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*Chairman:* Mr. Ismael THAJEB (Indonesia).

*In the absence of the Chairman, Mr. Fernandini (Peru), Vice-Chairman, took the Chair.*

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

1. Mr. CUMES (Australia) welcomed the opportunity, provided by the general debate, to take a comprehensive look at the Committee's work, since economic development needed to be considered, not as a series of separate items, but as an integrated whole.

2. The Committee's main concern was with the economies of the developing countries and its function was to help improve living standards in those countries as rapidly as possible, by increasing their rates of economic growth. Its aim must be to ensure that the high rate of growth which in recent years had prevailed in some developed countries, especially in Western Europe, would also be achieved in those countries of the world where living standards were low and where a major effort was needed in order to enable their economies to achieve self-sustaining growth.

3. While all members of the Committee recognized the desirability of achieving high rates of economic growth, there were many reasons why that task would not be easy. His delegation had in the past emphasized the great measure of interdependence among countries in maintaining economic growth. However, the achievement of high rates of economic growth in the industrialized countries might present some dangers for countries which, like Australia, depended for their development on increasing exports; high mass living standards, together with high rates of economic growth, in the industrialized countries might cause the latter to become ever more preoccupied with their own internal markets, and their spontaneous economic interest in terms of trade and investment in countries outside their own ranks might dwindle each year. The Australian delegation hoped that the Kennedy round of trade negotiations would succeed, but in a way which would moderate and not accentuate the preoccupation of the industrialized countries with their own markets.

4. His delegation believed that some means of modifying the effects of the present phase of intensive development in the developed countries must be found; that meant that, as spontaneity of economic interest on the part of the developed countries receded, it must be replaced by deliberate policies whereby those countries would concern themselves with the urgent needs

of the developing countries. There must be trade as well as aid policies. For example, the fate of the common agricultural policy of the European Economic Community, and the policies of the Community and of other industrialized countries towards the import of manufactures from the developing countries, would test the extent to which the Community and other industrialized nations were prepared to pay attention to the legitimate trading interests of countries outside Europe. Fortunately, there were now signs that practical measures were being devised, in particular under the GATT programme of action for the expansion of world trade and in connexion with the United Nations Conference on Trade and Development. The statement submitted by seventeen developing countries and contained in the report of the Preparatory Committee of the Conference on its second session (E/3799, para. 186) set down some broad ideas for increasing trade between the industrialized and the developing countries. Although some members might have reservations on points of detail, the statement deserved general support.

5. The real issue involved in an expansion of trade was how individual countries and regions would share in that expansion. An expansion of trade within the industrialized community at the expense of the trade of other regions would be a disaster. All countries recognized that fact, but detailed arrangements must be hammered out in order to give practical effect to that general acceptance in principle.

6. The provisional agenda for the United Nations Conference on Trade and Development as set forth in the Preparatory Committee's report on its first session (E/3720, para. 6), was sufficiently comprehensive to enable all relevant issues to be discussed, although his delegation believed that the Conference should concentrate on the most urgent subjects, the most immediately important of which was primary commodity trade. No one would want either of the two major trade events of 1964—the Conference and the Kennedy Round of Negotiations—to inhibit the trade or economic development of the industrialized countries; on the contrary, he hoped that they would add to the vigour of the whole international community. But those two events must above all open new and extensive opportunities for the developing countries including those at the earliest stages of development, such as Papua and New Guinea, for which Australia bore a special responsibility. The mature economies, which were the world's major markets, must offer opportunities for access by the products of all regions of the world, and in the end it would be in their broadest interests to do so.

7. Australia itself was vitally concerned with the Conference and other pending negotiations because it was heavily dependent on international trade, which accounted for almost 40 per cent of its national income. Its development depended on its overseas earn-

ings, 90 per cent of which were derived from exports of primary products. In recent years, markets for many of Australia's export products had been closing and its terms of trade had undergone a grave deterioration. GATT had not protected its interests or the interests of the other primary-exporting countries. While it was true that some alleviation of the situation had occurred over the past year, it was too early to conclude that the tide had turned; nor must temporary gains be allowed to obscure fundamental, adverse trends. What the primary-exporting countries needed was firm arrangements giving immediate and continuing assurances. It would be pointless for those countries to proceed with their plans for production if there was no market for their output. Much of the effort involved, particularly in the United Nations Development Decade, would be wasted if the developing countries were denied adequate access to markets.

8. While tackling trade problems, the Committee must also deal energetically with other matters. The main objective of the Development Decade, namely, a 5 per cent annual rate of growth in the developing countries, had not yet been achieved; yet that figure was an absolute minimum, especially for countries with a high rate of population growth, and it was still true that countries with the lowest levels of per caput income tended to have the lowest rates of growth. The hardest task in development seemed to be to begin the process, and it was therefore in getting development started that the heaviest responsibility for aid fell on the international agencies. That was why such agencies as the Special Fund, as well as the various programmes of technical assistance, had become so important in establishing the necessary infrastructure and in creating a corps of personnel familiar with modern processes.

