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## COMMITTEE ON INFORMATION FROM NON-SELF-GOVERNING TERRITORIES

## Fifth Session

## SUMMARY RECORD OF THE NINETY-SIXTH MEETING

Held at Headquarters, New York,  
on Monday, 30 August 1954, at 11.15 a.m.

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PRESENT:Chairman:

Mr. FRAZAO (Brazil)

Members:

Mr. PETHERBRIDGE Australia

Mr. BATALHA LIMA Brazil

Mr. HLA AUNG Burma

Mr. YANG China

Mr. SVEISTRUP Denmark

Mr. MOURRUAU }  
Mr. COLLIN }

Mr. SINGH India

Miss ROESAD Indonesia

Mr. AL-JAMALI Iraq

Mr. SPITS }  
Mr. GRADER }

Mr. SCOTT New Zealand

Mr. GIDDEN }  
Mr. LEYDEN } United Kingdom of Great Britain  
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Mr. ROSS } United States of AmericaRepresentatives of specialized agencies:

Mr. MATTHEWS International Labour Organisation

Mr. VOGEL Food and Agriculture Organization

Mr. ARNALDO United Nations Educational,  
Scientific and Cultural  
Organization

Mrs. MEAGHER World Health Organization

Secretariat:

Mr. HOO Assistant Secretary-General

Mr. BENSON Secretary of the Committee

ECONOMIC CONDITIONS IN NON-SELF-GOVERNING TERRITORIES [4]

- (a) GENERAL DEVELOPMENTS CONSIDERED IN THE LIGHT OF THE 1951 REPORT ON ECONOMIC CONDITIONS AND DEVELOPMENT IN NON-SELF-GOVERNING TERRITORIES (A/1836, A/AC.35/L.156 AND ADDS. 1-4, L/159, L/161) (continued)
- (b) THE RURAL ECONOMY, WITH PARTICULAR REFERENCE TO THE CONSERVATION OF NATURAL RESOURCES, AGRICULTURAL DEVELOPMENT, LAND DISTRIBUTION, AGRICULTURAL CO-OPERATIVES AND CREDIT INSTITUTIONS (A/AC.35/L.158 AND ADD.1, L/160, L/162, L/166 AND CORR.1, L/169, L/172)
- (c) FISHERIES (A/AC.35/L.163)
- (d) INDUSTRIAL AND MINING DEVELOPMENT
- (e) COST OF LIVING STUDIES (A/AC.35/L.167)
- (f) OTHER QUESTIONS (A/AC.35/L.174)

Mr. SINGH (India), referring to document A/AC.35/L.163, emphasized that the development of fisheries would be one way of remedying the undernourishment of the indigenous inhabitants and of providing them with necessary proteins. However, except in Alaska and Greenland, the Administering Powers had not paid enough attention to that important supplementary source of food.

Industrial and mining development had also been inadequate in almost all the Non-Self-Governing Territories. There was undoubtedly less industrialization in the Territories than in the least developed independent country. That was a surprising state of affairs. The Administering Authorities had undertaken to promote the advancement of the indigenous inhabitants in all fields and they should recognize the commonly accepted fact that, far from harming the economy of the metropolitan country, the industrialization of the Non Self-Governing Territories opened new markets for the products of metropolitan industry and in particular for capital goods. The example of the United States showed that the industrial development of other countries was not to be feared; although the United States had helped Europe to regain and even to surpass its former volume of production, its exports to the West were now greater than at any time since the War.

The Administering Powers did not seem always to follow that example with respect to their Territories.

According to document A/AC.35/L.174, the total value of imports had declined in 1953 in comparison with previous years; however, a breakdown of imports showed that the value of imported capital goods had declined and the value of consumer goods had increased in the majority of the Territories for which the import figures were available (Morocco, French West Africa and Madagascar). The inhabitants of the under-developed territories should devote their resources and energies to the development of their industry and agriculture.

Progress had been very small and very slow, and, according to document A/AC.35/L.167 the level of consumption in the Territories had declined in 1952 and 1953. Yet under the Charter the Administering Authorities had accepted "as a sacred trust the obligation to promote to the utmost . . . the well-being" of the Non-Self-Governing Territories. It appeared that they were far from doing their utmost to that end, and the same conclusion could apparently be drawn from a passage of the Secretary-General's annual report which advocated far wider measures to ensure a higher standard of living for under-developed countries than had been hitherto taken. Urgent measures should be taken to help those territories.

