

University of Montana

## ScholarWorks at University of Montana

---

Mike Mansfield Speeches, Statements and Interviews

Mike Mansfield Papers

---

1958

### U.S. Representative in Committee II Introducing Draft Resolution L. 378

Mike Mansfield 1903-2001

Follow this and additional works at: [https://scholarworks.umt.edu/mansfield\\_speeches](https://scholarworks.umt.edu/mansfield_speeches)

**Let us know how access to this document benefits you.**

---

#### Recommended Citation

Mansfield, Mike 1903-2001, "U.S. Representative in Committee II Introducing Draft Resolution L. 378" (1958). *Mike Mansfield Speeches, Statements and Interviews*. 325.  
[https://scholarworks.umt.edu/mansfield\\_speeches/325](https://scholarworks.umt.edu/mansfield_speeches/325)

This Speech is brought to you for free and open access by the Mike Mansfield Papers at ScholarWorks at University of Montana. It has been accepted for inclusion in Mike Mansfield Speeches, Statements and Interviews by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact [scholarworks@mso.umt.edu](mailto:scholarworks@mso.umt.edu).

UNITED STATES MISSION TO THE UNITED NATIONS

2 PARK AVENUE  
NEW YORK 16, N. Y.

MURRAY HILL 3-6810

FOR IMMEDIATE RELEASE

Press Release #3086  
November 19, 1958

Statement by Senator Michael Mansfield, United States  
Representative, in Committee II introducing draft resolution L/378:  
Economic Development of Underdeveloped Countries.

-----

Mr. Chairman:

It was not my intention to intervene again so soon after my delegation's statement in the general debate yesterday. However, the Secretariat has told us that a number of delegations would like to have the resolution sponsored by the United States and other countries introduced as soon as possible in order that they might comment on it during their general debate statements.

As most of you know, draft resolution L/378 is intended to follow up on the suggestions made by Secretary Dulles in his address to the General Assembly on September 18th. At that time he proposed that member states dedicate the year 1959 to taking stock of accomplishments to date and to charting anew courses of cooperative action to promote the growth of the less developed areas. The text, as presented in draft resolution L/378, has been modified somewhat in accordance with suggestions from other co-sponsors as well as many other delegations which have indicated sympathy with the objectives of this resolution.

Let me expand a bit on these objectives. In the first place, we hope this resolution will be a vehicle to rally Member nations behind intensified cooperative efforts on behalf of the less developed countries. Secondly, we hope it will provide a greater marshalling of available forces for economic development, both among the developed countries and those in other stages of development. A third and perhaps significant, though incidental, benefit would be a better focusing of our next year's debate on this question as a result of the replies by member governments.

The goal, as my Government sees it, is to enable free nations to go forward in self reliant growth. The first step envisaged is what might be called a global stock-taking during 1959 -- an inventory of measures which governments are taking, or contemplate taking, or would be prepared to take, to give further impetus to economic development. But let me emphasize that this is only a first step, not an end in itself. This is not an academic exercise simply to gather statistics on financial aid to the less developed countries. It is rather intended to determine whether new courses of action are desirable.

MORE

Some delegations have informally asked us how the stock-taking proposed in our resolution will differ from the information Member Governments are asked to submit in accordance with General Assembly resolutions 824 (IX) and 1034 (XI). Under the latter resolutions Governments are providing useful statistical data on the flow of public and private capital to the less developed countries. Our resolution, on the other hand, is concerned with policies, programs, and courses of action which may be developed or contemplated during 1959 in the interest of accelerating economic growth.

In his statement to the General Assembly on September 18 Secretary Dulles outlined the steps which the United States would be prepared to take or support in the coming year. President Eisenhower in his remarks of welcome to the Colombo Plan meeting endorsed the Secretary's proposals and outlined five major requirements for economic growth:

1. Expanded international trade;
2. More technical skills;
3. Intensified private investment;
4. Normal bankable loans;
5. Financing to cover sound projects which will afford the borrower flexibility regarding terms of payment.

Let us examine briefly each of these major requirements in the light of action contemplated.

