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Chairman: Mr. Marcial TAMAYO (Bolivia).

In the absence of the Chairman, Mr. Stanovnik (Yugoslavia), Vice-President, took the Chair.

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)

**CONSIDERATION OF DRAFT RESOLUTIONS
(A/C.2/L.434) (continued)**

1. Miss HARELI (Israel) expressed her approval of the proposal put forward in the draft resolution on the establishment of a commission for industrial development (A/C.2/L.434). The action contemplated was not an isolated step but a continuation of work already undertaken under the various resolutions cited in the first preambular paragraph. Although the question had already been studied by the Secretariat, the specialized agencies, the regional economic commissions and some expert groups, much remained to be done with regard to industrialization and her Government considered that further steps should be taken at the international level. Israel was trying to make up for its deficiency in natural resources by developing its industry, and

its delegation therefore supported all efforts to solve such problems. She would therefore vote in favour of the draft resolution.

2. With regard to the amendment suggested by New Zealand (640th meeting), she considered that it would be better to indicate the Committee's intentions clearly in the draft resolution. As the Economic and Social Council should take the views expressed in the Second Committee into account, there should be no difficulty in accepting the Canadian amendment (A/C.2/L.454).

3. In order to be able to do useful work, the commission for industrial development should, if established, consist of highly qualified persons, including economists and senior officials of government departments dealing with industrial questions as well as experts in the various branches of industry.

4. Mr. ABDEL-GHANI (United Arab Republic) said that when his delegation had been consulted concerning the establishment of an industrial development commission, it had immediately expressed its support for the proposal and associated itself with the sponsors of the draft resolution.

5. When the Committee had considered the question of increasing the membership of the Economic and Social Council at the previous session, his delegation had urged (549th meeting) that the Council's work should be intensified and the number of delegations participating in its work should be increased. In particular, it had stressed the need for increasing the number of functional commissions of the Council and enlarging their membership. The establishment of an industrial development commission would fill a gap and enable many Member States to take part in the Council's work in the field of economic development. Its membership should not be limited to eighteen, but should be based on the formula adopted in the case of TAC. That would be a first step towards enlarging the membership of the other commissions.

6. His country was aware of the importance of industrialization in the economic development of under-developed countries. It was at present accelerating its economic development programmes and its experience had convinced it that industrialization was one of the foundations of economic independence. The Government was providing the necessary stimulus and was endeavouring to create a favourable climate for investment. In that process of economic and industrial development, the country was relying primarily on its own resources, but welcomed external aid, in particular the assistance given by the United Nations and the specialized agencies. His delegation was therefore in favour of the establishment of an economic development commission, which would usefully supplement the other United Nations programmes in that field.

7. The New Zealand representative had said that other United Nations bodies were already dealing with

the question of industrialization and that he saw no need for the establishment of the new commission. The same could be said of the other functional commissions of the Council, but experience had shown their usefulness. In fact, as the Yugoslav representative had said, the sponsors of the draft resolution expected specific results from it.

8. Mr. BONILLA (Honduras) said that he had from the beginning been in favour of the thirty-three-Power draft resolution, which underlined the fact that only industrialization would enable the under-developed countries to deal with the problems created by rapid population growth. He was afraid, however, that the existing draft might weaken the work of the regional economic commissions, whose value was recognized by many under-developed countries, particularly those of Latin America. He would therefore vote in favour of the six-Power amendments (A/C.2/L.446) and, if those changes were accepted, in favour of the draft resolution.

9. Mr. CARMONA DE LA PEÑA (Mexico) said that all delegations appeared to realize the importance of the industrial development of under-developed countries.

10. The six-Power amendments should be acceptable to the authors of the draft resolution, since they strengthened the draft by recognizing the importance of the work done by the regional commissions in regard to industrialization. Nor would there be any objection to incorporating the Canadian amendment, for the comments made in the Second Committee were a valuable complement to the draft resolution. The Mexican delegation was also prepared to accept the amendments submitted by Portugal (640th meeting).

