the aid was still only marginal. One method of ensuring the steady development of the developing countries was to improve their terms of trade. The United Nations Conference on Trade and Development had clearly revealed the impediments in the way of stabilizing primary commodity prices and expanding the exports of developing countries. Unfortunately, the recommendations of the first session of the Conference had not been implemented. In spite of appeals and recommendations addressed to the developed countries, their markets were still protected against increased imports from the developing countries. Action must be taken to remedy the situation. The road to the normalization of trade was not easy, but his delegation believed that, with good will and understanding, practical formulae beneficial to all countries could be worked out.

47. His delegation earnestly hoped that before the second session of the Conference met, Member States would make an effort to put UNCTAD's recommendations into practice. The Conference could only be really effective once the provisions of the first session of the Conference had been implemented or agreements reached to implement them in the future.

48. Finally, his delegation welcomed the establishment of UNOID and hoped that it would strengthen the industrial activities of the United Nations system.

49. Mr. HADJIMILTIS (Cyprus) said that the United Nations Development Decade was the culminating point in man's struggle to conquer poverty, hunger and disease. A new concept of freedom had emerged, namely, the belief that genuine political independence could not be achieved without economic progress and financial stability. With the gradual disappearance of colonialism, more covert methods of economic exploitation and subjugation were emerging, and developing countries were not yet permitted their fair share of the resources required for a comprehensive programme of economic and industrial development. Their needs in the fight against want were staggering: they had to obtain investment capital, utilize domestic resources, expand and stabilize their trade, diversify their economies and integrate their economic activities into the framework of regional and international co-ordination. In addition, obstacles to economic growth, such as the inequity of income distribution and rapid population growth, had to be eliminated as rapidly as possible.

50. The gratitude and appreciation of countries which had benefited from the wide range of United Nations economic activities testified to the Organization's truly impressive achievements. That success should be consolidated by future efforts, among which the establishment of UNOID occupied a position of prime importance. It was to be hoped that those efforts would be realistic and balanced and would avoid the mistakes of the past.

51. The economy of Cyprus had shown considerable progress in 1965. Substantial improvements had occurred in all sectors of the economy, and the gross national product had increased by about 20 per cent over 1964. Agricultural production and exports had reached record levels, mineral production had risen significantly, and the tourist industry had made a good recovery from the decline caused by political disturbances in previous years. The balance-of-payments situation was favourable. There had been a significant improvement in employment, and the over-all expansion of economic activity gave rise to an optimism. The situation was all the more satisfactory in view of the well-known pressures and difficulties with which the Cypriot Government had been faced.

52. The Cypriot delegation would continue its efforts both to promote the welfare of its people and to contribute to international economic co-operation.

53. Mr. PARDO (Malta) said that there was a clear relationship, recognized in Article 55 of the United Nations Charter, between the twin purposes of maintaining international peace and security and of achieving international co-operation in solving econo-

mic, social, cultural and humanitarian problems. The lack of progress in the first direction had not strengthened the smaller countries' faith in the United Nations, and it was doubtful whether its record was very much better in the second.

54. The stagnation of international aid which had occurred despite the increased per capita incomes of developed countries could only be eliminated by an intelligent definition of, and approach to, its causes. In the view of the Maltese delegation, those causes were, principally, the rising expenditure on armaments and on economic and social programmes in the developed countries. The Second Committee could do little to reduce world expenditure on armaments, although studies and resolutions might have more impact if they concentrated on the effects of such expenditures rather than on the economic and social consequences of disarmament.

55. The greater awareness among developed countries of the need to further world economic and social development also tended to encourage an expansion of their own health, educational and welfare programmes. Thus, resources which might have been invested in developing countries were channelled to depressed or backward regions within the donor country itself. There was every possibility that that process might be accelerated, since development programmes tended to snowball and, while greater social consciousness on the part of Governments was to be welcomed, there was little hope in the immediate future of an increase in the flow of capital resources to the developing countries.

56. Nor had the United Nations been any more successful in providing practical advice to Governments in solving their serious and pressing problems. For example, Economic and Social Council resolutions 976 (XXXVI), 1086 (XXXIX) G and 1139 (XLI) established fields of priority and complicated guidelines for action and recommended Governments to allocate an increased proportion of their national resources to specific areas; unfortunately, those resolutions were of little practical assistance to many countries and did not contain information as to how and where the additional sources required could be obtained. In addition, it was almost a mathematical impossibility for Governments simultaneously to devote increasing proportions of their national resources to the wide range of areas covered by such resolutions.

