UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL

Forty-first session

OFFICIAL RECORDS

1435th meeting

Monday, 18 July 1966 at 10.45 a.m.

PALAIS DES NATIONS, GENEVA

CONTENTS

President: Mr. T. BOUATTOURA (Algeria)

Present:

Representatives of the following States: Algeria, Cameroon, Canada, Chile, Czechoslovakia, Dahomey, France, Gabon, Greece, India, Iran, Iraq, Luxembourg, Morocco, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela.

Observers for the following Member States: Bulgaria, China, Japan, Kuwait, Norway, Tunisia.

Observers for the following non-member States: Federal Republic of Germany, Holy See, Switzerland.

Representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, International Bank for Reconstruction and Development, International Monetary Fund, World Health Organization.

AGENDA ITEM 13

Reports of the regional economic commissions (E/4177 and Add.1, E/4181; E/L.1128) (*concluded*)

1. The PRESIDENT invited the observer for the Organization of American States to address the Council.

2. Mr. MIGONE (Organization of American States), speaking on behalf of the Secretary-General of OAS, said he wished to stress the importance of the inter-American agreements that had been concluded with a view to modifying the Charter of the OAS, signed at Bogotá in 1948. The origins of OAS, which consisted of the United States and twenty Latin American republics, went back to 1890; up to the Second World War, OAS had made a great contribution to the progress of international law. Its structure had been considerably modified in 1948 by the Bogotá Charter, article 1 of which stipulated that OAS constituted a regional body within the framework of the United Nations, and four articles of which dealt with economic and social questions. OAS had then concluded agreements with other international organizations, in particular with the specialized agencies of the United Nations. He stressed that regional organizations like OAS were performing an essential task of adaptation and liaison between the world organizations and the countries of the region which they represented.

3. The Second Special Inter-American Conference, held at Rio de Janeiro in November 1965, had adopted a resolution aimed at improving and developing the co-ordination of co-operation, not only within the inter-American system, but also with other international and regional organizations. That aim was similar to that of the United Nations Economic and Social Council. Bilateral and multilateral, regional and world-wide activities must also be harmonized, including those of the private sectors. Parallel to the United Nations Development Decade, OAS had launched in 1958 the plan known as " Operation Pan America ", had established in 1959 the Inter-American Development Bank (IDB), had signed in 1960 the Bogotá Act and in 1961 the Charter of Punta del Este, based on an action programme—the Alliance for Progress. The Inter-American Economic and Social Council had been raised to ministerial level, a group of experts had been assigned to advise on economic and social matters, and the Inter-American Committee on the Alliance for Progress (ICAP) had been set up. ICAP and IDB were of special importance. The establishment of ICAP was intended to make the Alliance truly multilateral. Consisting of seven members, one of whom represented the United States of America, its task was to stimulate and guide, on the basis of surveys of the economic situation in each country, the formulation and implementation of realistic development plans and practical programmes. To an increasing extent it was encouraging economic and financial self-discipline on the part of the beneficiary countries. Representatives of IBRD, IDB and IMF as well as observers from certain European countries attended its meetings. ICAP also co-operated with the Latin American Free Trade Association and the Central American Common Market. It selected investment projects and was responsible for linking up the activities of the private sector with the general development programmes. It was at present analysing in detail the obstacle to external private investment in Latin America.

4. In its six years of existence IDB had some major achievements to its credit. Its initial capital, provided by the member States, had amounted to $850 million, plus a social progress fund to which the United States had contributed $394 million. Its resources had subsequently increased and included contributions from non-member States. As at 30 April 1966, the total loans granted amounted to $1,527 million, covering 326 development projects or 32 per cent of regional projects during the last

five years. IBRD had also done most valuable work in Latin America. After indicating the main sectors to which projects financed by IDB in 1965 had related, he stressed that, as its President had stated, IDB was the bank for the integration of Latin America. For that purpose it had established a pre-investment fund for the study of multilateral projects. IDB had secured the financial co-operation of non-member developed countries by issuing bonds in Europe. In co-operation with the OECD Development Assistance Committee it had conducted a survey on possible approaches to the European capital market, and had concluded an agreement with the Spanish Government on Spanish exports to Latin America resulting from IDB loans. It had concluded another agreement with the Netherlands and was negotiating one with the United Kingdom.