11. On the other hand, his delegation could not support the amendment suggested by the New Zealand delegation. The New Zealand representative had made an interesting statement stressing the need for developing industry in the under-developed countries and giving greater importance to the work of the United Nations and the specialized agencies in that field. The opinion of the Mexican delegation, however, concerning the part to be played by the General Assembly in relation to the Council and other United Nations organs or institutions, was that the General Assembly was without a doubt the sovereign organ in which both under-developed and industrialized countries could put forward their views most effectively. It should also be remembered that the functional commissions did a good deal of the Council's work. A commission for industrial development would back up the work of the regional economic commissions and other bodies in the industrialization field. It was quite conceivable that the necessity would emerge later on for not merely a commission but a specialized agency which would deal with the complex questions of industrialization, performing a function in the industrial field somewhat similar to that of FAO in regard to agriculture. All the countries represented on the Second Committee appreciated the work done by the Secretariat, the specialized agencies and the regional economic commissions, but the under-developed countries would like to see even more being done. Clearly, the commission for industrial development would not solve every problem immediately, but its establishment would in itself be a very important practical measure. He therefore appealed to the New

Zealand representative not to submit his amendment formally but to defer to the wishes expressed by the under-developed countries and in fact by some industrial countries as well.

12. Mr. ALI (Pakistan) noted that the New Zealand representative had recognized the need for setting up an organ for the promotion of industrial development in under-developed countries. In view of that, it was rather surprising that he should have such misgivings about the word "commission". The Council, being one of the supreme organs, could not possibly give proper attention to the matter, yet it was vital for the under-developed countries. Hence the logical course was that a commission should be set up specially for the purpose. The Council and the General Assembly already had a large number of functional commissions—Commission on Narcotic Drugs, Population Commission, Statistical Commission, etc. The question of industrialization, which had been a matter of concern to the Committee for so long, was no less important. It had been stated that the suggestion to set up such a commission would prejudice the Council's conclusions. That was not so. If the Second Committee felt it important to set up a commission, there was no reason why it should not make a recommendation to that effect to the Council. As all Governments knew from experience, when an important question arose they found themselves obliged to set up commissions to coordinate all matters connected with it. The under-developed countries were at present in a position which called for a certain urgency of treatment—in other words the establishment of a commission, which would without any doubt have the effect of speeding up their industrial development.

13. Mr. ARKADEV (Union of Soviet Socialist Republics) thought that the resolution concerning the commission for industrial development deserved special consideration in view of the importance of industrialization for the economic development of under-developed countries. The Soviet delegation had already pointed out on numerous occasions, particularly at the twenty-seventh session of the Council (1051st meeting), how incomprehensible it was that there should still be no specialized United Nations organ in that field. It had therefore welcomed the concrete proposal put forward by the authors of the draft resolution.

14. The proposed commission could not be expected to work miracles, of course, but the authors of the draft were hoping that it would enhance the activities of the United Nations in that field. The objection had been raised that it would encroach upon the sovereign rights of the Council. But the Council's activities themselves could be criticized. The Soviet delegation had pointed out during the general discussion (624th meeting) that the Council underestimated the importance of the problem of industrialization. The General Assembly, comprising the representatives of eighty-two countries, had the right to give its opinion, and the Committee was right to act as it had acted and put a definite recommendation before the Council.

15. He fully supported the comments made by the representative of the United Arab Republic. He also thought that membership of the commission should not be too small. Its composition should be broadly based, and the countries of Africa, Latin America and Asia—particularly the new countries—should take an active part in its work. The commission should lead the way to new types of activity on the part of the United

Nations. It could help the Council and stimulate its activities. It should not in any way obstruct the work of the regional economic commissions, and it would therefore be a good idea to accept the six-Power amendments. The proposed commission should take care to avoid the pitfalls of bureaucracy and verbiage. It must do whatever had to be done to meet the needs of under-developed countries in the industrial field and to mobilize all available experience for their benefit.

16. The draft resolution before the Committee was a praiseworthy attempt to draw attention to an important activity which the United Nations had ignored hitherto. The Soviet delegation would support the draft resolution, with due regard to the amendments of the six Powers and of Portugal.

Mr. Tamayo (Bolivia) took the Chair.

17. Mr. UMARI (Iraq) pointed out that, although the Council had a number of commissions whose task it was to study various questions in the social and economic fields, it had no organ which enabled it to give the question of industrialization appropriate attention. That was a paradox at the present day.

