



CONTENTS

	Page
General statements ( <i>continued</i> ) .....	
Agenda items 12 and 40:	
Reports of the Economic and Social Council (A/7603, chapters I to VII, X, XI (sections C, D, E, G, H and J) and XIII; A/7203, paragraphs 764 to 770) ( <i>continued</i> ) ..	89
Second United Nations Development Decade: report of the Preparatory Committee for the Second United Nations Development Decade ( <i>continued</i> ) .....	

Chairman: Mr. Costa P. CARANICAS (Greece).

**GENERAL STATEMENTS (*continued*)**

and

**AGENDA ITEMS 12 AND 40**

**Reports of the Economic and Social Council (A/7603, chapters I to VII, X, XI (sections C, D, F, G, H and J) and XIII; A/7203, paragraphs 764 to 770) (*continued*)**

**Second United Nations Development Decade: report of the Preparatory Committee for the Second United Nations Development Decade (*continued*) (A/7525 and Add.1-3, A/7603, chap. I; A/7603/Add.1, A/7699)**

1. Mr. ABDERAHIM (Chad) said that, if the Second United Nations Development Decade was to produce meaningful results, its objectives, and the means of achieving them, should be determined as soon as possible. His delegation, although agreeing with those who regarded the first Development Decade as a failure, nevertheless considered that the experience gained would be of assistance in setting more realistic goals for the Second Development Decade.

2. Primary responsibility for their development lay with the poor countries themselves. The purpose of foreign aid was to supplement, not replace, national resources and those countries should, therefore, mobilize the savings required for their investment plans. It was because that it considered it should help itself before seeking assistance from outside, that Chad had decided to plan its economy. His Government was of the opinion that, since the young would be the future leaders of their country, they should be associated with all economic activities. Young people in Chad had thus been made responsible for explaining to the rural population the reasons for paying taxes.

3. Chad welcomed the proposal for the establishment of international review machinery because it would be useful

in helping the international community to achieve the goals of the Second Development Decade and the developing countries to improve their development plans.

4. In international trade, the developed countries could assist most effectively by allowing access to their markets, removing trade barriers and providing untied financial aid. In the absence of such action, many countries could not achieve the growth rate targets suggested by the Preparatory Committee for the Second United Nations Development Decade (see A/7699, paras. 10 and 12). Attention should, of course, also be paid to the development of trade among the developing countries themselves and his delegation hoped that payments arrangements would be worked out with a view to facilitating such trade.

5. World conditions would improve only if the developed and developing countries identified their responsibilities and fulfilled their obligations.

6. Mr. Pao-Nan CHENG (China) said that the fundamental element of economic and social development in developing countries was the provision of infrastructural facilities. Hence, during the Second Development Decade more emphasis should be placed on that aspect at the national and international levels. Priorities would have to be set for infrastructural investment and education should be the fundamental preoccupation of Governments. Education at all levels should be made progressively available to all, irrespective of sex, race, national origin or religious belief. His own country could serve as an example. In the province of Taiwan the number of schools of all types had increased by 250 per cent during the previous two decades, while school attendance had increased from a ratio of 1 to 7 of the population in 1949 to 1 to 4 in 1969, notwithstanding a population increase of some 5 million. Moreover, the period of free and compulsory education had been raised from six to nine years. It was therefore gratifying to note that the International Bank for Reconstruction and Development had decided, in 1968, to triple its loans for education to the developing countries during the next five years.

7. Agricultural development was another fundamental undertaking for a developing country seeking sound economic growth. Its main elements were land reform, rational and optimum land utilization and an agricultural credit system and extension projects. As a result of efficient policies and measures his country had not only achieved agricultural self-sufficiency but was also exporting a sizable amount of its surpluses. It was also a source of satisfaction to note that IBRD intended to quadruple its agricultural lending over the next five years.

8. Turning to the work of the Preparatory Committee for the Second United Nations Development Decade and, more

particularly, to international assistance in helping countries to work out and analyse their development projects for the Decade, his delegation felt that professional services should be provided by making available experts from the international organizations to the regional economic commissions to assist countries, at their request, in carrying out the necessary studies and analyses.

