



STATEMENTS AND SPEECHES

INFORMATION DIVISION
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ECONOMIC AND FINANCIAL QUESTIONS IN THE UNITED NATIONS

Statement by Mr. Theogene Richard, M.P., Canadian Representative on the Second (Economic and Financial) Committee of the United Nations, October 9, 1957.

The Canadian Delegation has decided to participate in this debate because it has seemed to us desirable to present a general point of view which is relevant to most of the subjects covered by the report of the Economic and Social Council.

My delegation considers that there are grave errors in both of the extreme positions which are sometimes taken regarding the usefulness and importance of the United Nations. Some people, and indeed some governments, have tended to view the United Nations as an organization to which all difficulties should be referred and through which all problems can be solved. Such an attitude, it seems to us, leads almost inevitably to disillusionment and bitterness. We must recognize that there are several limitations on what the United Nations can and should try to accomplish in the various fields with which it deals. This is particularly true--if I may say so--of action in the economic and financial field which is the concern of this committee.

On the other hand, many individuals and some governments appear to believe that the United Nations is of little or no value because it has failed to do everything they hoped it could, or has been unable to contribute much to a particular problem at a particular time.

My delegation believes that there is a constructive middle position between these extremes. The records of this committee and of ECOSOC show that the United Nations can certainly achieve useful results, if earnest efforts are made to work out decisions which are practicable, which are generally acceptable among member governments, and which are likely to be widely supported by public opinion.

I hope that the members of this committee will bear with me while I discuss three of the questions before us, from what I should like to describe as this constructively realistic

point of view. The three questions that I have in mind are the promotion of international trade, economic assistance for the less-developed areas, and the problems created by the world economic situation.

International Trade

The welfare of the Canadian people is dependent to a high degree on our ability to sell our products, both manufactured and in raw material form, in order to finance the imports required for further economic development and for the maintenance of a high and rising standard of living. Consequently, the Canadian Government has always been interested in measures which would promote and develop international trade. Canadian spokesmen frequently find themselves in substantial agreement with representatives of so-called less-developed countries when they complain of the effects of wide variations in the prices of the principal commodities that they produce for export. We ourselves suffer from such variations. That is why Canada is a party to such international commodity agreements as the International Wheat Agreement, the International Sugar Agreement, and the International Tin Agreement; and that is why Canada was willing to stand for reelection last year to membership in the International Commodity Trade Commission.

The Canadian authorities are satisfied that considerable progress has already been made in improving international trading conditions through the use of the existing machinery for international co-operation in commercial matters. The Canadian Delegation therefore supports efforts that are being made, both within the United Nations and outside the United Nations, to improve world trading conditions.

Economic Assistance to Underdeveloped Countries

Now, Mr. Chairman, I should like to turn to the question of economic assistance to underdeveloped countries. It seems to my delegation that, in the discussion of this subject in recent years, there has been a tendency for some people to lose sight of some basic facts. One fact that no one will deny is the existence of a need; clearly there is a deplorable disparity between living standards of developed countries and living standards of underdeveloped countries. The developed countries certainly can help the underdeveloped countries to accelerate their economic development and have a moral obligation to do so.

In fact large sums are being diverted from the more highly developed countries to the economic development of other countries. The great bulk of this flow takes the form of private capital investment. Indeed this is the form of investment which has developed Canada. Considerable sums of money are also being provided by governments under bilateral programmes--notably, the various United States programmes and the Colombo Plan. Each

year large sums are provided by governments through the Expanded Programme of Technical Assistance, the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine, the United Nations Korean Relief Administration, and other United Nations agencies. For the first time members of the United Nations have a clear picture of all these various types of assistance in document E/3047 containing information concerning international economic assistance for the less-developed countries. Of course aid programmes, whether through the United Nations or through other channels, only form a relatively minor portion of the total resources both material and human which are being devoted to economic development. I would like to pay special recognition to the efforts, the successful efforts of the less developed countries to help themselves.

Now, how do governments get the money for the various assistance programmes? In my country, which is typical in this respect of many states members of the United Nations, the government asks the representatives of the people in Parliament to vote the necessary funds. In effect, Parliament has to decide that "X" millions of dollars which might have been spent on schools or hospitals, or roads, or irrigation systems at home, should be spent in assisting the economic development of other countries abroad. I think every fair-minded person will agree, Mr. Chairman, that it is right and proper that Members of Parliament, in voting money for economic assistance to underdeveloped countries, should wish to satisfy themselves that the best possible use is made of these resources. They may, in some cases, believe that money given to the United Nations for economic assistance will be spent to better advantage than money that might be given for bilateral programmes. It would be natural to expect, however, that in other cases the members of national parliaments and other legislative bodies may wish to emphasize the provision of assistance for bilateral projects which result in direct and intimate relations with other countries based on mutual agreement and respect. In some cases, they may prefer to provide direct assistance to less-developed countries with which their own country has historic connections. I think it is completely logical, for instance, that the major share of the economic assistance provided by the Parliament of Canada should be provided through the Colombo Plan under arrangements initiated by our fellow nations of the Commonwealth. My delegation considers that in our discussion of the problems of the economic development of underdeveloped countries, our objectives should be to encourage the most effective use of the total amount of aid resources available within the United Nations and through bilateral programmes.

