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COMMITTEE ON INFORMATION FROM NON-SELF-GOVERNING TERRITORIES

Eighth Session

SUMMARY RECORD OF THE HUNDRED AND FIFTY-SEVENTH MEETING

Held at Headquarters, New York,
on Monday, 29 July 1957, at 10.45 a.m.

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PRESENT:

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| <u>Chairman:</u> | Mr. VIXSEBOXSE | (Netherlands) |
| <u>Members:</u> | Mr. RYAN | Australia |
| | Mr. DURAISWAMY | Ceylon |
| | Mr. Y.W. LIU | China |
| | Mr. de CAMARET) | France |
| | Mr. TOUROT) | |
| | Mr. ARAGON | Guatemala |
| | Mr. JAIPAL | India |
| | Mr. PACHACHI | Iraq |
| | Mr. IDENBURG) | Netherlands |
| | Mr. GRADER) | |
| | Mr. THORP | New Zealand |
| | Mr. VELANTO | Peru |
| | Mr. GIDDEN | United Kingdom of Great Britain and Northern Ireland |
| | Mr. MORE) | United States of America |
| | Mr. LYNN) | |
| | Mr. ALFONZO-RAVARD | Venezuela |

Representatives of specialized agencies:

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| Mr. PAYRO | International Labour Organisation |
| Mr. ABERCROMBIE) | Food and Agriculture Organization |
| Mr. ORR) | |

Representatives of specialized agencies:

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| Mr. SALSAMENDI | United Nations Educational, Scientific and Cultural Organization |
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Secretariat:

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| Mr. COHEN | Under-Secretary for Trusteeship and Information from Non-Self- Governing Territories |
| Mr. BENSON | Secretary of the Committee |

TRIBUTE TO THE MEMORY OF PRESIDENT CARLOS CASTILLO ARMAS

The CHAIFMAN paid a tribute to the memory of President Carlos Castillo Armas, assassinated on 26 July 1957, and requested the representative of Guatemala to convey the Committee's condolences to the President's family and to his successor, Mr. Luis Arturo Gonzalez Lopez.

The Committee observed one minute's silence.

Mr. ARAGON (Guatemala), on behalf of his delegation, thanked the Chairman and the members of the Committee for their expression of sympathy.

ECONOMIC CONDITIONS AND DEVELOPMENT IN NON-SELF-GOVERNING TERRITORIES:

- (c) DEVELOPMENT OF MANUFACTURING INDUSTRIES (A/AC.35/L 241)
- (d) DIVERSIFICATION OF AGRICULTURAL PRODUCTION (A/AC.35/L.243)

Mr. PACHACHI (Iraq) recalled that for many years the policy followed with regard to the industrial development of Non-Self-Governing Territories had been to limit economic activity to the production of primary commodities, and that the Non-Self-Governing Territories had been considered as suppliers of the metropolitan countries. Under the pressure of many factors such as public opinion, the increasingly democratic character of political and social life, and the influence of the United Nations Charter, industrialization had come to be accepted in the Non-Self-Governing Territories as an effective method of raising the standard of living of their peoples and rendering their economies less vulnerable. The Ten-Year Plan for economic and social development put into effect in the Belgian Congo, and the various measures taken by France and the United Kingdom in their overseas Territories bore witness to the new spirit. But the problem was to know how soon and how far the administering Powers wished to industrialize the Non-Self-Governing Territories. Hitherto advances had been made chiefly in the processing of agricultural products. But it must be pointed out that while the volume of industrial production was still rather small, the administering Powers had made special efforts to develop transport and electric power, as was clear from Table IV in the report on industrialization prepared by the Secretariat (A/AC.5/L.241, page 65).

(Mr. Pachachi, Iraq)

Briefly reviewing chapter II of that report, he said that the administrative measures taken by the administering Powers to organize industrial development in the Non-Self-Governing Territories were inadequate, particularly in the Territories administered by Belgium and France, where there was no official body responsible for the task.