First, expanded trade. A number of distinguished delegates have already emphasized that a major part of the capital goods required for economic development must be financed through international trade. It is our hope that this resolution will stimulate cooperative action by governments to assure the expansion of international trade and to relax unwarranted restrictions which have hindered its flow.

Second, technical skills. President Eisenhower called these skills "the bedrock of economic development." He said: "Unless they are more widely shared in the free world, no amount of capital flow will bring about the desired growth. Indeed, without competent management, supplemented by satisfactory levels of skills in the professions and in the trades, the most efficiently constructed factory would represent nothing but a wasteful and useless expenditure." We here in this Committee have recognized the importance of technical skills during our discussions of the UN Expanded Program of Technical Assistance and the new UN Special Fund. It is the hope of the United States Government that this resolution may stimulate further action by governments in supporting these UN programs and in furthering technical cooperation through bilateral and regional programs.

Another means by which our resolution hopes to increase the contribution of technical and scientific research to economic development is suggested in Operative Paragraph 2. This paragraph calls upon Member States to explore further the possibility of enlisting the aid of their universities and scientific institutions for the purpose of accelerating the solution of scientific and technological problems of particular concern to the less developed countries. We have in mind projects as: (1) the use of readily available sources of energy, such as solar and waste heat in silicon cells and, thermocouple devices; (2) unconventional electric generation in small quantities for use in remote areas; (3) low cost consumer goods such as cooking devices, household lighting, refrigerators and radios; (4) electronic semi-conductors which may revolutionize the cost and maintenance of electronic products; (5) saline water conversion and photochemical processes; (6) electronic computers to perfect development planning; and (7) the limited use of automation in industry to minimize short term scarcity of trained manpower in key industries. Perhaps with an intensified cooperative effort in 1959 breakthroughs can be achieved on some of these scientific developments of vital concern to the less developed countries.

MORE

Third, private investment. Americans are particularly conscious of the importance of private investment for two reasons: (1) the continuing growth of our own country is due largely to private efforts and to private initiative. Our citizens have confidence in free enterprise because we have seen it work and we know what it can do; (2) the financial resources of private capital are far larger than the sums which governments in free enterprise economies can provide. In such economies most of the productive talent and resources are in private hands. Their strength lies in the diversity of private individuals and organizations, and in the quality of their technical skills, their imagination and their initiative. It would obviously be a great disservice to economic growth if this most important resource were not used to the maximum. The U.S. Government is studying how best to help bring this about. It is our hope that other governments in all stages of economic development will also study ways of maximizing the benefits to be derived from private investment.

You will note that I said "governments in all stages of economic development". It is generally recognized that, while outside cooperation is important, the main factor in economic development is the effort of the country itself. These efforts might include measures to stimulate increased domestic savings; to increase the productivity of the land; to encourage the growth of institutions for the purpose of channeling resources into productive investment; to create an appropriate climate for private investment, both domestic and foreign; and to encourage the wider exercise of individual initiative.

Encouraging in this respect is the communique issued by the Consultative Committee of the Colombo Plan last week at the conclusion of its meeting in Seattle. The communique said: "The Committee noted that member countries in the area have increasingly recognized the importance of private investment and have encouraged the growth of the private sector. Important also in this growth is the role of foreign private investment which can provide capital together with the technical and managerial skills so needed by the countries of the region."

The fourth requirement President Eisenhower mentioned is for public loans on normal bankable terms. These loans are usually made for projects, like the building of a road system, which are not attractive to direct private investment. They are being extended in very substantial amounts by the International Bank for Reconstruction and Development. As most of you know, the recent meeting of the Bank's Board of Governors in New Delhi decided that the Executive Directors would promptly consider an increase in the Bank's capital subscriptions. The United States representatives expressed the view that these capital subscriptions should be doubled, and it is our earnest hope that this view will be shared by other governments participating in the Bank. The United States also extends bankable loans for development through the U.S. Export-Import Bank. We believe that the Export-Import Bank has made an important contribution to economic development. In May the Congress recognized this contribution by authorizing an increase of \$2 billion in the capital of the Export-Import Bank. Other countries' lending agencies can also play an increasingly effective part in providing bankable loans for sound development projects and programs, and we hope that this draft resolution will stimulate such action.