18. It was true that the regional economic commissions had occasion to deal with industrialization, but they were not specialists in the matter and they had other questions with which to concern themselves; moreover, they did not serve all countries. That being so, the Iraqi delegation, which did not object to the six-Power amendments, thought that the proposed Commission should devote its attention more particularly to the regions and countries which could not have recourse to the services of a regional economic commission, and it hoped that the Economic and Social Council would bear that idea in mind when it considered the establishment of the commission for industrial development and drew up its terms of reference.

19. He endorsed the amendment submitted by the Canadian delegation but he did not think that the sponsors could accept the New Zealand representative's proposal.

20. Mr. ARKADEV (Union of Soviet Socialist Republics) drew the Committee's attention to sub-paragraph (b) of the third preambular paragraph and pointed out that there was a contradiction between the words "permanently" and "higher level", at least in the Russian text.

21. Mr. STANOVNIK (Yugoslavia) proposed that the words "permanently higher level" should be replaced by "steadily increasing level".

22. Mr. RONAN (Ireland), congratulating the Brazilian delegation on its initiative, said that he considered the draft resolution to embody one of the most important ideas put forward at the fourteenth session of the General Assembly, for the acceleration of economic development was a matter of vital concern both to the under-developed countries and to those countries which had started their industrialization late and had not yet been able to achieve a satisfactory balance between their agricultural development and their industrial development.

23. Nevertheless, while all delegations were in agreement about the objectives, they were not necessarily so about the means. It might be asked whether the

best way of attaining the common objective was to set up a commission for industrial development, or to intensify the work of the regional economic commissions, or to appoint a special group of experts similar to the group that was to be set up to assist the Commission on International Commodity Trade in its work, or to intensify the work of the Industrial Development Branch of the Bureau of Economic Affairs. The Committee should bear in mind the terms of Council resolution 709 (XXVII), which contained some important recommendations in connexion with the work of the United Nations in the matter of industrialization.

24. The establishment of a new commission, whose members might talk a great deal and do very little, did not necessarily ensure the adoption of effective measures. It was obvious that opinion was divided on the matter and that it behoved the Second Committee and the Council to examine the various solutions proposed by different delegations in order to ascertain which was the best. In that connexion he pointed out that, in the opinion of his delegation, the procedure proposed in the operative paragraph of the draft resolution might not allow the Council enough scope and might encroach upon its prerogatives. According to Article 68 of the Charter it was the responsibility of the Council to set up such commissions as might be "required for the performance of its functions". It would seem unconstitutional not to allow the Council all the necessary latitude in selecting the best means of helping the under-developed countries to accelerate the rate of their industrial development. The Irish delegation agreed with the views expressed by the New Zealand representative but in a spirit of compromise it proposed that the last phrase of the operative paragraph should be amended to read: "...the prompt establishment of appropriate institutional machinery such as a commission for industrial development" (A/C.2/L.456).

25. He also proposed that, in sub-paragraph (c) of the third preambular paragraph, the word "enable" should be replaced by the word "promote", so that the sentence would read: "industrialization will promote the diversification...".

26. He favoured the six-Power and Canadian amendments, and also those submitted by Portugal, if the latter were acceptable to the sponsors.

27. Mr. REGO MONTEIRO (Brazil) said that he would explain what the sponsors of the draft resolution thought about the various amendments and proposals that had been put forward. He hoped that the many conversations that had taken place between his delegation and the thirty-two other sponsors of the draft resolution had made him sufficiently familiar with the point of view of his colleagues to prevent any undue risk of his distorting their ideas.

28. The sponsors accepted the six-Power amendments (A/C.2/L.446), which were in complete conformity with the spirit of the draft resolution, as also the Portuguese amendment, which improved the text, and the Canadian amendment (A/C.2/L.454), which would ensure that the Council would be informed of all the opinions expressed during the discussion. The New Zealand proposal seemed to be based on a mistaken interpretation of the intentions of the sponsors of the draft resolution. The New Zealand representative appeared to think that the sponsors' idea had been to promote the co-ordination of United Nations activities in the field of industrial development, whereas

the real reason the sponsors had presented the draft resolution was that they thought it essential that the United Nations should give continuing and very close attention to the problem of industrial development, which entailed the necessity of establishing a technical commission whose members should be first-class men who played an important part in economic development in their respective countries. The question of co-ordination would not arise until the Commission had been set up.

