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President : Mr. A. MATSUI (Japan).

Present :

Representatives of the following States, members of the Council: Algeria, Argentina, Austria, Canada, Chile, Czechoslovakia, Ecuador, France, Gabon, Iraq, Japan, Luxembourg, Pakistan, Peru, Romania, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

Representatives of the following States, additional members of the sessional committees: Denmark, Ghana, India, Iran, Madagascar, Mexico, United Arab Republic.

Observers for the following Member States: Australia, Brazil, Bulgaria, Greece, Italy, Philippines, Sweden, Yugoslavia, Zambia.

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, World Health Organization, Universal Postal Union, Inter-Governmental Maritime Consultative Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEMS 2, 3 AND 5

**United Nations Development Decade
(E/4033, E/4068, E/4071 and Corr.1)**

**World economic trends (E/4046 and Corr.1
and Add.1 and 2, Add.3 and Corr.1, Add.4-6, E/4047 and
Add.1-3, E/4059; E/ECE/572; E/L.1076, E/L.1079)**

**Review and reappraisal of the Council's role and functions
(E/4040, E/4052 and Add.1-3)**

GENERAL DEBATE (*continued*)

1. Mr. GELBER (Canada) said that his delegation had listened with great interest to the statements made by the

Secretary-General, the Managing Director of the Special Fund and the Director General of the Food and Agriculture Organization (1369th and 1370th meetings), and to the comments and suggestions made by previous speakers. The Canadian Government would study the Secretary-General's statement carefully and with a sense of urgency. The analyses he had offered and the proposals he had made would help the Council to grapple with the pressing problems of development which were its main preoccupation.

2. He intended at the present stage to confine his remarks to the Development Decade, leaving it until later to put forward his delegation's suggestions on how it believed the Council could best fulfil the role of co-ordination and leadership assigned to it under the Charter.

3. The celebration of the twentieth anniversary of the signing of the United Nations Charter was perhaps of greater significance to the Council than to any other United Nations body. Twenty years ago, the Council had been called upon to discharge the obligation assumed by the United Nations to foster economic and social well-being and respect for human rights. The world had changed since then, and the United Nations had changed with it. However, the vital link between peace and economic and social progress remained, and Canada had tried to play a full part in both sectors. At the present time, the primary and common concern within the scope of Article 55 of the Charter was with the problems of the developing countries. In that context, the tasks outlined in that Article had still to be accomplished.

4. Over the same period, realism in approach to the development process had also grown, and had begun to match the idealism which had inspired efforts from the very beginning. The immense complexity of the development process had been discovered; it was far from being simply a matter of infusing capital or improving health standards or establishing heavy industries. The development process, as it ran its course, often raised new problems just as one problem appeared to be reaching solution. The realization was growing that even in the most highly developed societies, economic growth could give rise to disturbing social problems. That was even more evident in the developing countries. For example, a road built to open the way to new resources might also lead to a migration of people from the rural hinterland to swell the already large numbers of unemployed or under-employed in urban areas; or improvements in health services might lead to rapid population growth with which the economic growth of a country could not keep pace. Those lessons had led to new and increasingly complex assistance programmes within the United Nations family; and with that growth of wide-ranging programmes,

the need for co-ordination and common action by the United Nations agencies and the need to assign priorities in the light of total demands and available resources had become urgent. Another lesson had been learnt, namely, that the creation of new institutions was not in itself enough. A new institution provided only the framework within which a problem could be attacked. To be effective, United Nations decisions must be linked to action on the part of individual governments, for only when individual governments were prepared to respond could machinery be made to work and difficult decisions be successfully implemented. Finally, the truth of the dictum had been recognized that both the strength and the weakness of the United Nations was that it had become essential before it had become fully effective.

5. The twentieth anniversary of the United Nations coincided with the mid-point of the Development Decade, which provided an appropriate opportunity for examining the achievements of the Decade, assessing them in the light of the goals that had been set and establishing guidelines for the tasks ahead. The efforts of the organizations of the United Nations family in the field of economic and social development must be measured by standards which were neither too stringent nor too lax. The Development Decade should be seen for what it was, namely, a set of objectives and a useful framework designed to throw into relief tasks which would require long and unremitting effort, extending well beyond the bounds of the 1960's. The Development Decade should be, as the Secretary-General had so aptly put it, a framework for perspective planning, which the Canadian delegation understood to mean an approach whereby the work and achievements would be examined in the light of both absolute and relative standards. It was necessary to know in absolute terms what had been accomplished, and also to recognize that accomplishments, however impressive in themselves, must be measured against the goals to be attained. Undue optimism was as much of a hazard as undue disillusionment.

6. The accomplishments and shortcomings of the Decade had been examined in detail in the Secretary-General's two main reports, the progress report (E/4033) and the midpoint appraisal (E/4071 and Corr.1). The major conclusion to be drawn from those reports was that the goals originally set were not being realized. But although the progress achieved had been disappointing, the impressive achievements so far realized should not be overlooked. The Canadian Government considered the increasing international recognition of the vital role that trade should play in economic development to be particularly significant. That recognition had been dramatically reflected in the United Nations Conference on Trade and Development which had now been established in the form of permanent machinery, a permanent forum where the trading problems of the developing countries could be considered in detail and recommendations for new trade policies could be made. Its establishment should add a new focus and dimension to United Nations consideration of the relationship of trade to development problems. His Government intended to participate actively and constructively in the wide range of work to be undertaken by the new organization. At the conclusion

of the Conference, the Canadian Secretary of State for External Affairs had assured the Canadian House of Commons that the Government would continue to co-operate fully in further international efforts to create conditions in which the less developed countries could participate more fully in the benefits of world trade.

