

External Affairs
Supplementary Paper

No. 65/6 SOCIAL AND ECONOMIC DEVELOPMENT
IN THE EMERGING NATIONS

Statement by the Canadian Representative,
Miss Margaret Meagher, in the Second
Committee of the United Nations General
Assembly, Thursday, October 21, 1965.

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 the 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 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 up to 50 years at no interest charge.

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.

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 effect 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 to be made available to the Centre. Among other things, this should permit a rapid expansion to 200 professional staff over the next three years, a goal which seems essential if the full range of activities in the industrial field is to be carried out. It is for this

reason that Canada strongly supports the draft resolutions recommended by ECOSOC calling for a substantial expansion in the resources of the Centre. Over and above this, we will shortly receive a report from the Secretary General on how additional voluntary financing for industrial development might be utilized within the framework of the United Nations Development Programme. This would ensure a further substantial increase in the funds available for industrial development to be used up as projects are approved and new staff are recruited. Given these additional resources, both assessed and voluntary, the Centre for Industrial Development will, for the first time, be able to organize its future work systematically and plan programmes on a long-term basis. Differences of opinion as to the most desirable form of organization should be set aside in the interests of advancing this work. My Delegation is not persuaded that a specialized agency is required or that it could accomplish anything that a greatly expanded Centre would not be able to do.

Mr. Chairman, I have touched on only a few of the 19 items on our agenda -- the largest that has ever confronted the Second Committee. Diverse though these items are, they have one common objective: to accelerate economic development by concerted international action. No small share of this action is initiated through the programmes of the United Nations system of organizations, which have multiplied in number and diversity as international needs have been identified and international capacities extended.

The very breadth and vigour of this response testifies to the scope for concerted international action. Vigour has, however, created problems of its own. There is no item on our agenda which poses more fundamental or more perplexing questions than Item 100, calling for a general review of all the development programmes and activities of the United Nations and its affiliates, in order to determine just what it is we are doing and how we are doing it. Every Delegation here must at some stage have felt, as the proposers of this item clearly did, that we seem, at times, in danger of being swamped by our own ingenuity in devising solutions and by our faith in the capacity of international machinery to combat every aspect of underdevelopment. Too often we forget that, when we establish a new programme, a new institution or a new committee, we do not dispose of a development problem but merely provide ourselves with one more tool for arriving at a workable solution. We also make more imperative the need for co-ordination and central direction to ensure that these multiple operations are channelled into one sustained and consistent effort. In our view, the working responsibility for this sort of co-ordination rests inevitably with the Economic and Social Council. Only the Council has the time and the facilities, as well as the charter responsibility, to carry on the detailed scrutiny which a streamlined common effort requires. Some of this work has already been begun by the Council; much more remains untouched. It is up to the General Assembly to encourage what has already been undertaken and to insist that the whole task be tackled comprehensively. After 20 years of experiment and ad hoc elaboration, it is time we had a detailed inventory of our activities, a more rational structure of assistance programmes and procedures, and a systematic evaluation of the impact of these programmes.

The need for clarity and order, albeit important, is not our major objective. What is more important is the need to make more rapid progress in combatting the obstacles to self-sustained economic growth. The development process will not be hastened by setting up more institutions or establishing more programmes if the net effect of these decisions is to impose still more procedures, still more documents and still more meetings on governments already labouring under a plethora of all three. On the other hand, the development process may well be hastened if we consolidate and streamline what we have already established, if we concentrate on those areas which seem susceptible of international action, and if we mobilize far greater resources for their support. I come back to the point from which I started: the present juncture in world economic development demands resolute action by us all, collectively and individually.

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