

to 1,300 million people. That is a rate almost twice as high as that experienced in the advanced countries of the free world. When the growth of production is discounted by the growth of population, we find that the less-developed countries were able to increase their average per capita income over the decade by no more than \$25, from \$105 in 1950 and \$130 in 1960. In other words, per capita income in these countries rose by a mere \$2.50 a year. What is more significant is that during this ten-year period, the gap between standards of living in these countries and standards of living in the advanced countries widened in both absolute and relative terms.

These are depressing figures. They are particularly depressing in a world which has come to accept the need for economic growth as a central objective of government policy everywhere. The United Nations recognized the urgency of this problem at the General Assembly session three years ago, when it designated the 1960s as the "Development Decade". The specific objective of that designation was to achieve in each of the less-developed countries a minimum annual rate of growth of national income of 5 per cent at the end of the decade. Even if that objective were reached (and we must all hope that it can and will be reached), it has been calculated that it would take the less-developed countries 80 years to achieve current standards of living in Western Europe and 120 years to achieve those currently prevailing in the United States. Understandably, this is a timetable which the governments of the less-developed countries refuse to regard as practicable either in political or in social terms.

#### Need for Increased Investment

If the less-developed countries are to achieve higher rates of growth, they will need to have available a larger supply of investment goods. They will also need to be able to meet the rising demand of their peoples for consumer goods - including, particularly, food. Since their own capacity to produce the required goods is still limited, a substantial proportion of the increase in demand for those goods will need to be imported. The problem which these countries face is where to find resources to pay for that higher volume of imports which is absolutely essential if their economic development is to go forward at the requisite rate. They recognize that the solution of this problem lies primarily within the realm of their domestic efforts. They also recognize, however, that the resources they can command for this purpose will not, with the best will in the world, be adequate to the task at hand.

In essence, these countries are caught in a vicious circle -- their incomes are low because there is inadequate investment in their economy, and there is inadequate investment in their economy because the incomes which should be generating that investment are low. The less-developed countries are looking to the advanced countries to see this problem in a global perspective and to co-operate with them at the international level in creating the conditions that will enable the less-developed countries to break out of this vicious circle. They argue that, if this can be done, if the less-developed countries