7. The growing recognition of the role that trade had to play in development was also reflected in the work of GATT. In 1962 a programme of action had been put forward to promote the trade of the developing countries; and more recently the Contracting Parties had approved new provisions of the General Agreement concerned primarily with trade and development. His Government believed that the most effective means of assisting developing countries to expand their export earnings was through a positive programme of improved market access. Such a programme would include tariff reductions, in the context of the "Kennedy Round" of tariff negotiations on manufactured goods of interest to the developing countries, without expecting full reciprocity from those countries for benefits received. It would include the elimination or reduction of the tariffs and other trade barriers now preventing larger sales of the developing countries' primary and tropical products. It would also include a general removal of quantitative restrictions which were impeding the developing countries' exports of manufactured goods to the industrialized countries.

8. There had been many notable achievements in the field of aid. New institutions had been established during the last decade, and old institutions had evolved to meet more thoroughly the needs of the developing countries. For example, the World Food Programme had been established to make use of food aid as a contribution towards economic and social development, and IBRD and its affiliates had helped lead the way in providing long-term loans on concessional terms. More recently, IBRD and its affiliates had broken new ground by making funds available in the vitally important fields of education and agriculture. An Advisory Committee on the Application of Science and Technology to Development had been established, and his delegation believed that that Committee could make a real contribution both by facilitating the transfer of scientific knowledge and techniques to developing countries and by concerting international scientific efforts in areas crucial to their development.

9. Canada had already shown interest in the contribution to development which could be made by young people. To supplement the active role which universities and other voluntary institutions had played in that respect, the Government had recently announced the establishment of the Company of Young Canadians, which would arrange for young Canadians to work and serve in the developing countries as well as in areas of Canada where there was a need and a challenge.

10. It was clear from the disappointing results achieved in the first half of the Development Decade that special efforts would have to be made in the coming years if the ever-increasing population of the world was to be fed and clothed and if widespread poverty and ignorance were to be overcome. In that connexion, his delegation fully recognised the urgency of the problem that development

gains could be nullified by rapid population growth. Another urgent problem in the social field was the elimination from the world of all discrimination, whether racial, linguistic, cultural or religious. Homogeneity was neither possible nor even desirable, but harmony and concord could be preserved through mutual respect. The specific challenge before the world was to find the point of equilibrium between diversity and unity; and that applied both at the national and the international level.

11. It was clear that the over-all resources available for economic and social development would have to be marshalled and used as effectively as possible. The Council had a special interest in encouraging the organizations of the United Nations family to concentrate on tasks of highest priority when adding new work to their programmes and to make every effort to avoid duplication and dissipation of effort. The Council must redouble its efforts to evaluate the work being done.

12. While it was true that the developing countries bore the main responsibility for their economic and social progress, it was clear that the challenge was one which confronted all countries and which could only be met through co-operative effort on the part of developing and developed countries. He hoped that the developing countries would be encouraged and assisted in meeting that challenge by the substantial and varied forms of assistance which the United Nations family of organizations was prepared to offer in helping them pursue the most effective development policies.

13. He wished to express his delegation's appreciation to the Secretary-General and to all who had contributed to the preparation of the comprehensive progress report on the Decade. The report covered the work being done by the specialized agencies and the regional economic commissions, the special programmes, institutions and projects which had come into operation, and the efforts being exerted in science and technology and in the peaceful uses of atomic energy. The common element in all those agencies was not merely their multilateral character or the stake all Members of the United Nations had in the effectiveness of their efforts; it rested above all in the degree to which each of them had given high priority to the social and economic progress of the developing countries. The tasks were so complex and varied that co-ordination, assessment and evaluation were essential if the over-all resources and skills available were to be wisely and effectively used. His delegation, as it had made clear at the thirty-eighth session of the Council (1357th meeting), felt that it was the Council alone within the United Nations family that had the scope and the authority to assess the development activities of all the component parts of the United Nations and of the United Nations itself. The Council should identify areas where the different United Nations agencies should be doing more; it should stimulate action where action was required; and it should give coherence and direction to the concerted assault on the broad and wide ranging problem of development.

14. Mr. WILLIAMS (United States of America) said that since the founding of the United Nations, man's yearning for freedom and independence had been realized for hundreds of millions of people. The role of the United

Nations in encouraging emergence from the darkness of colonialism into the light of national independence was one of which all could be justly proud. But, as the President of the United States had said, freedom was not enough; the scars of centuries could not be wiped away by declaring that a person was free, bringing him, after having been hobbled by chains for years, to the starting line of a race and then saying that he was free to compete with all others. The developed countries had to do more than applaud the former colonial countries' newly-found freedom and deplore their economic and social situation: they had to provide the institutions, knowledge, aid and advice necessary to give them a competitive chance in the twentieth-century world. The world was as yet far from that goal. Moreover, the completion of the Development Decade would not, as Winston Churchill had once said, even mark the beginning of the end, but perhaps only the end of the beginning.

15. The Secretary-General's report on and appraisal of the Development Decade revealed the extent and diversity of what had already been achieved. Unfortunately, however, success in one area often created problems in another. For example, as health hazards were reduced the population in many regions increased at a rate which outstripped the growth of national income and food production. Similarly, road building and industrialization brought about an exodus from rural areas to cities and aggravated and complicated existing urban problems.

