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*Chairman:* Mr. Bohdan LEWANDOWSKI  
 (Poland).

**AGENDA ITEMS 12, 34, 35, 36, 37, 39 AND 84**

**Report of the Economic and Social Council (chapters I to III, V and VI) (A/5203) (continued)**

**United Nations Development Decade: report of the Secretary-General (A/5194, E/3613, E/3613/Add.1, E/3613/Add.2-3, E/3658, E/3664, E/3674) (continued)**

**Economic development of under-developed countries (A/5220) (continued):**

(a) **Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General;**

(b) **Establishment of a United Nations capital development fund: report of the Committee established under General Assembly resolution 1521 (XV) (E/3654);**

(c) **Industrial development and activities of the organs of the United Nations in the field of industrialization (E/3600/Rev.1, E/3656, E/3656/Add.1);**

(d) **Long-term projections of world economic trends: progress report prepared by the Secretary-General (E/3628, E/3629, E/3661, E/3668);**

(e) **Land reform: report of the Secretary-General (E/3603);**

(f) **Decentralization of the economic and social activities of the United Nations and strengthening of the regional economic commissions (A/5196, E/3643)**

**Question of holding an international conference on trade problems (A/5221, A/C.2/L.645, E/3631 and Add.1-4) (continued)**

**International measures to assist in offsetting fluctuations in commodity prices (A/5221, E/3447, E/3644, E/CN.13/43, E/CN.13/45) (continued)**

**Permanent sovereignty over natural resources (A/4905, A/5060, A/5225, A/AC.97/5/Rev.2, E/3511, E/L.914, E/L.915, E/L.918, E/L.919, E/SR.1177-1179, E/SR.1181) (continued)**

**The Cairo Declaration of Developing Countries (A/5162) (continued)**

**GENERAL DEBATE (continued)**

1. Mr. CHOCRON (Venezuela) said that, now that the Committee was for the first time considering the United Nations Development Decade, not as a desirable ideal but rather as a complex of projects already being carried out, his delegation wished to reaffirm its faith in that enterprise and express its hope that the goals defined in operative paragraph 1 of General Assembly resolution 1710 (XVI) would shortly be translated into reality.

2. The Committee should give constant consideration to methods of accelerating progress in that direction and, in particular, should adopt as its guiding principle the need to define the role of the international community during the United Nations Development Decade. The measures proposed in the Secretary-General's report on this subject (E/3613) contained a number of suggestions, most of which would, if carried out, clearly advance the objectives of that programme. If, as the report indicated, the basic problem was to find ways in which the express desire of the advance countries to help the developing countries could be translated into effective action and if new methods of technical co-operation would have to be found to take full advantage of the new economic and technological possibilities which had emerged in recent years, the Committee must inevitably assume

the obligation to draw up such new plans of action. In doing so, it would at the same time be defining the role to be played by the international community. If all the statements or proposals made in regard to the Development Decade were not to remain mere words, it was also necessary for each Member State to define its own role within that programme.

3. The Government and people of Venezuela had undertaken to accelerate economic development within their country during the decade of the sixties. In view of the disparity between the extent of Venezuela's territory and the size of its population, the Government would devote primary attention to improving the country's human resources. In that connexion, Venezuela had recently achieved satisfactory results in the field of education, having reduced illiteracy and doubled the number of classrooms and students at all levels of education over a period of three years. Improved health conditions had contributed to a dramatic increase in the population, which was growing at a rate of almost 3.5 per cent per year. Since it was estimated that gross domestic production would increase by 7 per cent annually, it was clear that per caput income would have to increase by approximately 3.5 per cent per year. To achieve that objective, Venezuela had embarked upon two main programmes, one of land reform and the other of industrialization. The object of the former was to transform the agrarian structure of the economy and to secure the participation of the rural population in economic, social and political development through the replacement of the system of large land holdings by a system of property ownership and farming based on an equitable distribution of land, adequate credit facilities and full-scale assistance to farmers. As a result of the land reform, agricultural production in 1961 had shown an increase of 3 per cent over the previous year.

