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Chairman: Mr. Blasco LANZA D'AJETA (Italy).

AGENDA ITEMS 12, 28, 29 AND 30

Report of the Economic and Social Council (chapters II, IV, V (sections II-V), VI (paragraph 489) and VIII (paragraphs 650 and 651)) (A/4820 and Corr.2, A/4911) (continued)

Economic development of under-developed countries (A/4820 and Corr.2) (continued):

(a) Industrial development and activities of the organs of the United Nations in the field of industrialization;

- (b) Establishment of a United Nations capital development fund: report of the Committee established by General Assembly resolution 1521 (XV) (A/4878, E/3514, E/AC.6/SR.305-309);
- (c) Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General (A/4906, E/3556);
- (d) Land reform: interim report of the Secretary-General (A/4850)

Questions relating to international trade and commodities (A/4820 and Corr.2, E/3452/Rev.1, E/3466, E/3468, E/3486, E/3497) (continued):

- (a) Strengthening and development of the world market and improvement of the trade conditions of the economically less developed countries: report of the Economic and Social Council (A/4885, E/3519, E/3520 and Add.1, E/3530);
- (b) Improvement of the terms of trade between the industrial and the under-developed countries: report of the Economic and Social Council

Questions relating to science and technology (A/4820 and Corr.2) (continued):

- (a) Development of scientific and technical co-operation and exchange of experience: report of the Secretary-General (A/4904, E/3515);
- (b) Main trends of inquiry in the natural sciences, dissemination of scientific knowledge and application of such knowledge for peaceful ends: report of the Economic and Social Council (A/4898)

CONSIDERATION OF DRAFT RESOLUTIONS (A/C.2/L.551/REV.2 AND ADD.1, A/C.2/L.552 AND ADD.1) (continued)

1. Mr. DANGEARD (France) pointed out that the eight-Power draft resolution (A/C.2/L.551/Rev.2) and the Two-Power draft resolution (A/C.2/L.552) both dealt with economic planning, although the first concerned action and the second knowledge. He therefore proposed that the two texts should be discussed together.

2. Mrs. WRIGHT (Denmark) supported the proposal. A draft resolution on planning had also been submitted to the Third Committee by the Czechoslovak delegation (A/C.3/L.950) in connexion with agenda item 12, and its operative paragraph 1 was similar in tenor to that of the two-Power draft resolution. The merger of those two texts might prevent duplication of work in the Second and Third Committees.

3. Mr. WODAJO (Ethiopia) thought that the Committee should first hear the views of the sponsors of the two draft resolutions.

4. Mr. PATIÑO ROSELLI (Colombia) said that his delegation had no definite views on the subject and would abide by the decision of the Committee.

5. Mr. SMID (Czechoslovakia) said that the sponsors of draft resolution A/C.2/L.552 would agree to the French proposal, but would accept the Committee's decision in the matter. The draft resolution mentioned by the representative of Denmark was the concern exclusively of the Third Committee.

6. Mr. LINGAM (India) said that, although the two draft resolutions covered common ground, there was a difference between them. The eight-Power draft resolution requested the Governments concerned, the regional economic commissions and the Special Fund to take steps for the establishment of regional institutes to help the under-developed countries in planning their development. It was therefore a logical consequence of the existing organizational structure and machinery. The draft resolution sought to extend the functions of the regional economic commissions and was thus dealing with a specific matter. On the other hand, the two-Power draft resolution concerned the much wider question of pooling the experience of countries in economic planning. A joint discussion would detract from the main purpose of the eight-Power draft resolution.

7. Mr. PENTEADO (Brazil) supported the representative of India and stated his preference for a separate debate on the two texts.

8. The CHAIRMAN, applying rule 124 of the rules of procedure, put to the vote the French proposal to reconsider the Committee's previous decision (740th meeting) to discuss the draft resolutions one by one.

*The result of the vote was 39 in favour and 8 against, with 16 abstentions.*

*The proposal was adopted, having obtained the required two-thirds majority.*

9. Mr. PATIÑO ROSELLI (Colombia), introducing the eight-Power draft resolution on regional institutes for economic development and planning and an economic projections and programming centre (A/C.2/L.551/Rev.2), said that its adoption would formalize the agreement which, as emerged from the general debate, existed regarding the advisability of establishing institutes for economic development and planning and would constitute an appeal from the General Assembly urging the Governments concerned, the regional economic commissions and the Special Fund to co-operate in the establishment and organization of such institutes. However, economic planning was no panacea. The effectiveness of methods to organize productive factors depended on the quantity and quality of those factors. The developing countries knew that planning could not guarantee their short-term economic progress when their capacity to import was declining; that decline could not always be remedied by planning along. Not all types of planning were beneficial. The type used in the centrally planned economies was based on a series of assumptions completely alien to the convictions of the free world. There was general agreement that planning, despite its inadequacies, could be an extremely effective means of achieving economic and social progress, which should be used by the developing countries.