9. Concerning the review and appraisal of objectives and policy measures, he fully endorsed the view that, if the development process was to maintain its dynamism, it was essential that a regular review should be undertaken of the progress achieved and the problems encountered so that the objectives and policies established for the Decade could be adjusted from time to time. The developed countries and the international agencies should be prepared to provide the technical co-operation which the developing countries required, not only to produce the appraisals requested of them but also to improve their national planning processes. The regional economic commissions should be given broader responsibilities in the matter of review and appraisal at the regional and sub-regional levels. Moreover, UNDP's Resident Representatives could play an important role and should be authorized to do so.

10. On the question of achieving development through the expansion of international trade, he pointed out that, while there had been a considerable increase in the volume of the developing countries' total exports in recent years, their over-all export earnings had continued to lag behind. Recent estimates placed the trade gap of the developing countries at between \$5,000 million and \$12,000 million a year. The lag in export growth had been due in part to the lack of co-operation from the developed countries in removing such obstacles as tariff barriers and quota systems and he hoped that they would favourably consider liberalizing their trade restrictions during the next Decade.

11. Some countries, including his own, no longer received aid. They had to maintain the pace of economic growth through domestic capital formation and increased export earnings with which to finance imports of needed capital goods. Savings were growing at a satisfactory rate in China and successive government bond issues had been fully subscribed. Tax laws were being systematically revised so that the tax burden fell justly on all segments of the population. With respect to export earnings, the annual growth rate of China's national product was 8 per cent. In the previous 16 years, through investments, trade promotion and manpower development, satisfactory economic and social progress and political, economic and social stability had been achieved. Between 1964 and 1968, the country's total trade had risen from \$880 million to \$1,868 million, the average annual growth rate being 21.7 per cent. In 1968 a *per capita* trade figure of \$139 had been reached, while that of the Chinese mainland had remained at the low level of \$5 *per capita*. The trade figure for the first eight months of the current year was \$1,479 million and it was confidently expected that the four-year plan target would be exceeded by 20 per cent.

12. His Government viewed with concern the recurring international monetary instability and runaway inflation in some developed countries which, if not arrested, might slow down the healthy growth of budding economies. The trend

of high interest rates for loans and the diminishing pool of aid funds for international development were discouraging.

13. The developed countries should devote more of their available resources during the Second Development Decade to the needs of the developing countries in order to reduce the widening gap between the two groups. China would continue to assist the developing countries in their efforts to increase agricultural production. In the area of technical co-operation, it had so far sent more than 1,000 agricultural experts and technicians to work in over twenty countries. The success of the Second Development Decade would depend on international co-operation and the concerted effort of the world community.

14. Mr. KHALIL (United Arab Republic) said that, contrary to the claim made by certain representatives, the first Development Decade had been far from successful. The representatives concerned had based their claim on the fact that there had been a 5.5 per cent increase in the output of the developing countries. He reminded them that the target for that Decade had been a 5 per cent growth rate for both income and output. To refer to output alone was quite misleading. As far as the rate of income was concerned, all economic indicators pointed to a continued worsening of economic conditions in the developing countries as a whole. The deterioration in their terms of trade still hampered their effort to promote their economic development. Those terms were some 7 per cent below the 1960 level. Moreover, the developing countries had had to increase their output by 50 per cent in the period 1960 to 1966 in order to raise their export proceeds by 6 per cent. On the other hand, their capacity to import had never exceeded 2 per cent, although it was a well-known fact that acceleration of the process of economic development depended largely on the capacity to import, especially capital goods.

15. The developing countries had increased their output at the cost of an appalling outflow of capital; the outflow from 34 of them had reached \$4,000 million in 1968. On the other hand, the expansion in investment income receipts reported by the United States had been substantially greater. That country's receipts from developing countries in Africa and Asia had totalled over \$2,200 million and from Latin America over \$1,800 million. The inflow of capital from the developing countries into the United States alone had been more than \$4,000 million.

