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**SECOND COMMITTEE, 964th
MEETING**

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Chairman: Mr. Pierre FORTHOMME
(Belgium).

*In the absence of the Chairman, Mr. Silva (Chile),
Vice-President, took the Chair.*

GENERAL STATEMENTS (continued)

1. Mr. OSOGO (Kenya) considered that economic problems could be grouped under three heads: trade, industrialization, and financial and technical assistance.

2. So far as trade was concerned, the most pressing problem was the persistent disparity between the receipts from exports of the industrialized world and those of the non-industrialized world. The Final Act of the United Nations Conference on Trade and Development^{1/} represented some advance towards a fairer distribution of the world's income, but there would be no call for self-congratulation on the production of the Final Act until it had been put to the practical test. The export earnings of the developing countries were adversely affected by two major factors: the continual downward movement of the prices of their products, accompanied by the continuing upward movement of the prices of manufactured goods which they had to import, and the paucity of their invisible earnings. To redress that situation and help the developing countries to industrialize, the provisions made in recommendation A.II.1, part II, and recommendation A.III.8 of the Final Act of the Conference should be put into effect without delay. The United Nations should encourage the creation of markets among the developing countries for the manufactured products of those countries. It could do so firstly by persuading the industrial countries to refrain from exporting to the developing countries those products which the latter manufactured for themselves, and secondly by fostering the formation of regional groupings and helping to build up communication and transport systems. Kenya, which was an active member of the East African Common Market and intended to participate in the conference on harmonization of industrial development, to be organized by the East African Sub-Regional Office of the (ECA), had already consulted other African countries through economic and goodwill missions. Those missions had confirmed Kenya's

impression that the greatest barrier to intra-African trade was the lack of communication and transport facilities. To overcome that difficulty, which was probably felt in all developing regions, the countries concerned needed external assistance.

3. The question of the invisible exports of developing countries had been considered by the Third Committee of the United Nations Conference on Trade and Development, which had made some useful suggestions which were reproduced in Annex F of the Final Act, for increasing the income from shipping, insurance and tourism of those countries. In his delegation's view, tourist services were and would long remain the chief source of invisible earnings for the developing countries. The other African countries which Kenya had consulted shared that view, and all desired a reduction in air fares as a means of stimulating tourism in the developing world. The delegations of Tanzania, Uganda and Kenya had already raised that issue at the last meeting of the ICAO; he believed, however, that the main necessity was to convince the International Air Transport Association which dealt with the structure of air fares.

4. As to industrialization, his delegation welcomed the increasing acceptance which the idea of regional co-operation was gaining in the developing countries. Both investment activities and market outlets would be greatly facilitated by operations on the regional scale. Indeed, certain infra-structural outlays, for example on transport, telecommunication and electric power distribution systems, had of necessity to be planned on a regional, even continental, scale. Consequently, his delegation fully concurred in the terms of Economic and Social Council resolution 1081 A (XXXIX), concerning the activities of the Centre for Industrial Development.

5. However, whether development plans were designed on a regional or on a national basis, they would not come to fruition without adequate finance. His delegation acknowledged that balance-of-payments difficulties might have slowed down the flow of capital from the major markets of the West, that bilateral loans from the developed to the developing countries had of late gained ground over private investments, and that the World Bank and related institutions had doubled their disbursements to the developing countries in the period 1961-1963. Nevertheless his delegation could not help thinking that, if the developed countries cared, the flow of capital from those countries to the developing countries could be increased; for as the Under-Secretary for Economic and Social Affairs had said (955th meeting), appropriate co-operative arrangements between the industrial countries might make it possible to spare aid policy, at least partially, the vicissitudes of the balance of

^{1/} United Nations publication, Sales No.: 64.II.B.11.

payments in a given country. The reason why the scarcity of capital continued to gnaw the developing countries was that the selfish political interests of the developed countries inclined them to prefer bilateral assistance despite its disadvantages for the developing countries.

