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efficient planning helped to bring about conditions favourable to economic growth. He stressed the importance of efficiency; in the past, planning had been more theoretical than practical, and had hindered rather than helped industrial production. But while planning, as had been said, could not be a substitute for a development policy, it was the indispensable foundation for policy, which in turn served as a basis for the definitive programmes.

2. There was too often a tendency to confuse exports with development, thus taking the part for the whole. Today, it seemed, to expand a country's exports meant increasing its total production, as the Director-General of the International Monetary Fund had emphasized in his statement at the 1482nd meeting. That implied that before discussing exports one had to give some thought to production, from the standpoint not only of volume, but of quality and price. The fact was that the world was not yet equipped with the production capacity it would need to attain the legitimate development goals the United Nations had in view. If the developing countries, with a population nearly twice that of the developed countries, were to reach the same standard of living as the latter, the consumption of raw materials would have to be increased to three times its present level. But it had been calculated that an increase of the order of 10 to 25 per cent in the consumption of the various primary commodities would lead to a serious shortage of raw materials. The production problem was therefore vital.

3. The world food situation was not in his view a threat to world security. The rich nations must not be made to live in political fear of the hungry nations; still less must there be any attempt to exploit such a fear to supply the latter, whether on the basis of aid or trade, with enough to keep their peoples alive. The vital need was to ensure greater agricultural productivity. A noteworthy point in that connexion was that the industrialized countries, whose agricultural policies had often been criticized, had acquired the capacity to provide extra supplies which had in many cases prevented famine. The policy designed to give farmers a standard of living equal to that of the other classes of the population had not always had entirely satisfactory results, but its aim was of such great social importance that the other social groups had accepted the sacrifices asked of them, receiving in exchange an infinite variety of foodstuffs at prices which were reasonable, given all the circumstances. Consequently, it was regrettable that both in the documents before the Council and in previous statements the emphasis had been placed on the physical resources made available to farmers, leaving aside the problems involved in their income and, even more, their status as producers.

President: Mr. M. KLUSAK (Czechoslovakia).

Present:

Representatives of the following States: Belgium, Cameroon, Canada, Czechoslovakia, Dahomey, France, Gabon, Guatemala, India, Iran, Kuwait, Libya, Mexico, Morocco, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela.

Observers for the following Member States: Argentina, Australia, Austria, Brazil, Bulgaria, Central African Republic, China, Greece, Iraq, Ireland, Israel, Italy, Japan, Portugal, South Africa, United Arab Republic, Yugoslavia.

Observers for the following non-member States: Federal Republic of Germany, Holy See, 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 Bank for Reconstruction and Development.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 2

General discussion of international economic and social policy (E/4332, E/4343, E/4352 and Corr.1 and Add.1, E/4353 and Add.1 and Add.1/Corr.1, E/4361, E/4362 and Corr.1, E/4363 and Add.1-2, E/4370, E/4378, E/4392, E/4396 and Add. 1-3 and Add.1/Corr.1; E/CN.11/L.184, E/CN.11/L.185/Rev.1; E/CN.12/767, E/CN.12/768; E/CN.14/370, E/CN.14/397; E/ECE/656) (*continued*)

1. Mr. FORTHOMME (Belgium) said that he had certain observations to make on the main items of the agenda. The idea of planning had won general acceptance; even private enterprise was beginning to recognize that

It was important that farmers, particularly in the developing countries, should be regarded as full citizens, freed from crippling land tenure systems, and helped to avoid having recourse to usurers. If those things were not done, every effort to solve the food problem would be in vain.

4. The documents before the Council did not bring out clearly enough the fact that farmers who prospered by supplying town dwellers and industrial workers would provide the basic market for industry; he hoped that greater attention would be given to the need for promoting exchanges between town and country, and was glad to see that an ECLA study on industrial development¹ stressed the excessive gulf existing between the rural and urban sectors. To bridge that gap, the idea of the "mobilization of human resources" had been devised—an expression which he considered rather violent for an Organization whose fundamental aim was peace. He would prefer the problem to have been expressed in terms of giving a role and a purpose in life to the millions of human beings who formed the workless masses of mankind. To do that, leaders would have to be selected and trained; and that was one of the major activities of the United Nations and the specialized agencies. Those activities were most significant even though they sometimes overlapped and, in some cases, tended to absorb the services of men who would have been more useful, happy and productive in their own countries and home environment.

