

~~Do not remove~~

External Affairs
Supplementary Paper

No. 60/13 Trade and the Under-Developed Countries

Statement by Mr. W.A. Irwin, Canadian Representative
on the Second Committee, during the General Debate
(Item XXIX) on October 27, 1960.

... In the opinion of the Canadian Delegation, current international political difficulties must not be allowed to prevent the United Nations from achieving useful results of a practical nature designed to promote the economic development of less-developed countries. As Prime Minister Macmillan of the United Kingdom stated in his intervention in the general debate in plenary: "We must develop the general recognition that the interest of all is the interest of each, that the whole world must grow and expand together, that nations cannot live or succeed in isolation."

In this connection I was particularly struck by the comments of the distinguished representative of Sudan in this Committee on October 14, when he called for the expansion of existing United Nations facilities for promoting international co-operation and consultation. My country has always supported measures designed to give substance to the economic interdependence of today's world and it will continue to do so.

During this session of the General Assembly, all delegations will surely agree that urgent consideration should be given to the problems of the newly-independent countries and particularly those of Africa. Canada already has indicated its willingness to contribute to a Commonwealth programme of economic aid to the countries of Africa with which we are associated in the Commonwealth. Largely because of the increasing responsibilities of United Nations programmes in Africa, we have increased this year our contribution to both the United Nations Special Fund and the Expanded Programme for Technical Assistance. We shall also be taking a sympathetic attitude toward the proposals of the Secretary-General for an increased allocation under the United Nations budget for special programmes of assistance, many of them to be conducted in the newly-independent states of Africa. I mention these facts not in any spirit of self-commendation, but as evidence of Canada's willingness to join other countries in meeting the new and special demands which the United Nations faces as the countries of Africa join the international community.

Trade and Commodity Problems

... I now turn to a consideration of the trade aspects of the development problems confronting less-developed areas of the world. It seems scarcely necessary to emphasize once again in this forum that the processes of international trade -- and particularly of international trade relating to commodities -- are of the utmost interest and importance to Canada. Ours is a trading

nation, dependent in large degree for its wellbeing on world market prices for a number of basic commodities. To some extent Canada finds itself in a position comparable to that of the less-developed countries. We are, for example, subject to many of the same dangers arising from fluctuations in the prices of raw materials, although of course our problems may be different in complexity and to some degree, in nature, from those of the countries of Latin America, Africa, the Middle East, and South and Southeast Asia. I make this point to emphasize that so-called developed countries such as my own frequently are confronted with economic problems of similar type, although not perhaps of the same magnitude, as the less-developed countries.

We therefore recognize with particular sympathy ... that the success of the development programmes now going forward in many less-developed countries is dependent on the growth and stability of their external trade.

Canada is a member of the Committee on International Commodity Trade, and my delegation was gratified to hear Mr. de Seynes say that "the Committee on International Commodity Trade is now apparently becoming more and more important as a meeting place for exchanges of views between the governments which are alive to the consequences of fluctuations in commodity prices on the economic growth of the under-developed countries, and on the balance and expansion of international trade." The Interim Coordinating Committee for International Commodity Arrangements has also been able, with assistance from the United Nations Secretariat, to play an important role in initiating discussions leading to commodity agreements. Canada considers that commodity problems should be approached commodity by commodity if the most satisfactory results are to be achieved. For this reason we participate in the international commodity agreements for sugar, tin and wheat, and in the Cotton Advisory Committee. We have also taken part in various commodity study groups, such as that recently organized for lead and zinc, and those arranged for rubber and coffee.

The study of commodity and trade problems has also actively engaged the attention of the contracting parties to the General Agreement on Tariffs and Trade, of which my country, in common with so many others represented here, is one. Committee III of the GATT, which was established to examine trade problems confronting the less-developed countries, has already succeeded in eliminating or reducing certain restrictions on imports. Similarly, Committee II of the GATT, which was established to deal with the world-wide problem of agricultural protectionism, has undertaken a most ambitious programme for examination of the agricultural policies of individual countries.

From the foregoing ... it will be apparent that my delegation views with favour the enlarged area which has been opened to multi-lateral trade agreements. I should, perhaps say that we are by no means opposed to all types of bilateral agreements. Indeed, we have negotiated a wide variety of bilateral arrangements including, for example, an agreement with the U.S.S.R. and other countries with which we have long-established trading relationships. Our difficulties in the United Nations and elsewhere in this field are with narrow bilateral or other agreements which present a closed front to the rest of the trading world. It is for this reason that Canada has firmly and actively supported the GATT in its endeavours to break down trade barriers erected in earlier years by narrow and restrictive trade agreements.

I should perhaps add that although my delegation recognizes the prerogative -- even the duty -- of this Committee to examine trade and commodity problems, and to offer advice and produce recommendations on these subjects, we believe nonetheless that detailed consideration of these problems and the working out of concrete solutions must necessarily be left to the GATT, the CICT and other international organizations which have a recognized competence in these fields.

Economic Aid Programmes

Discussion of the trade problems of less-developed countries leads one logically to a consideration of international economic aid programmes. In this Committee we are naturally concerned mainly with multilateral forms of aid. But it is obviously just as impractical to discuss any one of the many forms of economic aid in isolation as it would be to conduct an aid programme without reference to parallel programmes. I therefore intend to deal with some of the issues confronting us in the vital field of assistance for economic development without drawing distinctions between programmes which, though different in form, are intended to accomplish the same end.