5. There could be no development without industrialization; hence the great hopes raised by the establishment of UNOID. Industrialization required fairly big markets, where possible on a national or at least a regional scale, so as to permit gradual entry to the markets of the developed countries. That was necessarily a long process, frequently requiring large investments. Consideration should at the same time be given to rural development, whereby both the quantity and quality of food production could be improved. The diversification of agricultural production would open up new sectors, enabling more labour to be absorbed. Land reform would ensure the fairer distribution of land. Latin America would thus be able to contribute more effectively to reducing its own and other regions' food shortages, and that would improve the balance of payments of the exporting countries.

6. With reference to the contemplated amendment of the economic and social directives contained in the OAS Charter, he said that the Charter of Alta Gracia had had a practical influence on the conclusions of the first United Nations Conference on Trade and Development. Furthermore, multilateral external aid must be adequate, flexible and timely, and domestic efforts must be increased and rationalized, as the groundwork not only of development but also of international co-operation. The Latin American Governments and public opinion considered that those principles should be embodied in the OAS Charter. In November 1965 the Rio de Janeiro Conference had laid the foundations for new norms for the economic and social relations of the member countries of the Organization, and a special committee had met in Panama in March 1966 to prepare a preliminary draft. The draft had been transmitted to Governments, and the ninth conference of foreign ministers would adopt the final texts pending legislative ratification. The points of view of the United States and of the less developed countries in the region had had to be reconciled. The Inter-American Economic and Social Council, which had met in Washington, had been assigned the task and successfully accomplished it. Instead of four articles on economic and social questions, the OAS Charter would embody sixteen, most of which were very far-reaching. Those texts recognized that there was a direct link between the peace and security of the inter-American system, on the one hand, and economic and social development on the other. Each of the member States undertook to mobilize its national resources, in men and materials, through adequate programming. The new provisions would be applied subject to the resources available and to domestic legislation. In order to achieve balanced and continuous development, the resources placed at the disposal of each member State were to be made available on flexible conditions and to be used in support of national programmes and efforts, especially in the case of the less developed countries. The member States must avoid any policy, action or measure that would have prejudicial effects on the economic and social development of another member State. In external trade the results were bound to be significant. Member States must endeavour to secure from importing countries the reduction or abolition of customs or other barriers affecting the exports of member States; they should endeavour to diversify their economy, accelerate the development of the less developed countries and intensify the economic integration process. In the case of commodity trade, provision had been made for procedures to prevent disturbance to markets, and also for measures to encourage expanding markets and to secure guaranteed earnings for producers, adequate supplies for consumers and stable prices which were remunerative for the producer and fair to the consumer.

7. Financial measures to reduce fluctuations in commodity export earnings were envisaged as well as diversification of exports and expansion of export opportunities for manufactures and semi-manufactures from the developing countries. An important point was that the developed countries did not expect reciprocal concessions on the part of the less developed countries.

8. The integration of the developing countries of the continent had been recognized as one of the objectives of OAS, and provision was made for the improvement and co-ordination of transport and communications between the various countries, the establishment of a Latin American common market, priority for multinational projects and the financing of such projects, and economic and financial co-operation to bring about harmonious, balanced and efficient development. The economic and financial institutions of the Organization would be developed.

9. In the social field, the new texts, which dealt with all aspects affecting man as a human being, recognized in particular the need to bring the social legislation of all the developing countries into line, especially as regards employment and social security.