The most difficult problem was that of financial assistance to industry. Indirect aid (tax relief, protective tariffs, import quotas, export duties) were only useful when sufficient investment was available for industrial development. At the present time, direct financial assistance by local Governments was negligible in most cases. Moreover, the information given in the report showed that industry was receiving only a small share of the funds allocated by the metropolitan countries for the economic development of Non-Self-Governing Territories. Furthermore, foreign capital was invested chiefly in land and mines which offered better prospects of profit. The Committee had already had occasion to draw the attention of the administering Powers to that point in the report it adopted in 1954. Most of the under-developed countries had long since realized that industrial development could not be achieved through private enterprise alone. His delegation hoped that the administering Powers would take that into account when they were preparing plans for the industrial development of the Territories for which they were responsible.

Mr. Y.W. LIU (China) thought that the report prepared by the Secretariat on Government measures for the promotion of manufacturing industries in Non-Self-Governing Territories (A/AC.35/L.241) was a fine piece of work; but he regretted that no section had been devoted to the mining industries.

He thought there might be some value in quoting the example of China, which after the First World War had gone through a feverish period of industrialization, when the large industrial towns had developed excessively at the expense of their hinterlands, which they had drained of their substance. The result had been such disruption as to raise the question whether the country could safely become industrialized at such a rate. A League of Nations mission under the chairmanship

(Mr. Y.W. Liu, China)

of a United Kingdom expert had visited China and had reached the conclusion that agriculture should be developed along with industry if not in advance of it. During the Second World War, Mr. Henry Wallace, a recognized expert of agriculture, had carried out a survey in China and had put forward similar views.

He thought there might be some value in recalling China's experience now that the Committee was considering the question of industrial development of Non-Self-Governing Territories. He had no objection to make to the policy followed by the various administering Powers with regard to economic development. It was always possible to criticize any plan, and one of the reproaches most frequently levelled against the administering Powers was that economic development had been left to private enterprise. He saw no reason to criticize that system, which might encourage enterprise in a large number of people and enable administration and labour to become familiar with new techniques.

It was true that private enterprise did not always justify the hopes placed in it. Measures should therefore be adopted to promote it (e.g. by granting tax relief), and to give as much encouragement as possible to undertakings which introduced genuine innovations.

The most important thing, far more important to the welfare of an indigenous population than a difference of \$1 or 2 million in their prospective revenue or loan funds, was the training, among those indigenous populations, of competent and skilled workers who in a few years' time could take an active part in the economic development of the Non-Self-Governing Territories.

Mr. JAIPAL (India) noted that the administering Powers understood the need for industrial development of Non-Self-Governing Territories on the basis of known resources. But they did not seem to be sufficiently aware of its urgency.

Examining the policy adopted by the Government of Belgium in the Belgian Congo, he referred to some of the principles upon which it was based, and particularly to the need to process raw materials locally and to create an internal market for them. These were obviously designed to create in that Territory a healthy and stable economy, but it might be difficult to achieve if the Government left all initiative in the hands of private enterprise and confined itself to the establishment of administrative services, the granting of tax relief, and tariff protection. In territories like the Belgian Congo the methods which had brought prosperity to

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(Mr. Jaipal, India)

Europe could not be used, as there was no middle class with the skills, capital and experience to promote industrial development. The Belgian Government seemed to be trying to create a class of craftsmen, but that was a very slow process.

While, from the economic point of view, it might be sound to discourage a local industry which manufactured articles at a higher cost than the price of the same articles imported from abroad, that attitude was difficult to reconcile with the policy of making the economy of the Congo less dependent on external trade.

Examining the table on allocation of authorized commitment in document A/AC.35/L.242, he noted the importance assigned in the Belgian Congo and in other Territories to investments on infrastructure. The allocations for agriculture were very low. He would like to know at what point the administering Power was proposing to increase the appropriations for sectors which might help directly to increase production.

He noted that in the Territories under French administration an attempt was being made to promote industrialization by a strong effort to expand the traditional rural economy. The French Government had also adopted a very realistic policy with regard to public investments.