He hoped that the Administering Authorities would reconsider their policy and take resolute steps to eliminate poverty, ignorance and disease. Investments should be increased and used first of all to benefit the people; import and export prices should be controlled to prevent wide fluctuations and disparities between the prices of primary products exported and the prices of imported goods; and international agreements such as those on tin and sugar should be concluded. Development schemes giving rapid results should be drawn up; exports should be expanded and industrial and scientific research facilities should be increased with a view to minimizing the dependence of the Territories on the metropolitan areas for technical manpower.

Mr. BATALHA LIMA (Brazil), replying to some observations on the industrialization of the Non-Self-Governing Territories, stated that a distinction could be made between Territories which were still at the subsistence level and those which had already passed that stage.

With respect to the first category, the Administering Powers should concentrate on the production of foodstuffs required locally in order to raise the standard of living of the inhabitants. That was a prerequisite for the development of the Territories and it should be accompanied by a social and economic programme. The second group of Territories should not necessarily continue to be regarded as producers of primary products.

The production of primary agricultural products should be expanded, particularly when the demands of a people whose numbers and revenue were increasing, had to be satisfied. The Administering Powers should increase the funds allocated to research and to the establishment of storage and transport facilities; they should make credit easier and provide technical assistance, equipment and fertilizers for the primary purpose of meeting the needs of local and regional markets. Once that had been done, there would be no danger to the economies of the Territories if special attention were given to the development of the rural sector, provided that other branches of activity were not neglected. The increase in agricultural production would primarily affect foodstuffs which were subject to widespread demand. In diverting the greater part of capital and labour to the production of foodstuffs there was a danger of creating an economic disequilibrium, the national and international consequences of which his delegation had already mentioned. The expansion of exports resulting from the saturation of the local market was of some importance to the Territories. Nevertheless, as was pointed out in document A/AC.35/L.169 prepared by FAO, a proportion should be maintained between production for export and production for local consumption. FAO's report described the dangers inherent in disregard of that principle and also explained why in certain cases the Administering Powers had encouraged production for export (paragraphs 5 and 6).

Document A/AC.35/L.166 emphasized the necessity of establishing government agricultural services to meet the needs of the Territories. Whereas the percentage of the population engaged in agriculture amounted to from 13 to 98 per cent, the percentage of total expenditure devoted to agriculture amounted to from 0.92 to 28 per cent, according to table I of that report. The same table also showed that the level of government expenditure in the agricultural sector in most of the Territories was low, amounting to less than one dollar per farmer in eleven territories. A comparison of those figures with the data set forth in document A/AC.35/L.174 showed, contrary to certain assertions, that the industrialization of the Territories had not been retarded by efforts to expand production for local consumption. On the contrary it seemed that production of primary products for export had attracted the bulk of resources and capital. The policy of production for export should therefore be modified in so far as it obstructed the advancement of the Territories, and economic diversification should be encouraged.

The results attained in the field of agricultural co-operatives (A/AC.35/L.162) were encouraging. However, the Committee should also recommend that emphasis should be given to rural industries.

The co-operatives were important to a just distribution of land, but fluctuations in wholesale and retail prices could have unfavourable repercussions and the process of developing co-operatives should be correlated with the expansion of the economy as a whole. Document A/AC.35/L.162 showed that the progress made in rural credit facilities had been negligible. The credit system did not always meet agricultural requirements, and loan terms were based on the financial interests of the credit organizations. In some cases banks granted loans guaranteed by crops under conditions which in the long run resulted in permanent indebtedness for the farmer. That situation could lead to a weakening of real prices on the domestic market. In other cases agricultural credit was granted to increase the production of cash crops and to improve the competitive market position of those products. The nefarious influence of the agricultural banks should be curtailed and real credit co-operatives, which were still in the initial stages of development, should be established.

With regard to tax policy, the rate of taxation should be in proportion to the taxable income of each person. Some territories levied a proportional tax and they should consider the introduction of a graduated tax which would establish a distinction between the necessary and the superfluous, but would not prejudice production and capital formation. The area tax, (impôt de répartition) which consisted of a certain fixed amount drawn from certain regions, was still in force in many territories and was responsible for innumerable inconveniences from the point of view of both psychology and equity. It should be replaced by a tax which would distinguish between various economic classes by applying different rates to them. The essential point in taxation was to interest the inhabitants in public expenditure. The educational value of personal taxation was generally recognized, but it would be even greater if it could be collected by the local authorities: the taxpayer would then be more fully aware of the way the taxes were used and would be progressively associated with the system of public finance, first at the local level and then at the territorial level. Such a measure would be particularly valuable in Territories which already had legislative assemblies and councils to deal with tax matters. In most cases the economic value of the personal tax on the indigenous inhabitants would not justify its retention. In his opinion, individuals would be sufficiently encouraged to increase production by fair wages. The rate of personal tax on indigenous inhabitants should be modified and numerical lists replaced by nominal lists, the rates of taxation being adapted to the resources of the different economic and ethnic groups in the population, with a surtax levied on the privileged classes in order to ensure fairer distribution.

