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*President* : Mr. J. MICHALOWSKI (Poland).

*Present* :

Representatives of the following States: Australia, Brazil, Colombia, Denmark, El Salvador, Ethiopia, France, India, Italy, Japan, Jordan, Poland, Senegal, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Yugoslavia.

Observers for the following Member States: Austria, Belgium, Canada, Greece, Indonesia, Iraq, Ireland, Mali, Netherlands, New Zealand, Romania, Sweden.

Observers for the following non-member States: Federal Republic of Germany, Switzerland.

Representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, International Civil Aviation Organization, International Bank for Reconstruction and Development, International Monetary Fund, World Health Organization, Universal Postal Union, Interim Commission for the International Trade Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 11

Report of the Statistical Commission (E/3633)

REPORT OF THE ECONOMIC COMMITTEE (E/3669)

1. Mr. LOBANOV (Union of Soviet Socialist Republics) asked whether approval of the report of the Economic Committee (E/3669), and the consequent endorsement of the work programme contained in the report of the Statistical Commission on its twelfth session (E/3633), would imply approval of the immediate establishment of an international servicing and computational centre for processing and making available data on external trade. The Statistical Commission had recommended

establishment of such a centre by its resolution 11 (XII) contained in paragraph 122 of its report.

2. Mr. de SEYNES, Under-Secretary for Economic and Social Affairs, replied that, once the draft resolution recommended by the Economic Committee had been adopted, the Secretariat would be authorized to take the necessary steps to establish the centre in question.

3. Mr. LOBANOV (Union of Soviet Socialist Republics) recalled that, when the Economic Committee had discussed the report of the Statistical Commission at its 310th meeting, his own delegation and certain other delegations had expressed misgivings regarding the establishment of the proposed centre. His delegation had no objection to the idea of establishing a centre of the type suggested; such a centre could be of assistance, particularly to the developing countries, which did not possess adequate equipment themselves. It considered, however, that a decision to set up the centre immediately would be premature; in the absence of a thorough study of all its financial and administrative implications, such a decision would do more harm than good at that stage.

4. Certain questions of principle, such as the situation of the proposed centre, should be settled before any final decision was taken, and it was not surprising that certain delegations should have reserved the right to revert to the matter in the Fifth Committee of the General Assembly.

5. Another important point to be borne in mind in connexion with the proposed centre was that there were certain differences of opinion between the United Nations and the specialized agencies in the matter. In addition, if the proposed centre were to be set up, it should be made perfectly clear that participation in it and in its financing would be a voluntary matter. Not all countries would wish to avail themselves of the proposed centre; the Soviet Union, for example, had indicated to the Statistical Commission that it would probably not make use of the proposed centre.

6. In conclusion, he wished to make it clear that, in voting for the draft resolution in the Economic Committee's report (E/3669), his delegation did not support the item of the Statistical Commission's programme of work relating to the proposed centre; his delegation reserved the right to revert to the question of the financing of the scheme in the Fifth Committee of the General Assembly.

7. Mr. WELLS (Food and Agriculture Organization of the United Nations) said that he had informed the Economic Committee that there had been no agreement or understanding between FAO and the United Nations on the proposed compilation and electronic processing

of international trade statistics at the five-digit level of the Standard International Trade Classification. For those reasons, he had indicated that FAO had reservations regarding the proposal, reservations on the technical feasibility of the proposal as it applied to agricultural trade statistics and, more important, reservations on the implications with respect to the FAO operating programmes and constitutional responsibilities which would have to be discussed with the governing bodies of FAO, the Council and the Conference. In that connexion, the spokesman for the United Nations Secretariat had given an assurance that the Secretary-General had no intention of overriding the existing jurisdiction of any international body in the field of external trade statistics or in any way interrupting the work of FAO in that field.

8. Mr. CZARKOWSKI (Poland) said that his delegation would vote for the draft resolution contained in the Economic Committee's report. With regard to resolution 11 (XII) of the Statistical Commission, his delegation would support any steps conducive to the development of external trade. However, after carefully studying all the relevant documents, it felt that the time was not ripe for taking a decision on the establishment of a centre for the publication of international data on external trade, equipped with an expensive electronic computer. His delegation reserved its position on that point, pending the discussion of the matter in the Fifth Committee of the General Assembly. It also reserved its position with respect to the situation of the centre, should it be decided to establish it.