9. Action should therefore be directed to those targets which were most significant in getting development vigorously under way. What was needed was to direct action in connexion with the Development Decade more selectively, so that the key tasks could be carried out more thoroughly and in a way more immediately related to sound national programmes of development. It should be borne in mind that, even if all the objectives of the Development Decade were attained, only a beginning would have been achieved. It was for that reason that, both in the short and in the longer run, arrangements for the application to development of science and technology, which had played a key role in bringing the developed countries to their present levels of production, were so important. Fruitful results could undoubtedly flow from the United Nations Conference on the Application of Science and Technology for the Benefit of the Less Developed Areas for some time to come, and it might well be that that conference would be one of the great events in the history of the United Nations.

10. His delegation strongly supported the increasing emphasis which the United Nations was placing on industrialization; increased living standards seemed to depend, for most countries, on the establishment of a wide range of industries. Nevertheless it must be recognized that the process of industrialization was usually slow and sometimes painful. The United Nations had an important role to play in assisting industrialization and in achieving a satisfactory international division of labour. The Australian delegation believed that United Nations activity in the field of industrialization should be increased and that additional resources should be made available to the Centre for

Industrial Development, which had a worth-while programme of work and should be given the means of fulfilling it. There were, however, limits to the extent to which the United Nations could help the developing countries to industrialize. What those countries most needed was to earn resources from their trade sufficient to enable them to industrialize rapidly and predictably. Primary-exporting countries must have assurances about the level and stability of their export earnings if they were to plan their development with certainty.

11. In view of the widening gap in the balance of payments of the developing countries, which increased with higher growth rates, there was an urgent need for those countries to find larger and more remunerative markets for the primary products on which they depended, and to diversify their exports with some assurance that their new output could be profitably sold.

12. Everyone agreed that economic development could take place most effectively where an adequate standard of literacy had been achieved. For that reason, as well as for broader social reasons, the campaign for literacy should receive widespread support. The resources required to achieve mass literacy were tremendous; yet only limited national and international resources were available. Countries in which illiteracy was a problem would have to find the main resources needed to combat it and that would almost certainly involve diverting funds from other objectives, which might mean less attention to education for the younger age group, on whom the greatest hopes must ultimately rest. The question therefore was how quickly the literacy campaign could proceed, in the light of competing demands.

13. The regional economic commissions had a major role to play in finding solutions to economic problems and must be given sufficient authority for that purpose. At the same time, the central organs of the United Nations had not merely co-ordinating functions but also responsibilities in matters of substance extending beyond particular regions. Those organs, and especially the Economic and Social Council, must accordingly be representative of all regions. It was ironic that, at the present time, the developing countries were not adequately represented on the Council. It was therefore essential that the Council's membership should be expanded from eighteen to twenty-four. Such an expansion would still leave the Council manageable in size, but would enable it to include a greater number of those countries whose voice on the issues coming before it must be heard.

*Mr. Thajeb (Indonesia) took the Chair.*

Mr. CRISTUREANU (Romania) said that the problems of economic development had become the central concern of the United Nations, because they were closely bound up with such political problems as the maintenance of peace, general and complete disarmament, and the peaceful settlement of disputes. Recent sessions of the General Assembly and its subsidiary organs, as well as the conclusions of certain international economic conferences, had undoubtedly sharpened the sense of purpose within the United Nations family, as the Secretary-General put it in the introduction to his annual report (A/5501/Add.1). Economic and social progress was the *sine qua non* of human society. To achieve it, considerable technical and scientific resources must be harnessed, both at the national and the international level.

15. The documents before the Committee showed that the world economy had progressed during 1962, albeit moderately. Statistics for 1962 confirmed the rising trend in the economic development of the socialist countries: between 1955 and 1962, their share of world industrial production had increased from 27 per cent to more than 36 per cent. In a relatively short period (1959-1962), the industrial production of the European socialist countries had grown by more than 30 per cent, while such production in the main capitalist countries had registered an increase of only 17 per cent.

16. At the same time, extensive under-developed areas continued to grapple with serious economic difficulties. According to official United Nations documents, the per caput industrial production of those areas amounted to only \$25, as compared with \$420 in the advanced capitalist States. Such a situation was particularly significant for the international trade and economic advancement of the developing countries. As the President of the Economic and Social Council had pointed out in the introduction of the Council's report (A/5503), foreign trade was their most important sector but also the weakest and most vulnerable. The terms of trade had continued to move against the developing countries and their share of world trade had continued to fall.

17. Many delegations had expressed their growing concern at the discriminatory quota measures and obstructionist customs duties which restricted world trade and impeded the economic and social advancement of the developing countries. Particularly harmful were the policies followed by closed economic groupings: in no way were they designed to promote equitable and mutually advantageous commercial exchanges.

18. Primary commodity trade was a vital problem for exporting countries and, indeed, for all countries. Monoculture—that legacy of colonialism—continued to be the characteristic feature of most developing countries. Its adverse effects had been fully discussed in the Commission on International Commodity Trade. The developing countries were right to demand measures which would eliminate fluctuations in primary commodity prices, establish equitable terms of trade, and enable them to exercise their right of permanent sovereignty over their vast natural resources in accordance with their own interests, as specified in General Assembly resolution 1803 (XVII).