16. Another factor deserving consideration was that the increase of 5.5 per cent in the output of the developing countries had been due mainly to favourable weather conditions which had made the agricultural sector the determining factor in domestic production. He would be happier if economic development depended less on atmospheric conditions and more on favourable international economic policies and measures. Yet a review of the problems of commodities and of manufactures and semi-manufactures showed that almost nothing had been done at the international level to help developing countries. The Kennedy Round of negotiations, for instance, had been held for the benefit of the developed countries and the rate of tariff reduction for a list of products of interest to developing countries had been lower than the reduction for the developed countries. No action had been taken on

preferences for the exports of the developing countries. As for the financing of the economic development process, the flow of capital to the developing countries had been almost wiped out by the deterioration in their terms of trade, not to mention the reverse flow of capital. Nothing had been done with regard to invisibles, particularly shipping, which was a major cause of the deficit in the balance of payments of the developing countries.

17. In considering the Pearson Commission's report,<sup>1</sup> it should be borne in mind that most of its authors were from developed countries. It was an interesting report, although one comment in it implied that the rate of growth of the developing countries was better than that of the developed countries during the initial phase of their economic development. A basis for comparison does not exist at all. For one thing, the developed countries had enjoyed a self-sustained rate of growth, something which the developing countries had not yet achieved. Furthermore, they had had almost unrestricted access to raw materials and to markets for their manufactures. Finally, thanks to the mercantile policy which had then prevailed, they had not suffered from capital outflows or the burden of debt-servicing, unlike the developing countries.

18. The developing countries themselves had to bear the main responsibility for their own economic development. But their efforts should be supplemented by assistance from the developed countries, for they could not achieve economic development on their own. There was no question of confrontation between the two groups: the problems should be faced by both together, since international co-operation was clearly of benefit to both sides. The whole problem revolved around two major elements—external financing from developed countries and the economic and trade policies of the developed countries.

19. With regard to preparations for the Second Development Decade, the Preparatory Committee had achieved little and had not even considered the item on policy measures. There had, however, been signs of a new liberal trend among some developed countries which others might well follow.

20. With regard to the various key areas mentioned in the Preparatory Committee's progress report (see A/7699, para. 18), the importance of the social aspects of development should not be belittled. They were indeed the ultimate goal. However, it was not yet possible to quantify social targets. Emphasis should therefore be placed on economic development, which paved the way for social development.

21. Turning to the population problem and its incorporation into an international strategy for development, he said that family planning programmes were already being carried out in the United Arab Republic. Family planning, nevertheless, raised a number of problems in some countries and it would therefore be unwise to define it as a goal. The matter should be left to the discretion of individual countries. The Preparatory Committee should not be burdened with questions on which agreement could not be

reached. Another difficulty was the absence of the socialist countries from the Preparatory Committee; its work would be incomplete without their participation. A constructive approach would be to seek to solve the problem on the basis of the principle of universality.

22. The creation of the United Nations Capital Development Fund (General Assembly resolution 2186 (XXI)) was an important factor in economic development and it was gratifying to note that some developed countries had taken a more favourable view of the Fund. A practical step might be taken by IBRD in the form of a contribution to the Fund.

23. The Special Drawing Rights, recently created by the International Monetary Fund, might have been of real benefit to the developing countries had they been linked to their economic development. The present position was that over 60 per cent of Special Drawing Rights benefits would accrue to the already highly developed countries.

24. Another point deserving attention was the introduction of more flexible exchange rates. The Federal Republic of Germany had decided to allow its currency to float freely for the time being. Yet the developed countries failed to consider the impact of such a measure on the economies of the developing countries: it merely served to increase the cost of their imports. Most of them already had a balance-of-trade deficit with the Federal Republic of Germany. A useful step would be for IMF or the United Nations Secretariat to prepare a study on the impact of the Federal Republic of Germany's policy, which had increased the proceeds from its exports by 4 per cent and lowered the cost of its imports by the same figure.

