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**AGENDA ITEMS 30 AND 12**

**Economic development of under-developed countries (continued):**

(a) Report by the Secretary-General on measures taken by the Governments of Member States to further the economic development of under-developed countries in accordance with General Assembly resolution 1316 (XIII);

(b) Progress in the field of financing the economic development of under-developed countries

Report of the Economic and Social Council (chapters II, III, IV and V) (continued)

(A/4143, A/4211, A/4220 and Corr.1 and Add.1 and 2, A/C.2/L.434/Rev.1)

**CONSIDERATION OF DRAFT RESOLUTIONS (A/C.2/L.434/REV.1) (concluded)**

1. The CHAIRMAN pointed out that the sponsors of the draft resolution on the establishment of a commission for industrial development had incorporated in the revised text they were submitting to the Committee (A/C.2/L.434/Rev.1) certain of the proposals and suggestions made at the 640th and 641st meetings. The only formal amendment was that of the Irish delegation (A/C.2/L.456).

2. Mr. ROBERTSON (Australia) felt that it would be unfortunate if divergencies of view should appear at the present stage when the main point of controversy had been settled for, with the adoption of the Canadian amendment (A/C.2/L.454) by the sponsors and the explanations given by the representative of Ceylon, it had become clear that the Economic and Social Council would have to take account of all the views which had been expressed. That also applied, of course, to the views of his own delegation, which had not been absolutely convinced of the need to establish a functional commission to fill the gaps existing in the important field of industrialization. He regretted that the motives of the New Zealand and Irish delegations had been misunderstood and that their proposed amendment had been seen as a means of hindering the industrialization of the under-developed countries. That had certainly not been the purpose of the amendment. Since, however, there was a risk that it might provoke unnecessary opposition between the developed and the under-developed countries, his delegation felt, while recognizing the merits of the amendment, that to put it to the vote was perhaps not necessary or even desirable.

3. Mr. KAUFMANN (Netherlands) said that his country, which considered it urgently necessary to accelerate the growth of the under-developed countries, had always supported the idea that the United Nations should take action in the field of industrialization and had been pleased to join in sponsoring the draft resolution. The Netherlands had also been one of the sponsors of Economic and Social Council resolution 597 A (XXI), which had marked the beginning of the work programme in the field of industrialization. Although that programme, which dealt with the practical aspects of industrialization, had been of modest proportions, it had been gradually expanded. The report of the committee of experts set up in pursuance of Economic and Social Council resolution 674 A (XXV)<sup>1/</sup> contained some valuable recommendations and would form the basis on which the Council's work programme would proceed. The Council would also have before it, at its twenty-ninth session, further proposals from the Secretary-General. Upon the advice of the committee of experts, the Council had also recommended, at its twenty-seventh and twenty-eighth sessions, that the experience gained in the various technical assistance projects carried out in the field of industrialization and energy resources should be collected, analysed and disseminated. It was thus clear that a group of experts could achieve very considerable results even if its members came from countries with differing political systems and economic structures. The Economic and Social Council, when considering the question of new institutional machinery, would undoubtedly take account of the useful work done by those experts.

<sup>1/</sup>Official Records of the Economic and Social Council, Twenty-seventh Session, Annexes, agenda item 5, documents E/3213 and Add.1 and 2.

4. It should in all fairness be recognized that the Economic and Social Council had often taken vigorous action in the sphere of industrialization, particularly in those of its recommendations to the General Assembly which had resulted in the initiation of the Expanded Programme of Technical Assistance and the Special Fund. Mention might also be made of its resolutions concerning long-term projections and the five-year appraisals of programmes of the United Nations and the specialized agencies in the economic and social fields. The Economic and Social Council was not perfect, of course, and one of the means of strengthening it would be by widening its membership.

5. In directing their attention almost entirely to the practical matter of whether the establishment of a commission would be the ideal solution, representatives had perhaps tended to forget the main objective of the draft resolution which was to promote action to further the industrialization of the less developed countries. The Netherlands delegation had never been in any doubt that the draft resolution, even in its original form, had left it to the Economic and Social Council to determine the precise machinery necessary for the United Nations to proceed to action and effectively accelerate industrialization. If the new machinery were as effective as the Commission on Narcotic Drugs which had been mentioned in the course of discussion, the Committee could be fairly content, because that body proved convincingly how a group of experts could promote international co-operation.

6. Since the representative of Ceylon had confirmed, on behalf of the sponsors of the draft, that the Economic and Social Council would have whatever freedom it needed in dealing with the question of the new institutional machinery, it would perhaps be preferable if the representative of Ireland were not to press his amendment to the vote—as it merely made explicit what was already in the text—on the understanding that his interpretation of the text would be duly recorded, either in the summary records of the meetings or in the Committee's report.