16. Despite all the efforts made, the annual growth rate of the developing world had declined from 4.5 per cent in 1955-1960 to only 4 per cent in 1960-1963. On the other hand, a number of developing countries had achieved a growth rate in excess of the 5 per cent goal of the Development Decade, and the time might have come when more attention should be given to individual national successes and failures than to world or even regional statistics, which tended to obscure causes of success or failure.

17. The United States Government was actively participating in the celebration of the twentieth anniversary of the United Nations as International Co-operation Year, which coincided with the mid-point of the Development Decade. A review of international policy and the possibilities for co-operation in twenty-eight specialized sectors had been undertaken by government and citizen groups, and a sixteen-member Cabinet committee had organized a concentrated agency-by-agency study of United States participation in all international co-operation activities. Results had already been achieved: for instance, the United States had proposed to WHO that an international drug reaction centre be created to develop a world-wide early warning system for new drugs.

18. Part I of the *World Economic Survey, 1964* (E/4046 and Corr.1 and Add.1 and 2, Add.3 and Corr.1, Add.4-6), which reviewed the efforts of individual countries, was of great value not only to the developing countries in their planning, but also to United Nations agencies and developed countries which were helping the developing countries to plan the effective use of their scanty resources. The United States welcomed the emphasis in the *Survey* on the need for each country to identify the key resource scarcities which critically affected the realization of its

development goals and to take measures to reduce them; failure to do that was the main weakness in most development plans. Although most country plans had projected a 4 per cent increase in agricultural output, with emphasis on domestic food production, that goal would be difficult to achieve. On the other hand, the disparity in time between the effectiveness of health programmes and projects for increasing agricultural output should not be a cause for dismay. Public health workers could achieve immediate and tangible results, while increased food production often called for changes in farming habits ingrained for many generations, as well as revolutionary changes in land tenure and use, and sometimes even changes from a subsistence to a market economy.

19. Although part I of the *Survey* clearly showed that expectations for the Development Decade remained largely unfulfilled, his delegation did not regard that as a failure, but as a challenge to the developing countries to readjust their plans and projects to ensure that limited financial and human resources were used to the best effect, and to the developed countries and international organizations to direct aid to the sectors where it was most needed.

20. Part II (chapter 1) of the *Survey* (E/4047) had only just been circulated and could not be discussed in detail. He would therefore confine himself to some brief remarks based on his delegation's study of regional economic surveys and on United States experience over the past year. While the regional surveys indicated that 1964 had been a year of economic growth, not all countries had participated in the over-all prosperity. Nevertheless, significant progress had been made by many developing countries, and the developed countries, with a few exceptions, had maintained a high level of economic activity and a substantial growth rate. Inflationary pressures had plagued a number of countries and in some had threatened hard-won gains; other countries had deliberately restricted their domestic economies to achieve readjustment for future growth. The decline in the prices of most primary commodities about the middle of 1964 had been the most discouraging development in the world economy as a whole.

21. The current expansion of the United States economy was now in its fifty-third month. Never before in its peacetime history had the economy expanded continuously for such a long period. But the United States was by no means complacent: while it was true that the economy, dedicated as it was to the principle of individual initiative and private enterprise, had produced more jobs for more people at a higher standard of living than any economy in the world's history, pockets of unemployment and poverty still existed, and the United States would not be satisfied until every inhabitant shared in its progress. It preferred to measure the performance of its economy not only in aggregate statistical terms, but in terms of the well-being provided for the individuals comprising the United States society, for that was the cornerstone of United States economic policy.

22. The balance of payments problem that the United States had experienced since 1957 was not a traditional deficit due to excess domestic demand, but reflected the

large volume of foreign aid and military expenditures abroad, the attractiveness of the United States capital market, capital investment abroad by United States citizens and corporations, and tourist expenditures. Although the surplus balance on goods and services account had risen to a new peak of \$6,900 million in 1964, it was inadequate to cover that overflow of funds. Since 1963, measures taken to reduce capital outflow and the dollar outflow associated with government expenditure abroad had resulted in an improvement in the balance of payments in the latter half of 1963 and the first three-quarters of 1964; in the fourth quarter of 1964, however, the deficit on regular transactions had reached a new peak, mainly owing to increased private capital outflows benefiting much of the rest of the world. In February 1965, therefore, new balance of payments measures had been proposed, consisting mainly in two programmes of voluntary restraint over private capital movements, one to discourage outflow from domestic corporations to industrial countries, and the other to encourage banks to limit their foreign loans to 5 per cent above the 1964 level, while giving priority to loans to the developing countries and for export financing. At the same time the interest equalization tax originally scheduled to expire in mid-1965 had been extended to the end of 1967 and had been broadened in scope. Although it was too early to reach firm conclusions on the impact of the new measures, there were indications of significant accomplishments. For example, since the announcement of the programme 80 per cent of long-term loan commitments by banks had been made to the less developed countries, whereas loans of that kind had accounted for only 40 per cent of the total in 1964. Total commitments to less developed countries amounted to \$470 million for the first four months of 1965, as compared with \$970 million for the whole of 1964.

23. The United States Government was determined to bring its balance of payments deficit under control without resorting to policies which would slow down the pace of domestic expansion, or to restrictions on trade or reductions in foreign assistance. The weight of the United States economy in the over-all world economy was so great that all countries were affected to some extent by the economic policies, prosperity and growth rate of the United States. Fortunately, it could be generally said that economic policies which were good for the United States had been good for the world at large. Nevertheless, in view of its special responsibility as the world's largest economy, the United States was determined, in pursuing its national goals, to take into account the effect of its action on others.