10. The economic and social objectives and the essential problems they covered would not merely be set forth in a statement of aspirations, but would form the subject of specific agreements to be embodied in the OAS Charter and ratified by the parliaments of the various member States. The meeting of the Inter-American Economic and Social Council had therefore ended in an atmosphere of general satisfaction and optimism, in the hope that the new OAS instrument would strengthen inter-American co-operation in accordance with the recommendations of the Economic and Social Council of the United Nations.

11. Mr. MURGESCO (Romania) said that as he had already remarked at the previous meeting, the Economic

Commission for Europe had been successful in extending and diversifying co-operation between all European countries. The Commission's powers to promote the objectives of the United Nations in the economic and social field should be widened.

12. He drew the Council's attention to ECE resolution 3 (XXI) and to the draft resolution concerning the strengthening of economic co-operation between ECE member countries (E/L.1128) which Romania had co-sponsored with Czechoslovakia, France and Greece. He hoped that the draft resolution would be supported unanimously.

13. The PRESIDENT proposed that, since there was no opposition, draft resolution E/L.1128 should be regarded as adopted unanimously.

It was so decided.

AGENDA ITEM 14

Reports of the Governing Council of the United Nations Development Programme (E/4150, E/4219)

14. Mr. FRANZI (President of the Governing Council of the United Nations Development Programme), introducing the reports of the UNDP Governing Council on its first and second sessions (E/4150 and E/4219), which gave an account of the activities of UNDP and its Governing Council, said that he would dwell chiefly on aspects of those activities which were not dealt with in detail in the two documents.

15. Since the Economic and Social Council was the United Nations organ which had brought about the merger between the Special Fund and the Expanded Programme of Technical Assistance (EPTA), it was aware that although the purpose had been to gear technical assistance to new, recently emerged requirements which could not easily be met within the existing structural framework, the identity of the two components within UNDP had nevertheless been maintained.

16. UNDP had two characteristic features: first, the difference between countries granting and receiving aid was lessened by the fact that the recipient countries were in the majority on the Governing Council, and secondly, Member States' contributions to the financing of assistance projects were matched by counterpart contributions from recipient countries amounting to some 60 per cent of the total cost of the programme; that was important, for the success of UNDP largely depended on the effort which the recipient countries were willing and able to make to promote their own economic development.

17. The activities of the UNDP Governing Council had shown that its enlarged membership in comparison with the Governing Council of the Special Fund and the Technical Assistance Committee had in no way slowed down the rate of work. Moreover, so far as participation in the work was concerned, its own members and the representatives of countries formerly members of the Governing Council of the Special Fund and the Technical Assistance Committee had shown much livelier interest in the questions being examined. The fact that so far the Governing Council had taken its decisions by general assent, without having recourse to a vote, strengthened the bonds of solidarity and co-operation between all Member countries still further.

18. A tendency had been observed to apply to the technical assistance sector the same procedures for the programming, presentation and approval of projects as were already applied to the Special Fund component, thus promoting a closer merger of the two programmes.

19. It had also been noted that the Governing Council had devoted even more attention to the innovations and transformations to be made in regard to the system than to the pre-investment projects submitted for its approval. The general aim of such innovations and transformations was to increase the Governing Council's power of action in the selection, examination and implementation of projects.

20. The Governing Council had envisaged favourably the presentation of projects for industrial pilot plants and had given its full consent to the extension of UNDP's activities to the investment sector, although it realized that the Programme could give no financial support, until its funds were substantially increased.

21. The question of the transformation of the Special Fund into a capital development fund would remain on the agenda of the Governing Council's forthcoming sessions.

22. The Governing Council had also requested the UNDP administration to submit a report on the technical assistance work carried out by the specialized agencies and financed out of their budgets. The Governing Council of UNDP might in future make recommendations, or even issue directives to the specialized agencies and thus become the controlling body for all the technical assistance activities of United Nations agencies.

23. The first two sessions of the Governing Council of UNDP had shown that while it was determined to introduce innovations and reforms so as to make the merger fully effective, it was equally determined to act cautiously and to advance step by step.