In British territories, the efforts were directed principally to setting up processing industries. The Administering Power had adopted the principle that industrial development should not constitute a threat to the land rights of the indigenous population, nor should excessive immigration lead to changes in the character of the people or to practices of racial discrimination. He referred to the high ratio of development expenditure for military purposes and inquired what proportion was being allocated for African land development and education.

The proportion of development expenditure borne by the territorial Governments varied. In the case of the Belgian territories the entire development expenditure was met by external loans. In British territories 50 per cent of the expenditure was borne by the territories but in French territories only 10 per cent was borne by them.

(Mr. Jaipal, India)

Despite various obstacles, there had been some progress in the industrialization of the Non-Self-Governing Territories, particularly in regard to the production of cement and electric power. It should be noted, however, that with the exception of the Belgian Congo, Hong Kong and Singapore, only small enterprises and manufacturing industries had been set up, and the progress achieved was inadequate. Industrialization had so far barely affected imports which, in some cases, had actually increased. There was a lack of balance between industrial production and the production of raw materials and also between the formation of capital and consumption.

Central economic planning and direction was generally accepted as a matter of policy, and there was increasing recognition of the importance of the role of the State in economic development.

In all those Territories, the population was preponderantly rural and depended on a very precarious subsistence agriculture. A large proportion of foodstuffs and consumer goods had to be imported. The desire for industrialization shown in those Territories, as in all under-developed countries, was therefore comprehensible; only through industrialization could standards of living be raised.

It was extremely difficult for under-developed Territories practising democratic methods to build for the future while satisfying the needs of the present. That problem should be solved not by harsh discipline under an authoritarian form of government but by the more prosperous countries making small sacrifices now rather than larger ones later.

In conclusion he urged that more attention should be paid to the needs of the people of the under-developed Territories, which was roughly two-thirds of the world's population, than to the need for armaments. He felt that the former deserved more from the world's income and that their interests should carry more weight. Human destiny being indivisible, he suggested that what was needed was the establishment of a code of international behaviour which would be responsible to common humanity and take into greater account the welfare of two-thirds of humanity.

Mr. ABERCROMBIE (Food and Agriculture Organization), introducing the FAO report (A/AC.35/L.243), drew the Committee's attention to the fact that the diversification of agricultural production not only contributed directly to the diversification of the general economy but also helped to secure a more solid basis for the manufacturing industries. In the past few years, many governments had been trying to adjust their agricultural production more closely to the nutritional needs of the domestic population and to export demand.

The FAO report dealt with agriculture proper and did not touch upon forestry or fisheries. The first part contained a study of the present situation of Non-Self-Governing Territories. In most cases agricultural production continued to be overwhelmingly for local consumption only. However, in some Territories export crops had been so far developed that they had to import most of the foodstuffs they required; that was the case, in particular, with the small sugar-producing islands. Generally speaking, the food produced for domestic consumption in the Non-Self-Governing Territories consisted largely of starchy products (cereals or roots) and the output of livestock products, vegetables and fruit was very limited. That was due to several causes, such as climate, soil, the high yield of the starchy crops, animal disease, and also social and religious ideas concerning cattle. A few Territories were very heavily dependent on the single export crops, and the agricultural exports of many others were rather narrowly based. Here the cause was sometimes the poor resources of the Territory, but chiefly it was because of the economic advantage of specialization. It should also be pointed out that the marketing facilities for export were generally much better organized than those for local consumption.

One chapter of the report dealt with the technical nutritional and economic advantages of diversification. While the technical advantages were clear and, for nutritional reasons, the diversification of local food production was essential, the economic advantages, which related above all to exports, were not always easy to assess. They depended greatly on the particular conditions in a territory and specialization was sometimes more advantageous. Nevertheless, the export earnings of a Territory exporting a range of products would appear to be less affected by fluctuations in harvests and world prices.