It is our delegation's firm conviction that to be genuinely effective any aid programme must be freely agreed upon between the recipient and the donor, each having an equal voice; and that projects should originate with a specific request of the potential recipient. Faced as we are with many varying needs of the utmost urgency, our response must be flexible and adaptable.

Speaking for a country which has accepted and will continue to accept its obligations to assist in the economic development of less-developed countries to the fullest extent of its capabilities by participating in both multilateral and bilateral aid programmes, we believe that it is desirable that both kinds of programme should continue to be available. It is our experience that both types are welcome to recipient countries, provided they are freely offered and freely accepted. We were pleased to hear the observations of the distinguished delegate of Pakistan on October 14 which, I think, confirmed this view. It is imperative that every means at our disposal, national and international, public and private, be brought to bear. I am sure that there can be no disagreement with this. A full mobilization of the resources available to us, applied in a flexible manner, but not dispersed through agencies duplicating each other, must be our aim.

For this reason, Canadian delegations, over a period of years, have emphasized the urgency and the need for close co-ordination of all the varied aid programmes in effect. This co-ordination should take place at every stage when it is conducive to extraction of maximum value from the funds available. It has always seemed to my delegation that perhaps the most important stage is that of discussion in the national capital of the receiving country itself. National development plans are, of course, the framework within which co-ordination must take place.

To be effective, co-ordination must also include some division of function between programmes if wasteful duplication, even conflict, is to be avoided. The discussions in this Committee of the work of the Expanded Programme of Technical Assistance, which provides experts and teaching facilities, and of the Special Fund which provides assistance in preparing the ground for capital investment, illustrate the benefits which can result from a division of function, coupled with co-ordination within the United Nations framework. It is our hope that this process can be continued and developed.

In this connection my delegation does not wish this occasion to pass without emphasizing its support of the United Nations Secretariat and its appreciation of the efficiency and impartiality of its members. In our view the Secretariat has succeeded, in the face of very grave difficulties, in maintaining a reasoned balance in the discharge of the economic responsibilities which have been assigned to the Secretary-General by the Charter and by specific resolutions of ECOSOC and the General Assembly.

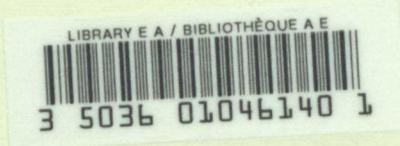
Observers of the United Nations sometimes reproach us for lengthy debate with little obvious result. It is our opinion that the Second Committee has much to show in refutation of this argument. The influence of the debates of this Committee and of the General Assembly on economic questions goes far beyond immediate decisions taken here. It can be reasonably argued that the debates on economic development in the Second Committee, for instance, have had much to do with the recent substantial increases in international financial resources for promoting economic development. I think it would also be fair to say that by underlining the importance and value of economic aid, the United Nations has exerted an influence which has helped bring about the substantial increase in the volume of bilateral economic aid which is now being made available.

This places a heavy responsibility on this Committee. If the influence of the United Nations debates is to be maintained and enlarged, these debates must be objective and reach practical and useful conclusions. This year, as in the past, my delegation will be working with others with whom we share the objective of increasing the significance and the value of United Nations activity in the economic area. For example, Canada and a number of like-minded countries have tabled a resolution for consideration when the technical assistance item is reached seeking to put the OPEX programme, which in our view has amply demonstrated its worth, on a continuing basis.

Document E/3395, entitled "Economic International Assistance to the Less-Developed Countries", which in our view is one of the most useful documents produced recently in this field by the United Nations, states: "By whatever standard it may be measured . . . the flow of public capital to under-developed countries has been increasing in importance." Furthermore, the paper quite fairly describes the movement of public capital to under-developed countries not only as rapid but as "remarkably steady." This tendency toward a steady flow is one which the Canadian Government wishes to support strongly. It has long been our appreciation that unless the movement of international economic aid is relatively stable, it is not possible for the less-developed countries to carry out planning which will make such aid most effective. Sudden shifts in an aid programme for political or other reasons can cause great damage. In this connection I might mention that Canada's Colombo Plan programmes and our contribution to the recently-announced Special Commonwealth African Assistance Programme are financed on a three-year basis. Our programme of aid for the Federation of The West Indies is financed over a five-year period. My delegation would hope that other donor countries will find it possible, within their constitutional procedures, to follow a somewhat similar pattern.

.... I have indicated that economic-development assistance may be varied in form and function but must be coordinated in application; it must be flexible to meet varying needs but stable in direction and flow. This Committee can do much to

ensure that these criteria are fulfilled, and by doing so in a responsible manner can contribute usefully to the attainment of our common objective, the acceleration of the balanced economic growth of the less-developed countries of the world. The efficient use of the resources now available to us for this purpose is hardly less important than the search for new resources in which we are all engaged.



ensure that these criteria are fulfilled, and by doing so in a responsible manner can contribute usefully to the attainment of our common objective, the acceleration of the balanced economic growth of the less-developed countries of the world. The efficient use of the resources now available to us for this purpose is hardly less important than the search for new resources in which we are all engaged.