MORE

Another type of financing in which my Government has shown an interest is the use of regional development institutions. We are currently engaged in discussions with twenty other American States looking toward the establishment of an Inter-American Bank. As for the Near East, you will recall that President Eisenhower, in his address at the Special Emergency General Assembly in August, suggested consultations between the Secretary General and the Arab nations of the Near East to consider the composition and the possible functions of a Regional Arab Development Institution, whose task would be to accelerate progress in such fields as industry, agriculture, water supply, health and education, among others. The President declared that, should the Arab states agree on the usefulness of such a soundly organized regional institution, and should they be prepared to support it with their own resources, the United States would also be prepared to support it. We are awaiting with interest the outcome of these consultations.

The fifth vital requirement is for development financing which will afford the borrower flexibility regarding terms of re-payment. Such financing is commonly called "soft loans." As you know, many sound projects important to economic development cannot qualify for bankable loans. It was to help finance such projects that the U.S. Congress last year established the Development Loan Fund. Although the initial capital of the Development Loan Fund was \$300 million, applications for loans during the first six months of operation amounted to \$2½ billion - an impressive demonstration of the great need for this type of loan. This summer Congress appropriated an additional \$400 million for the Development Loan Fund. In our view, if other more developed countries should also act vigorously to meet these growing needs, progress would be accelerated.

The United States Government, for its part, will be giving the most careful consideration to this requirement for development financing on flexible terms. We would, of course, welcome the contributions of other countries to this end. The possibility of creating for this purpose an International Development Association, as an affiliate of the International Bank, was discussed informally at the New Delhi meeting last month and I am informed that these discussions were encouraging. My delegation was pleased to hear the statement by the Netherlands Representative two days ago that, although his government had not taken any decision on the proposal for an International Development Association, it saw no inconsistency between such an organization and the idea of a capital development fund within the framework of the U.N.

Some delegations have in informal discussions raised questions concerning paragraph 6 of our resolution, which "Requests the Economic and Social Council, during its review of the consolidated report of the five-year appraisal of the scope, trend and cost of the economic and social programmes of the United Nations, the ILO, FAO, UNESCO, WHO and WMO called for in its resolutions 665 C(XXIV) and 694 D (XXVI), to give special consideration to the development needs of the less developed countries and to ways in which such programmes can be more effectively organized to help meet these needs." My delegation believes that such action will be helpful in coordinating the activities of the Specialized Agencies in order that they make their most effective contribution toward the economic growth of the developing countries. The Coordination Committee of the Council would be expected to play an active role in promoting this type of coordination. I should like to make clear, however, that the consideration of replies by Member States in accordance with operative paragraphs 3 and 4 of the resolution would take place in the Economic Committee and the plenary sessions of the Economic and Social Council, as well as in this Committee of the General Assembly.

MORE

I hope that my remarks have helped to clarify the broad gauge nature of this resolution's approach to the problem of economic development. As many delegations have commented to us privately, there is no incompatibility between our resolution and the one presented in draft resolution L/386. The latter involves an appeal for increased resources for the Special Fund and for efforts towards the establishment of a U.N. capital development fund. Our resolution is particularly concerned with action in 1959 on five important sectors relating to economic development, including those of technical assistance and financing.

We all know that the problems of economic growth are complex. There is no magic formula or easy solution. But development is taking place, and actions planned by governments to stimulate economic growth have been noticeably accelerated during the past six months. The purpose of our resolution is to keep up this momentum and, if possible, accelerate it further. Referring to Mr. Dulles' proposal which forms the basis of our resolution, President Eisenhower observed at the Colombo Plan meeting on November 10: "If both the less developed and the more developed countries move vigorously to carry out this proposal, their action could pave the way for the 1960s to become a decade of unprecedented progress toward our common goal." This, I submit, is a goal to which we can all pledge our best faith and our best efforts.

\*\*\*\*\*