(Mr. Abercrombie, FAO)

The progress recently achieved towards diversification was not always clearly apparent, as statistics relating to certain highly important foodstuffs were often lacking; but it was known that Governments were trying gradually to diversify the production of foodstuffs for local consumption. With regard to exports, certain Territories were now less dependent on a single agricultural crop than they had been before the Second World War. In most Territories, however, that tendency was not yet sufficiently pronounced to alter the general structure of their exports to any significant extent.

In order to diversify agricultural production and to encourage farmers to plant new crops, State intervention was usually necessary for quite a long period, but it was sometimes difficult to obtain complete information on the measures taken from the research stage to the organization of the marketing of products. Those measures included State participation in the exploitation of relatively large plantations, the free or low-cost distribution of plants and seeds to farmers, settlement schemes, agricultural loans, the provision of guaranteed prices and the organized marketing facilities.

The FAO report next examined the situation in certain individual Non-Self-Governing Territories, as the possibility and sometimes the advantages of diversification depended to a large extent on local conditions. Finally, it submitted some tentative conclusions. It stated, for example, that the diversification of agricultural production was inevitably a difficult and gradual process; research and experiments might take a very long time, especially in overcoming the physical obstacles to livestock production in many Territories. Again, the effects of the establishment of a new crop would not make themselves felt for a long time. In the case of export crops, risks were considerable and world market prospects had to be considered carefully.

In conclusion, he pointed out the value of the exchange of information on such problems as the diversification of agriculture for the Non-Self-Governing Territories, and he thanked the Committee for having given FAO an opportunity to participate in its work.

Mr. ARAGON (Guatemala), referring to paragraphs (c) and (d) of agenda item 4, stressed the importance of the diversification of employment possibilities for the progressive and balanced development of the Non-Self-Governing Territories. In all those Territories, there seemed to be a lack of balance between production for export and production for local consumption, to be seen most clearly in agriculture. Both the expansion of food crops for local consumption and industrial development could help to create new employment openings for local manpower and thus improve the level of living of the population. The administering Powers had recognized the stimulus that the increased purchasing power of the inhabitants could represent. That was why they were trying to set up local manufacturing industries. Industrialization of that kind would also help to increase the national income, improve the balance of payments and ease the surplus of manpower employed in raising crops.

Nevertheless, although industrialization was one of the main factors in the development of Non-Self-Governing Territories, agriculture could not lag behind. It must be diversified, but its yield must also be improved. Hitherto, attempts had been concentrated on stepping up the production of certain crops closely bound up with industry, such as coffee, cocoa, sugar cane and oleaginous plants. Methods of processing those foodstuffs had been developed so that some raw materials were being exported in processed form. That was an encouraging sign, but it was also important to regard the interests of the internal market; above all, the economy of those Territories must not be made more vulnerable to the fluctuations of demand and the prices on the world market.

He had no objection to the initiative for both agricultural and industrial development being left to private interests, but he thought that the spirit of initiative, thrift and technical knowledge were not yet sufficient in the Non-Self-Governing Territories for the indigenous inhabitants to be able to play an important part in that development. The population must therefore be educated. In order to attain the targets they had set themselves, the administering Powers must also provide incentives and financial support.

Mr. GRADER (Netherlands) wished first of all to congratulate the FAO on its excellent report on the diversification of agricultural production (A/AC.35/L.243). Much of the information it gave concerning the measures that had been taken in that respect applied to Netherlands New Guinea. He shared the view expressed in the conclusion of that document that it would be useful to develop the exchange of information regarding the methods used to overcome the difficulties which were common to many Territories.

It could not be said, however, that there was a lack of information concerning rural welfare, but in many cases it had not yet been possible to evaluate the results obtained. The implementation of a rural welfare policy depended on the co-operation of the population, and the basic difficulty where New Guinea was concerned lay in the difficulty of inducing the people to adopt new ideas. In order to realize the full benefit of such ideas there was still need of capable leaders who would be prepared to assume administrative responsibilities.