7. Mr. RONAN (Ireland) said that the reason why he had submitted an amendment to a draft resolution whose objectives he endorsed had been the fear that the original working did not allow the Economic and Social Council sufficient freedom of action in deciding what was the most appropriate institutional machinery for promoting the industrialization of Member States. He had also hoped that the compromise text would serve to reconcile opposing views. Since his effort at compromise had not succeeded, he would not insist on his amendment being put to the vote. In addition, he was now satisfied that the text as interpreted by he was now satisfied that the text as interpreted by the representatives of Ceylon, Australia and the Netherlands would achieve the purposes he had in mind. He accordingly hoped that the draft resolution could be adopted unanimously, and that that interpretation of the text would be recorded both in the summary record of the meeting and in the Committee's report to the General Assembly.

8. Mr. GREEN (New Zealand), replying to the representative of the United Arab Republic, observed that the New Zealand delegation did not dispute either the importance of industrialization for the under-developed countries or the desirability of the United Nations giving greater attention to action in that field by strengthening its central institutional machinery.

There were many alternative forms or combinations which such strengthening could take, but his delegation was as yet not entirely clear what tasks the sponsors wished to see performed and, therefore, did not feel in a position to pronounce itself definitely in favour of any particular form of institutional machinery.

9. He recalled that at the 640th meeting the representative of Yugoslavia, in reply to the New Zealand intervention, had stated that the main tasks of the proposed commission were certainly not co-ordination, nor advising Governments, nor dissemination of information, nor special studies; the primary task, he had stated, would be to keep under review programmes of economic development in under-developed countries. The representative of Brazil had likewise emphasized the latter point. While that main task was presented in rather indefinite terms, the New Zealand delegation's comments had referred to the more precise formulation given during the general debate by the representative of Yugoslavia, in which he had said (605th meeting) that what was lacking so far in the whole complex United Nations effort was more intensive co-ordination, priority determination, and also guidance, to prevent dispersion of the modest resources at its disposal. The Yugoslav representative had also said that the basic task would be not only co-ordination of effort in the various bodies of the family of the United Nations (which the New Zealand delegation had assumed included the regional economic commissions) but also assistance in the establishment of priorities in the work of the United Nations and in providing initiatives for special studies and actions which were neither regional nor partial but of a universal character. He had said, in conclusion, that such a commission would introduce government thinking or a general policy guidance into the field of industrial development and would assist the Economic and Social Council in the the formulation of United Nations policies. It was on the basis of those statements that the New Zealand delegation had questioned whether a satisfactory case had been made for the setting up of a new functional commission or whether there might be other machinery more appropriate to the tasks envisaged. The New Zealand delegation thus welcomed the Netherlands representative's interpretation to the effect that the draft resolution gave the Economic and Social Council whatever freedom it needed in order to strengthen the role of the United Nations. While the Committee ought not, of course, to make its recommendation in too specific a manner, it was clear that the Council, in taking its decision, would recall that the main object of the representatives in favour of the establishment of a functional commission was that the problem of industrialization should be given greater attention by the Economic and Social Council.

10. Mr. DIPP GOMEZ (Dominican Republic) said that he would vote for the draft resolution, since it contained constructive proposals for filling an important gap in the Organization. The establishment of a body which would specialize in the study of industrial development would contribute to the balanced growth, and to raising the levels of living of the under-developed countries. The text had been improved by the incorporation of the six-Power amendments (A/C.2/L.446) and the Canadian proposal. The representative of Ireland was to be congratulated on his spirit of co-operation.

11. Mr. BRILLANTES (Philippines) observed that at the present time neither the concept of industrialization

nor the part it should play in the economic development of the under-developed countries and in the establishment of a world balance caused any difficulties. The only question to be resolved was how industrialization should be brought about. According to the representative of Brazil, the members of the proposed functional commission should, as was the case with other commissions of the kind, be persons occupying key posts in the Governments of their respective countries. In the present instance, however, Governments should be able to appoint experts who, although not high-ranking officials, were familiar with the practical problems of industrialization. Under the terms of the proposed draft, the General Assembly would leave to the judgement of the Council the decision whether a functional commission or some other body would be more likely to promote the acceleration of industrial development. The Irish amendment was not absolutely necessary in so far as it merely made explicit what was already implied in the draft resolution.

12. He would vote for the draft, because it did not detract from the competence or responsibility of the Council.

13. Mr. BERNARDO (Argentina) recalled that, during the general debate, his delegation had already expressed its approval of the Brazilian proposal in outline. Such objections as he had had to the text subsequently circulated had been met by the inclusion of the six-Power amendments, the Canadian proposal and the suggestions put forward by Portugal. The Portuguese suggestions had been particularly felicitous, since they had avoided much fruitless discussion. As the Economic and Social Council was now to take into account all views expressed during the discussion, it could certainly be relied upon to pay due regard to the true intentions of the sponsors, and to the fact that all delegations recognized that industrialization was the best method of development. Some delegations had wondered whether the procedure envisaged was the best, and if the Council would have enough latitude for judgement. There was no doubt that the Council was doing commendable work, but it was essential to realize also that it was not a representative body. His delegation and others had for long been advocating an increase in the Council's membership and hoped that a decision to that effect would be taken soon. Nevertheless, the Council should be given all the flexibility it required, and he had been pleased that, after the explanations given by the representatives of Ceylon, the Netherlands and Brazil, the Irish representative had withdrawn his amendment.