9. Mr. VIAUD (France) said that his delegation was prepared to vote for the draft resolution, but reserved the right to revert in the Fifth Committee to the financial implications of the establishment of the centre envisaged in resolution 11 (XII) of the Statistical Commission. Those implications involved two problems. The first was the estimation of costs. The estimates currently available were based on a series of assumptions which the Fifth Committee would have to study in detail in order to see how the project could be carried out as economically as possible. The second was the apportionment of the expenditure. To be useful, the centre must contribute, through its work, to the avoidance of duplication in the compilation of statistics. As the Statistical Commission pointed out, the centre would be able to offer its services to governments and other interested international organizations and it would receive payment for the services it provided. In other words, part of the expenditure might be offset by revenue, and although it was still too early to make an estimate of such revenue, the fact should not be lost sight of. For those reasons, the French delegation was unwilling to commit itself at that stage in regard to the financial implications of the proposal.

10. Mr. ZADOTTI (Italy) confirmed the statement made by his delegation at the 310th meeting of the Economic Committee to the effect that it reserved the right to revert to the financial implications set forth in annexes I and II to the report of the Statistical Commission, particularly those relating to the international compilation of external trade statistics by computer. Subject to that reservation, his delegation would vote for the adoption of the draft

resolution contained in the report of the Economic Committee.

11. Mr. de SEYNES, Under-Secretary for Economic and Social Affairs, pointed out that the question of the situation centre remained open; nothing had yet been decided. There was no question of the United Nations buying the electronic equipment required for the computational work planned. The magnetic tapes could obviously be sent for use anywhere in the world where such equipment was available. The essential thing was that the programming work required for the use of the electronic equipment should be carried out under the authority of the United Nations Statistical Office, which was in fact already performing that function in part under Council resolution 765 (XXX).

12. Mr. WILLIAMS (International Monetary Fund) said that there had been a constant and fruitful exchange of data between the Fund and the Statistical Office of the United Nations. A United Nations servicing and computational centre for processing and making available data on external trade would be very useful, for it could improve the quality of the data obtained and its classification. He hoped that the close relationship between the Fund and the Statistical Office would continue in the future.

*The draft resolution submitted by the Economic Committee (E/3669, para. 3) was adopted unanimously.*

#### AGENDA ITEM 4

**United Nations Development Decade (E/3613 and Corr.2 and Add.1-3, E/3658, E/3664; E/L.957 and Corr.1, E/L.958 and Add.1, E/L.960)**

#### GENERAL DEBATE (*continued*)

13. Mr. HOFFMAN, Managing Director, Special Fund, recalling the speed and thoroughness with which the countries ravaged by the second world war had accomplished the enormous task of rebuilding their shattered economies, said that the peoples of those countries were then enjoying a standard of living that could not have been envisaged by the most optimistic less than two decades previously. The world was now faced with the equally tremendous task of the conquest of poverty, illiteracy and chronic ill-health everywhere. The decade of the 1960s was a critical decade, in which the momentum must be built up to ensure that by the end of the century there would be a world without want.

14. The General Assembly had set as an objective for each less developed country a minimum annual rate of growth of 5 per cent in aggregate national income. That was a modest figure, which was in fact already being exceeded by a number of countries.

15. Fortunately, most of the less developed countries, which he preferred to call "modernizing" countries, had the physical resources necessary to provide their growing populations with a relatively decent level of living. Fortunately, too, modern science and technology could speed up the process of bringing to light knowledge of the physical resources of those countries. Experience had shown how aerial surveys could reveal resources hitherto

concealed by geographical obstacles; aerial maps could show where certain crops could be grown or where the most powerful head of water for hydro-electric power could be obtained; aerial cameras, supplemented by electronic devices, had brought to light valuable new petroleum fields and mineral deposits.

16. The problem of seeking out the physical resources of the modernizing countries was thus largely a matter of finance. However, the potentialities of the new resources could be realized only as trained people were made available. Previous speakers had already stressed the importance of education and training; in that connexion, if economic development were to be adequately speeded up, priority must be given to the training of those categories of person most urgently needed for the process of development. In one country top priority should perhaps be given to an institute of public administration, but in another to an engineering college.