57. Similar confusion and irrelevance were apparent in the work programmes of the United Nations and the specialized agencies, which were all too often completely unrealistic. The Social Commission was one of many examples: its diffuse work programme appeared to overlap largely with that of many specialized agencies, while the Economic and Social Council had recommended that it should give special attention to a number of studies which appeared to have no relevance to its objectives. Despite their increased activity, the specialized agencies, too, did not always establish work programmes and objectives which helped to identify and analyse vital issues in their respective fields. Thus, for example, little or no importance was attached by the United Nations Educational, Scientific and Cultural Organization to academic cities, or by the World Health Organization

and the Food and Agriculture Organization of the United Nations to contagious bacterial drug resistance. The Council must therefore give over-all direction to the United Nations system, by recommending, when appropriate, that priority consideration should be given to vital matters or by recommending the replacement of existing programmes approved by the specialized agencies by others more closely related to the resources and needs of Member States.

58. The Council was hampered in that respect by an enormous, yet, paradoxically, sometimes insufficient, amount of documentation and by an agenda which was always over-loaded. But a reduction in documentation and in the number of agenda items depended on fewer and less complex programmes. There was also a complex interaction of special interests both within and outside the United Nations system which made it almost impossible to concentrate available resources on vital programmes. Decision-making became confused and contradictory, leading to the rapid proliferation of activities and administrative machinery, which then became more difficult to co-ordinate. In that connexion, it was significant that the Secretary-General had proposed the construction at Headquarters of a new office building, the resources for which would have to be provided by Member States, many of which could ill afford them. Deficient decision-making in the economic and social sectors detracted from the prestige of the United Nations and bred doubt regarding the relevance of its economic and social work.

59. Co-operation in the field was undoubtedly the most valuable of all the many activities of the United Nations family and its main link with reality. The Maltese delegation therefore attached particular importance to the technical assistance and pre-investment efforts of the United Nations. Those activities must be viewed in the general context of international aid, which could be broadly divided into private, governmental and international. Over-all aid throughout the world was inadequate and the recipient countries were never certain either of the total amounts or the specific type available to them. Procedures and conditions for the granting of aid varied widely: governmental aid was usually tied, aid from international financial institutions sometimes required the recipient country to undertake measures which were not always politically possible, and assistance from the United Nations family was often given only for very restricted purposes. The need for recipient countries to make the most efficient and rational use of the resources available was often stressed, but that was often extremely hard to do owing to the practical difficulties facing many Governments. In view of the chaotic state of world economic aid, it was surprising, not that there was waste, but that a substantial part of the assistance given was in fact well utilized.

60. It was doubtful whether the United Nations family was providing the necessary guidance for recipient countries. It launched many small programmes designed for limited and specific needs, the overhead costs of which were usually very high in proportion to the limited amount of aid provided. The regular programmes of the United Nations and some specialized agencies were also restricted in scope and

value. Although the activities of autonomous organizations, such as UNDP, the United Nations Children's Fund and the World Food Programme were somewhat more satisfactory, they were also subject to financial, constitutional and policy limitations.

61. The value of UNDP as a wide-ranging and highly concentrated assistance programme was being threatened by a number of recent developments. An increasing proportion of its funds was being allocated to regional and inter-regional activities; there was a tendency in United Nations organs, including the Economic and Social Council, to suggest directly or indirectly that part of its funds should be earmarked for certain specific activities; it was regarded as a source of funds for a wide variety of global projects, which seriously limited the resources available for priority requests from individual countries; and the proposal to transform the Special Fund component of the United Nations Development Programme into a capital development fund would spread its resources too thinly. It was therefore uncertain whether UNDP could continue to provide aid which was not tied to specific countries, projects or purposes. Nor was the task of Governments facilitated by the apparent lack of interest on the part of the United Nations in streamlining its complex and increasingly rigid aid machinery.

62. In advancing those criticisms, the Maltese Government was not actuated by any destructive or selfish motives: it sincerely believed that the Organization was indispensable in the modern world. But it was a fact that the United Nations was becoming

less and less effective in achieving its political as well as its economic objectives. That increasingly serious situation should be remedied, firstly, by taking realistic steps to relate its activities to present and prospective resources. Proper priorities should be established and programmes which were not vital should be ruthlessly eliminated. That task, which required a detailed knowledge, hitherto lacking, of all available resources, programmes and activities, might in due course become the main function of the reconstituted Committee for Programme and Co-ordination. Secondly, the major aims of the Organization must be defined in terms of specific and practical objectives. The Charter and the constitutions of the specialized agencies were drawn up in broad terms and must be interpreted realistically in the light of present needs and resources. Thirdly, the work programme drawn up by various specialized organizations to carry out those specific objectives must be discussed, modified and, if necessary, periodically revised by a central body, which could only be the Economic and Social Council. Flexible and realistic guidelines should be laid down, taking into account not only resources and objectives but also closely related political factors, which were a major element in achieving economic progress.

63. Those and other practical steps would enable the Council to concentrate United Nations resources on areas of immediate relevance to individual Member States.

The meeting rose at 6.40 p.m.