14. He would support the revised text of the draft resolution.

15. Mr. PHILLIPS (United States of America) said that the draft resolution raised two separate issues. One concerned what additional United Nations organizational machinery, if any, was needed to promote the industrial development of under-developed countries. The other related to the proper role of the Economic and Social Council in economic affairs. In drawing attention to those issues, his delegation had no intention of questioning the desirability of international as well as bilateral action to promote the industrial development of under-developed countries. The actual technical and financial assistance his country had rendered was sufficient indication of its attitude to that problem. His Government had no interest in the propagation of bureaucracies for their own sake, but

it was vitally concerned in maintaining the basic institutions of the United Nations as effective organs. In the economic field, the principal United Nations organ was the Economic and Social Council. His delegation would strongly support any measure to strengthen the Council but would view with concern any step which derogated from the responsibilities assigned to it by the Charter. During the discussion, two speakers had attacked the Council. The Yugoslav representative, speaking presumably in the name of his delegation alone, had accused the Council of not producing initiatives. The truth was that the Council, like the Second Committee, had taken valuable initiatives. The modesty of the Yugoslav representative was all the more surprising in view of the fact that his Government had for nine years participated in the work of the Council, which had no magic formula and could only act through its membership.

16. The only argument which the Soviet representative had invoked to substantiate his charge that the Council was unable to define machinery was that, at its twenty-seventh session, the Council had not accepted a Soviet suggestion concerning the provision of industrial equipment. It should be recalled, however, that the five sponsors of the draft resolution then under consideration—Afghanistan, Costa Rica, Mexico, Pakistan and the United States—had all shown a keen interest in industrialization but had rejected the Soviet suggestion in the belief that the Council should not consider it before receiving a more carefully prepared programme of work. They and a majority of the Council's members had at the time agreed that the work of the United Nations in that field should be intensified, that the staff should be strengthened and that practical measures of immediate interest to the under-developed countries should be taken.

17. His Government had not yet reached a final decision on the question of possible additional machinery for accelerating the United Nations programme of work in industrialization. Although it had been impressed by some of the arguments advanced by the sponsors of the draft resolution, it saw certain difficulties in the proposal for a functional commission. It did not consider the expense involved as a serious obstacle, nor was it frightened by the prospect of a new functional commission. Its only concern was that the decision taken should be the best one from the standpoint of promoting United Nations work on behalf of industrialization. It would be difficult for the United States to find key figures in government who could be called experts on industrialization, particularly if the commission were to deal with specific industries such as those mentioned by the Yugoslav representative. The United States could certainly designate steel industry people to participate in discussions of steel carried out, for example, in the framework of the regional commissions, and could also send experts to discuss specific industrial problems with countries representing a wider geographical area, but to designate an expert on the problems of industrialization in general, his Government would probably have to call on a person with general qualifications in the field of economics, who would not therefore be substantially different from its representatives on the Economic and Social Council. His delegation thought that the Council should concentrate most of its attention on economic development and leave the study of specialized topics, like statistics, narcotic drugs and the status of women, to the functional commissions.



18. His delegation would have been prepared to support the Irish amendment, since it clearly gave the Economic and Social Council the necessary latitude for judgement. What was at issue was not a question of the Council's sovereignty, but of giving to the body which was most concerned with the organization of machinery for carrying out economic objectives of the United Nations sufficient authority to make decisions on administrative matters within its jurisdiction. He was glad to note that most members of the Committee appeared to accept the idea that the Council should have discretion on that question.

19. His delegation would vote for the draft resolution on the understanding that it did not in purpose or effect take from the Council its right under the Charter of independent decision as to the creation of functional commissions or committees, and hoped that the Council could find some useful guidance in the records of the Committee's debate.

20. Mr. WOULBROUN (Belgium) said that both his Government and private undertakings in his country were well aware of the need to accelerate industrialization in under-developed and in industrial countries alike. The sponsors of the draft resolution had asked the Committee to take a decision in principle on the establishment of a new functional commission of the Economic and Social Council. Whether the decision was taken by the General Assembly or the Council, the important point was to know in advance what the functions and the competence of an organ of that type were to be. In a world which was becoming increasingly specialized, it was difficult to study in the abstract a problem like industrialization, which involved a multitude of activities, such as research on raw material markets, technical processes, distribution and finance. The Brazilian representative had expressed the hope that Governments would appoint highly qualified specialists, but that had proved impossible in the past except in the case of technical bodies with limited terms of reference. The United States representative's comments on that point were extremely pertinent. The Belgian delegation was ready to support practical measures within the United Nations framework to promote industrial development, but it was still not convinced that the establishment of a new commission was necessarily the best method.