17. The educational task could not be accomplished by traditional methods, and he would suggest that several institutes should be established for the purpose of devising new teaching methods appropriate to the new countries, and of finding new uses for radio, teaching machines and, in some cases, television.

18. The mobilization of the physical and human resources of the low-income countries was the primary function of the United Nations Development Decade, and the goals which the governments and peoples of those countries had before them were but moderate objectives well within their capacities.

19. The progress envisaged for the Decade could, however, take place only if certain hard facts were faced and acted upon. The first was that all nations must work together in concert; no country was so poor that it could not help another country and no country was so rich that it could not benefit from an expanding world economy.

20. The second fact was that while external aid had a vital role to play, that role was strictly limited. The main impetus towards economic growth and social betterment must come from within the country itself.

21. The third fact was that more pre-investment work must be undertaken promptly and on an adequate scale. There was no dearth of capital for sound development schemes but, in order to attract investment, the natural resources and production possibilities of the modernizing countries needed to be defined more specifically. He estimated that something less than \$6,000 million would flow from the industrial countries to the modernizing countries in 1962; of that amount, \$600 million or so would be for pre-investment work of the kind carried out by the Special Fund — i.e., for surveys, research, technical education and training.

22. The fourth fact was that all sources of external assistance had their part to play, international organizations, national governments, private foundations and religious and other groups. There was, however, a pressing need to establish criteria for determining the best channel through which aid should be provided. To his mind, the obvious criterion was that the channel that would produce the most effective results at the lowest

cost should be used. If that criterion were applied, governments would channel an increasing amount of their assistance through the United Nations. In 1962, approximately \$150 million out of the \$600 million being devoted to pre-investment work was flowing through the United Nations family. The application of that criterion would probably double the figure of \$150 million.

23. The fifth fact was that investment capital must be forthcoming in increasing volume. In the remaining seven years of the Decade, some \$30,000 million of additional investment capital would be required, of which \$10,000 million should meet the highest investment and banking standards and thus qualify for either IBRD loans or private investment. Of the remaining \$20,000 million, about three-quarters would have to take the form of soft loans of the IDA type or grants for pre-investment projects. A contribution of \$20,000 million in high-risk investments and in grants represented a very substantial amount of money, but it was indispensable if the Decade was to be a success. Moreover, that investment in peace did not seem excessive when compared with the more than \$800,000 million that would be spent by the Member States of the United Nations on armaments during the next seven years if expenditure on armaments continued at the current rate.

24. Over and above the compelling political and economic reasons for making a success of the Decade lay the profound moral reasons that none could afford to ignore and to which the Acting Secretary-General had already drawn attention. It would be the unique privilege of all those associated with the Decade to help to bring to hundreds of millions of people lives of increased comfort and well-being and, above all, of greater dignity.

25. Mr. ARKADEV (Union of Soviet Socialist Republics) said that he had listened very carefully to the opening statement by the Acting Secretary-General at the 1214th meeting and had been particularly struck by his remarks on world peace and on the fact that the Council was considering at the same time the United Nations Development Decade and the economic and social consequences of disarmament. Yet at the very time when the Economic and Social Council was discussing the United Nations Development Decade and the economic and social consequences of disarmament, a monstrous crime was perpetrated in the Pacific Ocean. The United States of America had exploded an atomic bomb of great destructive force in outer space. His delegation protested against that crime against the peoples of the world. Those peoples would not tolerate much longer such crimes by imperialists and militarists; they wanted to live in peace. The World Congress for General Disarmament and Peace had just opened in Moscow, and it was significant that the United States Government had chosen to make its nuclear explosion coincide with the opening of that congress. Mankind would never forgive that act of folly on the part of the United States.

26. The Council was called upon to discuss proposals for action in connexion with the United Nations Development Decade. The aim, as laid down by General Assembly resolution 1710 (XVI), was to promote more rapid development in the developing countries. But in order to promote that rapid development, certain conditions must

be fulfilled; otherwise, all the schemes proposed would bring about no change, but would remain merely pious hopes.