10. The importance of national development programmes had been recognized in the Charter of Punta del Este and the need to overcome the resistance en-

countered in the traditional structures of under-developed countries had been emphasized at the Conference of Asian Economic Planners by the Prime Minister of India. The technical aspect of planning also raised many problems which could be solved by international co-operation.

11. The importance of the matter had led to the intensification of programmes to train planning experts in institutes connected with the regional economic commissions. Several African States had expressed a desire for an institute of that type in their continent. The Economic Commission for Latin America had decided in its resolution 199 (IX) to establish an institute for planning economic development. The Conference of Asian Economic Planners had recommended that ECAFE should consider the establishment of an Asian institute of economic development. The proposed Latin American institute would provide training in economic development with particular reference to trade policies and techniques of economic planning, advice on how to establish the necessary organizational structure for formulating policies and programmes, and technical assistance in the formulation of programmes and the preliminary evaluation of investment projects of national interest. It would carry out systematic research on the planning methods available to the Latin American Governments. The institute, which would be financed by the Special Fund and the Inter-American Development Bank, would provide training courses at Santiago, Chile, and elsewhere.

12. Operative paragraph 1 of the draft resolution invited the Governments concerned to submit requests to the Special Fund for the resources needed for the establishment of the institutes, as certain Latin American countries had done for the Latin American institute. The reference to "appropriate subsidiary bodies" of the regional economic commissions was required by the provisions governing the Special Fund. The regional economic commissions had already considered the question of development and planning institutes and operative paragraph 2 was intended to convey the urgency of the matter. The recommendation to ECE was sure to meet with the approval of its members. Operative paragraph 3 expressed a view which was probably held unanimously and which in no way threatened the autonomy of the Special Fund. The final operative paragraph was the outcome of the interest aroused by the remarks of the Under-Secretary for Economic and Social Affairs at the 739th meeting. The proposed economic projections and programming centre, with sub-centres in each of the regional economic commissions, would help to ensure the continuity and gradual expansion of the work of the Department of Economic and Social Affairs and would serve as a clearing-house for all planning and programming activities. It would not be difficult in practice to prevent the sub-centres from duplicating the work of the regional institutes. Their establishment would help to make the resolution, when adopted, a comprehensive instrument for promoting planning efforts.

13. The Colombian delegation would vote for the two-Power draft resolution but reserved the right to comment on it.

14. Mr. SMID (Czechoslovakia) introduced the two-Power draft resolution on the study and utilization of the experience of different countries in the planning of economic development (A/C.2/L.552). The draft resolution covered a field in which the United Nations

could play an important role in assisting the countries striving for accelerated economic development. A number of such countries had already begun to carry out planning and programming, because of the need to make the best use of their limited resources and to evaluate the different sectors of economic development programmes in order to achieve maximum results at minimum cost. It was also important to consider the foreign resources obtained by those countries on a bilateral and multilateral basis. In many cases they lacked sufficient experience and trained experts. They could avoid many setbacks and mistakes by learning from the valuable experience gained by other countries.

15. Progress had already been made in developing the science and technique of planning. The Economic and Social Council had drawn attention in resolution 830 H (XXXII) to the importance of studying and utilizing the experience of countries in economic and social development. The importance of the subject had been emphasized in the Committee's general debate and eight delegations had submitted the draft resolution on the establishment of regional institutes for economic development and planning. The regional economic commissions had already done much useful work. Experience had been exchanged among the planning and scientific institutes of individual countries. Czechoslovak experts were maintaining contacts and exchanging experience with specialists from other countries, including India and Indonesia. In 1962, it was intended to hold in Czechoslovakia a seminar within the framework of UNESCO on methods of economic planning, which would be attended by experts from developing countries and Czechoslovak experts who would provide information on the activities of their planning institutions. However, the exchange of experience should take place on a wider and systematic basis within the framework of the United Nations.

16. The first step towards that end should be the measure suggested in operative paragraph 1 of the draft resolution. The paper referred to therein could be taken into account in the activities of the regional planning institutes and of the economic projections and programming centre within the Department of Economic and Social Affairs proposed by the eight-Power draft resolution. If the institutes and the centre were to be effective, they should use the experience provided by the different planning and programming systems applied in various parts of the world, which should be the main subject of the paper by the group of experts. There was little reliable material available summarizing that experience. As proposed in operative paragraph 3, it would be useful if a special chapter on the subject could be included in future issues of the World Economic Survey.