21. As it had been assured that the Economic and Social Council would have all the latitude it needed to make a completely independent study of the question with a view to taking practical action in the genuine interests of under-developed countries, his delegation would vote for the draft resolution.

22. Mr. ENCINAS (Peru) said that he supported the draft resolution. He would have preferred a slightly different drafting of the preamble, but he approved the operative part without reservations. He hoped that a functional commission organized along practical lines would achieve striking results. During the present session, the Committee had studied three forms of complementary action, namely, the common market, land reform and industrialization, the second and third being the most rapid means of accelerating the development of under-developed countries. In seeking a solution to any of those three problems, it should always be remembered that they were all closely related.

23. Mr. DUDLEY (United Kingdom) observed that all members of the Committee were agreed on the need

to accelerate industrialization and on the importance of the part the United Nations should play in that respect. The under-developed countries had decided to industrialize themselves because, in view of the rate of population increase, that was in their opinion the only way to raise or even maintain their levels of living. The United Kingdom, which was the country in which the industrial revolution had been born, could not but approve those intentions, and was determined for its part to make as large a contribution as possible to progress in that direction, though it hoped that other countries would be able to avoid the miseries which its own population had undergone in the process.

24. His Government understood the desire of the sponsors of the draft resolution to establish new machinery within the framework of the United Nations for accelerating the industrialization of the under-developed countries. In its opinion, the United Nations should do still more in the field of industrialization. If the Council decided to establish an industrial development commission, his delegation would support that decision and if it became a member of the commission it would do everything possible to ensure its success.

25. He regretted the attacks which had been made on the Economic and Social Council during the debate. Some representatives had concerned themselves with the sort of machinery that should be established and had emphasized the importance of giving the Council full responsibility. They had been told in reply that the Council showed no initiative and was a useless body. It should not be forgotten, however, that the Second Committee had recently spent some days considering resolutions submitted by the members of the Soviet block which merely rephrased resolutions already adopted by the Council. The Council was of course not perfect, and, at its twenty-eighth session (1074th meeting), the United Kingdom delegation had made some important suggestions for improving its methods of work. It had frequently supported the Secretary-General's proposals for a reorganization of the Council's work which would enable it to give more careful consideration to important questions. The Council was responsible for the consideration of a large number of reports and documents. It was important that it should be able both to carry out that work more efficiently and, at a higher level, to deal effectively with the important questions submitted to it, including that of industrialization.

26. Many delegations were supporting the draft resolution because they considered that the membership of the United Nations bodies dealing with economic questions was at present too limited. No doubt the Soviet Union representative's attitude towards the Council was closely related to the fact that the Soviet Union did not wish to see the Council's membership enlarged, as it had already indicated during the current session of the Assembly. The United Kingdom delegation, for its part, had not abandoned hope that the Council's membership would one day be expanded. In the meantime, it was to be hoped that other arrangements could be made (perhaps by such measures as the establishment of the proposed commission) to enable countries which could not participate in the Council's work in the economic field to make their contribution. Such suggestions had indeed been made, by the representative of the United Arab Republic among others. However, they were merely palliatives, and the only satisfactory course was to expand the



Council's membership in order to enable it to cope with its increasingly heavy responsibilities.

27. During his statement the previous day (641st meeting), the Soviet Union representative had almost given the impression that his country would not seek re-election to the Council. The United Kingdom delegation would deeply regret that, for it would be impossible to discuss world economic problems in an assembly in which the Soviet Union was not represented. He hoped that the Soviet Union delegation would understand the need for its participation in those discussions. With its co-operation, it should be possible to make the Council's discussions of industrialization and other important subjects more fruitful than they had sometimes been in the past.

28. Mr. DE REGE (Italy) said that his delegation had associated itself with the sponsors of the draft resolution because it supported the spirit, substance and conclusions of the draft. The Economic and Social Council had been criticized. It would seem that the best way to enable that body to fulfil its functions was to respect its competence and jurisdiction and to allow it some freedom of action. His delegations considered that the operative part of the draft resolution was intended simply to indicate to the Council the General Assembly's preference for certain measures, while referring study of those measures to the Council. Obviously, since the Council was being asked to consider the possibility of taking certain measures, the matter was being left to its judgement. The solution which the Second Committee desired was the establishment of a commission for industrial development. His delegation had welcomed that idea. It considered that the New Zealand amendment, which would have deleted all mention of the commission, would have changed the substance of the resolution completely. On the other hand, the Irish amendment would have made clear what was, in his delegation's opinion, already implicit in the text, namely, the freedom which the Council must be allowed in its deliberations. It was unfortunate that that amendment had not been considered more carefully, but its sponsor was to be congratulated for having withdrawn it so that the resolution might be adopted by a large majority.