In the course of a brief summary of the situation in the Territory, he stated that a substantial part of the indigenous diet in the lowlands consisted of sago, extracted from a palm tree growing wild in marshy areas. A rational exploitation of the supply of that natural resource would be more than sufficient for the domestic demand and would leave a considerable surplus for export. The establishment of a factory for the extraction of sago on an industrial scale would enable exports to be increased and the still primitive indigenous methods of extraction to be improved. In the higher inland areas the people cultivated mainly various kinds of tuberous plants. Their diet was based mainly on starchy foods; hunting and fishing supplied the main sources of protein. Some fruits must be mentioned, in particular bananas; in the coastal regions coconuts were an important addition to their diet.

As in most under-developed territories, the caloric intake was generally sufficient; the principal problem was the lack of proteins in the diet. Since 1953 the authorities had been conducting surveys on nutrition, in co-operation with specialized organizations in the Netherlands and with the South Pacific Commission. The Administering Power was introducing such new subsistence crops as maize, ground-nuts and soya beans. The cultivation of rice had scarcely

(Mr. Grader, Netherlands)

gone past the experimental stage, but great expectations were entertained for a mechanized rice cultivation project in Southern New Guinea.

Efforts to increase agricultural production for export had chiefly been directed towards the improvement of transport facilities, the furnishing of selected seeds and seedlings, and the propagation of better processing methods for copra. Attempts had been made to introduce such new cash crops as cocoa, coffee, rubber, castor-oil, kapok, pepper and vanilla. Among other difficulties encountered in propagating rubber cultivation was the impossibility of obtaining an adequate income without a labour force which would be willing to work regularly every day on the plantations. Since the people of the rural districts were not yet accustomed to such work, efforts had been confined at first to those crops that had to be harvested only once or twice a year. The best results had been achieved with cocoa. During the past three years the area under cultivation had increased from a few dozen hectares to 300. The State had had to organize the regular buying-up of the harvest and the processing of the raw material and to guarantee minimum prices.

He went on to describe the organization of the Agricultural Extension Service, which was responsible for carrying out the measures designed to promote diversification of production; he then reviewed the methods and techniques applied. The experience acquired showed that the progress made in introducing new crops was slower than had been anticipated. There was a tendency to revert to the old methods such as the indigenous system of shifting cultivation. The yield could be increased by providing the farmers with selected planting material for their traditional crops; once their confidence had been gained, it became less difficult to persuade them to cultivate new crops. That system had given good results and had enabled cash crops such as cocoa to be introduced. The young cocoa trees had been planted at regular intervals between the traditional food crops, in accordance with the system of shifting cultivation. That method had given quicker results, with a minimum of friction.

(Mr. Grader, Netherlands)

Education played an important part in the diversification of agricultural production. The curriculum for prospective village school teachers included an elementary course in agriculture, and in some areas the system of collective village gardens had been introduced: all the inhabitants, school children included, were taking part in this experiment, in which the teacher acted as an intermediary between the personnel of the Agricultural Extension Service and the population. In addition, training courses in agriculture had been organized. Efforts were continually being made to gather together groups of people from the same region or the same village, for experience showed that a single individual had little chance of introducing modern ideas when he returned to his old home; a group of people, however, could more easily overcome old traditions and prejudices. The length of the course was two years, after which the pupils spent a six-months' training period in an agricultural co-operative under the guidance of the teaching personnel.

He drew attention to the Nimboran community development project, which operated a farm and a shop and acted as a marketing organization for local produce. It had acquainted the inhabitants of the area with modern methods of agriculture and the use of mechanical equipment, which was the joint property of the members of the community. It was a curious fact that mechanical equipment was used by the indigenous inhabitants more than by Europeans.

In conclusion he reiterated that the introduction of new crops and agricultural methods would require much patience. It was no easy matter to overcome prejudices and to change the habits of farmers attached to their traditions. In the case of Netherlands New Guinea, it must also be borne in mind that a large part of the population lived in areas remote from any outside influences, which complicated the problem. An extreme example was the mountainous area of the Wissel-Lakes district, which was accessible only by air. Nevertheless, a horticultural centre had been started there.

The meeting rose at 1.45 p.m.