24. Each year, in meeting to review world economic trends and international social development, the Council studied and commented on reports dealing with a vast body of ordinary and extraordinary problems. The views and opinions of delegations were recorded in the summaries of the Council's proceedings, and their collective judgement was embodied in resolutions. As government representatives, serving under instructions, delegation members had more authority than they would have as specialists; and that tended to give their debates and decisions considerable authority. The Council was an

agency of international economic and social policy, and its members were gathered together to carry out the mandate of the United Nations Charter, Chapter X of which laid upon the Council the responsibility for the international aspects of the whole vast field of social welfare. The Council's achievements and failures were the product of co-operative action, which affected all countries directly or indirectly, sooner or later, for better or for worse.

25. The twentieth year of the existence of the United Nations was a year of stocktaking. Recently at San Francisco, representatives of Member States had re-examined the whole structure of the United Nations, diagnosed its ills and prescribed remedies. A similar intention was suggested by item 5 of the Council's agenda, Review and re-appraisal of the Council's role and functions. The problems with which the Council had to deal had grown in number and complexity since its creation, and the facts, figures and relationships involved were so many and varied that they could not be dealt with as thoroughly as they should be without a framework of concepts and without a unifying principle. Although the nations represented on the Council were divided on various social values and objectives, they must seek a reconciliation of their views if the gap between goals and accomplishments was even to be narrowed.

26. That search might begin by acceptance of the fact that while all governments wished to improve the living conditions of their peoples, they were frequently reluctant to adjust their views for the sake of international co-operation to that end. A greater flexibility must be attained. At the current stage of international organization, the needs of a country could be ascertained, research could be conducted, recommendations could be made and technical assistance could be extended, but conclusions could not be imposed on governments, whose decisions were often based on other considerations. However, one area in which the opportunity existed for dissolving differences and integrating the efforts of all was that of human rights. Progress in human rights and in economic development must go forward together: when attention was concentrated on the needs and aspirations of human beings as persons, national differences, despite varying philosophies and ideologies, tended to dissolve and national interests to converge. Human rights and fundamental freedoms embraced nearly all aspects of human existence, and were the most potent instruments for realizing the most sublime goals of mankind.

27. The United Nations had never throughout its existence assumed the full measure of its commitment to safeguard human dignity, but had reduced it to a marginal and peripheral interest. Despite some achievements and much effort, the concept of international concern for human rights had not yet evolved as a major principle governing all United Nations activities. The time had come to co-ordinate the human rights activities of the United Nations family. His Government was inclined to support the proposal made by Costa Rica in the Commission on Human Rights for the designation of a High Commissioner for Human Rights (see E/4024, paras. 13-24). It was essential to put an end once and for all to

the shocking violations of human rights which still marked so many parts of the world: the apartheid in South Africa which revolted the whole civilized world; the cultural deprivation of the Jewish community in the USSR; the remaining vestiges of racial discrimination in the United States; and the inhuman oppression of men and women in many parts of the world because of their race, religion, sex or colour. The time had come to fashion the weapons to assist man in the realization of his dream of peace; but without the recognition of human rights there could be no peace.

28. Mr. GUMUCIO (Chile) said that as the representative of a developing country he had been struck by the sincerity displayed in the debate on the questions before the Council and by the sense of solidarity shown by representatives of the highly developed countries, notably the French representative (1369th meeting), in stating that the economic progress of their countries could not be firmly based while the gulf between rich and poor countries continued to widen.

29. The Council was meeting on the twentieth anniversary of the founding of the United Nations to discuss economic and social problems in the light of the experience acquired during the intervening years. The task was rendered more complex by the proliferation of the problems to be dealt with, by the legitimate hopes of the developing countries and by new situations which were introducing an element of confusion into politics, economics, science and technology. In the search for better living conditions for the peoples of the world it was essential that the sectors representing divergent interests should remain in contact. In carrying out the ideals of the Development Decade it was important that the dialogue should not be reduced to a monologue of the developing countries and that the major industrialized countries should speak with one voice for co-operation with the developing countries.

30. In defining the objectives of the Development Decade, the General Assembly had laid stress on the fact that the economic and social development of the less developed countries was an international responsibility. The mid-point of the Development Decade had now been reached, yet the *World Economic Survey, 1964*, indicated that the actual growth in income and output of the developing countries had generally not been sufficient to offer assurance that the target fixed by the General Assembly would be reached in 1970.

31. That was the position despite the fact that during the first five years of the Decade the developing countries had made great progress. Unfortunately, events had not matched their hopes. The total value of world exports, excluding the socialist countries, had been 12 per cent higher in 1964 than in 1963; but in the developing countries as a whole the increase had only been 9 per cent — in Latin America 7 per cent.

32. The general increase in trade seemed to indicate an increase in productive capacity. But the disparity between the rapid advance of the industrialized countries and the slow rate of progress in the developing countries should be a matter of concern to the international community, since it jeopardized the success of the Development Decade. United State exports had increased by 16 per cent

in 1964 compared with the previous year; those of the European Economic Community had risen by 12 per cent, those of the European Free Trade Association by 8 per cent and those of Canada by 19 per cent. The figure for Latin America was 7 per cent, representing an additional income of \$600 million distributed among nineteen countries. Moreover, Latin American exports represented only 6 per cent of world exports as against 8 per cent in 1958. If the 1958 percentage had been maintained the value of Latin American exports in the 1959-1964 period would have been 15 per cent higher.

