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Chairman: Mr. Ismael THAJEB (Indonesia).

GENERAL DEBATE COVERING ALL AGENDA ITEMS
REFERRED TO THE COMMITTEE (continued)

1. Mr. KANYIKE (Uganda) said that, since Africa was the last continent to be salvaged from colonialism, it perhaps felt the evils of poverty more acutely than most other areas. The principal cause of poverty in the world was probably selfishness. It had been the reason for all major wars and for the disparity in living levels even within the rich countries. Realizing the misery caused by selfish policies, African leaders were inclined to favour a system of planned economy. However, that socialist trend did not imply isolation. Peaceful co-operation and active coexistence in international relations were the means to accelerate economic growth in the less developed countries. Moreover, full use of the advantages of modern technology required mass production and economic exchange with other countries. The widening gap between the industrialized and the impoverished countries had impeded greater stability in the world economy and had retarded economic progress even in the industrialized countries themselves. It was easier to keep the peace in conditions of stability based on economic prosperity.

2. During the colonial régime, Africans had been taught that poverty was their natural lot; they were now striving to achieve equal status with the rest of mankind. Despite their need for external assistance, Africans would endeavour to retain their independence in international relations. They would rather have their own African common market than be appendages of other countries, however prosperous. The African common market would have no political connotations; it would be concerned exclusively with economic matters and would not aim at isolation. Some countries seemed to fear that African economic independence might not be to their advantage. In any case, the world could not be permanently divided into rich and poor countries.

3. In his statement (883rd meeting), the United States representative had indicated that his Government had offered technical assistance and loans to the African Development Bank. Such offers, although given in good faith, might be considered by some Africans to savour too much of paternalism. The African States could provide technicians capable of operating the Bank; what they needed was the kind of assistance which would help them to help themselves. Africa wanted to project its own personality in all fields of endeavour—economic, military and political.

4. The decline in the prices of primary commodities was widening the gap between the countries exporting those products and the industrialized nations, whose wealth had been accumulated largely as a result of colonial régimes and unfair trade transactions. The progress of the developing countries was the principal current economic problem and all countries should help to seek a solution. Although some advance had been made toward their industrialization, the developing countries still depended on their exports of primary commodities to finance imports of manufactured goods. However, unlike commodity prices, the prices of manufactured goods had steadily risen. The unfavourable position of the less developed countries was largely due to artificial barriers to the free movement of goods, based on motives that were not necessarily economic. The situation had been complicated by the formation of closed markets, restricted to the highly developed countries. The developing countries therefore welcomed the forthcoming United Nations Conference on Trade and Development, which should establish progressive economic relations among all countries and remove the obstacles to international economic solidarity. The developed countries would have to ease the restrictions on imports of primary commodities from the developing countries and create a greater demand for them.

5. The African countries were conscious of the need to diversify their economic structures. In Uganda, which had abundant hydroelectric power, the groundwork for industrialization had been laid. Uganda's climate and natural resources were suitable for diversified crops and manufacturing processes. Africa's greatest need was for the technique with which to exploit its wealth.

6. It was to be hoped that, with the establishment of an African common market and the African Development Bank, many African hopes would be fulfilled. Africa planned and thought in terms not of isolated regions but of the continent as a whole, which in the future would be traversed by African-owned railways, roads and airlines.

7. Mr. CHAVEZ GONZALEZ (Ecuador) said the reports before the Committee showed that the economic objectives proposed by the United Nations had not yet been fully achieved. As the Under-Secretary for Economic and Social Affairs had pointed out in his statement (881st meeting), the immediate task was to continue the effort to raise living levels throughout the world.

8. To be really effective, economic planning required serious and profound studies. In the under-developed countries, planners had been faced with tremendous obstacles. In some countries, plans had remained mere political pronouncements; in others, they had been sabotaged by the ruling classes. Even in democratic countries, where plans had been carefully drawn up and generally accepted by the population, the problem

of finance arose. Nevertheless, thanks to their own efforts and to external aid, nearly all the developing countries could now boast of solid achievements in planning. As a result of the concerted efforts of its people and government, Ecuador possessed a well-conceived development plan, with precise targets, which augured well for the future. Some help with planning had been given under technical assistance programmes, but much more was required.

9. For the developing countries, industrialization was vital. But they needed the technical and financial help of the advanced countries in order to develop their unexploited resources. Otherwise, with their unemployed masses, their low income levels and their rapidly growing populations, they would continue to stagnate. They must give serious thought to both long-term and short-term objectives such as the reduction of the rural sector of the population to 30 per cent and the doubling of per caput real income.

10. The 5 per cent rate of growth of annual national income proposed for the developing countries during the United Nations Development Decade was a conservative target; but after the first two years of the Decade, it still seemed far away. The developing and developed countries must seek a closer understanding in order to reduce the gap between them. The smaller countries did not advocate a slackening of development in the bigger ones; they wanted merely to accelerate their own growth.