5. The Secretary-General, in his message to the Council (1480th meeting), had expressed the view that peace and security depended as much on economic and social co-operation for development as on the settlement of political conflicts. It should be added that political conflicts always set back social and economic progress. The two world wars had squandered a human and material potential that could have led to a tremendous advance in human progress. It was false to believe that mankind experienced periods of emergency and grave danger when only unity could save it, followed by periods of well-being and comfort when the nations of the world could allow themselves to become disunited and mutually hostile. The slightest emergence of disunity meant the return of danger, immediate and destructive. The United Nations would have fulfilled its task only when that truth was universally recognized.

6. Mr. HAYTA (Turkey) said that according to many assessments the Development Decade, which was entering on its last phase, concurrently with the convening of the Council's forty-third session, had hitherto been only partially successful. Some developing countries had achieved a satisfactory rate of growth, but the less developed countries as a whole had not attained the projected 5 per cent rate of growth of total domestic output; the average figure reached during the first part of the Decade had been only of the order of 4 per cent. If the data available were any guide, the modest objective of 5 per cent was unlikely to be achieved in the last years of the Decade. Per capita income was still low. Despite the encouraging steps taken by certain donor countries,

the terms of financial aid had not been eased; as a result, there was a steady increase in the burden of debt servicing on the developing countries, and in some cases a critical situation had arisen. Moreover, the donor countries had not achieved the objective of devoting 1 per cent of their national product to development aid. As a result, the success of international development policy was in danger.

7. So far as concerned economic planning, the developing countries as a whole had made constructive efforts to diversify their economies and direct them towards industrialization, while at the same time pushing the development of agriculture. However, the progress made had been slow and unsatisfactory.

8. It was clear from that rather negative assessment that a fresh appraisal of international efforts to assist development was needed. In particular, the volume of gross resources transferred to the developing countries had to be rapidly and appreciably increased, and at the same time the terms of external aid should be eased.

9. The establishment of UNCTAD and UNIDO had been noteworthy additions to institutional arrangements. The former was intended to make possible the formulation of a new international development policy. The task was a vast one, as the volume and variety of the studies already made showed. The second UNCTAD session would certainly be an important milestone on the way to a solution of the problem of under-development. The establishment of UNIDO was also significant, and could not fail to give new impetus to the international effort to promote industrialization. His country approved the work programme which had been laid down, and thought that UNIDO should be geared for action. Its co-ordinating role would inevitably lead it to promote operations in the field.

10. Among the tangible achievements of the Decade was the establishment of the United Nations Development Programme (UNDP) through the merger of the Special Fund with the Expanded Programme of Technical Assistance. Under the direction of its distinguished Administrator, UNDP was making a valuable contribution to the progress of developing countries. Progress had also been made in the matter of regional economic co-operation, as was illustrated by the establishment of the Organization of Regional Co-operation for Development (RCD), whose members were Turkey, Iran and Pakistan.

11. The completion of the Kennedy Round negotiations was an important step forward in international co-operation, but the joint declaration made by the developing countries showed that they felt a certain justifiable disappointment. So far as concerned the elimination of non-tariff obstacles to trade, the outcome of the negotiations was scarcely encouraging. But despite their limited nature, the results achieved remained impressive. They would probably help to encourage the expansion of international trade, and thanks to them it was now possible to view the special problems of the developing countries with more realism and courage. The negotiations which were to take place at New Delhi, at the second UNCTAD session, found their place in the same

¹ *The process of industrial development in Latin America* (E/CN.12/716/Rev.1), United Nations publication, Sales No.: 66.II.G.4.

context. In addition, there was already need to give thought to the next Development Decade, and the constructive suggestions on the subject contained in section II of the report of the Committee for Development Planning (E/4362 and Corr.1) should be studied. As the Pope said in his Encyclical *Populorum Progressio*, development was the new name for peace, and great achievements made in the field of financial and technical assistance would be a mere delusion if their results were partially cancelled out by the effects of trade relations between rich and poor countries.

12. Turning to the role of planning, he said that the report of the Committee for Development Planning offered a wealth of useful information to a country like Turkey which had chosen to apply the planning method. The Committee rightly attached special importance to consulting the different sectors of the national economy, which ensured the effectiveness and popularity of the plan prepared. In Turkey the Planning Department had consulted 630 industrial and agricultural entities while drawing up the national plan. That fact invalidated the erroneous statement appearing in part I, chapter 3, of the *World Economic Survey, 1966* (E/4363) that in Turkey no attempt had been made to consult farmers on their role in the plan.