33. The point he wished to make was that in the light of the results achieved during the first half of the Development Decade there was no prospect of achieving the objectives envisaged, and that the hopes of the developing countries of increasing their income thanks to higher exports and better prices were fading.

34. The principal obstacle to an increased rate of growth in the developing countries was the lack of agreement among the industrialized countries as to the best way to solve their problems. As the Under-Secretary for Economic and Social Affairs had said at the twentieth session of ECE, it was clearly the developing countries which today were asking, and with insistence, the industrial countries to join together in formulating policies for governing their mutual relations. Some of the industrialized countries considered that the only way of helping the products of the developing countries to reach world markets was to lower tariffs barriers through negotiations based on the most-favoured-nation clause, and placed all their hopes on the "Kennedy Round" of negotiations in GATT. Other industrial countries placed little reliance on those negotiations and proposed that markets should be organized on a world-wide scale and that prices for primary commodities should be raised. Still others were in favour of establishing a system of preferences for manufactured and semi-manufactured goods from the developing countries.

35. Constructive action to help the developing countries was further hampered by the requirement that such action had to be accepted by all the industrialized countries. It was therefore a matter of great importance to the developing countries that the industrialized countries should come to some form of agreement among themselves on the best way to meet the requirements of the less developed countries. That was the crux of the matter. So long as that problem remained it would be difficult for the industrial sectors to contribute what was needed to make the Development Decade a success.

36. The Chilean delegation ventured to hope that during the second half of the Development Decade it would be possible to make up for lost time by the industrialized countries deciding on common action to solve the problem. Meanwhile, the developing countries would undoubtedly continue their own efforts towards regional economic integration; but it would still be necessary for them to obtain higher returns for their exports.

37. He had listened with interest to the French representative's account of his country's flourishing economy and to the reasons he had given for that state of affairs. The fact was, however, that the achievements of the developed

countries had been the result of intelligent planning, based on realities and their own experience, rather than the outcome of attachment to traditional economic systems. The same principle applied with even greater force to the developing countries: they were unable to apply orthodox economic principles because the complexity of the problems confronting them compelled them to follow pragmatic policies and because the fact that they were developing simultaneously with other countries that had reached a higher stage of growth produced distorting effects which precluded the application of a rigid system. Given that distortion it was obviously essential that the highly developed countries should help the less fortunate ones. The developing countries would be wrong not to acknowledge what they had received; but they would also be wrong to stifle their anxiety as to the scale and efficacy of the aid which they would receive in future. It would indeed be serious if the will to assist the developing countries were to be weakened at the present stage; it would be as grave a mistake as a failure by the developing countries to plan their economies. Those two factors were decisive if the targets proposed were to be achieved during the second half of the Decade.

38. At the present time, Chile was undergoing a revolution which was taking place within the law and in an atmosphere of freedom and democracy. The deep-seated desire of the people for far-reaching structural changes had been made manifest in the political, economic and social fields. At the 1964 elections, 71 per cent of the population aged 21 or over had voted; the people loved liberty but even more they desired efficiency so that their society could be transformed into a vital organism; and they had voted in the belief that changes could be made while maintaining the democratic system. They hoped that the Government would put an end to the unequal distribution of wealth and income, to the precarious conditions under which a large part of the population lived, to the lack of educational and health facilities and to the instability of the labour market. The Chilean Government was ready to carry out that mandate regardless of the pressure that would be brought to bear by privileged persons. In so doing it knew that it could count on an understanding attitude on the part of Chile's trading partners and on the support of the United Nations family.

39. The stagnation of Chile's economy was due to structural reasons, as was apparent from the fact that since 1940 its annual rate of growth had been 3.7 per cent, while the per capita rate of increase in output had been only 1.5 per cent, owing to the effect of a population growth-rate of 2.2 per cent. On that basis, it would be forty-five years before an increase in the average per capita income could be brought about. Moreover, income was unfairly distributed: 37 per cent of Chilean families earned less than the minimum wage required to meet essential needs, and 45 per cent of the total income went to only 10 per cent of the population. Inflation had grown worse year by year; it had increased at a rate of 38 per cent between 1950 and 1960, and its effects were borne in the last resort by those who had no say in political or economic decisions. Capital formation amounted to 10 per cent of the national product; in 1964, the balance of payments deficit on current account had been \$118

million; exports had decreased in relation to the national output and now amounted to 10 per cent of that output.

40. The Government, under President Frei's leadership, was determined to overcome those difficulties. Furthermore, it was convinced that there could be no economic development without social development. Accordingly, within its limited means, it was pushing forward with a popular education programme covering the whole population, and especially the peasantry, in order to make the Chilean people competent to take decisions on important social, political and economic matters.

41. So far as economic affairs were concerned, the Government proposed to bring about an increase in production of 36 per cent by 1970, and to increase national investment by 110 per cent. Exports were to increase by 70 per cent and imports by 56 per cent. The rise in consumption would be controlled in order to ensure that it did not exceed the increase in output.

42. The Government was convinced that the only way to avoid a disaster was to increase exports. Efforts were being made to double copper production through a system of association with the foreign copper-mining concerns. In that connexion, he wished to emphasize once again the importance which his country attached to the proposals made by the developing countries at the Conference on Trade and Development, in particular those relating to the grant of preferences by the industrialized countries to manufactures and semi-manufactures from the developing countries. Agricultural production was to be increased at the same rate as the production of goods and services, and the Government had embarked on a programme of land reform. It had also introduced strict measures to control inflation which would apply to a number of different activities.