27. In the first place, it was no accident that in many government replies (E/3613/Add.2 and 3) to the proposals for action for the United Nations Development Decade in the report by the Secretary-General (E/3613 and Corr. 2), it had been stressed that the main purpose of the Development Decade should be the rapid elimination of the economic consequences of colonialism. The collapse of the colonial system had led to the breaking up of the political relationships between the colonialist powers and the newly independent countries. That collapse, however, had scarcely affected previous economic relationships. The more important sources of raw materials had remained in the hands of foreign monopolies, which had also retained control over capital investments. A consistent attempt was being made to maintain economic control over the newly independent countries and to perpetuate colonial exploitation. That attempt undermined the essence of the independence of the new countries. Colonialism would not be liquidated until its economic roots had been pulled out. Of particular significance were the new methods of collective colonialism, in the form of links with the European Common Market; a whole network of one-sided treaties kept the newly independent States tied to the economies of the countries of EEC.

28. The colonial powers were responsible for the wretched conditions prevailing in the newly independent countries, which were unable to sweep away the aftermath of colonialism. It was regrettable that the Secretary-General's report made no mention of the need to ensure, as was the duty of the United Nations, the rapid elimination of the economic consequences of colonialism. Fortunately, in his opening statement the Acting Secretary-General had made an apt reference to the process of decolonization and to the need for co-operation in the task of bridging the tremendous gap between rich and poor.

29. His report, however, was couched in far too general terms and its language was vague. In fact, General Assembly resolution 1710 (XVI) set a specific target of a 5 per cent annual rate of growth in the aggregate national income of the less developed countries. That target, as pointed out by the Acting Secretary-General, was a very modest one. Standards of living would be doubled in the developing countries in some twenty-five to thirty years, but allowing for an annual population increase of three per cent, a much longer period would be necessary to reach that result in the developing countries. His delegation considered that the rate of development represented by that 5 per cent annual rate of growth was a minimum for those countries which wished to eradicate want.

30. It was regrettable also that the report did not take into account the national development plans of the countries concerned. It ignored the proposals made by the Soviet Union and other socialist countries, which included proposals regarding measures to promote the rapid elimination of the economic consequences of colonialism.

31. Another defect of the report was that it made no

reference to the views expressed in formal declarations by the developing countries themselves. The report gave the views of GATT, which was not a member of the United Nations family and was far from universal in character, but made no reference to the important pronouncements of the 1961 Belgrade Conference of Heads of State or Government of Non-aligned Countries. That conference had proposed the early convening of an international conference to formulate measures for the elimination of obstacles to and the promotion of development. At that very moment an important economic conference of the developing nations was being held at Cairo, and he felt sure that an equally valuable contribution would be made by that conference. The views of the countries primarily concerned, as expressed in the declarations adopted by such conferences, should be taken into account in planning the United Nations Development Decade.

32. It was remarkable that General Assembly resolution 1710 (XVI) had had no significant impact on the work of the United Nations Secretariat. No integrated plan for promoting the development of the developing countries had emerged. In fact, the Secretary-General's report lacked an element which could have easily been introduced by the Secretariat; no indication was given of what use would be made for the Development Decade of the \$1,000 million which would be available for the Special Fund and other United Nations development activities between 1962 and 1970.

33. The solution of some of the key problems referred to in the Secretary-General's report would lead to the solution of all the others. Such key problems included the establishment of a modern industry in the developing countries, producing machinery and equipment as well as consumer and export goods. At the same time, reliance on a single-crop agricultural system should be eliminated, with a view to the achievement of economic independence.

34. To accelerate the industrialization of the developing countries, particular attention should be paid to the sources, prices and sales conditions of the equipment they required, in addition to the sources of blueprints for industrial projects and to methods of training local technical personnel. Those were basic problems; they had been encountered by India and the United Arab Republic, during the course of their development, but were completely ignored by the Secretariat. The approach would vary according to the conditions and requirements of individual countries; in some Asian countries, the primary task was to create a heavy industry, in others, a food-processing industry. Other countries which were as yet unable to set up heavy industries could pool their efforts and co-operate in the establishment of regional or subregional industrial enterprises. That approach was already being followed successfully by some of the African countries. The regional economic commissions and the appropriate United Nations bodies should draw up and submit, for the Council's consideration, recommendations on the development of industry, taking into account the peculiarities of each region. The long-term plan should provide for the comprehensive development of agriculture, since only in that way could the problem of malnutrition be solved. However, an expansion of agricultural production was impossible without land reform, where necessary,

and the organization of agricultural co-operatives, bearing in mind the characteristics of countries and regions.