29. Although the Irish proposal (A/C.2/L.456) had been put forward in a spirit of compromise, the sponsors could not accept it, for in mentioning the establishment of a commission for industrial development as a mere possibility it deprived the draft resolution of all its force.

30. Mr. PAYSSE REYES (Uruguay) warmly supported the draft resolution, as also the six-Power amendments, which were in complete conformity with the spirit of the draft resolution.

31. Industrialization was a matter of vital concern to the under-developed countries, especially to those with a single-crop economy and those whose economy was still based principally upon agriculture and stock-breeding, for those countries must carry out agrarian reform and would succeed in their efforts only in so far as they were able to improve their techniques in agriculture and stock-breeding. For that they would obviously need to develop certain industries, such as the production of fertilizers, for example.

32. Moreover, it was clear that it was not possible to introduce any given industry into any given country and that it was essential to plan the industrial development of the under-developed countries. It was only necessary to consider the case of Latin America to realize how essential it was for the various countries to co-ordinate their industrialization plans. It was for that work of planning that the commission for industrial development was particularly needed.

33. The sponsors relied upon the wisdom of the Economic and Social Council but it was important to stress that the economic development of the under-developed countries depended upon industrialization, which alone could ensure full employment and the proper use of all their resources.

34. As the Brazilian representative had indicated, the Uruguayan delegation accepted the six-Power amendments and the Portuguese and Canadian amendments, but it could not accept the Irish or New Zealand amendments, since they were not in line with the intentions of the sponsors.

35. Mr. MARANDET (France) said that his country had always stressed the importance of the problem of under-development and in particular had taken an active part in the proceedings of the Economic and Social Council at its twenty-seventh session, with the object of intensifying United Nations efforts in that connexion. France had accordingly joined in sponsoring the draft resolution calling for the establishment of a new United Nations body to deal with industrial development. His country had always maintained the view that the United Nations ought to do more to help in the industrialization of the under-developed countries. It therefore shared the concern expressed by the Brazilian representative when introducing the draft resolution (640th meeting). It did not, however,

agree with the Yugoslav representative that the establishment of a new body had been necessitated by the failure of the Economic and Social Council to act: it believed that in all economic fields the Council had performed important tasks which, though not satisfying everyone, probably represented all that could be done. His delegation had joined in sponsoring the draft resolution because it considered it necessary to give the Council's efforts fresh impetus and to set up a group of experts to help the Council perform its functions. With regard to method, the essential thing was to give the under-developed countries practical assistance. Admittedly, the establishment of a commission was not always the best way to achieve concrete results but his delegation had come round to the Brazilian delegation's view, since a new body composed of experts could give the Council useful assistance. It had approved the draft resolution in its present form, considering that there was absolutely no question of limiting the Council's competence, but merely of submitting to it a possibility on which it would be perfectly free to take a sovereign decision.

36. The French delegation's position with regard to the amendments was exactly that stated by the Brazilian representative on behalf of the sponsors. However, in the case of the Irish representative's formal amendment, his delegation would like an opportunity to consult the other sponsors of the draft resolution before the vote was taken, in order to give a reply on that point which would reflect the views of all the Powers concerned.

37. Mr. REGO MONTEIRO (Brazil) said that he had felt authorized to declare the Irish proposal unacceptable to the co-sponsors because the protracted preparatory work in which he had participated before introducing the draft resolution had convinced him that that must be their opinion.