43. The Government had also given enthusiastic support to the idea of a Latin American common market. It was more than ever convinced that a common market was the best and most appropriate solution for the chaotic economic conditions prevailing in Latin America. Unfortunately, the creation of such a market had for the time being been prevented by international circumstances of a political nature which were generally known.

44. Chile was convinced that it must make its contribution towards finding ways and means of enabling the United Nations to achieve the targets which had been set. In doing so, it would be carrying out its fundamental duty as a Member State of the United Nations.

45. Mr. WURTH (Luxembourg) said his delegation agreed that the balance sheet of the first five years of the Development Decade was far from satisfactory. There were, however, a number of positive factors, such as the considerable work already done in the planning and programming of economic development; international co-operation; and the expanding efforts of the United Nations family, as exemplified by the World Food Programme, the World Campaign Against Hunger, the United Nations Training and Research Institute, the Centre for Industrial Development and the increase in the quotas of IMF. Moreover, useful international conferences had been held on new sources of energy, on science

and technology and on trade and development. While all those factors testified to the vigorous action taken within the framework of the Development Decade, they could not disguise the fact that two-thirds of mankind continued to live in deplorable conditions, at a time when the world was witnessing fabulous advances in science and technology. The standard of living in the developing countries was still too low, and their economic growth figures were disquietingly small. A number of speakers had stressed the crucial importance of the population problem and its human as well as economic implications: it was difficult indeed to reconcile the rapid growth of the population of developing countries with the requirements of economic development.

46. However, he did not wish to dwell on that gloomy aspect of the world situation; rather, he would stress some of the lessons of the first five years of the Decade. In the first place, the tempo of United Nations activities in the second half of the Decade would be determined by government decisions, for Member States alone could provide the United Nations and the specialized agencies with the means of performing the tasks entrusted to them. Accordingly, all Member States should endeavour to create, at all levels, and particularly at the level of international political relations, favourable conditions for an increased effort, especially by the industrialized countries, towards attaining the goals of the Development Decade. As concrete proof of its great interest in the cause of development, Luxembourg had doubled its contribution to the Special Fund for the current financial year.

47. Secondly, the United Nations should define priority sectors on which its efforts and those of the specialized agencies should be more intensively concentrated. He had already stressed the seriousness and urgency of the demographic problem; and from a more general standpoint it might be well to place more emphasis on social problems during the second half of the Decade. Three sectors from which bottlenecks should be eliminated as a matter of urgency might be worth mentioning: (1) the growth of food production in the developing countries was patently inadequate; from the purely humanitarian point of view it was inadmissible that malnutrition should be rife in many countries while agricultural surpluses created a problem for others; (2) attention should be paid to the indebtedness of the developing countries and to the constant deterioration of their balance of payments situation; and (3) there was a disquieting shortage of skilled personnel at all levels of education and training; efforts in that regard should be concentrated not only on training personnel, but also on designing simple machines which could be serviced by staff given a brief period of training.

48. Those were, of course, merely illustrations of the many problems with which the Council was confronted. However, there were some grounds for optimism for the future, for the modern world had at its disposal a scientific and technical potential which should make it possible to overcome many difficulties; moreover considerable progress had been made in economic and social planning, so that a considerable body of knowledge about development techniques was now available. The world had

emerged from the period of groping in the dark, and considerable material resources would, or at least should, now be used to better advantage. Finally, there was the will of the international community to succeed and the deep awareness throughout the world of the interdependence of all peoples, which had recently been manifested at the Conference on Trade and Development.

49. The Council, as the co-ordinating and guiding organ of the United Nations in economic and social matters, had the duty of giving new inspiration to the various bodies which awaited its directives and of ensuring that the second part of the Development Decade would result in harmonious and balanced economic and social development. If it succeeded in stimulating a new wave of initiative and a new spirit of activity, the Council would be making an important contribution to solving the problem of the development of the less developed areas, a problem which, in the final analysis, was economic, social and political, but above all human.

50. Mr. PEREZ LOPEZ (Mexico) said that in 1964 there had been an increase in the production of goods and services and in trade which had affected the developing countries as well as the industrialized countries. As a result of the continuing prosperity of the latter, they had been able to increase the volume of their imports of primary commodities, and there had also been an increase in the average prices of primary commodities, although the effects of that had not been the same in all countries, variations had occurred according to the products exported. Real per capita incomes in Latin America had increased by 3 per cent, which exceeded the figure of 2.5 per cent specified in the Punta del Este Charter. The increased output of goods and services had been decisively influenced by the larger amounts of foreign exchange received in return for exports. That had made it possible to increase imports of capital goods and thus to increase internal investment, which had exerted a powerful influence on demand.

51. Taken as a whole the economic situation of Latin America in 1964 had therefore been good; but closer examination of what had occurred in individual countries showed that the perennial problems were still in existence and that economic expansion in Latin America was still faltering. The rate of increase in per capita income had fallen from 3 per cent during the post-war years to 1.5 per cent between 1955 and 1960 and 1 per cent between 1960 and 1964.

52. Two most important ideas for dealing with the problems which impeded economic and social progress in Latin America had acquired further momentum during 1964; he was referring to Latin American economic integration and the notion of economic planning.

53. The tendency for Latin America to take a decreasing share in international trade had continued in 1964. For at least ten years, world demand for primary commodities had failed to provide an effective stimulus to the developing countries, and that had in turn had an unfavourable effect on the import capacity of many of those countries. The amount of external finance had been limited, and the amount of foreign exchange required to service the foreign

debt had for many countries exceeded an acceptable level. Moreover, the provision of finance from abroad to the developing countries as a whole had ceased to increase.