29. Mr. KAKITSUBO (Japan) said that the debate had shown that the United Nations had already taken action to promote the rapid industrialization of the under-developed countries, but that much still remained to be done. Although certain delegations had emphasized the need for the co-ordination of industrial planning, the sponsors had been discreet enough not to mention that question in the last preambular paragraph of the draft resolution. His delegation also considered that such co-ordination would be premature at present, however desirable it might be.

30. It was certainly necessary to establish inter-governmental machinery to facilitate industrial development; however, his delegation considered that it would have been preferable for the General Assembly to refrain from defining the type of organization necessary and to leave the decision in that matter to the Council. The Irish amendment had seemed a happy compromise. But that amendment had been withdrawn and assurance had been given that the draft resolution in its present form allowed the Council freedom of action. Moreover, the Canadian amendment concerning transmission to the Council of the views expressed in the Second Committee had been included in the text.

31. In those circumstances, his delegation would support the draft resolution.

32. Mr. ROA KOURI (Cuba) considered that the best institutional machinery for accelerating the industrialization of the under-developed countries would undoubtedly be a functional commission. The work of that new body would be in complete conformity with the role assigned to the functional commissions by the Charter.

33. The draft resolution particularly concerned the under-developed countries, for it was those countries which needed to diversify their agriculture and undertake industrialization. The highly developed countries could give them the benefit of their own experience through international organizations, but it was the responsibility of the less developed countries themselves to decide how they were to achieve industrial development. They had at present attained sufficient maturity to decide on the course they wished to follow and the means they intended to use. The Council was one of the most important organs of the United Nations, but the under-developed countries were not adequately represented on it. It was to be hoped that the ideas expressed by the representatives of those countries in the Second Committee would be carefully weighed by the members of the Council when they took a decision concerning the establishment, composition and functions of the commission on industrial development. He thanked the Irish representative for withdrawing his amendment, and expressed his gratitude to the representatives whose amendments or suggestions had made it possible to improve the text to make it acceptable to all.

34. Mr. Gopala MENON (India) said that, as one of the sponsors of the draft resolution, his delegation had been happy to find that there was unanimity in the Committee on practically all basic points, and congratulated the Brazilian representative for providing effective leadership on the important problem involved. It had been agreed by all that international machinery to deal solely with the problem of industrialization was urgently needed.

35. His delegation did not find it difficult to reconcile Article 68 of the Charter with the recommendation that the Economic and Social Council should consider the establishment of a commission for industrial development. The Committee was taking no decision regarding the establishment of a functional commission, but merely affirming the desirability of such action, and was consequently not usurping any of the functions of the Council. The number of its members having increased, the General Assembly had in recent years rightly taken the initiative with regard to a number of major world problems, for example, in the case of the proposed capital development fund and the now established Special Fund. It was therefore natural that it should take the lead in the matter of establishing an industrial development commission.

36. His delegation was glad that the Irish representative had withdrawn his amendment and thereby ensured unanimous acceptance of the draft resolution by the Committee.

37. Mr. MENDOZA LOPEZ (Bolivia) was glad that the sponsors of the draft resolution had been able, by accepting the six-Power and Canadian amendments, to draw up a text acceptable to all delegations. That draft resolution satisfactorily complemented the de-

cisions taken by the Second Committee in other fields during the present session. The proposed commission would have to take into account the fact that there now existed economic regions consisting of several nations. In each country, the normal process of industrialization was the establishment of a light industry and then of a heavy industry. Care would have to be taken to ensure that the industrialization of the under-developed countries proceeded in accordance with an ordered plan. That was particularly important for the Latin-American countries. For example, Bolivia had large deposits of iron ore but could not exploit them through lack of transportation facilities. It therefore had to integrate its industry with that of Chile. That problem deserved to be studied at the international level.

38. Mr. ALI (Pakistan) hoped that the draft resolution would be approved unanimously. His delegation had complete confidence in the Economic and Social Council. Since the trend in the United Nations was increasingly towards ways and means of improving the living conditions of mankind, the functions of the Council were of the highest importance. It was a living organism, whose methods were not rigid and which could adapt itself to all circumstances and meet all situations. It would, however, be desirable to expand its membership. The Committee, in submitting a proposal for the Council's consideration, was moved solely by a desire to help that body. The mere fact that it was making a recommendation proved that the Committee was relying on the Council to analyse the problem and that it had never had any intention of encroaching on the Council's functions.

