

## ECONOMIC DEVELOPMENT

*The following is part of a statement made in the Second Committee of the United Nations General Assembly on October 7, by Mr. Donald S. Macdonald, the Canadian Delegate to the United Nations and Parliamentary Secretary to the Secretary of State for External Affairs:*

On the agenda of this twenty-first session of the General Assembly there are no items more important than those concerned with the various facets of the complex problem of economic development. They rank first in importance because they are uppermost among the pre-occupations of the majority of United Nations members as they struggle to realize their individual national goals. They also rank first in importance because problems of economic development and measures which are taken in response to them are of such paramount significance for relations between all states today. The collective action which the community of nations takes to meet the challenge of under-development will determine whether we achieve lasting peace, stability and prosperity – in short, the kind of world to which this organization is dedicated.

Over the past year, prolonged, thorough and useful discussions have been held upon major problems of development in a series of important international meetings. Their point of departure has been the growing body of disquieting evidence that we are seriously behind schedule in our efforts to attain the objectives we set for the Development Decade. I should not wish to speak here of shattered illusions, but the only realistic basis for our discussions in this Committee must be the recognition that, if the goals of the Decade are not to elude our reach, nations of this world – and here I quote from what the Canadian Minister of Foreign Affairs said on this subject in the General Debate of this Assembly a fortnight ago: “The nations of this world are going to have to make common cause and sacrifice on a scale that is only beginning to be appreciated and up to now certainly has not generally been accepted”....

At the same time, I am heartened by the progress which has been achieved through the international discussion of these issues towards a better understanding of the basic ingredients of the development process. In particular, I believe we are now in a position to appreciate more accurately than earlier the fundamental nature of the problems facing developing countries which must be overcome. We can also appreciate better the wide range of fields in which national and international co-operative efforts are required if developing countries are to move forward into a phase of dynamic and self-sustaining expansion....

### DEVELOPMENT BY COMMON EFFORT

To sum up in a phrase that I believe to be the lesson of our efforts to date, I should say that the international community has grasped more clearly than ever before that development is a co-operative endeavour. Translated to the aid field, this means that donor countries must make greater and more determined efforts to expand the volume and improve the

terms of assistance they extend. But it also means that recipient countries must do more to ensure that those limited human and financial resources are used with maximum effectiveness. At the recent fourth session of the Trade and Development Board, considerable attention was devoted to this latter question, especially to problems confronting less-developed economies in seeking to deal with consequences of the introduction of modern technology. Dr. Prebisch, in a very cogent speech to the Board, underlined the fact that effective assimilation of technological “know-how” may, in many instances, require quite drastic measures of economic and social reform. The obstacle which obsolete systems of land tenure present for utilization of modern techniques in increasing agricultural productivity provides one example of an area where action by developing countries may be an essential key to progress.

Similarly, in the trade field (and this again came out very clearly during the last session of the Trade and Development Board), we are struck by the need for concerted efforts by both groups of countries, developed and developing. It is clear that, in this field, we now realize that there are no quick and easy answers, no short cuts to rapid and dramatic results. There is a lot which can and must be done. From industrialized nations there should come initiatives designed to enhance the capacity of developing countries to take full advantage of expanding world trade so as to increase their export earnings. In the opinion of my Delegation, there is a range of possibilities here. These include, notably, improved access for exports of developing countries, particularly for manufactured and semi-manufactured goods; supplementary financing to help cope with the problems which unexpected fluctuations in export earnings pose for development programmes; measures to provide more stable markets for primary commodities at remunerative levels – we look forward especially to the early conclusion of international agreements on cocoa and sugar. Finally (and this is very important in our view), there is the vital part technical assistance can play in improving the position of developing countries in building their trade in manufactures and accelerating the process of industrialization. I shall return in a moment to this last field of action, which appears to us a particularly promising means of supporting efforts of developing countries to establish and expand their export industries. But, as industrial nations seek new ways to assist other countries to sell more abroad, vigorous complementary actions must be taken by the developing countries themselves. I have already touched on the necessity for structural reforms in the agricultural sector. In addition to such domestic reforms in developing countries, there is a very definite need for vigorous action by those countries to provide a wider base for their industrialization through regional and inter-regional co-operation with the object of increasing trade among themselves....