54. As a result of those factors the developing countries were endeavouring to increase production for the home market and to replace imports by locally manufactured goods. But the extent to which that method could be used was limited by the small size of the national market, which was mainly due to the low productivity of the agricultural sector accounting for the greater part of the working population. That state of affairs had given rise to excessive tariff protection and to the establishment of inefficient, high-cost industries.

55. At the request of the President of Chile, four eminent Latin American economists had submitted to the Presidents of all the Latin American countries a proposal providing not only for a regional common market but for the economic integration of the whole region. As members of the Council would be aware, Latin America had made some progress towards liberalizing intra-regional trade and towards industrial integration; but it was necessary to go much further.

56. The main advantage of the economic integration of the whole of Latin America was that given an increase in the size of the market, particularly the market for manufactured goods, it would pay to establish certain industries, the products of which would replace not only imports of consumer goods but those of industrial raw materials and capital goods. A larger market would also make possible better use of modern technology, which was expensive, and a better division of labour. At the same time it would give new impetus to internal competition; and lower costs would place Latin American countries in a better position to compete with countries outside the region.

57. It was intended that those goals should be attained in the main through an automatic, graduated reduction, extending over ten years, in the customs duties payable in intra-regional trade, and by means of an investment policy expressed through sectoral agreements aimed at integrating the main industries manufacturing import-substitution goods.

58. It was undoubtedly true that the adoption of those measures would make it necessary to plan national economies and bring them into harmony with the economy of the whole region. Economic planning in developing countries with mixed or private-enterprise economies was a new departure, but the idea was taking root that planning was necessary if economic and social objectives were to be defined and clarified. In developing countries planning was the more necessary since in their case what was needed was not only to forecast over-all demand in the light of a given quantity of resources, but also to bring about far-reaching changes in the traditional production structure.

59. In part I of the *World Economic Survey, 1964*, it was noted that in most of the developing countries economic planning had scarcely gone beyond the stage of working out global plans. Economic planning was an extremely complex undertaking, and the developing countries possessed little experience of it: they had neither the necessary basic statistics nor a sufficient number of ex-

perts. Moreover, plans would differ in different countries, according to their resources and the stage in development they had reached, and according to the nature of their institutions, both governmental and private. Nevertheless, it was his delegation's view that planning was a powerful instrument, which enabled Governments, in co-operation with the various sectors of the population, to establish economic and social targets with better knowledge of the facts; to avoid fundamental shortages and imbalances; and to make better use of national resources.

60. Mr. BILLINGHURST (Argentina) said that the Council's annual consideration of the world economic situation was particularly significant at the present juncture in that 1965 was the mid-point in the Development Decade, in which the international community had placed such high hopes. Unfortunately, those high hopes had not been fulfilled. The documents before the Council showed that the objectives of the Decade had not been achieved; on the contrary the minimum targets set for the developing countries were growing more and more remote. The rate of increase in the gross national product compared with the previous five years and with the preceding decade had fallen; and the same was true of per capita production, industrial production and agricultural production. The constant increase in population was disquieting; demand was increasing while the means of satisfying it were decreasing.

61. The traditional economic ills of the developing countries had remained uncured, and the less favoured nations as a whole had been unable to achieve an increase in the rate of their domestic savings, in the use of human resources or in the provision of basic goods and services. Machinery for remedying those shortcomings had not been sufficient to solve the problems resulting from structural defects; and financial and technical assistance, although it had risen considerably, had not been able to make up for the deficiencies which had marked the first five years of the Decade.

62. Trends in international trade also left much to be desired. As was being constantly repeated, the developing countries must expand and diversify their exports and must receive fair and stable prices for exports; only thus could they finance their own development. The present structure of international trade was a barrier to the trade expansion of the developing countries. In other words, primary commodity trade was hampered by obstacles, some of which could be defined as endemic and others as epidemic. Among the first group were instability of prices and volumes of exports in face of a constant increase in the prices of capital goods, with a resultant deterioration in the terms of trade. If that situation continued, the developing countries would be unable to finance their own development and would be forced to rely on international financial aid, which was becoming a heavy burden on them.

63. Among the evils which he had defined as epidemic were the measures taken by the industrialized countries to protect their own primary products, in particular, foodstuffs, which had the effect of preventing increases in the production of similar products in the developing

countries. Such policies, which encouraged inefficient production, were accompanied by elements of discrimination that aggravated the structural deficiencies in the producer markets of the developing countries, helped to distort the natural process of their development and aggravated the crisis of production and consumption throughout the world.

64. The value of the freedom of trade praised by a large number of advanced countries was being lessened by the use of methods which hindered the access of efficient producers to markets, thereby depriving them of the possibility of obtaining in a rational way the necessary means of economic expansion and social development. He hoped that those obstacles would be overcome through frank and objective discussion in the new United Nations organ for trade and development.

65. The work of the new United Nations organ was complemented by that of other bodies which, like GATT, had already demonstrated their concern and desire to overcome the trade problems of the developing countries. Proof of that was the new provision recently incorporated in the General Agreement, which he hoped would soon bear fruit. Similarly, the concern shown by the Council to evaluate its past activities so as to plan its future action more efficiently showed that the feeling of responsibility had taken firm root in the international community.

66. All that he had said about the ills resulting from the structural deficiencies of the developing countries and from the obstacles to their trade did not mean that Argentina was pessimistic about the future. On the contrary, it looked to the future with hope. His delegation believed that industrialization offered encouraging prospects for future economic development. The United Nations Centre for Industrial Development, which, through its specialized activities, was making the same type of contribution to industrialization as FAO was making to agricultural development, gave him ground for hope that the application of science and technology to development and the enormous increase in financial and technical assistance would bring about a substantial improvement in the main trends noted in the first five years of the Decade.