38. Mr. ARNESEN (Norway) whole-heartedly endorsed the idea underlying the draft resolution and said that he was convinced of the need to strengthen the United Nations machinery for promoting the industrialization of the under-developed countries, which had become an essential element of the development plans prepared by those countries for diversifying their economies. While it was possible that a functional commission of the Economic and Social Council might be the most appropriate body, his delegation was not altogether sure that the General Assembly would enhance the Council's prestige by restricting its choice. When the Council at its twenty-ninth session received the report the Secretary-General was preparing under resolution 709 (XXVII), it would be able to decide on the appropriate institutional machinery for dealing with the problem of industrialization. The Council would, of course, have to take into consideration the fact that the majority of members of the Second Committee desired the establishment of a commission for industrial development, but it would be unfortunate if the Second Committee failed to reach an agreement on a matter it regarded as most important. A compromise might perhaps be possible, similar to that proposed by the representative of Ireland, which would take the various positions into account and at the same time give the Council the necessary directives. He hoped that the co-sponsors would have an opportunity to study the Irish proposal carefully.

39. Mr. CARDENAS (Ecuador) said he favoured the establishment of a commission for industrial development, which could concern itself with the problems of industrialization and guide the industrial expansion of the under-developed countries in the right direction. As the representative of an under-developed country, he could not but approve the draft resolution, which had been further improved by the amendments of the six Powers and Portugal. He would like the draft resolution to be put to the vote at the present meeting.

40. Mr. GREEN (New Zealand) considered that the Committee should give the representatives who wanted it time to carry out all necessary consultations. By deferring the vote, the Committee would, in particular, allow the sponsors jointly to determine their attitude on the Irish representative's interesting proposal.

41. Mr. WOULBROUN (Belgium) and Mr. FINGER (United States of America) supported the suggestion of the Norwegian representative.

42. Mr. ARKADEV (Union of Soviet Socialist Republics) pointed out that, despite the opinion expressed by his delegation, the Committee had proceeded immediately to vote on the draft resolution concerning the Latin-American common market.

43. Mr. REGO MONTEIRO (Brazil) asked that the meeting should be suspended to allow the sponsors of the draft resolution to consult one another.

The meeting was suspended at 5.35 p.m. and resumed at 5.50 p.m.

44. Mr. REGO MONTEIRO (Brazil) announced that most of the sponsors of the draft resolution were unable to accept the Irish amendment. They left it to the Committee to decide whether the vote should be taken at that meeting or the next.

45. Mr. KAKITSUBO (Japan) moved the adjournment of the meeting under rule 119 of the rules of procedure.

The motion for adjournment was rejected by 31 votes to 26, with 8 abstentions.

46. After a procedural discussion, the CHAIRMAN decided, under rule 108 of the rules of procedure, that the Committee should continue discussion of the thirty-three-Power draft resolution.

47. Mr. Raju COOMARASWAMY (Ceylon) pointed out to the New Zealand and Irish representatives that the

element of flexibility they wished to introduce into the draft resolution was already there, for the word "consideration" in the operative paragraph and the Canadian amendment gave the Economic and Social Council all necessary freedom of action.

48. Mr. SANTA CRUZ (Guatemala) said that he would vote in favour of the draft resolution, which was further strengthened by the amendments of Canada, Portugal and the six Powers. By the last-named amendment the General Assembly paid due tribute to the regional economic commissions and provided for the co-ordination of their work with that of the future commission for industrial development.

49. After the statements made during the general debate, it might have been thought that the establishment of a commission for industrial development to help in the industrialization of the under-developed countries would present no difficulties. The few minor obstacles that had just arisen were, therefore, particularly regrettable, both on the national and on the international plane. On the national plane, because it was quite evident that the under-developed countries must endeavour to industrialize: a recent ECLA study had shown that wages were five times higher in industry than in agriculture. On the international plane, because certain forces seemed to be working against the industrialization of the under-developed countries through fear that that movement might cause a disequilibrium that would be advantageous to some but detrimental to others. His delegation believed that such fears were unfounded, for industrialization and the higher level of living and increased importing capacity that it would promote in the under-developed countries could not be harmful. The countries that feared the industrialization of the under-developed countries should recognize that, in the final analysis, that process was to everyone's advantage and could cause only a temporary and minor disequilibrium. Since the establishment of a commission for industrial development was desirable, the point should be made quite specific in the draft resolution.

50. Mr. REGO MONTEIRO (Brazil) proposed that the remainder of the discussion should be postponed until the next meeting, in order to allow the sponsors of the draft resolution to present to the Committee a text that would take into account all the amendments they had accepted.

It was so decided.

The meeting rose at 6.30 p.m.