11. In economics, there was no question of radical changes or magic formulae. Although it took time to pass from decisions to results, the developing countries were making the infrastructural adjustments necessary for the attainment of specific goals. The adjustments included land reform, legislation to protect industry, regional trade integration, income redistribution, multilateral trade agreements and administrative reorganization.

12. Like all Latin American countries with free-enterprise systems, Ecuador had always opened its doors to foreign capital. The necessary legal guarantees had been given and good results had been achieved. Yet, in many cases, such capital had financed commercial projects rather than those which promoted the country's economic development. It was paradoxical that, despite the high returns available in countries like Ecuador, foreign investors had not been eager to invest there, while local investors transferred their money abroad.

13. The commercial banks had undoubtedly played an important role in the economic development of the Latin American countries. They had done much to finance exports and imports but had perhaps neglected the industrial and agricultural sectors where the risks were greater and returns lower. There was no real free play of demand and supply on the Latin American capital markets. The shortage of ready capital made it difficult to establish remunerative and competitive industries. The Latin American countries must seek new ways of associating foreign with domestic capital and of building their industries with their own resources. Direct loans were beneficial during the initial stage of development but subsequent repayments involved heavy burdens. For twenty years, Ecuador had enjoyed financial stability, a further encouragement for foreign investors. Ecuador had recently signed an agreement providing guarantees to United States investments under the Alliance for Progress.

14. The developing countries were clamouring for technical training and education at all levels. As the Managing Director of the Special Fund had pointed out in his statement (882nd meeting), the Fund was already grappling with those problems. In any programme of development, the human factor was vital and technological progress could not be achieved without raising educational standards.

15. His delegation welcomed the inclusion in the agenda of the item on land reform since the Ecuadorian Government was seeking the financial means of carrying out a land reform programme. It also looked forward with confidence to the United Nations Conference on Trade and Development, which, it was to be hoped, would formulate a new international trade policy. The Ecuadorian Government had just established a ministry of trade and banking which was preparing Ecuador's contribution to the Conference and had appointed commercial attachés to nearly all its trading partners. In its trade relations, Ecuador adhered closely to the principles laid down in the Treaty establishing a Free-Trade Area and instituting the Latin American Free-Trade Association.

16. Mr. WEIDINGER (Austria) felt that satisfactory progress was being made in carrying out the measures that the Secretary-General had proposed in the report entitled The United Nations Development Decade: Proposals for Action (E/3613 and Corr.1 and 2).

17. The Preparatory Committee had determined the scope and agenda of the forthcoming United Nations Conference on Trade and Development, and careful and extensive preparations were being made for it. It therefore seemed that propitious conditions had been created for fruitful work at the Conference. His delegation accordingly believed that a renewed debate on the Conference could only have adverse effects.

18. His country attached great importance to all international efforts to improve world trade and in particular to the United Nations Conference on Trade and Development. Austria had a firm desire to contribute to the economic development of the developing countries. At the same time, being a highly industrialized country with a relatively small internal market, it was highly dependent on international trade. Foreign earnings accounted for nearly 25 per cent of its national income and, in 1962, 50 per cent of its exports had gone to the countries of the European Economic Community, 16 per cent to the countries belonging to the European Free Trade Association, of which it was a member, and 15 per cent to the member countries of the Council for Mutual Economic Assistance (COMECON). It had consistently liberalized its import practices since the Second World War and intended to continue to do so in the future, despite the fact that the rapid increase in its import trade had enlarged the deficit in its balance of payments.

19. The recent improvement in the price situation of primary commodities, while not diminishing the urgency of the need to reach satisfactory arrangements, would undoubtedly facilitate the work of the Conference, since fundamental and long-term decisions could be reached in the absence of economic pressure.

20. His delegation hoped that the Advisory Committee on the Application of Science and Technology to Development would not only continue the work of the United Nations Conference on the Application of Science and Technology for the Benefit of the Less Developed

Countries, the importance of which could hardly be over-estimated, but would also undertake further efforts to make the results of scientific and technological research increasingly available to the developing countries in their striving for a better life.

21. His delegation hoped that the target figure of \$150 million for contributions to the Expanded Programme of Technical Assistance and the Special Fund would soon be reached. He observed that the Austrian Government had announced, at the 1963 Pledging Conference, an increase of 35 per cent in its annual contribution, which would thereby amount to what was, according to Austria's rate of assessment, its exact proportional share of the target figure. The Expanded Programme and the Special Fund had amply demonstrated their practical value and any measure which might hamper their effectiveness should be avoided. Any plan for organizational changes, therefore, needed to be very carefully examined before a decision was taken. Although the Fund, which was doing excellent work, could well undertake even greater tasks, he pointed out that, while all Members were in full sympathy with the aspirations of the developing countries in their desire to establish a capital development fund, they should realize that the matter was more financial than organizational.