39. Mr. STANOVNIK (Yugoslavia) noted with satisfaction that the members of the Committee were agreed upon a proposal which his delegation had supported for many years both in the General Assembly and in the Council. The United States representative had criticized the comments which the Yugoslav representative had made regarding the Economic and Social Council. He (Mr. Stanovnik) had personally taken part in the work of the Council for six years in succession and felt that it was in that body that he had acquired his enthusiasm for international co-operation. If he had criticized the Council, it was simply because he hoped that its work would constantly increase in value.

40. He would vote for the draft resolution, as he considered it likely to enhance the Council's prestige.

41. Mr. ARKADEV (Union of Soviet Socialist Republics) emphasized that his criticisms of the Economic and Social Council were prompted by the hope that its deficiencies could be remedied and that it would become an active and effective organ that would meet the requirements of the Charter. The Soviet Union took part in the Council's work and intended to continue doing so. Certain delegations had interpreted the draft resolution as meaning that the Council could ignore the decision it contained. It would be odd to vote for the draft resolution on the basis of such an interpretation. If the Council tried to oppose the establishment of the commission for industrial development, the General Assembly should take up the matter again and insist that the commission be set up.

42. Life was a constant evolution. The Council, for example, had already abolished several commissions. Why should not new ones be created if that appeared necessary? With regard to the functions of the commission for industrial development, some representatives had said that it should have the task of super-

vising the progress made in the various countries. In his delegation's opinion, the commission should not merely record facts. It should, amongst other things, publish information and reports on various subjects prepared by qualified experts, and organize exchanges of experts. Only in that way would it play an effective role. Its composition should be sufficiently broad and the countries of Africa, Asia and Latin America in particular should be represented in it. The Soviet delegation would be very willing to take part in its work and would try to contribute to the success of its activities. In addition, the Soviet Union would do everything in its power to give direct assistance to the under-developed countries in establishing national industries. Indeed, it would be advisable to co-ordinate the collective efforts made on the international level with direct bilateral assistance. He hoped that the Council would take note of his comments.

43. His delegation would support the draft resolution.

44. Mr. OMAR (Afghanistan) pointed out that the members of the Committee had discussed the question of the commission for industrial development for several days and that they were all agreed on the need to establish that body as soon as possible. It therefore seemed unnecessary to prolong consideration of the matter and he moved the closure of the debate under rule 118 of the rules of procedure.

*It was so decided.*

45. The CHAIRMAN put to the vote the draft resolution on the establishment of a commission for industrial development (A/C.2/L.434/Rev.1).

*The draft resolution was adopted unanimously.*

46. Mr. BLUSZTAJN (Poland) said he had voted for the draft resolution on the understanding that the Council would interpret the operative paragraph literally, i.e. that it would set up the commission for industrial development as promptly as possible and determine its composition, terms of reference and programme of work.

47. He had not been able to attend the twenty-eighth session of the Economic and Social Council but had read with interest the comments made by the head of the United Kingdom delegation. It was to be hoped that the Council would seriously discuss those suggestions at some future date and that the Second Committee would be called upon to re-examine the working methods and the activities of the Council.

48. Mr. GUERRA (Chile) said that in the course of the general discussion he had indicated his delegation's position regarding the draft resolution. He thanked the Brazilian representative for having accepted the six-Power amendments on behalf of the sponsors. The Chilean delegation was determined to strive within the Economic and Social Council to translate that proposal into reality, in the conviction that that undertaking would be of great assistance to countries seeking to become industrialized.

49. Mr. CARANICAS (Greece) was glad that the sponsors of the draft resolution had succeeded, after long negotiations, in drafting a text which satisfied both the under-developed and the industrialized countries. Greece, which was interested in the industrialization of the under-developed countries, approved the draft resolution. It was, however, essential that the Council should retain complete freedom of action when it examined the question. The Council was the United Nations

organ responsible for economic questions and its prestige should in no way be diminished. He thanked the industrialized countries which had approved the resolution and had promised to give their support if and when the commission was set up.

50. Mr. WESTLING (Sweden) said he was not entirely convinced of the need to set up an additional body to deal with the problem of industrialization. It would have been better, in his delegation's view, if the Council had been allowed to choose the means of achieving the industrialization of the under-developed countries, which was the ultimate aim. Such a procedure would have been more in conformity with Article 68 of the Charter to which the sponsors had referred in the operative paragraph. However, in a spirit of co-operation the Swedish delegation had voted in favour of the draft resolution, on the understanding that, as the sponsors had stated, the Council would have the opportunity of deciding the best means of solving the problem.

### AGENDA ITEM 32

United Nations Korean Reconstruction Agency: progress report of the Administrator for Residual Affairs of the Agency (A/4263, A/C.2/L.453)

51. Mr. EASTWOOD (Administrator for Residual Affairs of the United Nations Korean Reconstruction Agency) said that document A/4263 was a comprehensive final report on the residual affairs of the Agency which was to be terminated on 31 December 1959. In point of fact, owing to circumstances beyond the control of the Agency, a certain number of activities would have to continue beyond that date in order to complete the Kraft Paper Plant, the Pusan Auto Repair Shop and the National Medical Centre projects. Arrangements had been made for international supervision of those projects and their completion should not give rise to any difficulty.