6. As the Secretary-General had wisely pointed out at the last session of the Economic and Social Council, a larger proportion of aid should be canalized through multilateral institutions, and in particular through organizations within the United Nations family. As the Secretary-General had also said, the limitations remaining, so far as development was concerned, was that of the ability of the world community to organize itself with enough courage, purpose and coherence to wipe out the most glaring disparities and create a world society in which both the fruits of progress and the burdens of responsibility would be more equally shared. In conclusion he underlined the word "courage", for what all countries, especially the advanced countries, needed was courage to subordinate their selfishness to their responsibility to the human race.

Mr. Pierre Forthomme (Belgium) took the Chair.

7. Sir Ellis CLARKE (Trinidad and Tobago) reminded the Committee that, at the United Nations Conference on Trade and Development, his country's representative had stated that the Conference meant economic decolonization and was an attempt, on the part of the developing countries in particular, to redress the imbalance that was inevitable in the colonial system. Hence there was no longer any time for a gradual evolutionary process with the ultimate aim of adjusting the inequalities now weighing so heavily on the majority of countries represented on the Committee. What was needed was a revolution, first in thinking, then in attitudes and approach, and lastly in actions. Political decolonization had largely been achieved, but it seemed as though the toil and sweat of all those who for so long had earned so little of the fruits of their labour would endure for ever. Only a common determination on the part of all countries, united in a spirit of harmonious co-operation, could rid them of a legacy bequeathed by unbridled exploitation in the past.

8. The developing countries must, of course, recognize the need for intensive effort on their part, for careful planning of their economy and for inevitable sacrifice. They were, however, entitled to count on the generous understanding and assistance of the developed countries in that enterprise. It was not enough to treat the developing countries with justice; they must also be treated with charity and be spared, at least for some time, the rigours of fierce competition. What the developing countries expected from the developed countries was not only financial aid, important as it was, but a genuine spirit of co-operation in their efforts to develop. For instance, it

would not impose any intolerable hardship on developed countries if they refrained, in the interest of the developing countries, from producing primary commodities—which, incidentally, were often subsidized—and opened their markets to goods whose manufacture, in the developing countries, employed a large unskilled or semi-skilled labour force. Furthermore, a liberal immigration policy on the part of many developed countries would help to relieve the developing countries of some of their unskilled or semi-skilled citizens without depriving them of highly trained people upon whom money, time and effort had been spent.

9. Some developing countries, of which Trinidad and Tobago was one, had special problems because of their small size and relatively high density of population. They had therefore to show a large measure of flexibility in assessing their needs, their problems and their state of development. Undue weight should not be given to statistical figures. For example the per capita income of Trinidad and Tobago, which was relatively high, gave no idea of that country's state of under-development. There were many other factors to be taken into account.

10. Until now international assistance had been extended on such terms—high rates of interest and the obligation to purchase goods from the capital-supplying countries—as virtually to nullify its effect. It was therefore gratifying to learn that, before too long, a more liberal policy might be expected with regard to loans.

11. Those critical observations did not mean that there was no evidence of the spirit of co-operation for which he had appealed. The many programmes and activities of the various organizations in the United Nations family were consistently marked by willingness and unanimous concern to work in profitable harmony. It was no criticism of the institutions or programmes of the United Nations system to believe that, with the advantage of hindsight, they could be made more effective. They had been brought into being, not by logicians, but by practical people concerned mainly with what was possible at a given time. Today the complexity of the activities carried on might stagger or even bewilder small countries, which might justifiably wonder whether those activities were serving the best interests of those they were primarily designed to aid. Those thoughts had led his delegation to join with the delegation of Malta in requesting the inclusion of item 100 in the agenda of the General Assembly. The general review of programmes and activities should make it possible to strengthen co-ordination among the various agencies, to utilize the experience gained over the years, and to prepare in an orderly fashion for the future without interfering with the progress of other tasks and endeavours.

The meeting rose at 4 p.m.