25. Mr. WOLTE (Austria) agreed with the provisions of General Assembly resolution 2411 (XXIII) to the effect that a development strategy would have to consist not only of specified general and sectoral goals but also of a framework for concerted policy measures at the national, regional and international levels as well as an evaluation and implementation mechanism. One clear lesson of the first Development Decade was that development problems could not be solved merely through financial assistance. Global objectives had a rightful place in any development strategy, but it must be realized that they could not fully take into account the specific needs and capabilities of individual countries. There was no doubt, however, that targets were valuable for measuring progress achieved and they would serve as incentives and guidelines for national efforts and policies. Another lesson of the first Development Decade was that development was not only an economic problem; economic and social factors were also involved in it to an equal extent. The social element should be taken fully into consideration at the planning and implementation stages of a programme, for the ultimate object of any development process was the individual.

26. The progress report of the Preparatory Committee (A/7699) was not encouraging. Very little progress had been achieved in international trade and finance, two essential sectors of development for the Second Development Decade. It was to be hoped, therefore, that UNCTAD would soon be in a position to formulate its contribution. Yet, deliberations in the Preparatory Committee had

<sup>1</sup> Commission on International Development, *Partners in Development* (New York, Praeger Publishers, Inc., 1969).

identified a series of factors which had not so far received the attention they deserved.

27. The Preparatory Committee would not succeed in its work unless all Governments gave proof of their political will. It had been right, therefore, to stress the importance of mobilizing public opinion in all countries in support of the Decade's objectives and policies

28. Aware of the problems of development to which reference had been made in the report of the Commission on International Development, Austria had increased its contribution to UNDP by 20 per cent for 1970 and had participated in replenishing the funds of the International Development Association (IDA). It had also contributed to the Asian Development Bank and the Inter-American Development Bank. The floating of public bond issues on capital markets, as had been done in the case of Inter-American Development Bank bonds on the Austrian market, was one way of enabling smaller countries to increase their aid effort without overburdening their national budgets. Austria had also attempted to foster co-operation between developed and developing countries by agreeing to bear the complete construction costs of the new UNIDO-IAEA Centre at Vienna.

29. Nothing would be worse than to launch the next Decade in a mood of pessimism. The Preparatory Committee must bring its work to a successful conclusion.

*Mr. Amirmokri (Iran), Vice-Chairman, took the Chair.*

30. Mr. BAKOTO (Cameroon) said that, since the development problems of the third world had been diagnosed, the task of the Second Committee should be limited to finding practical solutions.

31. It emerged from the progress report of the Preparatory Committee for the Second United Nations Development Decade (A/7699) that no agreement had been reached on the policy measures needed to fulfil the objectives of the Decade, and that the political will essential to any successful development strategy was lacking. The paralysis of the Trade and Development Board was attributable to that lack of will. The members of the Second Committee should, therefore, help to improve the atmosphere in UNCTAD by stating that their Governments were willing to accept the measures proposed concerning the transfer of financial resources and trade liberalization. The Committee should also discuss the situation that would arise if no progress were made in the Trade and Development Board, because, unless agreement was reached on measures relating to aid and trade, the Second Development Decade would lose its *raison d'être*.

32. The Committee must concentrate on the policies to be implemented in order to attain the goals of the Decade. Obviously, development was primarily the concern of the third world itself; the developing countries must introduce structural reforms, manage their finances and plan their economies. For that, however, bilateral and multilateral assistance was needed. His delegation welcomed the suggestion made by the Under-Secretary-General for Economic and Social Affairs that a pool of experts should be formed to assist countries in making studies and analyses (see

1252nd meeting, para. 21). Thus, the question of the mobilization of domestic resources could be linked to that of technical assistance in planning and management. Another point to bear in mind was that increased domestic savings were dependent not only on increased financial transfers but also on the stabilization of commodity prices.

33. The international development strategy should be viewed as a joint and collective undertaking by developed and developing countries. In it the role of evaluation machinery could be limited to those areas in which both groups of countries were making concerted efforts. There were three key areas in which concerted action should be taken before the start of the Decade: policy for transferring financial resources; policy for stabilizing commodity prices; and policy for international trade and restructuring international activities. He had not mentioned the international division of labour, but it was difficult to see how, in the conditions obtaining in the world, the poor countries could hope to industrialize if they were unable themselves to process their commodities and the resources of their subsoil. Effective steps should be taken to ensure a better division of labour.