22. His delegation noted with satisfaction the increased activities of the Special Fund in the field of industrialization. In the case of the developing areas, it was essentially a long-term programme to change the pattern of the world economy and set the pace for a new international division of labour. In achieving that purpose, the Fund's pre-investment studies were of the greatest importance, since they provided the impartial guidance which developing countries urgently needed and at the same time offered foreign investors expert opinion; they thus facilitated the flow of capital to developing countries. It would therefore be the most practical course to keep the proposed advisory service on financial resources envisaged in General Assembly resolution 1715 (XVI) within the Special Fund.

23. Austria fully recognized the great importance of industrialization to the developing countries and was prepared to share with them its knowledge and experience in that field. It felt, however, that the great sympathy for the developing nations felt by countries like his own could be used more extensively, especially by recruiting nationals of such countries to work, for example, as technical assistance experts in the developing areas.

24. The Centre for Industrial Development had achieved remarkable results in its relatively short existence; the most practical course would therefore be to use it as the basis for any larger unit. The Austrian delegation welcomed in principle the recommendation contained in the report of the Advisory Committee of Experts on the Industrial Development Activities of the United Nations System (E/3781, annex VIII), to transform the Centre into a United Nations industrial development organization, but it believed that any enlargement of the Centre should be carried out without breaking the continuity of its work.

25. The problem of co-ordination within the United Nations family should be kept under continuous review by the Economic and Social Council, which should play a more decisive role in that regard. While differences

in conditions among different countries justified a reasonable degree of decentralization and a strengthening of the regional economic commissions, it should not be forgotten that interdependence between States was growing ever stronger and that the solution of regional problems should contribute to ultimate universal objectives.

26. His delegation understood the desire of the new African States for more equitable representation in the Council and had therefore been one of the sponsors of the draft which had become Council resolution 974 C (XXXVI).

27. His Government welcomed all efforts to end the arms race and hoped that the General Assembly would again stress the importance of that matter by endorsing Council resolution 982 (XXXVI). The conclusion of the Treaty banning nuclear weapon tests in the atmosphere, in outer space and under water, signed at Moscow in August 1963, was a first important step towards further solutions of the disarmament problem and the conversion of the resources released by disarmament to peaceful needs.

28. Mr. BOUKAR (Chad) said that the problems of economic development were inseparable from political problems, among which the maintenance of peace was of primary importance. Despite the process of decolonization and the conclusion of the Moscow treaty, peace would not be firmly established until there was equality between all men of all races. Unfortunately, some developed countries clung to their doctrine of the supremacy of the laws of the market, which exacted a heavy tribute from the developing countries and particularly the African countries. In addition, vast sums were being spent on the armaments race which could be better used for the benefit of the poorer countries. However, all the needs of the developing countries could not be met from foreign assistance; those countries themselves had to make the main effort to further their own development, for which purpose they should be able freely to dispose of all their resources.

29. If it was judged solely from the point of view of the profits that could be derived from its territory, Chad was an extremely poor country. Cotton had previously been its only exportable product. However, since the accession of Chad to national sovereignty, its principal goal had been to increase its export earnings and make the fullest use of its resources. The distance separating Chad from the nearest port was an obstacle to its export trade and also added considerably to the prices of the products it imported. In spite of all those difficulties a five-year plan would be launched in 1964. That plan should change the present situation in which Chad was unable to export processed goods because its isolation was a handicap to industrialization and had to purchase everything abroad, even products which could be produced more cheaply locally. There was no danger of famine in the country; the aim of the plan was to transform Chad's barter economy into a market economy. Since Chad was essentially an agricultural country, the first objective would be to create small industries based on agriculture.

30. Chad's agricultural resources were considerable. It had increased its cotton production from 11,000 tons in 1939 to 100,000 tons in 1962. Yet it had no textile factories and imported every yard of fabric and all its cotton derivatives. The Government was encouraging the production of other crops such as maize, wheat, potatoes and rice. Chad possessed abundant animal

resources but no animal industry. Indeed, it had to import meat, poultry and dairy products. It was a great producer of fish and would increase its present output of 100,000 tons per year as soon as the development of Lake Chad was completed. With its beautiful parks, abounding in game, the country was a major tourist attraction. Mining was complicated by the problem of distance, but Chad would be very happy if the petroleum which existed in its territory could be extracted and refined locally. The three great difficulties facing his country's economy were the immensity of the territory, the lack of communications (particularly the absence of an outlet to the sea and of a railway), and the climate.

31. Chad was also facing numerous social problems. The Government's main concern was to raise educational standards. It needed the help of the advanced countries and was grateful for what those countries had already done. It was particularly appreciative of the aid given by UNESCO. It whole-heartedly supported the activities of the Technical Assistance Board and the Special Fund and hoped that they would be strengthened. It welcomed the forthcoming United Nations Conference on Trade and Development and hoped that it would help to open up the European and United States markets to the products of the developing countries.

The meeting rose at 1.25 p.m.