35. The development of the public sector, particularly of industry and trade, was of great importance and would be of inestimable value in mobilizing the resources of a country, providing a sound basis for economic development and accelerating economic progress. The need for development planning had been rightly mentioned in the Secretary-General's report, and the developing countries should be assisted in the preparation of their national plans on a country-wide basis. Such planning helped to mobilize resources and to channel foreign aid into fields regarded as important by the developing countries themselves, instead of allowing it to gravitate towards projects offering a high yield. The aims of economic planning should be the establishment of a comprehensive economic structure designed to raise standards of living, and valuable assistance to that end could be provided by the socialist countries which had long planning experience. Shorter-term plans of two, three or five years should also be drawn up in the Development Decade as a means of defining aims and checking the progress of the long-term plan. The USSR would be glad to help the developing countries in that direction.

36. More attention should have been paid in the Secretary-General's report to the question of training local staff whose number should be increased not just by 10 per cent — as indicated in item 2 in the list of "new approaches" contained in the introduction to the document — but many times over. The long-term plan should provide for the establishment of regional higher education institutions to train experts from the developing countries, in addition to schools, courses and seminars; the specialized agencies, in particular FAO, were already doing good work along those lines. Furthermore, selected persons from the developing countries should be sent for training in factories in the developed countries and also receive on-the-job training in plants already set up in their own countries. The long-term plan should also indicate who was to train local technical staff and workers for undertakings in the developing countries and should emphasize that such training was to proceed simultaneously with the implementation of industrialization plans, and not in stages. The USSR would continue to provide assistance in training experts from the developing countries.

37. The basic condition for the rapid development of the developing countries was the recognition of their sovereign right freely to dispose of their natural resources; unless that condition were met, talk of economic independence would be meaningless. It would also be necessary to include in the long-term plan proposals for assisting countries in the exploration and development of their natural resources, such as oil and mineral deposits.

38. The important aspect of financing development had already been emphasized. Substantial additional sources of funds could be opened up by placing ceilings on the profits accruing to foreign monopolies exploiting the natural resources of the developing countries, and by increasing the royalties payable by foreign companies, particularly oil companies, a subject mentioned by implication in General Assembly resolution 1710 (XVI).

Specific proposals on the subject should be included in the long-term plan since, if the demands of the developing countries for an equitable share of the profits of foreign companies were met, the additional funds thus made available would go a long way towards financing their development. Another related source of funds could be tapped if part of the wealth siphoned off by the former colonial powers over the centuries were returned to the developing countries. Restitution in the form of grants and loans represented only a small fraction of the total that had been plundered.

39. An important aspect of the general problem was the opportunities available to the developing countries for obtaining long-term loans and credits; he was therefore surprised to find no mention in the secretariat documents of the possibility of setting up the special United Nations Fund for economic development (SUNFED) to meet that need. It had been suggested that IDA could replace SUNFED in that respect, but IDA was to all intents and purposes a branch of IBRD engaged in infrastructural financing, and of the twenty loans it had granted, four had gone to Chiang Kai-shek. The SUNFED, on the other hand, would be an independent agency of the United Nations, able to finance the industrial development of Member States.

40. Another source of funds for the economic development of the developing countries could be uncovered by fixing fair prices for their commodity exports and for the industrial products they had to import. The best ways of achieving that goal would be to reduce tariffs on agricultural products and commodities to the minimum and extend the practice of long-term international trade agreements. Unless favourable conditions were created in the markets of the developing countries, their development would be seriously hampered. For that reason, the long-term plan should contain proposals for the stabilization of prices and for tariff reductions on agricultural products and primary commodities. The importance of the problem of stabilizing the prices of primary commodities had already been emphasized by the Secretary-General's report and the success of the Development Decade largely depended on its solution. The Secretariat should set up a group of experts, including representatives of the developing countries, to undertake a study on the extent and consequences of the economic exploitation of the developing countries by foreign monopolies through high prices, unfair trade practices and excessive profits.

