

The Challenge of Under-Development

I turn now to the second major problem confronting the United Nations -- the challenge of under-development.

The problem is so great that it is not easy to understand. The statistics reveal the shocking reality. Two-thirds of the world's population lives in under-developed countries which together command only one-sixth of the world's income. In this Model General Assembly, then, the overwhelming majority of student delegates will be representing countries with a per capita income of less than \$250, compared to the United States' per capita income of about \$3,000. There is a vast gap between the majority of states, which are poor or very poor, and a small group of industrially-developed, high-income countries.

As you know, at the start of the Sixties, the United Nations sponsored a programme called the Development Decade. The aim was for the under-developed countries, as a group, to reach a yearly rate of economic growth of 5 per cent. This rate of growth has not, in general, been achieved. When allowance is made for population growth, per capita income in about half the 80 under-developed countries which are members of the World Bank is rising by only 1 per cent a year or less. This means that those countries which are lagging behind can scarcely hope to reach a per capita income of \$170 annually by the year 2000.

In the words of the President of the World Bank (George D. Woods), the implications are plain and sobering:

"If present trends are allowed to continue, there will be no adequate improvement in living standards in vast areas of the globe for the balance of this century. Yet, over the same period, the richer countries will be substantially increasing their wealth."

The gap is, therefore, widening. The flow of international aid from the industrialized countries seems to have reached a plateau and is not rising. Tragically, the present trend is for the growth of the low-income countries slowly to lose momentum.

There are other and related problems -- population growth, the initial cost of becoming an industrial society, which is much higher than it was at the start of this century, and the high cost of debt service, which means that a poor country must spend much of its foreign exchange on debt repayment rather than investing in new productive development.

Although the picture is bleak there are certain hopeful aspects: --The rich nations have accepted a measure of responsibility to assist the development of the poor. In the industrialized countries, people are learning how to carry out aid programmes more efficiently. For example, in Canada we have reorganized our aid effort to bring greater knowledge and experience to bear on development problems. The Canadian aid effort has doubled in volume since 1963, and during the current year some \$250 million will have been made available in Canadian aid.