Finally, customs duties affected the entire population equally and he hoped that the Administering Powers would revise their tariffs and reduce customs duties on essential commodities in order to lower the cost of living. Customs policy should not be based entirely on fiscal considerations: it should also be an instrument of economic policy. Systems of customs duties might protect infant industries through the elimination of duties on capital goods or raw materials destined for those industries. Some governments had resorted to that system of protection.

Mr. YANG (China) congratulated the Secretariat on its excellent report on fisheries in the Non-Self-Governing Territories (A/AC.35/L.163) and thanked the representatives of the Administering Powers, particularly the representatives of the Netherlands, the United Kingdom and the United States for the information which they had supplied on the development of fisheries in the territories for whose administration their countries were responsible.

China had a traditional, not to say a sentimental, interest in those questions. The artificial rearing of fish in ponds had been practiced in China for nearly 4,000 years and China was among the six countries which in the last forty years had produced 61.2 per cent of the world's fish production.

With regard to the situation in the Non-Self-Governing Territories, his delegation was guided by the paramount importance of the interests of the inhabitants in political, social and educational matters.

In its report for 1951, the Committee had stated that the raising of the economic, social and educational standards of the peoples of the Non-Self-Governing Territories was the sine qua non as well as the objective of all such development and was an essential concomitant of their advance towards self-government. It had also stated that the aims of economic self-government could not be divorced from those of political development. He agreed with the representative of Iraq that the committee might recall those principles in its 1954 report.

The 1951 report had rightly stressed the importance of developing fisheries and suggested that the lack of protein in the diets of the inhabitants could be remedied by an increase in the consumption of fish. It would be folly to speak of the execution of development programmes in the Non-Self-Governing Territories if the peoples concerned were suffering from poverty, ignorance and malnutrition. The closest attention should therefore be paid to two important objectives: reduction of protein deficiency in the diet of the native population and their full participation in the development of fisheries.



A passage in a FAO publication noted that only about 10 per cent of the animal protein consumed in the world derived from the waters, although water occupied 75 per cent or more of the world's surface. It was impossible in the present state of knowledge for the fishing industry to measure the availability of its resources, but the areas over which fishing took place represented only a small percentage of the total marine area. The 1951 report indicated that the potential fishery resources of the Non-Self-Governing Territories were great. It was encouraging to note from the same source that certain regions such as the coasts of West Africa and the Pacific and Indian Oceans offered great possibilities for development. Furthermore, the yield of the existing fisheries could be increased and supplies of animal proteins could be obtained by means of fish farming on land which was unsuitable for other cultivation. It was still true that protein shortages were found in many Non-Self-Governing Territories. It was stated in document A/AC.35/L.163 that in many Non-Self-Governing Territories there was a general lack of attention to fisheries and that the expenditure on fisheries departments or units was very small compared with other territorial expenditures. He agreed with the FAO experts that that situation could not be permitted in the major campaign which must be fought for food supplies in a world where such supplies were noticeably scarce.

The development of fisheries must be based on research and surveys on resources and methods of exploitation.

As the report had indicated, some progress had been made in fisheries development and the Administering Powers deserved congratulations on the results achieved. It was to be hoped that in the near future conferences, seminars and training centres on fisheries, of the types which had been organized in the Indo-Pacific region, the Caribbean and New Caledonia would be organized in the African regions; the importance of the aims and recommendations of such bodies could not be too much emphasized.

There were two aspects of fish farming emphasized in paragraph 98 of the Secretariat's 1951 report which deserved attention: the integration of fish rearing and wet rice culture, which produced both a vegetable and an animal crop and the use of by-products and waste by means of pig and poultry rearing.

In conclusion, he wished to emphasize the fact that the Secretariat's report contained all the relevant information that had been transmitted to that body, but that the report would have been better if it had contained answers to the following questions:

1. To what extent did the development of fisheries contribute, if at all, to the elimination of the malnutrition problem of the indigenous peoples, or rather to the elimination of animal protein shortages?

2. To what extent did the local inhabitants participate in inland fisheries, including fish farming, and in marine fisheries, including both in-shore and deep sea fisheries?

3. From the fiscal point of view, to what extent did fisheries, considered as a source of national income, contribute to the revenue of the Non-Self-Governing Territories or to what extent did the local population benefit from fisheries development in per capita income?

4. What was the total annual increase in fish production? Was it intended for export or local consumption and did it improve the local production of food supplies and local trade?

The meeting rose at 12.35 p.m.