The Canadian authorities have also considered that there should be some relation between the bilateral and multilateral types of programmes. At the very least there should be co-operation and understanding between the various forms of aid so that scarce resources are not wasted. In this respect I entirely agree with the observation which was made recently in this committee by my colleague from Ghana. He referred to the importance

of avoiding duplication and competition between the various types of economic aid. In this respect it may well be that the United Nations has a special responsibility and function. Both the less-developed countries and the more-developed countries have a joint and equal interest in avoiding the dangers to which my colleague from Ghana has drawn our attention.

World Economic Situation

I should now like to speak briefly regarding the consideration that has been given by the Economic and Social Council and by the United Nations generally to the world economic situation. In this connection I was struck forcibly by the relevance of a comment made to the Economic and Social Council in the course of its 23rd Session by Mr. Per Jacobsen of the International Monetary Fund. Mr. Jacobsen noted that for some years after the establishment of the International Monetary Fund its facilities were not used to any great extent. He went on to say, however, that in those first years the fund was developing policies and procedures which stood in very good stead when, in 1956 and 1957, it entered into a period of unprecedented activity and usefulness.

It is the opinion of my delegation that a good deal of the work that has been done by the United Nations Secretariat and by the Economic and Social Council on world economic problems has not been valued as highly in the past as it might have been, because the world was in a period of relative prosperity. It may well be that the statistics and other material collected by the United Nations, and the discussions held in UN bodies on world economic problems, may prove to be more valuable in the future. In the Economic and Social Council Canada has supported decisions aimed at improving the usefulness of United Nations surveys and statistics. The United Nations is unlikely to discover formulas for dealing with economic problems which will be equally useful to all member countries, but the activities and discussions of the United Nations in the economic field can certainly be directed into channels which will be of the maximum utility. This work is primarily the responsibility of the Economic and Social Council and the Canadian Delegation can, in general, endorse its work in the last two years while Canada has been on the Council.

In this connection, my delegation wishes to express its agreement with the emphasis which Monsieur de Seynes gave in his address to the problems of inflation and to the difficulties created by what he described as the maintenance of "economic balance while the rate of growth is being accelerated". These are problems that Canada is facing in common with other countries. We look forward to the World Economic Survey for 1958 which will give special attention to these questions.

My distinguished colleague from Japan, who is also our Vice-Chairman, suggested that consideration might be given to studies of the possible economic effects of disarmament. In this connection, it will be recalled that members of the United Nations

accepted in 1953 a declaration to the effect that, on the achievement of a substantial measure of world-wide internationally supervised disarmament, a portion of the savings achieved would be devoted to economic assistance for the less-developed countries through the United Nations. My delegation is of the opinion that our Japanese colleague's suggestion - for which we commend him - should be kept in mind in connection with any possible agreement on disarmament. We doubt, however, whether significant results would be achieved by commencing studies on the economic effects of disarmament until we have a clear indication of the degree of disarmament that is possible. In other words, we must await the necessary political decisions before we can assess their economic consequences.

Finally, I come to the suggestion which we made in a thoughtful and interesting statement by the Roumanian Delegation. If I understood the Roumanian representative correctly, he suggested that consideration be given to the adoption by the United Nations of a set of principles concerning international economic relations.

It seems to the Canadian Delegation, however, that the principles which our Roumanian colleague suggested bear a close relationship to certain articles of the Charter of the United Nations. I suggest that this committee would find it a most difficult and lengthy process to agree on a further general declaration such as that our Roumanian colleague has suggested. My own delegation would prefer to avoid lengthy debates on general principles when there are opportunities for constructive and practical discussions concerning the development of the United Nations programmes of economic aid.

I would conclude, Mr. Chairman, by referring once again to the concept of constructive realism which I stressed at the beginning of my statement. Some members of some bodies of the United Nations have sometimes taken any reference to realism, practicability, constructiveness or co-ordination as implying unwillingness to support useful and appropriate action. It has sometimes been suggested that countries unwilling to participate in United Nations activities, have hidden behind these catchwords.

I sincerely trust, Mr. Chairman, that no one will entertain such an impression of Canadian policy. If it would be useful to emphasize my point, I could give the committee a list of the support in the form of contributions which Canada has made to the various United Nations programmes. I do not think, however, that this would be either necessary or appropriate. I should only like to emphasize that the Canadian Delegation will continue to support and press in the United Nations for decisions that are practical and constructive and in consonance with the spirit of the Charter.