34. The twelve months remaining before the Second Development Decade began should be used for the adoption of measures in the areas he had mentioned. A public information campaign should also be launched during that period. The Decade should not, however, become a decade of public information, for obviously no Government would be overthrown for having played too great a part in the fight against under-development.

35. Mr. CUHRUK (Turkey) said that, while appreciating the work of the Preparatory Committee for the Second United Nations Development Decade, his delegation would have preferred a draft international strategy that was less vague, particularly with respect to trade and policy measures. It was to be hoped that UNCTAD would soon make its contribution to the Preparatory Committee's work. Endorsement by the Commission on International Development and the Committee for Development Planning proved that the policies and measures for which the developing countries had been pressing in UNCTAD were reasonable and realistic. The Preparatory Committee had made solid progress during its first year and his delegation was convinced that, with the assistance of United Nations organs, including the Committee for Development Planning, it would soon be able to formulate a reasonably satisfactory global strategy. The success of the Second Development Decade would depend, of course, on the extent to which Governments were willing to enter into meaningful commitments.

36. As a result of their own efforts, many developing countries had achieved satisfactory rates of growth and there was reason to believe that, with a slowing-down of population growth made possible by advances in medical science, those rates would rise even further. Science and technology had also provided the developing countries with the means to accelerate progress in agriculture, industry, education and the social sciences. It was regrettable, therefore, that, precisely at a time when those countries could look forward to steady economic and social progress, the interest of the developed world in development seemed

to be waning. It would be tragic if the momentum the developing countries had built up was lost for lack of adequate external financial resources. What those countries must remember, of course, was that a series of "success stories" was needed if the public in developed countries was to be kept interested in foreign aid. If the policy of international economic co-operation was to succeed, the developing countries must adopt policy measures conducive to accelerated growth. It might also be advisable for each of them to determine when it would be able to forego concessional finance. The Turkish development plan, for instance, provided that the economy would be free of the need for such assistance half way through the next five-year plan, which was to start in 1973. Similarly, the Indian representative had said (see 1256th meeting, para. 33) that his country had set a target for the attainment of self-sustained growth. If other developing countries did likewise, support in the developed countries for development would grow.

37. His delegation welcomed the Commission's recommendation concerning expansion of the role of the International Development Association.<sup>2</sup> The suggestion that a fund should be established to subsidize part or all of the interest on World Bank loans should be taken up as a matter of urgency and implemented as early as possible during the Second Development Decade. Turkey welcomed, too, the introduction of the Special Drawing Rights scheme. Of course, the scheme would in the main benefit the developed countries, but it was legitimate to hope that, as a result of greater world liquidity, those countries would be able to make substantial contributions to IDA.

*Mr. Caranicas (Greece) resumed the Chair.*

38. Mr. OSANYA-NYNEQUE (Kenya) said that he wished to comment on five subjects: the redistribution of industrial capacity; the transfer of financial resources; international monetary constraints; the transfer of technology; and regional groupings.

39. Industrialization was imperative to the economic growth of the developing countries. One of the greatest achievements of the Second Development Decade, therefore, would be the effective opening of the markets of the developed countries to their manufactures. That could be done, in part at least, through a new division of labour between the industrialized and developing countries, whereby the former would concentrate on producing goods requiring highly sophisticated manufacturing processes, while the latter would produce goods and services requiring less complicated processes. To increase the effectiveness of the arrangement, the developed countries would also have to refrain from erecting tariff barriers against manufactures from the developing countries. Under the arrangement, developing countries' sales to the developed countries would tend to grow while their purchases from them would be restrained, and those two complementary movements would tend to tip the balance of trade in favour of the developing countries. In other words, the arrangement would result in a net inflow of financial resources from the developed to the developing countries.

<sup>2</sup> *Ibid.*, p. 224.

40. The arrangement would, however, have to be supplemented by more direct methods of transferring resources and the Second Development Decade would fare better than the first if, during it, the developed countries took serious, practical steps to encourage their nationals to make portfolio investment in the developing countries: for instance, guarantees similar to export credit insurance should be given by the industrialized countries for portfolio investments made by their nationals in developing countries.