67. It was well known that economic development in the less developed countries depended essentially on the expansion of their foreign trade, on industrialization, on financing and on levels of nutrition, health and education. Within the framework of the United Nations, organizations existed, or were to come into being, which were responsible for study of those basic elements. It now remained for Member States to express their joint determination, through a clear-cut policy decision, to set that splendid machinery in motion with all the vigour and efficiency of which it was capable. Only thus could the objectives of the Development Decade be achieved. Organizations were only organizations; with the will and determination of people, they could be transformed into human institutions.

68. Planning was necessary if the elements he had mentioned were to be combined harmoniously. In response to General Assembly resolution 1708 (XVI), part I of the *World Economic Survey, 1964*, had been

devoted to questions of development planning, and an analysis of the plans submitted by a number of countries in the different geographical regions was included in chapter 2. His delegation wished to express its appreciation of the careful study that had been made and also to express general agreement with the concepts set forth in it. Unfortunately, the authorities responsible for planning in Argentina had been unable, in the absence of a Spanish text of the *Survey*, to submit their considered opinion on the subject to the Council.

69. The Argentine Government had decided to draw up a plan which would provide a framework for co-ordinated measures designed to organize the national effort in accordance with the country's economic and social potential. The plan, based on scientific methods, was not a rigid straitjacket; it was flexible and amenable to periodic revision and adjustment in the light of economic contingencies. That did not mean that it was an unstable tool, but rather that, like any democratic plan, it sought to serve the separate interests of which the national community was composed while at the same time offering a means of achieving a national objective. To that end it assigned responsibilities to both the public and the private sectors. To implement the national development plan, a considerable financial effort would be required. Financing would to a large extent have to be provided from national savings, according to the progress made in the economic situation and to the degree of financial stability achieved.

70. There were indications of a definite trend towards economic stabilization in Argentina. The target of between 5 per cent and 6 per cent in the growth-rate of the gross national product which had been set for 1965 had been exceeded in the first quarter of the year; 7.5 per cent had been reached, the highest per capita product in the nation's history. Other indicators, for example those relating to production and employment, were equally encouraging. As a result, the causes of inflation were slowly being eliminated and concrete steps taken towards stabilization.

71. Mr. ARKADYEV (Union of Soviet Socialist Republics), exercising the right of reply, said that the United States representative had tried, obviously on the instructions of his Government and on the basis of false information provided by Zionist reactionaries, to disseminate fabrications concerning the alleged sufferings of the Jewish population of the Soviet Union. It was obvious that reactionaries in the United States had invented those fabrications in an attempt to divert attention from their own oppression of the Negro population of their country, whose condition was well known to be little better than slavery. The United States representative should be aware of the fact that a very high proportion of the scientists, educationists and intelligentsia of the USSR were Jewish; if he was aware of it, he was deliberately distorting the situation; if not, it was high time he was informed of the facts. In Soviet schools, Jewish children sat in the same classrooms as members of the other 115 races inhabiting the USSR; but the United States representative could not prove that Negro children

shared the same classrooms with white children throughout his country. Jews in the USSR could attend the same theatres, travel in the same vehicles and participate in the same meetings as all other citizens and could marry and be divorced from any other members of the population. They had the same constitutional rights as all other Soviet citizens; in the USSR, there were no placards in parks or on beaches to keep out Negroes or members of any other races. All Soviet nationals were free to practise the religion of their choice or to adhere to atheism, as a constitutional right. It was common knowledge that it was now fashionable for United States politicians to try to exploit the theme of the alleged persecution of the peoples of the Soviet Union and to gain cheap votes among certain communities by making such demagogic allegations and fomenting public manifestations. But the United States representative had failed to mention, for instance, that the authorities of certain States with large Negro populations had encouraged the beating and imprisonment of progressive Negroes and even the murder of white sympathisers of the Negro cause. The United States representative had expatiated on the need to guarantee human rights, but his words failed to correspond to his country's deeds: it was difficult to reconcile pharisaic and hypocritical utterances concerning human rights with the actual physical extermination of persons by bombing and even by poison gas in South Viet-Nam.

72. Mr. WILLIAMS (United States of America), exercising the right of reply, said he had had previous occasion to deplore the injection of angry invective in a debate on economic and social matters. In his statement he had drawn attention to the need for international action to put an end to apartheid in South Africa and to eliminate all vestiges of racial and religious discrimination. In that connexion, he had drawn attention to the cultural deprivation of the Jewish community in the USSR. The Soviet representative's attempt to counter that accurate charge by referring to the vestiges of racial discrimination in the United States had been extremely shallow. He was in a position to provide detailed and thorough documentation concerning the degree of racial discrimination which still survived in the United States, including names, dates and practices, compiled and published by the United States Commission on Civil Rights. At the same time, he was prepared to provide the Council with documentation on the cultural deprivation of the Jewish community in the USSR; incidentally, he had not referred to the sufferings of that community. The data concerned were to be found in a report by the Council of Europe on the situation of the Jewish community in the Soviet Union. In any case, the problem of denial and deprivation of human rights was not peculiar to any one nation of the world; personally, he was concerned with violations of human rights in Mississippi or in Moscow, in Africa or in Europe. He would be glad to provide the information he had referred to if the USSR representative wished it to be circulated to the Council.

The meeting rose at 1 p.m.