13. The Council would have to give thought to the problem of the world food deficit caused by the imbalance between population growth and food production. Efforts must be made to find national and international remedies and solutions. The progress report of the Secretary-General on multilateral food aid (E/4352 and Corr.1) rightly placed the problem of food aid within the general context of economic development, especially development of the agricultural sector. It was primarily the responsibility of the countries concerned to apply policies designed to increase food production. An important role must nevertheless be reserved for international co-operation, which could take various forms according to circumstances. To that end, the problems raised by food aid and the deficit in world food production must be dealt with on a multilateral basis and in a co-ordinated manner. In that respect the United Nations bodies concerned, in particular FAO and WFP, could render outstanding service.

14. With regard to the question of the development and utilization of human resources, he expressed appreciation of the quality and richness of detail of the Secretary-General's report (E/4353 and Add.1 and Add.1/Corr.1); his delegation approved the conclusions of that report, which gave a scientific analysis of the nature of the problem and contained proposals for the preparation of joint action. In view of the unlimited number of needs, and the necessarily limited amount of resources available for assistance and action, an order of priority should be laid down and respected at all stages of the preparation, execution and co-ordination of programmes; that was of capital importance for the related activities of the specialized agencies. Tasks should be allotted on the basis of experience gained and research carried out, but with certain agencies playing a dominant role in co-ordination. Since technical progress was generally thought to be

synonymous with economic development it would perhaps be advisable to give marked preference to the economic demands of the problem. Given the urgent need to mobilize reserves of manpower in the developing countries, a more detailed study on that subject would probably have to be carried out in the near future. It would also be necessary to know from the outset the different types of assistance which would be granted, and to study as fully and rapidly as possible the problems connected with population growth, and measures to be taken to avoid a catastrophic explosion.

15. The co-ordination of the activities of the organizations within the United Nations system largely depended for its effectiveness on such improvement as could be effected in the controlling body, the Administrative Committee on Co-ordination. He noted with satisfaction that the very pertinent suggestions contained in the excellent report of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies (A/6343) were being studied with the full attention they deserved. The establishment of a joint inspection unit with all the requisite powers would doubtless help to standardize and improve co-ordination between the different United Nations organizations. To be effective, however, such co-ordination would have to be complete and to be put into parallel operation in the organizations and the many departments of all the countries concerned.

16. Mr. AL-MUDAF (Kuwait) said it was satisfactory to note that the agenda for the present session of the Council included a number of questions which were of vital importance to the developing countries; it was to be hoped that the Council's discussions would be both constructive and fruitful. His Government was convinced that UNDP played a valuable role as an economic stimulus in the developing countries and that the close collaboration which had been inaugurated between UNDP and UNIDO would mark the dawn of a new era of economic and social progress.

17. His delegation supported the USSR proposal for inclusion in the agenda of an item "Responsibility of Israel for the economic damage caused to Arab and other peace-loving States by its aggression against the United Arab Republic, Syria and Jordan" (E/4409). The Israelis had deliberately set themselves to cause as much damage as possible in the territories they were occupying. It was difficult to understand how some of the great Powers whose professed goal was the maintenance of international peace and security could remain indifferent in the face of such savagery. Israel's aggression had disrupted the social and economic life of large numbers of people in the Arab world and had inflicted immense suffering on the populations of the invaded territories. His delegation expressed the confident hope that the Council would view the matter from that standpoint.

18. Turning to the question of international economic and social policy, he said that although most of the developing countries were aware of the value of efficient planning for development, they lacked adequate means to carry it out successfully, without financial and technical assistance from outside.

19. Most of the developing countries were faced with the problem of over-population and its result, shortage of food. To provide for their subsistence they had to divert financial resources which ought to be used to further economic development. The necessary steps should therefore be taken to organize birth control facilities in the developing countries and to increase food production by modernizing agriculture—which was also a source of export revenue.

20. However, the development of agriculture was not in itself sufficient to solve all the existing problems, and the developing countries needed to promote industrialization as well. Each country should choose the sector of industrial activity best suited to it, taking account of the need to encourage the export industries through which it could acquire foreign exchange for the purchase of equipment and as a result reduce its dependence on foreign assistance.

21. Although it was a rich country, Kuwait was not yet exploiting all its potentialities to the full and was thus a developing country, despite the fact that its annual per capita income had increased from \$21 to about \$3,200 over the past twenty years, thanks to the discovery of oil. In its present wealth his country had not forgotten the past, and it was looking towards the future; the Government had drawn up for the 1967-1972 period a five-year plan designed mainly to diversify the economy, maintain a high rate of growth of national income, improve the employment situation and accelerate the development of human resources. Industrial development was to play an essential role in achieving the objectives of the plan. Unfortunately, the industrialization of Kuwait was handicapped by the absence of raw materials other than oil and natural gas, the limited size of the home market, the high cost of labour and the lack of qualified technical and administrative staff; however, those disadvantages were to some extent counterbalanced by the availability of large amounts of capital and a favourable geographic situation. His Government had accordingly decided to base the country's industrial development on the petrochemical industry.