41. The introduction of Special Drawing Rights, although an important development in international monetary relations, left untouched one important aspect of monetary affairs, namely, the unrealistic values of most of the world's currencies. Unless those values were properly adjusted, the efforts of the developing countries to increase the pace of their economic development would continue to be frustrated. The introduction of flexible rates of exchange would be a reasonable complement to the Special Drawing Rights, provided that the redistribution of industrial capacity was also effected. Indeed, without such redistribution, the introduction of flexible exchange rates might harm rather than help the developing countries.

42. The transfer of technology was another complement to the redistribution of industrial capacity and should be co-ordinated with the programme for redistribution. The transfer would proceed at the following three levels: patent licensing and direct investment in the developing countries by nationals of the developed countries on ownership ratios mutually agreed upon by the investors and the host countries; technical assistance; and the training of nationals of the developing countries.

43. Redistribution of industrial capacity could be further complemented by regional groupings, which would be particularly useful to the developing countries in the matters of trade expansion and the conservation of foreign exchange. By grouping themselves regionally, the developing countries would be able to expand their local markets and create the necessary local outlets for their products. To be really effective, the formation of economic units of that nature would have to include arrangements for the settlement of accounts locally among members. Payments unions should therefore be included in the founding charters of any regional groupings the developing countries might form.

44. Mr. CAMEJO-ARGUDIN (Cuba) said that his Government had already submitted its detailed observations on the ideas, framework and preparation for the international development strategy of the 1970s to the Preparatory Committee for the Second United Nations Development Decade<sup>3</sup> and in a report submitted to the Economic Commission for Latin America at its thirteenth session.<sup>4</sup>

45. One tendency which was still more marked than it ought to be was to assume that under-development meant insufficient economic, social, political and cultural progress, but that aspect of under-development was not the most

<sup>3</sup> See document E/AC.56/L.1/Add.8.

<sup>4</sup> See *Official Records of the Economic and Social Council, Forty-seventh Session*, document E/4639.

faithful reflection of its nature. Its main feature could be better identified by considering the absolute impossibility of the less advanced countries overcoming their backwardness under the capitalist system. For under-development to disappear, dynamic readjustments must be made in the structures of the developing countries and in their trade with the developed countries. In other words, the following were prerequisites: political and economic independence, i.e., the termination of colonialist and neo-colonialist relationships, which was the root cause of the phenomenon; and a genuine transformation of the internal mechanisms hindering the over-all progress of society in the developing countries. The latter prerequisite was recognized with more or less profundity in many United Nations texts, although they did not go so far as to admit the need for revolutionary changes in the form of national government. The number of representatives and experts who had diagnosed the malady without humbug and who had propounded the urgent need for a remedy was growing, but, on the other hand, the same was not true of the first prerequisite. The subject of freeing the poor and deprived countries from outside interference was anathema in imperialist circles and to raise it was unwelcome in the international secretariats. That was understandable, because on the day that both agreed to discuss the problem in depth, they would be objectively admitting the existence of a policy of vassalage and exploitation. Hence it was hardly surprising that the strategies so far adopted to overcome under-development were short-lived palliatives and utopian recipes implying that the imperialist Powers would voluntarily rectify the situation. The so-called third world should not lull itself into believing that imperialism would ever consent to destroy itself.

46. In spite of its conviction that the real remedies had to be found in the way he had described, his Government backed proposals designed to achieve practical results in industrialization, international trade, technical assistance, etc., and had therefore been supporting the proposals concerning non-discriminatory preferences in favour of the manufactures and semi-manufactures of the developing countries, supplementary financing and the conclusion of commodity agreements. When the proposed strategy for the Second Development Decade came to be discussed, his delegation would press for the inclusion of recommendations so far desired but never formulated, for example, the principle that the highly industrialized countries without large agricultural populations should cease their irrational efforts to maintain uneconomic agricultural production and animal husbandry which competed, because of tariff barriers, with the potential exports of those products from the developing countries. In addition, his delegation believed that development demanded higher growth rates than those so far achieved and that they could be raised if the structures required by the third world were to emerge and if norms of international trade were to be established to end the exploitation of which the developing countries were victims as a result of unfair trade.