4. Where the programme of industrialization was concerned, the policy adopted by the Government had been to stimulate industry and to substitute domestic for imported products. Since large investments were needed for effective industrial development, it also endeavoured to encourage the association of foreign capital in that process, guaranteeing it equality of treatment with domestic capital. In order to protect domestic industry from foreign competition and to encourage the development of new industries, it had established import quotas and had exempted raw materials, machinery and equipment from customs duties. In addition, it had granted long-, medium- and short-term credits through State agencies, encouraged industrial financing through the National Bank and private financial institutions, and fostered schemes to channel private savings into industrialization programmes. It had at the same time sought an increase in technical assistance, in aid programmes for developing productivity and skills, in technical and industrial education and in the establishment of standards for the purpose of improving domestic products. As a result of its industrial policy, Venezuela's manufacturing industry had expanded by 12 per cent and its construction industry by 33 per cent in the first half of 1962.

5. Venezuela had also made progress with the diversification of its economy, thus lessening its dependence on its most important product, oil, which nevertheless still provided 90 per cent of its foreign exchange earnings and was likely to remain its main source of funds for the financing of investment programmes for many years to come. That was one of

the reasons why Venezuela was an active participant in the Organization of Petroleum Exporting Countries and wished to maintain a healthy relationship between the prices of oil and of its imports in the interest of ensuring equitable and stable terms of trade. Like all other developing countries, Venezuela hoped that the industrialized countries would not embark upon the dangerous path of discrimination and of raising customs duties.

6. The process of industrialization could be made speedier and more effective with United Nations help. Economic and Social Council resolution 893 (XXXIV), concerning the strengthening of United Nations advisory services in the field of industrial development, represented a significant advance in that field, as did the appointment of a Commissioner for Industrial Development.

7. His delegation considered that the convening of an international conference on trade problems might be an effective means of hastening the realization of the purposes of the Development Decade. The United Nations Conference on Trade and Development should consider specific obstacles to the development of trade between the less developed and the more developed countries during the past few years, and each of those obstacles should form a separate item on the agenda. In particular, the Conference should consider the adverse consequences for the primary exporting countries of the drop in prices and the deterioration of their terms of trade with the industrialized countries in recent years. It should profit by the experience gained at the United Nations Coffee Conference and by the studies carried out by the Commission on International Commodity Trade, which should work in close collaboration with the Conference. The Conference should also consider the harmful repercussions which the trading policies of regional economic groups of developed countries might have on the less developed countries. If the Conference kept constantly in mind the urgent need to improve and expand trade between the less developed countries and the industrially developed countries, it would set the pattern for many of the projects to be carried out during the Development Decade.

8. Lastly, his delegation was gratified that the Cairo Declaration of Developing Countries (A/5162) formed a separate item of the General Assembly's agenda, because Venezuela had attended that Conference as an observer and considered that that Declaration was probably the most important step taken in recent years by a group of developing countries. The exhaustive treatment of the problems affecting such countries and the recommendations made in the Declaration could be of great benefit to all Member States. Venezuela hoped that many of the suggestions made in that important document would be included in projects to be undertaken by the United Nations in the near future.

9. Mr. DAVIS (Australia) said that the work of the Committee, if successful, could greatly influence the welfare of countless people in many lands. He assumed that the Governments represented on the Committee had as one of the fundamental objectives of their policy the welfare of their own people and, as a logical corollary, that of humanity as a whole. There were urgent economic, political and social reasons for seeking a rising standard of living throughout the world, and the Committee should keep that objective in view during its deliberations.

10. In considering the problems of economic growth on a world-wide scale, it was necessary to bear in mind that trade and aid were complementary and that there were three principal parties to the programme known as the United Nations Development Decade: the international bodies, the developed countries and the developing countries.

11. His country was twelfth among the nations in the total value of its exports and imports and was therefore greatly dependent upon the terms of international trade. Although it was becoming increasingly industrialized, more than 85 per cent of its export earnings continued to be derived from primary products. It had a high standard of living but still needed foreign loan and investment capital to develop its untapped resources and to supply the needs of an expanding population. Its interests therefore coincided with those of most developing countries: it wished to see an improvement in the terms of trade of the primary producing countries and the stabilization of the prices of primary products at a satisfactory level. Such an improvement was essential to the achievement of the objectives of the Development Decade.

12. Though concerned with the problems of trade, his country was also prepared to contribute towards aiding the developing countries, through the United Nations, the Colombo Plan and other channels, to the extent consistent with its capacities and with its increasing contribution—amounting in 1962 to \$46 million—to the development of Papua and the Trust Territory of New Guinea. It also supported the United Nations Development Decade and the World Food Programme.