24. Mr. HEURTEMATTE (Associate Administrator of the United Nations Development Programme) said that his remarks would concern mainly the Special Fund component. Since EPTA's biennial programming procedure could not be interrupted, the UNDP Governing Council had hitherto concentrated on the projects inherited from the Special Fund and had decided to hold a special session in November 1966 to approve the technical assistance programme.

25. The two programmes were thus being carried out side by side. The merger would not be complete before 1969, thus giving the UNDP Governing Council enough time to study ways and means of adopting uniform programming methods in the two components and comparing the financial provisions governing them.

26. In all other respects, the merger was already a living reality reflected in joint agencies: a deliberative body—the Governing Council of UNDP—which had taken over

the management of the two programmes; an Inter-Agency Consultative Board, which consisted of the heads of the secretariats of the specialized agencies, including the International Bank for Reconstruction and Development and the International Monetary Fund, and constituted a co-ordinating and directing body at the highest level; finally there was an Administrator and a secretariat. The advantages of centralization had already been experienced, particularly in the improved status of the Resident Representatives.

27. He would like to stress the role of UNDP in the context of world-wide development, and to mention first of all that it had helped confirm the value of the pre-investment principle, defined by the Secretary-General in 1962, as an essential factor of development. Activities carried out in that sphere under the Special Fund totalled 659 pre-investment projects, covering 137 countries and territories and costing more than $1,565 million of which only $644.5 million had been supplied by the United Nations and the rest by the recipient countries. Of that number 282 projects concerned the evaluation of resources and feasibility studies, 243 dealt with vocational training, and 132 concerned applied scientific research. 380 projects were under way at 30 April 1966; at the end of 1965 there were 2,503 experts in service, 488 of whom came from developing countries; counterpart personnel totalled 28,000, while the number of fellowships allocated to training that personnel had also increased.

28. Some 70 projects had now been completed, 27 of which, costing $25 million, had made it possible to mobilize over $1,200 million capital—$373 million from national sources and $844 from external sources—which had been invested in key sectors. But the Development Programme had brought yet other benefits which were harder to evaluate, such as the spread of modern scientific and technical discoveries and the continued training of personnel in the various development sectors. At the end of 1965, 107,500 persons had attended full-time specialized courses in establishments assisted by the Special Fund and the specialized agencies, and that figure did not include the holders of EPTA fellowships.

29. Of course, credit for those achievements should be given first and foremost to the recipient Governments, whose efforts and initiative the United Nations had merely supported. Credit was also due to the implementing bodies, the specialized agencies, the sum of whose experience and the great efforts they had made to meet new responsibilities could not but be appreciated.

30. The growing volume of applications for assistance (currently, 318 had been officially submitted or were about to be submitted, to which should be added requests in preparation and phase II projects) confirmed the value of pre-investment activities; however, it did not appear that UNDP had sufficient resources available to enable it to meet its new obligations. Even if the target of $200 million fixed by the General Assembly for contributions in 1967 was reached, it would still be inadequate. The fact that the margin of available resources had now been practically exhausted, as it had been used to finance existing programmes, had made matters worse. Unless contributions increased substantially during the next few years, the UNDP Governing Council would be compelled to restrict the scope of its activities, at a particularly crucial time, and might even have to change the structure of the Special Fund component by laying down qualitative standards for the approval of projects.