47. Cuba reaffirmed its opinion that foreign private investment in the underprivileged countries caused serious disruptions in them. The intensive exploitation of their resources that always resulted from those investments and the selection by investors of the most highly profitable branches resulted in practice in a scandalous bleeding of the

economies of the supposedly assisted countries, so that the flow of finance became smaller instead of larger and, in many cases, the structural deformations became more pronounced. At the 1255th meeting, the representative of Chile had cited eye-opening statistics concerning the excessive profits and resources siphoned off by means of such investments in Latin America by United States monopolies, which would have been much greater still if the monopolies had had access as hitherto to the resources of another Latin American republic, namely, Cuba.

48. If, as the Chilean representative had said, there was no truth in the stories that some Latin American groups remained selfishly aloof from the general concerns of the developing countries as a whole and were inclined to seek regional advantages, oblivious to the fate and problems of the African and Asian peoples, neither could it be regarded as true that some Latin American authorities, rather contemptuous of peoples of other continents and, above all, not sufficiently stirred by the Alliance for Progress swindle, were still enthusiastic about the quaint invention called "vertical preferences". It was clear from the Chilean representative's statement that the brotherhood of the dispossessed would close its ranks, and the Latin American Governments, surprisingly enough, might thus abandon their policy of excluding Cuba from the Group of 77. In any event, whether inside or outside the Group and blockaded by imperialism, Cuba looked to the future with tremendous optimism; it had solved, for all time, fundamental social problems in education, public health and human relations; it had developed its merchant marine and fishing fleet at a rapid pace; it was laying the bases of its technological and industrial development; it had recovered all its wealth for its own people, eliminating unemployment, and would soon start to reap to the full the fruits of the labour of recent years. The sugar crop of 10 million tons would be proof of organizational progress, technical advance and the capability of the masses to make headway even in the most adverse conditions. The impetus given to agriculture would begin to be felt from 1970 onwards in the steady increase in food supplies for domestic consumption and expanded export capacity. The imperialist blockade would remain for history as a pointless example of arrogance and impotence.

49. The Preparatory Committee's progress report (A/7699) revealed that that Committee had not worked with any feeling of reassurance. Its vacillation was understandable, because its deliberations confirmed that the major capitalist Powers were still unwilling to enter into serious commitments and because it had lacked the valuable and indispensable co-operation of the socialist countries. Many regrets had been expressed on the latter point, but it would be more useful to concentrate on the reasons for the socialist countries' inhibition and to seek to remove them.

50. The draft preambular part of the declaration on the Second Development Decade,<sup>5</sup> the Committee's only achievement so far, was an impressive text which his delegation supported with reservations in that it was an isolated introduction setting forth guidelines, which everyone ignored because it was still in embryo. It had been a wise move to reject, *inter alia*, example III of the draft

<sup>5</sup> Document A/AC.141/L.12.

preamble, which called on Governments to reaffirm the commitments appearing in international instruments of financial institutions which, precisely, were not noted for their genuine devotion to the interest of the developing countries.

51. The extensive discussion on the mobilization of public opinion in the Preparatory Committee and in the Second Committee revealed a rather unrealistic conception of the influence of the United Nations and of the capacity to mould public opinion.