13. The preceding decade had witnessed a shift in emphasis in the economic policies of many countries from concentration on defensive measures to more positive and constructive efforts. In its early years, the Committee had been largely concerned with unemployment and the search for international full employment. Some means of controlling that problem had been developed and the more difficult problem of attaining continuous economic growth was now being tackled. The maintenance of economic growth, like that of full employment, necessitated full co-ordination of the actions and policies of all countries, and the growth rate of small and developing countries was particularly dependent on external factors, especially if those countries were not members of any of the emerging regional economic groupings.

14. The United Nations Development Decade epitomized the new acceptance, as a joint international responsibility, of the objective of continuing economic growth, particularly in relation to the developing countries. While constituting neither the beginning nor the end of the development process, the Decade was important in that it might be the trigger setting off sustained programmes of development that would become self-generating. That would be no easy task, but it presented a challenge which had to be accepted. The rewards would certainly be great, but it was even more certain that the price of failure would also be great.

15. As the Secretary-General had rightly pointed out in the foreword to the report containing proposals for action during the Development Decade (E/3613), development was not just economic growth, it was growth plus change. Some of the countries which had reached the elusive "take-off" point for economic growth had already experienced substantial structural changes in

their economies, involving a reallocation of labour and resources. The need for such changes was one of the reasons why the main responsibility for economic growth lay with the individual countries concerned, as they alone could assess the readiness of their people to accept any changes that might be required. They, too, through planning and the encouragement of savings, had to set the direction and tempo of their own development. The best form of help was self-help, but the role of international aid was still an important and continuing one.

16. His country had maintained that the programme of the United Nations Development Decade should take the form of concentrated efforts in certain fields and that some form of compromise was essential in order to gain acceptance of the need to establish priorities with respect both to areas and projects. The establishment of priorities would not be a simple matter, as much that was done by the United Nations and the specialized agencies was in response to requests from Governments. At times, however, the Organization would have to choose between projects in the light of resources and possibilities. The Committee could usefully provide some guidance on the general principles to be followed where such a choice was necessary. In default of the establishment of a system of priorities, a biannual review of the "performance" of the three types of participants in the Development Decade might be of value.

17. His Government believed that an improvement in the terms of trade, for instance, a return to the 1953 level, might be worth more to developing countries, as a source of the foreign exchange they needed for development, than currently available international grants-in-aid. Development planning could be frustrated by fluctuations in balance of payments caused by instability in the prices of primary products. Furthermore, increased income derived from an improvement in the terms of trade did not involve a developing country in the same sort of painful economic adjustment as became necessary if the gap had to be bridged by external aid and efforts towards diversification in sources of export income.

18. His Government was encouraged by the increasingly wide recognition of the problems created by unfavourable terms of trade for the primary producing countries. Those countries had always been subject to more violent fluctuations, both in their terms of trade and in their balance of payments, than the industrialized countries; for some, the consequences had been serious and had had unfortunate political repercussions. It was undesirable that such a situation should lead to a sense of grievance which might increase if there was no certainty that the more fortunately placed nations were making serious efforts to face up to the problems.

19. The representative of the United Arab Republic had already (799th meeting) stressed the manner in which industrialized countries had been favoured by the swing in the terms of trade. In Australia the reverse had occurred. In 1961 its exports had totalled something over £860 million. If it had been paid at 1953 prices for the goods it had exported in 1961-62, its export income would have been greater by £330 million. Thanks to a regular capital inflow and a basically strong economy, Australia had been able to avoid some of the hardships which it would otherwise have suffered. But from its own experience it could appreciate the difficulties of others.

20. Australia placed high on the list of priorities the stabilization of commodity prices at a reasonable remunerative level. For some years it had tried to promote price stability on a commodity-by-commodity basis, believing that such a pragmatic approach was the most likely to produce tangible benefits. At the meeting of the Group on Cereals of GATT, the Australian Minister of Trade had advocated an increase in the world market prices of primary commodities in order to bridge the gap between those prices and those paid to producers in importing countries, some limitation on exports to prevent increased prices leading to excessive increases in supply, and international arrangements to take excess supplies off the market and make them available to less developed countries at concessional rates.