31. The lack of sufficient resources was combined with a steady decline in the inflow of capital investment for development. That situation had led the UNDP administration to forge closer links with the World Bank—itself an implementing agency for numerous projects—which had also agreed to collaborate with the other specialized agencies. UNDP had likewise obtained assurance of support from the Inter-American Development Bank and was seeking help from other financial bodies. The Governing Council of UNDP had reached no decision at its last meeting about the progressive transformation of the United Nations Special Fund and the extension of its activities to investment proper, but everything seemed to indicate that it approved the principles of the recommendation contained in Annex A.IV.8 of the Final Act of the United Nations Conference on Trade and Development.[1] As the President of the World Bank had recently stated, while there was general agreement on the need to mobilize an increased volume of capital in the industrialized countries to meet the growing requirements of the developing countries, the political will to take the necessary action appeared to be lacking. The shortage of capital had led UNDP and the World Bank to unite their efforts to grant priority to development projects most likely to attract capital. The President of the World Bank also foresaw the need for certain changes in existing structures and for the introduction of an element of choice in the preparation and approval of programmes.

32. As the Secretary-General of the United Nations and the Under-Secretary for Economic and Social Affairs had both been at pains to emphasize (1421st and 1431st meetings), financing of development was the main theme of the current session of the Economic and Social Council. UNDP, through its pre-investment activities, was in the forefront of multilateral action in that field. Within the United Nations itself, it was the very essence of international co-operation to speed up development; the United Kingdom representative had stressed the irreversible nature of such development (1422nd meeting), and Pope Paul VI had clearly defined its objectives in his message to the UNDP Governing Council (see E/4219, para.4). The United Nations Development Programme was a highly valuable instrument of international solidarity, for the good of all, big or small, rich or poor. A spirit of fraternity, a prerequisite for world peace, was thus being created between nations.

33. Mr. VARELA (Panama) regretted that working documents and summary records of meetings were not always made available in Spanish within the required time limit. He sometimes found it difficult to grasp the views expressed by other delegations on the principles which should guide the United Nations in its efforts to bring about the material, intellectual and spiritual progress of the less favoured countries, the aims of which had been so

[1] United Nations publication, Sales No.: 64.II.B.II.

clearly set forth in Pope Paul VI's admirable message to the Governing Council of the United Nations Development Programme. UNDP was one of the Organization's most important enterprises for achieving the economic and social progress so eagerly awaited by the great majority of mankind.

34. The Governing Council's reports were evidence of UNDP's dynamism and gave promise of the advantages to be derived from the complete integration of both components of the Programme, particularly in the field of pre-investment, through a better use of human and financial resources. The UNDP Administrator himself had underlined the drawbacks resulting from the fact that the two components of the Programme were not complementary. With regard to agriculture, for example, he deplored the fact that the projects appeared to be concentrated on instruction at the professional level rather than on training extension workers, whose services were essential for the rationalization and modernization of agriculture. He was happy to see that both public and private agencies, whose experience was so valuable, had been assigned an important role in the development process.

35. His delegation shared the Governing Council's misgivings about the contribution target of $200 million set for 1967. The financial situation which had been described was a discouraging one. Increased support from the industrialized countries was necessary to enable the developing countries to pursue their efforts. The rigid financial structure of the external sector of those countries limited their possibilities of growth, and made a coherent policy of international economic co-operation imperative.

36. He associated himself with the desire expressed by many members of the Governing Council for closer co-operation between the Resident Representatives, the United Nations agencies and those responsible for the programmes in the recipient countries. The role of the Resident Representatives was to advise and direct at a high level and to act as real administrators. Integration should in fact produce its effects at all levels, even in the field.

37. The public should be better informed about the pre-investment projects under way, so as to attract more capital from both national and external sources and to promote capital formation.

38. His delegation shared the UNDP Administrator's confidence in the United Nations Organization for Industrial Development. With the co-operation of the industrialized countries, that Organization should give fresh impetus to industrial progress in the developing countries.

39. Lastly, his delegation wished to express its gratitude for the UNDP-supported projects implemented in his own country which were creating a foundation for future development efforts within the framework of a balanced national programme. He was convinced that that co-operation would increase and would enable his country's urgent needs to be met.