52. The truth was that, even where the public was better acquainted with the United Nations, the Organization was associated in the public mind with inactivity in such matters as the Viet-Nam war, the troubled Middle East and the detestable practice of *apartheid*. Elsewhere, precisely among those who needed development most, it was frequently unknown. Nor was it realistic to hope that, through publicity, perfect agreement would be achieved concerning the Decade in certain privileged sectors whose interest the recommendations wanted to have aroused. In countries where Governments were truly representative, the people were prepared to join in the effort requested of them without any need for special publicity. Actually, in many countries the situation was such that there might be popular resistance to co-operation in programmes of which it was known in advance that, far from promoting the development of the country, they would only serve to further the private interests of ruling oligarchies. The well-known example of the Alliance for Progress which, in spite of national propaganda, had failed to develop and had finally more or less died an inglorious death, should not be forgotten. On that occasion, attempts had been made to mobilize public opinion by squandering millions of dollars on extolling its virtues. His delegation supported the opinion of the Preparatory Committee that the progress of the Second Development Decade should be periodically reviewed at the global level, preferably by the Economic and Social Council. Recent experience showed that work should not be assigned to outside bodies, however qualified they might be. For example, previous speakers had drawn attention to the mistakes in the report of the Commission on International Development, which had, in addition, erased Cuba from the map and from the world by completely omitting it, without the slightest explanation of statistics in which it ought to have been included automatically. That was no cause for alarm, because Cuba was accustomed to all kinds of aggression and, nevertheless, Cubans were growing, thriving, laughing and moving lithely and efficiently ahead thanks to their own efforts and to the active solidarity of the socialist countries and the understanding of other nations. Cuba would continue to forge ahead in spite of the efforts of one State which, although a founding Member of the United Nations and bearing special responsibility for the maintenance of peace and security, was pursuing a policy subordinated to its own overriding interests and shirking its responsibility as a member of the international community: the United States of America.

53. Mr. DE SEYNES (Under-Secretary-General for Economic and Social Affairs) said that the general debate in the Second Committee was always immensely useful to the Secretariat; it provided an indication of the thinking of the Assembly at the particular session and of the Members' views on specific subjects.

54. He was accordingly highly gratified by the reception given to his suggestions on "practical internationalism" (see 1252nd meeting, para. 21), as applied to the working of the United Nations system as a whole. The support expressed for the idea of a permanent consultative service made it likely that other organs of the General Assembly, including the Fifth Committee, would be asked to consider the inevitable budgetary and administrative implications of setting up such a service. A service of the type he had had in mind would require some structural changes at Headquarters and in the regional offices by the beginning of the Second Development Decade and those changes would have to be reflected in the planning estimate to be submitted to the current session by the Secretary-General, according to resolution 2370 (XXII), for the forecast year 1971. Moreover, any proposals for changes in the administrative structure of the regional offices would have to take into account the proposals made by the Economic Commission for Africa in its resolution 187 (IX).<sup>6</sup>

55. He noted that the recent activation of Special Drawing Rights within IMF had been generally welcomed by members of the Committee, despite some disappointment at IMF's apparent failure to respond to widespread pressure for the establishment of a link between the new liquidity and development financing. It should be remembered, however, that ideas developed slowly; for his part, he was convinced that the report on the "link", prepared by the Group of Experts on International Monetary Issues<sup>7</sup> convened by UNCTAD, was still under active consideration by IMF. The authorities of the Fund would, however, have to be certain that there was general agreement among its member countries on the order of magnitude of the supplementary financing the proposal would involve before they reached any decision on the matter.

56. There appeared to have been a general feeling among members of the Committee that the subject of population should continue to be debated until a significant consensus emerged. Clearly, doubts still persisted about the place of demographic activities in United Nations programmes, and a number of countries had cultural and other traditions which were incompatible with family planning policies. It would be short-sighted, however, to oppose demographic studies as such. Not all fertility studies, for instance, resulted in findings which indicated that a lower rate of population growth was desirable: sometimes it was found that a higher rate of population increase would improve the prospects for economic growth, or that personal well-being and gross national product could well be substantially improved on the basis of existing fertility rates. In most countries, however, fertility rates were so high as to create a badly balanced population age structure in the present generation and extremely dangerous consequences for future generations.

57. The United Nations was providing such assistance in the field as was permitted by resolutions of the Economic and Social Council and the General Assembly—in all cases,

<sup>6</sup> See *Official Records of the Economic and Social Council, Forty-seventh Session*, document E/4651, p. 133.

<sup>7</sup> *International Monetary Issues and the Developing Countries: report of the Group of Experts* (United Nations publication, Sales No.: 66.II.D.2).

at the request of Governments. Much greater effort was needed, however, and he believed that the United Nations should be authorized to use some of the funds available to it for population programmes to carry out studies of such subjects as the impact of different fertility rates on

economic and social development in individual countries, with a view to establishing what the optimum rate might be for those countries.

*The meeting rose at 6.10 p.m.*