52. He drew the Committee's attention to the agreement concluded with the Government of the Republic of Korea, which included provision for the continuation of the Small Business Loan Fund, now amounting to 1,500 million hwan. That agreement also made available to the Government large kwan balances (more than 22,000 million) generated by the Agency programme through payments for investment projects purchased by private interests. Those balances could be used, as received, for further rehabilitation of the country's economy.

53. Some matters outstanding on 30 September 1959, the closing date of the report, had since been settled: the Agency had agreed to utilize a large part (\$500,000) of its residual foreign exchange funds to provide vocational training equipment for the Inha Institute of Technology at Incheon and a smaller part of those funds (\$25,000) for the training abroad of a limited number of technicians employed on various Agency projects. Similarly, the UNKRA Advisory Committee and the representatives of the Scandinavian Governments which had participated in the National Medical Centre project had reached agreement on the steps to be taken to enable the Agency to post its account and close its financial records covering the project at an early date.

54. Besides the contributions it had received in kind, amounting to \$2.5 million, the Agency had had avail-

able a sum of \$146.8 million, with which it had been able to execute projects in agriculture, forestry, fisheries, irrigation and flood control, industry, mining, power, transport and communications, education, housing and health and welfare; it had also been able to provide valuable technical assistance and import a substantial quantity of raw and semi-processed materials. It had trained skilled workers at the vocational training centres it had opened; it had provided new housing and rebuilt schools and hospitals, and had improved transport facilities, navigation and power transmission.

55. The Korean people and their Government deeply appreciated the generous aid of the thirty-four Member States and five non-member States which had contributed the funds to make that vast programme of reconstruction of the Korean economy possible. They regarded it not only as the tangible expression of the material support given to them by the United Nations, but also as evidence of the confidence of the United Nations in the Republic of Korea's ability to make good use of the aid thus offered.

56. Mr. VIVIAN (Canada) said that the Agency had been founded in conformity with the basic concept of the United Nations as an organization of international co-operation for the solution of international problems of an economic, social, cultural or humanitarian character. The idea that the United Nations should build as well as safeguard and protect had been new when it had been incorporated in the Charter; it had since become a central theme in the work of the United Nations, a fact to which the various aspects of the tasks it had undertaken in world-wide economic development bore witness.

57. Although there were few nations which had not had to face financial and balance of payments difficulties at the time of UNKRA's founding, thirty-four nations had found it possible to contribute to the Agency a total of \$140 million. Other funds from a variety of sources had raised the total available to the Agency to \$147 million, with which it had been able to rebuild an entire economy and provide the Republic of Korea with the means to continue its own development on the basis of a sound network of industries and social and educational projects. That was the legacy which the Agency was leaving to the Republic of Korea.

58. The draft resolution was very simply worded and the last two operative paragraphs were concerned with the administrative matters which still had to be settled. Final arrangements had not yet been made for the utilization, within the framework of technical assistance, of the Agency's residual funds, as it was not yet known exactly how much money would be available. In chapters III and IV of his report, the Administrator described the arrangements and procedures for the completion of the Agency's residual responsibilities; he also spelled out the agreements which had been reached with the Government of the Republic of Korea.

59. His delegation considered that the Agency's work had been one of the finest undertakings of the United Nations. It underlined the belief of the Members of the United Nations in their collective responsibility under the Charter for the task of relieving misery, even when the recipient country was remote from them in distance. That idea of collective responsibility was one of the most far-seeing and progressive characteristics of the United Nations.



60. Mr. PHILLIPS (United States of America) complimented the Administrator and the staff of the Agency on their achievements, of which the Korean Government and people, the Agency and those Governments which had made contributions to it could all be equally proud. The Agency had made improvements in all branches of the Korean economy. It had given valuable assistance to the mining, cement, paper and fishing industries. The equipment it had provided had made it possible to expand the textile industry and the manufacture of electric wire, flat glass and fishing nets. It was largely owing to the irrigation works accomplished by the Agency that the Republic of Korea had had a bumper rice crop in 1959. The Agency had built classrooms for 200,000 children and it had built and equipped the printing plant which published the millions of school books needed by elementary-school children. A large number of skilled workers had received training at centres founded by the Agency, and it had furnished the laboratory equipment and educational materials used by many engineers, doctors and nurses who had graduated from the country's universities and colleges. There was no one in the Republic of Korea who had not benefited from the Agency's activities and who was unaware of what the United Nations had done to rebuild the ruins left behind by armed aggression.