40. Mr. VIAUD (France) said that the consideration of the UNDP Governing Council's reports on its first two sessions afforded the Economic and Social Council the opportunity to evaluate the role of United Nations technical assistance activities in the development policies which it was endeavouring to formulate, with a view to the establishment of any necessary guidelines for the UNDP administration; it also enabled it to exercise its co-ordinating functions, since UNDP, for its part, was acting indirectly as a co-ordinator by distributing the work among most of the agencies belonging to the United Nations family.

41. The Council might thus be led to broach the very substance of the problems with which UNDP was concerned, but he would be careful not to do so himself because the Council was not called upon to delve into the details of UNDP's activities, and moreover the latter could not function properly unless the Council had a certain amount of confidence in it.

42. His delegation recognized the value of the part played by UNDP and in general approved the action of its Administrator and secretariat as described by the Associate Administrator, whose personal action in the UNDP administration he commended. The part which the UNDP Governing Council could and should play in the whole of UNDP's activities could only be fulfilled as the outcome of constant co-operation between the UNDP administration and the Governments represented on the Governing Council which, while placing complete confidence in the Administrator of UNDP, should not shirk certain responsibilities which had been entrusted to it by the relevant resolutions of the General Assembly.

43. As to the funds available for financing UNDP activities, it was of course natural for the Governing Council to be concerned about a possible inadequacy of the funds provided for the Programme, so that it could draw the General Assembly's attention to a situation which it deemed to be unfavourable, thus enabling the highest United Nations bodies to address to Member States the appeals and recommendations which seemed justified. On the other hand, when the UNDP administration had to formulate the programme which would form the backbone of United Nations technical assistance and pre-investment activities, its task was to adjust those activities strictly to the resources on which it could rely. Any initiative, however well-intentioned, which led it to provide for a growth of UNDP activities at a more rapid rate than was commensurate with the increase in resources could only give rise to an unfortunate situation which it was best to avoid. The two kinds of preoccupation, namely, those of the General Assembly and the Council and hence of Governments on the one hand, and, on the other hand, those of the UNDP administration, which should be concern for good management, were on different planes which should not be confused.

44. As to the exercise by the Council of its co-ordinating functions, he noted that, within the programme, co-ordination was mainly carried out through the choice of agents to implement the projects. It was through that decision that UNDP could play an important part in co-ordinating the technical assistance activities of the

specialized agencies. That aspect of the activities had been or would be influenced by events, past or impending, connected with the merger of EPTA with the Special Fund, industrialization, natural resources, the formulation of a new programme, and finally, the establishment of a permanent UNCTAD secretariat.

45. As to the merger of EPTA with the Special Fund, the reform stage had now been reached. The first manifestation of the merger, decided on eight months ago by the General Assembly, was the submission of a single report on the activities of EPTA and the Special Fund. Much remained to be done in the matter of reforms, and he hoped that at the next session of the Governing Council, the Administrator of UNDP would suggest concrete measures for closer co-ordination of the activities of EPTA and the Special Fund, since those two components of UNDP were going to exist side by side for another two years. Points of contact would have to be increased, for example, by making EPTA the precursor of more important pre-investment activities, by instructing it to help the developing countries to draw up the applications which they submitted to the Special Fund and asking it to help those countries to pinpoint the sectors in respect of which they could request assistance from the specialized agencies. Finally, there were certain activities, for example in the sphere of industrialization or natural resources, which called for preliminary studies by one or two experts; EPTA could be given that task, studies of multi-purpose projects, which called for teamwork, being reserved for the Special Fund.

46. With regard to industrialization, the establishment of the Organization for Industrial Development had brought to the forefront the need to grant, within the United Nations, more generous aid for industrialization in the developing countries. UNDP could play an important though limited role in that connexion, since its rules provided that projects in that sphere should be financed only in response to requests from developing countries. From the point of view of the future Organization, it would be useful for UNDP to assess in advance the probable applications from developing countries concerning industrial projects, and to arrive at some approximation of the proportion of the Programme's resources which could be used for that purpose. The same remarks applied to natural resources.