19. The peoples of the world were justified in hoping that the United Nations Conferences on Trade and Development would mark a turning-point in international economic relations. The Romanian Government was participating actively in the preparations for the Conference. For that purpose it had set up a national committee composed of leading figures from the various economic sectors concerned with international trade. Romania had certain proposals aimed at stabilizing trade relations and at the same time promoting economic development (E/CONF.46/PC/7), which it hoped would find an appropriate place in the work of the Conference.

20. His delegation agreed with the recommendation, set forth in the joint statement by representatives of developing countries (E/3799, para. 186), that all Members of the United Nations should give earnest consideration, before the opening of the Conference, to proposals and practical means for achieving an expansion of international trade. Since that trade was unanimously recognized to be an essential factor in

economic development, it was important to create a favourable atmosphere for the work of the Conference, such as would facilitate the adoption of effective measures in a spirit of co-operation and mutual understanding. Accordingly, during the period preceding the Conference, States should refrain from taking new measures liable to accentuate discriminatory policies and obstructionist tariff barriers. It might be useful to consider the idea of a suitable, effective and permanent instrument designed as a follow-up to the Conference's decisions on the expansion of international trade. In order to place international economic relations on a more solid basis, better adapted to current requirements, general principles should be established to guide relations between all States, irrespective of their level of economic development. His delegation had submitted, at the twelfth session of the General Assembly, a draft resolution stressing the need to formulate principles of international economic co-operation (A/C.2/L.330). The Soviet Union delegation had submitted a draft declaration on international economic co-operation (E/3467) at the thirty-first session of the Economic and Social Council. The work of the ad hoc Working Group established under Council resolution 875 (XXXIII) to study the question of a draft declaration should be accelerated and given due priority and importance.

21. International efforts, and the recent progress made in the matter of the cessation of nuclear weapons testing, were creating the necessary atmosphere for a relaxation of international tension and for a constructive approach to the principal problems connected with international economic relations. The use, in the interest of all countries, of the vast human and natural resources liberated by disarmament would result in an improvement of the world economic and social situation. The Committee should study in detail the material and human advantages which would result from disarmament.

22. The importance of industrialization, as the only effective way to achieve a balanced growth of all sectors of the economy, had been increasingly recognized internationally, and due provision for work on that question in the United Nations had been made through the creation of the Committee for Industrial Development. The developing countries were convinced that substantial economic and social progress could be achieved only through industrialization and diversification of their economies. Economic planning was essential for the over-all and balanced development of those economies as the General Assembly had recognized in adopting resolution 1708 (XVI) on planning for economic development.

23. The United Nations and the specialized agencies had begun to study methods for the preparation of long-term plans, and several countries with different economic and social structures had established special planning bodies to promote organized economic development. The United Nations Conference on the Application of Science and Technology for the Benefit of the Less Developed Areas had thrown light on the role which a strengthened State sector could play in achieving efficient planning, enabling it to implement, fully and practically, economic policy measures. His delegation welcomed the adoption by the Economic and Social Council of resolution 979 (XXXVI) on economic planning and projections, which had recommended an intensification of the exchange of information on experience in the field of planning and planning methods

among regional commissions. The resolution had also urged Member States to co-operate with the Secretary-General in developing United Nations activities in that field. The Romanian delegation believed that a conference or international meeting on the important subject of planning and economic development would be most useful.

24. The training of national cadres was also very important for the economic development of the newly independent States. The developing countries had realized that, in addition to bilateral and multilateral assistance, they themselves should have annual and long-term programmes for the training of cadres. The United Nations should devote more attention to intensification of the exchange of economic, technical and scientific experience. The regional economic commissions—particularly the Economic Commission for Europe, whose members were the countries most highly developed from the technical standpoint—could play an important role in that connexion.

25. Romania's experience of industrialization might be of interest to developing countries whose situation was similar to that of Romania before the Second

World War. Since it had become the master of its country's wealth, the Romanian people had been developing that wealth in accordance with its own interests, thus continually increasing the country's economic strength. On the basis of scientifically prepared development plans, the technical and material basis of the economy was being developed through industrialization. The industrial sector, which accounted for the bulk of the country's production, was continually being expanded by the creation of modern enterprises, capable of meeting the requirements of a rapidly advancing economy, ensuring the continual expansion of productive forces and raising the population's standard of living. Between 1950 and 1959, industrial production had increased at an annual rate of 12.7 per cent; between 1960 and 1962, the first years of the six-year economic plan, the annual rate of growth had been 15.8 per cent. There had been a notable expansion of heavy industry, and the production of consumer goods had increased considerably. The structure of Romanian foreign trade reflected the changes in the structure of the national economy, and in 1962 the volume of foreign trade had been 6.5 times greater than in 1948.

The meeting rose at 6 p.m.