22. He stressed the necessity for the developing countries to bring into play all their resources in the struggle against poverty and under-development. The developed countries should contribute to those efforts, not out of charity but because they too would ultimately derive great benefit from them.

23. Mr. WALDRON-RAMSEY (United Republic of Tanzania) said that the situation created in the modern world by the interplay of political, economic and social forces could not be contemplated without distress. Violence and dissension were everywhere the order of the day. A war of national liberation was taking place in Viet-Nam. The Middle East had witnessed the eruption of ancestral quarrels, quarrels which, his country hoped, would finally be ended by a settlement negotiated between all the parties concerned which would restore peace and transform the River Jordan, the Dead Sea and the Red Sea into a mighty torrent of mutual understanding and collaboration. A fratricidal war, the consequences of which were incalculable, was being waged in Nigeria. In the Congo a new coup had been engineered

by one of its renegade sons. Latin America was in a state of tension; there were new outbreaks of violence in the United States; there was division in Europe. To express the tragedy of the situation one would need the words of Aeneas to Dido in the second book of the Aeneid. But man had to survive, and that need should be enough to prompt him to devise the means for peaceful coexistence and co-operation for the well-being of all mankind.

24. But a glance at the international trade situation showed an unhealthy picture: the rich were becoming richer and the poor stagnating or becoming poorer. In the various UNCTAD and Council bodies, Tanzania had always denounced the attitude which deliberately took for granted an imbalance in the terms of trade. The industrial countries tended to evade the necessary task of liberalizing their trade with the developing countries, and either to reduce their aid or use it as a political tool. On the other hand, the developing countries relied too heavily on the humiliating charity of the developed countries and not enough on themselves.

25. The time had come to leave behind the outdated philosophy of the eighteenth and nineteenth centuries, expressed in Bishop Butler's aphorism: "The rich man in his castle, The poor man at his gate; God made them, high or lowly, And order'd their estate". The developing countries were no longer content gratefully to gather the crumbs which fell from the master's table; what they desired was the inauguration of the reign of justice in international trade. A new era was dawning which would put an end to money-grubbing and answer the cry of the oppressed.

26. The situation would only improve when all the developed countries bound themselves politically to open their markets to the products of the developing countries, to pay fair prices for them and to use trade as an instrument of co-operation and not political pressure; when they undertook to assist the developing countries to start on the road of autonomy and self-respect. Charity set the conscience at ease, but it did not remove the roots of the evil.

27. While old men in the poor countries sat dreaming, the young men saw visions. Tanzania called on the developing countries to turn their backs on the vale of tears, hopes deceived and broken promises in which they were vegetating and to go with it up to the promised land of the Arusha Declaration. Under the guidance of their leader, President Nyerere, young Tanzanians had inscribed on the tables of reason the words of the oracle they had brought down from the mountain to be revealed to the world. The Arusha Declaration invoked the great principles on which the expansion of the developing countries should be founded: economic autonomy, self-respect, and the virtue of work, within a system of democratic socialism in which all the nation's property belonged to the people and was used for the greatest good of the greatest number. The Declaration denounced the two errors of the developing countries: excessive reliance on external financial aid and industrialization in launching their economic development, which endangered their national independence. Their way out was to return to the soil, to be self-sufficient, to sell to other countries

the surpluses of their agricultural production and thereby earn the foreign exchange necessary for industrialization without indebtedness. The four great factors for development were the people, the soil, rational policy, and good leaders.

28. In a sense, the Arusha Declaration contained nothing new; it was part of a tradition which went back to Christ and was to be found in the works of the eighteenth century philosophers and the great socialist thinkers, and had survived to influence Keynes. The principles invoked in the Declaration had already been successfully put into practice by the Soviet Union, which in the space of

fifty years had transformed itself from a backward country into the great nation it was at present, by China, which in an even shorter period of time had become the third most powerful nation in the world, and also by the United Kingdom, where Mr. Attlee's socialist Government had in 1945 applied the general principles enunciated by Keynes in 1936, thus laying unchallengeable and unchallenged foundations for socialist development within a mixed economy. The United Republic of Tanzania firmly believed that those same principles should be allowed to bear their fruit in the developing countries.

The meeting rose at 5 p.m.