61. Mr. DUDLEY (United Kingdom) commended the Administrator on the high quality of his report, which was up to the same standard of previous reports on the operations of the Agency. The United Kingdom had given the Agency's work not only moral but financial support, because it felt it had a duty to help in restoring normal conditions in a country devastated by war. The Agency's achievements had had far-reaching repercussions on the Korean economy and their effect would be felt for many years to come. He paid a tribute to all those who had worked for the Agency and to the Korean people for their own efforts.

62. Mr. ROBERTSON (Australia) said it was encouraging that the Republic of Korea had been able to obtain such extensive economic aid under the bilateral assistance programme of the United States, from the specialized agencies, non-governmental organizations and the United Nations. The report emphasized that, in carrying out its programme, the Agency had received excellent co-operation from the Government of the Republic of Korea, which had greatly facilitated its task. The Agency's work had been successfully completed and the Australian Government was glad to have made some contribution to the reconstruction of the Korean economy.

63. Mr. CHA (China) thanked the Administrator for Residual Affairs for the excellent report he had submitted and congratulated him on the efficiency with which he had discharged his duties. His delegation was confident that the Korean courts would do everything possible to ensure that an early decision was reached on the claims that the Agency had had to institute for compensation and the recovery of funds.

64. In the interests of the economic development of the Republic of Korea, the General Assembly should approve the Administrator's recommendation concerning the use of residual foreign exchange, which might be applied to technical assistance or Special Fund projects, subject to the concurrence of the Government of the Republic of Korea.

65. Had it not been for aggression against Korea by international communism, the Korean people would

have been spared much suffering and there would have been no need to setup an agency for the reconstruction of the Korean economy. The country was still divided. The Agency's work had brought benefits to only a part of the Korean population and the country's economy still had to be geared to some extent to war needs, because there was little prospect of unification and the Republic of Korea still faced a threat of aggression from the North. The efforts of the United Nations to help a victim of international communism had come to an end, but that did not mean that the basic problem had been solved.

66. Mr. VIAUD (France) said that his delegation was gratified by the work the Agency had accomplished over a period of nine years. It provided a striking illustration of what the United Nations could do to help a country which had been laid waste by a disaster. He paid a tribute to all those who had worked for the Agency.

67. He would vote for the draft resolution without reservation, as it expressed the views of his delegation.

68. Mr. WOULBROUN (Belgium) associated himself with the statement of the representative of France.

69. Mr. ARNESEN (Norway) said that the Administrator's report was an admirable document. His country had been glad to co-operate with Denmark and Sweden in the establishment of the New National Medical Centre at Seoul.

70. The Norwegian delegation would vote for the draft resolution.

71. Mr. RITTER AISLAN (Panama) congratulated the Administrator on the ability with which he had carried out his task and said that his Government fully appreciated the value of what the United Nations had done in Korea.

72. His delegation fully supported the draft resolution.

73. Mr. ARKADEV (Union of Soviet Socialist Republics) said it was important not to overlook the need for the peaceful reunification of Korea and stressed the efforts which the Democratic People's Republic of Korea was making with that end in view. That State was doing its utmost to meet the economic needs and cultural aspirations of its people. All the objectives laid down in the first five-year plan, which was to be completed in 1961, had been achieved by July 1959. In 1958, production had been twice as high as in the preceding four years. Industrial output was more than four times greater than it had been in 1944. Extensive irrigation works had been carried out; the countryside would shortly be completely electrified and agriculture entirely mechanized. There was no unemployment in the country; education had become compulsory and the people were receiving free medical care. Thanks to the efforts of the Korean people and with the assistance of the socialist countries, Korea, which had previously had the status of a colony, had been converted into a free and developed nation.

74. The division of the country into two States was, however, detrimental to its full development and it was essential, in the interest of the whole Korean people, that foreign forces should withdraw from the South of the country and that contacts between the peoples of the North and South should be facilitated.

75. The Soviet delegation would abstain from voting on one of the paragraphs of the draft resolution and would vote against the proposal as a whole.

76. Mr. FINGER (United States of America) expressed the view that the observations of the Soviet Union representative were inaccurate and irrelevant to the subject under discussion.

77. Mr. GURINOVICH (Byelorussian Soviet Socialist Republic) requested a separate vote on the last paragraph of the preamble of the draft resolution.

78. The CHAIRMAN put to the vote the last preambular paragraph of the draft resolution (A/C.2/L.453).

*The paragraph was adopted by 51 votes to none, with 16 abstentions.*

79. The CHAIRMAN put to the vote the draft resolution as a whole.

*The draft resolution was adopted by 49 votes to 9, with 11 abstentions.*

80. Mr. EASTWOOD (Administrator for Residual Affairs of the United Nations Korean Reconstruction Agency) thanked the members of the Committee and, more particularly, all those who had expressed appreciation of the Agency's work.

The meeting rose at 6.10 p.m.