41. Yet another source of financing would be opened up through general disarmament, as had rightly been stressed by the Acting Secretary-General.

42. With regard to closed economic groupings, such as the European Common Market, a number of representatives, in addition to the Executive Secretary of ECLA, had noted their possible adverse effects on the development, trade and production of the developing countries. The Secretariat, in drafting its Development Decade plans, should therefore undertake a study of the effect of EEC on the economic development of the less developed countries. The Secretary-General should also convene, as a matter of urgency, an international conference on trade problems to discuss the establishment of an international trade organization to include all the countries

of the world without distinction. For that reason, his delegation welcomed the initiative taken by the co-sponsors of draft resolution E/L.958 and Add.1. The USSR Government, in its reply to the Secretariat's request (see E/3613/Add.2), had already indicated the items that should be included in the agenda of an international trade conference. Opponents of the idea of such an international trade organization claimed that the lack of an appropriate specialized agency was offset by the existence of GATT and FAO. But GATT had only some forty members, dealt with a very narrow aspect of trade, and fixed tariffs without taking account of the need to protect the infant industries of the less developed countries. Moreover, the fact that some of its members had reduced rights infringed the principle of equality. The trade activities of FAO, on the other hand, were confined to questions of trade in agricultural products and foodstuffs. The international trade organization should be a permanent part of the United Nations system and all countries should be admitted to it on an equal footing. Its main tasks should be to draw up and help implement measures calculated to promote trade, with due regard for the interests of the developing countries, to eliminate artificial trade barriers, to draft recommendations with a view to the establishment of fair prices for raw materials and manufactured products and to promote the conclusion of long-term trade agreements.

43. The Council's discussion should make clear the aims of the Development Decade. Unfortunately, judging from the statement made at the 1214th meeting by the United States representative, it appeared that the United States felt that the work to be carried out by the United Nations and the specialized agencies in connexion with the Development Decade was to strengthen NATO. Surely the developing countries were entitled to expect something more from the Development Decade than that.

44. With regard to assistance and credit facilities extended by the USSR to the developing countries, currently 23 countries in Latin America, Asia and Africa were receiving such help in connexion with 480 projects. That assistance was not subject to any political or military conditions, but was inspired by a sincere desire to help all countries jealous of their freedom and national independence. The development of the less developed coun-

tries could be promoted by outside assistance and the United Nations and the specialized agencies should do everything in their power to stimulate the development process. The Secretariat should, in the light of the replies of governments, the statements of representatives and the recommendations of international economic conferences, draw up a long-term plan for speeding up the economic and social development of the less developed countries. Any such plan should take into account the points he had made.

45. Mr. STEVENSON (United States of America) said that, in making an unwarranted attack on the United States, the USSR representative had raised matters irrelevant to the debate and the agenda item for the purpose of propaganda. The USSR representative's statements, moreover, had grossly distorted the United States delegation's statement on the substance of the documents before the Council, and he therefore reserved the right to reply at greater length at a later date.

46. The hypocrisy of the USSR representative's indignation over the United States test explosion in the Pacific was proved by the fact that the USSR had unilaterally broken the testing moratorium in 1961. The United States had resumed testing only with great reluctance after the USSR had ignored all pleas over a period of six months to sign a test-ban treaty. The United States, for its part, was prepared to sign such a treaty at any time. Would the Soviet representative say his country did not plan another series of tests?

47. That another peace congress was being held in Moscow was unimpressive in view of the fact that only a few weeks ago the USSR had refused to subscribe to a declaration to put an end to war propaganda. For its part, the United States would continue to do everything in its power to promote and strengthen the economic and political freedom of the developing countries.

48. Mr. ARKADEV (Union of Soviet Socialist Republics) disclaimed any departure from the subject under discussion; he had merely drawn attention to a statement by the United States representative. He reserved the right to reply in greater detail to the United States representative's remarks at a later date.

The meeting rose at 1 p.m.