

Economic Development of Under-
developed Countries

Statement by Mr. Gordon Aiken, Canadian
Representative on the Second Committee of
the United Nations on October 27, 1961.

Mr. Chairman,

As this is the first occasion on which I have addressed this Committee, permit me to add my congratulations to those already extended to yourself and to the Vice-Chairman, Dr. Mahdavi, and to the Rapporteur, Mr. Rego Monteiro. You have already indicated your ability to give leadership to the Committee, and in order to assist in your expressed desire to proceed expeditiously with the work of the Committee, I do not propose to make a lengthy statement today.

There is no question that much has been accomplished by the United Nations and its organs in the field under discussion and Canada is proud of the contribution it has been able to make. And yet we feel that there is much more to be accomplished. If, in this intervention, I should make reference to what has been done, both by my country and by the United Nations organization, it is not to suggest that we should rest on our oars, nor to express self-satisfaction, but for the purpose of taking stock of our position, and determining the direction in which we should go.

It has been amply demonstrated in this debate that member nations are gravely concerned with problems of international commodity trade. My own country is heavily dependent on exports of basic materials and foodstuffs. We are therefore fully alive to the urgent need to reverse the downward drift of commodity export prices. In our view, the best hope of solving these problems lies in a commodity-by-commodity approach leading ultimately to a comprehensive series of international commodity agreements. It goes without saying that such agreements, to be beneficial and effective, must necessarily include the major producing and consuming countries. In a related field -- the sudden inflow of low-cost imports leading to disruption of traditional markets -- we now have before us heartening evidence of international economic co-operation in the form of the Cotton Textiles Agreement drawn up by a number of contracting parties to the General Agreement on Tariffs and Trade.

From the foregoing, it will be apparent that my delegation would view with favour any enlargement in the scope for multilateral trading arrangements. We are by no means opposed to the old type of bilateral agreement, nor indeed to the formulation of regional trade groupings. Canada only wants to ensure that such groupings should not be achieved at the expense of outside countries; that they should not result in new barriers to trade; indeed, we believe that such groupings should contribute to the expansion of trade with third countries rather than be inward-looking and restrictive in their operation. We would be particularly disturbed if such regional groups upset the patterns of mutually advantageous trade associations.

Mr. Chairman, Canada is classed as a developed country and as such it is a significant contributor to international aid programmes. Nevertheless, Canada is a capital-importing nation. In fact, it is the largest net importer of private capital in the world today. Our efforts in the field of international aid do not, therefore, come from a surplus of capital, but from the willingness of our people to contribute to the economic and social development of others.

In the view of my delegation, the most important question facing us in this Committee is that of the economic development of the less-developed countries. This is a co-operative endeavour involving developed and developing alike. However time-worn these words may sound, to me they are worth repeating often so that we may never lose sight of the reality they express. Last year this Assembly agreed that the existing United Nations technical assistance programmes should henceforth be known as the United Nations Programmes for Technical Co-operation. This change in name constituted recognition of the fact that assistance can never be one-sided if it is to be effective. It must be freely offered and freely accepted, and effort on the part of one must be matched by efforts on the part of the other. It is not simply a question of more richly endowed nations sharing the fruits of their prosperity with those which have yet to develop their full capacities of production. It is, rather, a question of the developed countries reinforcing the endeavours of the less-developed to accelerate their own economic and social progress.

We recognize that it is the efforts of the developing countries themselves which have been mainly responsible for the great strides made towards this end. For all this, the developed countries have an essential contribution to make. Canada is above all concerned to mobilize effectively and rapidly -- and where possible, to increase -- all resources available for economic and technical assistance. It is our firm belief that all resources at our disposal, national and international, public and private, should be brought into the operation. This means not only loans but grants, not only multilateral assistance but bilateral assistance. All these forms of aid have their part to play and should be mobilized flexibly and fully, but the essential condition of all of them is that they should be freely offered and freely accepted.

All that I have just said, Mr. Chairman, is admirably summarized in the 12 principles which were unanimously adopted by the Preparatory Committee for a United Nations Capital Development Fund, which met in New York last May. While our views on the creation of such a fund remain unaltered, we believe that the Committee of Twenty-Five performed an invaluable service to the United Nations in formulating the 12 basic principles which should govern the provision of aid through international organizations.