21. In the communiqué issued at the conclusion of their conference of September 1962, the Commonwealth Prime Ministers had noted with concern the adverse effect of widely fluctuating commodity prices and the progressive worsening of the terms of trade. They had called for progressive policies in the field of international trade and finance to ensure that demand for primary commodities could be sustained and increased. They had supported the view that improved opportunities for trade were even more important than financial aid. They had recommended a fresh and vigorous approach to the negotiation of international agreements on a commodity-by-commodity basis so as to encourage maximum consumption without over-stimulating production and to offer fair and stable prices to efficient producing countries. They had expressed the belief that agricultural surpluses should be used for the benefit of needy peoples to the fullest extent compatible with the legitimate interests of traditional suppliers. They had recognized the need for the developing countries to have easier access to outside markets for their industrial goods. They had expressed the readiness of their Governments to join in comprehensive international efforts to expand world trade. They had recognized the important contribution which the European Economic Community and other regional groups, as well as United States legislation on trade expansion, could make in such efforts.

22. The Cairo Declaration of Developing Countries (A/5162) was significant not only for the breadth of its scope but also for the cogency of its main conclusions, particularly those set out in paragraphs 32-35. The type of solution referred to by the Under-Secretary for Economic and Social Affairs in his statement (795th meeting) also commanded a wide measure of agreement.

23. The complex question of international trade was being continuously discussed in the United Nations and other bodies, to whose work the Australian Government attached considerable importance. Many commodities had recently been—and some of them were continuing to be—the subject of active negotiations through already existing international machinery. The Australian Government attached special importance to the commodity groups arranged by GATT in connexion with wheat and meat. Those groups had hitherto made inadequate progress, primarily because of the agricultural policies of the industrialized countries. The importance of the tariff negotiations being conducted under the aegis of GATT should also be borne in mind. For some years Committee III of GATT had been examining the various types of obstacles,

both in the field of primary commodities and in industry, that were a source of concern to the less developed countries. As a result, the major industrial countries had become increasingly aware of the ways in which their fiscal and commercial policies impinged on the less developed countries and their development programmes. Those conclusions of the GATT ministerial meeting that related to less developed countries<sup>1/</sup> would inevitably speed up the work of Committee III of GATT. Consultations had also been arranged between Committee II of GATT and the European Economic Community concerning changes in the agricultural policies of member countries resulting from the introduction of their common agricultural policy.

24. Originally, his delegation had feared that new developments, such as the convening of a world trade conference, might undermine the activities of the various bodies already concerned with international trade. However, it now considered resolution 917 (XXXIV) of the Economic and Social Council as a useful move, likely to stimulate greater awareness of foreign trade problems. That resolution should remain substantially unaltered. The United Nations Conference on Trade and Development could not be expected to produce worth-while practical results unless the major world trading Powers were willing participants and were prepared to consider solutions of the problems on the agenda. Although the Conference should take place as early as possible, it could not hope to succeed without adequate and careful work by the Preparatory Committee, which would inevitably take some time. The earlier the Preparatory Committee met, the sooner the work would be done. His delegation would like to be informed by the Secretariat when the Preparatory Committee was expected to meet. It was too early to fix a date for the Conference; that and the agenda should be left to the Preparatory Committee. The Preparatory Committee would also have to take into account the discussions going on in GATT and elsewhere on solutions to particular commodity problems. His delegation could not support the draft resolution submitted by the USSR (A/C.2/L.645) proposing a new type of conference.

25. There had been an increasing measure of agreement on the objectives of the United Nations Development Decade. Ideas which had originally been controversial had become almost truisms. The Committee now faced the more difficult task of translating those ideas into action. Although the Committee could not impose an over-all plan on each country, it could seek to achieve by agreement the solution of a widening number of particular problems and hope to fit them into the broader picture of a developing world with an ever rising standard of living.

#### Implementation of rule 154 of the Rules of Procedure of the General Assembly (A/C.5/927)

26. The CHAIRMAN drew attention to the letter dated 9 October 1962 from the Chairman of the Fifth Committee to the President of the General Assembly (A/C.5/927) concerning the financial implications of draft resolutions adopted by the various Committees.

The meeting rose at 4.25 p.m.

<sup>1/</sup> General Agreement on Tariffs and Trade, Basic Instruments and Selected Documents, Tenth Supplement (Geneva, 1962), p. 25.