

## ECONOMIC DEVELOPMENT

*The following statement was made in the Second Committee of the United Nations General Assembly by the Canadian Representative, Miss Margaret Meagher, on October 21:*

It is now two years since the Second Committee last reviewed world economic and social developments. But it is not just this hiatus that makes this year's meeting important. More significantly, we meet now with a deeper awareness of the complexity of the problems of development. We are, perhaps, more aware now that aid alone will not suffice to ensure economic progress, that aid must be buttressed with an expansion of international trade, particularly that of the developing nations, reinforced by the dissemination and application of science and technology, and based on sound development planning.

Despite the considerable efforts made since the Second World War, the gap in living standards between the rich and poor has widened. In many countries economic growth has barely been sufficient to keep pace with population increases, and debt-servicing problems threaten to undermine development programmes. Above all, at a time when the need is mounting, the flow of development assistance has been levelling off and, in some cases, the terms on which aid is made available have become less favourable. A point has thus been reached in the struggle for development where it is all too easy to give up hope and effort in the face of the magnitude of the problem. In fact, the present juncture in world economic development demands resolute action by all of us, collectively and individually.

### CANADA'S RESPONSE IN AID

Canada recognizes the gravity of this situation. After more than doubling our bilateral-aid programme last year, we are increasing it again this year. As our Prime Minister said recently, the Canadian Government intends to increase its foreign-aid allocation substantially in the years ahead. In the general debate in plenary session on September 24, the Secretary of State for External Affairs said: "I want to affirm our strong support for the amalgamation of the Special Fund and Expanded Programme of Technical Assistance on satisfactory terms in a co-ordinated United Nations Development Programme, and for the continuance of the World Food Programme. Canada wants to see the projected new targets for these programmes adopted. I would expect that our own contribution will be in keeping with these United Nations objectives."

We intend to support sound innovations and will join with others in imaginative projects to accelerate economic progress. In Asia, where it is imperative that constructive activity should not be displaced by violence and disruption, we expect to join the Asian Development Bank to make a contribution of up to \$25 million to its subscription capital, providing a satisfactory charter can be worked out and subject to Parliamentary approval. From the beginning, Canada has played an active role in the programme of developing and controlling the great Mekong River

system, which affects a large part of Southeast Asia, and we expect to participate in specific projects now being undertaken under this programme.

In the Western Hemisphere we have increased the funds available under our special arrangements with the Inter-American Development Bank. Earlier this year we made available for lending in Latin America a total of \$25 million; the Secretary of State (for External Affairs) announced in the general debate that an additional \$10 million will be put at the disposal of the Bank for lending at terms which may extend to 50 years at no interest charge.

### EXPANSION OF TRADE VITAL

Of course, economic assistance alone is not enough. Canada recognizes that the expansion of trade is also a crucial factor in economic development. We have supported, and will continue to support, efforts in United Nations Conference on Trade and Development, in the GATT, in the context of the "Kennedy round" of tariff and trade negotiations in commodity conferences and elsewhere, to provide increased opportunities for the trade of developing countries. We attach particular importance to the establishment of the new UNCTAD machinery. We believe it can and must be made into an effective instrument for considering the manifold aspects of trade and development problems and promoting practical solutions. We appreciate the impatience of developing countries about the slow progress in UNCTAD towards concrete achievements. In part, this is attributable to the inevitable organizational problems that must be overcome in establishing new machinery of this kind. But beyond this, we must recognize that there are basic differences of views and interests regarding the role of UNCTAD and the solutions to the complex problems of trade and development. If UNCTAD is to be a success, there is an urgent need to focus attention on substantive rather than procedural questions and to concentrate efforts on areas in which UNCTAD appears capable of making a positive contribution.

### INDUSTRIAL GROWTH IN DEVELOPING REGIONS

An important ingredient in expanding trade will be a broadened industrial base in developing regions. The establishment of UNCTAD has thus lent new importance to the activities of the United Nations in the field of industrial development. Since this Committee last met, the Economic and Social Council, on the recommendation of the Committee for Industrial Development, has adopted a series of resolutions aimed at intensifying and improving the overall United Nations effort in the field of industrialization. UNCTAD has also made certain recommendations, which stress the urgent need for accelerating the establishment in developing countries of industries with an export potential. The net effort has been twofold. First, the Centre for Industrial Development has been asked to expand its activities greatly. Secondly, there has been clear and unanimous recognition of the need for adequate financial resources