A moment ago, I touched upon the responsibility of the developed countries to co-operate in accelerating the economic and social development of the developing countries. Resolution 1527 (XV), which received unanimous support in this Committee last year, specifically urged all member states to increase technical assistance to the newly-independent and emerging states to a level commensurate with their needs. During the past year, Mr. Chairman, the people and the Government of Canada have endeavoured to assume a fair share of this obligation. In April the Secretary of State for External Affairs, the Honourable Howard Green, announced the Canadian Government's intention to embark on a new programme of assistance in the educational field for the newly independent French-speaking countries in Africa. This programme, for which \$300,000 has been appropriated in the current fiscal year, will provide scholarships for study in Canada and Canadian teachers and teacher trainers for service in Africa. At last year's Assembly my Prime Minister, the Right

Honourable John G. Diefenbaker, announced Canada's intention to support the newly-established Special Commonwealth African Aid Programme. An amount of \$3.5 million has been provided for the present fiscal year, the first year of operations under this programme.

In addition to these new programmes for Africa, Canada has undertaken new and far-reaching commitments in the field of development assistance. At the meetings of the consortia on India and Pakistan convened during the summer by the International Bank for Reconstruction and Development, Canada agreed to make available a further \$56 million in development assistance for the financing of the first two years of India's third Five-Year Plan, and a further \$18 million for Pakistan in the present fiscal year. We shall also continue to make available donations of wheat at the current level of \$7 million for India and \$3.5 million for Pakistan. Finally, Canada has agreed to subscribe \$37,830,000 of the \$1 billion with which the International Development Association began its operations in November 1960.

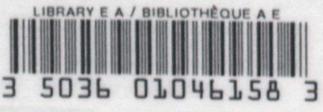
In these ways, Mr. Chairman, Canada has sought to expand and to supplement the economic assistance we have already provided through the United Nations and other programmes, including the Colombo Plan. I have dealt with these new programmes at some length, not in any spirit of self-commendation, but rather to show that the people of Canada are actively engaged in what Mr. Hoffman has graphically described as "waging peace".

Turning to what is yet to be done, I should like to support the proposal of the distinguished delegate of the United States to make the 1960's a decade of development. It is our hope that the Committee will give serious attention to proposals for a new assault on poverty, hunger and disease. We are convinced that, in this way, under the banner of a "Decade of Development", international co-operation in the field of economic development will be infused with a new sense of purpose. Of course, the United Nations is not solely a fire brigade, confined to damping down international rivalries and tensions. There is no question that the fire brigade function is a crucial responsibility of the United Nations. At the same time, however, - if I might stretch the analogy a little further - fire prevention by a determined effort in the economic field is equally important and this was undoubtedly in the minds of those who drafted the Charter provisions dealing with economic co-operation. But fire prevention cannot be the compass of our aim, for we must build on the hopes and aspirations of men everywhere and ensure that they are realized, not for the restrictive goal of self-preservation but as a measure of our common involvement in mankind. In this regard we have been particularly impressed by the emphasis which so many delegations have placed on the need to accelerate industrialization as an important element in the early achievement of self-sustained economic growth.

We are all agreed that long-range planning is essential to effective and practicable development programmes at the national level. In the same way, international co-operation must be geared to the long-range needs of developing countries. However, while concentrating on long-range goals, we must not neglect immediate and pressing needs or sudden reverses which can undermine the best efforts of the long-range planner. With this in mind, Canada has pressed vigorously for the establishment of a World Food Bank under United Nations auspices. When this Committee turns to a consideration of item 28(e), my delegation will press for a decision to set such a Food Bank in operation.

A good deal of progress has been made in this direction since Resolution 1496 (XV) was passed one year ago in the General Assembly. We have before us Doc.A/4907 of October 6, 1961, which outlines specific joint UN/FAO proposals for a Food Bank. These suggestions will be given careful and detailed consideration very shortly in the FAO Council, which meets at the end of this month, and at the eleventh session of the FAO Conference meeting next month in Rome. It is the hope of my Government that this Assembly will at this session set up a World Food Bank in which top priority will be placed on meeting the requirements of emergency situations. In our view it is also important to take steps to relieve hunger and misery arising from less than emergency conditions. The generous offer of the United States to contribute at least \$40 million in commodities to a \$100 million Food Bank augurs well for the success of this bold new venture. Canada for its part will also make a substantial contribution and will lend every effort to ensure that the World Food Bank fulfills its great promise.

The sixteenth session began overshadowed by a great tragedy. But out of this trial I believe that the vast majority of member states have turned their sense of shock into a sense of determination that the United Nations must enhance and increase its work to accomplish the aims and purposes for which the organization was created. From this Committee especially the organization should be able to expect new approaches and new vigour, imagination and wisdom. My delegation will pledge its best efforts to the realization of this era of new endeavour.



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