47. The creation of UNCTAD and the establishment of its permanent secretariat had brought out the need for studies designed to assist the developing countries to prepare export projections and market surveys so as to orient their production accordingly. Too little attention appeared to have been paid to market surveys, which were, however, essential if the profitability of projects was to be assured and public or private investment from national or international sources was to be attracted. The existence of an increasingly well-staffed UNCTAD secretariat should make it possible for the developing countries to submit, if they deemed it necessary, a larger number of applications for the study of certain trade problems and for UNDP to grant their requests more readily, since it knew that it had, in the UNCTAD secretariat, the implementing agent best qualified for that type of project.

48. The fact that the regular United Nations technical assistance programme had been considered by the Governing Council of UNDP at its second session constituted a procedural innovation. The Governing Council had submitted a draft resolution reproduced in annex III to document E/4219. His delegation had no objection to raise in connexion with that draft resolution, but it hoped that the new procedure would be examined more closely so that henceforward the Council might be able to link consideration of the regular United Nations technical assistance programme with that of United Nations economic and social programmes and activities in general. The expression of that wish did not mean that his delegation was renouncing its opposition of principle—which it would reiterate on voting—to the financing of technical assistance under the regular budget.

49. Mr. MACDONALD (Canada) said that his delegation, a member of the Governing Council of UNDP, could attest to the efforts made, both by the Governing Council and the UNDP administration, during the period of transition to a fully integrated programme which would permit the fullest possible enjoyment of the benefits of consolidation.

50. After a first session in which some wavering in working methods had been evident, the second session of the Governing Council had been more constructive and the unofficial, frank discussions had turned out to be particularly helpful. His delegation hoped that the same procedure would be adopted in future sessions.

51. The means of ensuring rapid implementation of projects naturally remained the major preoccupation of a large number of countries. To that end, many representatives had urged that the co-ordinating role of Resident Representatives should be strengthened. Reference had been made to cases where the officials of specialized agencies had not always taken into consideration the role of the Resident Representatives. The findings of the technical assistance evaluation teams recently sent to Thailand, Chile and Tunisia had also been mentioned, highlighting the necessity for strengthening the role of Resident Representatives. He was gratified that efforts had been made to that end.

52. Canada was looking forward to the results of activities undertaken jointly by UNDP and the new Organization for Industrial Development, which should do much to help further the industrialization of the developing countries, as should the posting of industrial experts in the field. The financing by UNDP of pilot and demonstration projects should also help to accelerate the rate of industrialization in those countries. The Governing Council of UNDP had discussed a set of principles to govern those projects, thus opening the way for activities which might well encourage investment in various industrial sectors.

53. The Canadian delegation had been one of those which, while recognizing the importance of increasing assistance for industrial development, had stressed the need for maintaining a good balance with agricultural development. In view of the dire food problems which might soon face the world and which had recently been described before the Council by the Director-General of

FAO (1421st meeting) and by the United States representative (1422nd meeting), it was convinced that redoubled efforts were necessary to train farmers in modern methods of food production. The UNDP study on its pre-investment work concerning training institutions had revealed that agricultural training had been neglected, particularly at the level of the farmer himself, and his delegation was pleased that steps were being taken to fill the gap.

54. All the new efforts in various spheres could only be successful if sufficient funds were available. The Administrator of UNDP had stated that, to the present time, no sound pre-investment project had failed to be followed up by capital investment. The increasingly productive relations between UNDP and the World Bank group and the regional development banks, which were always ready to invest in promising projects, as were, moreover, private investors, were to be welcomed. It was UNDP itself which was in need of greater financial support. The current annual target for contributions was $200 million, but even if it were achieved in 1966, the number of projects which UNDP could undertake would not meet needs and requests. At the Pledging Conference to be held in November, Canada would do its best to help achieve the current financial goal, and would in that way express its confidence in the bold and dynamic United Nations Development Programme.

The meeting rose at 1.5 p.m.

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