17. The sponsors had referred, in operative paragraph 1, to "different countries which have achieved effective economic results by the planning method", because programming and planning were used in three different categories of countries: the socialist countries, the economically less developed countries and the industrially developed capitalist countries. The exchange of experience gained in all three categories would be useful, although at present the experience of other economically less developed countries was of primary importance to the under-developed countries. The socialist countries had achieved an expeditious and balanced development, thanks to the centrally planned organization of their economy, and could offer practical experience of a high quality which covered all sectors of economic and social development. Many of

them had formerly been under-developed, so that their experience could be applicable to the economically less developed countries.

18. Operative paragraph 4 proposed that due attention should be devoted in the technical assistance programmes of the United Nations to the need for trained planning specialists in the less developed countries. The proposal for the establishment of educational training centres was, in substance, the same idea as that contained in the eight-Power draft resolution.

19. Mr. PENTEADO (Brazil) said that, although his delegation remained strongly opposed to the proliferation of new United Nations bodies, it considered that there was an urgent need for effective and concerted action to promote economic planning and thus to accelerate economic development in general and industrialization in particular. It had joined in sponsoring the eight-Power draft resolution for that reason. The contention that economic growth could still be achieved primarily as a result of free-market forces was no longer acceptable. Brazil had some experience of economic planning and was completing the highly successful "programme of targets" it had drawn up in 1957. On the basis of that experience, his delegation believed that only sound and intelligent planning would give mankind a fair chance of success in carrying out the gigantic task of world development.

20. Mr. BOIKO (Ukrainian Soviet Socialist Republic) said that, as co-sponsor of draft resolution A/C.2/L.552, his delegation was primarily concerned with the urgent needs of the under-developed countries. The characteristic feature of the modern era was man's growing power over natural resources. Economists were striving to ensure that those resources were put to the maximum possible use in order to raise the living standards of people everywhere. They were shocked to observe that, in certain countries where resources were abundant, unemployment was chronic and factories were working far below capacity. Many of the recently independent countries were seeking to strengthen and diversify their economies by making the best use of existing resources and by discovering new ones. They fully realized the importance of economic planning and should be allowed to benefit from the vast store of experience in that field accumulated over the years by the more developed countries.

21. The Soviet Union, for example, had been engaged in economic planning for the last forty years and the extraordinary results achieved were clear proof of its effectiveness. Planning had now become an exact science and formed a basic part of the Soviet national economy. Its aim was to achieve the balanced development of the economy as a whole and to offset sectoral disequilibria. The general objective of such balanced and planned development was the benefit of society as a whole.

22. Not only the Soviet Union, but all the socialist countries, had acquired valuable experience in economic planning. They all had their idiosyncrasies but their common experience would be of the utmost value to the under-developed countries. A country like India, too, could provide valuable planning lessons, especially in the matter of hydroelectric power. During the general debate, many representatives had stressed the importance of planning and the dominant role it was assuming in their own economies. Economic plans of varying duration were in progress in a host of countries desirous of boosting their national income and achieving maximum results at minimum expense.

Planning was also becoming the main concern of many under-developed countries, including the newly independent African States, which were striving to liquidate colonialism and build strong and diversified economies.

23. The backward countries of the world were, of course, at different stages of development but they all shared the common aim of abandoning poverty and attaining higher living standards. That aim could only be achieved if they co-ordinated all the various sectors of the economy by means of national planning. The Ukrainian Soviet Socialist Republic, for example, had an enormous number of industrial enterprises but they were all closely interlinked and developed according to a central plan. Planning in the Ukraine was designed not only to increase production but to satisfy the creative impulses of the worker and improve the general well-being of the population. Many of the economic plans in the socialist countries had been over-fulfilled and increasingly higher rates of economic growth had been achieved.

24. Even in the capitalist countries the importance of economic planning was becoming increasingly recognized. The United States was adopting different methods of forecasting steel production and in the United Kingdom the Plowden Committee had stressed the importance of long-term planning in the public sector. The Ukrainian Soviet Socialist Republic was engaged in a twenty-year plan aimed at integrated economic development and the rational utilization of resources and labour to meet the demands of society as a whole. Proper emphasis was laid on capital investment and economic research, while the latest methods of data-processing were being used in the application of the different planning techniques.

25. Accordingly, in view of the enormous importance of an exchange of experience in the field of planning, the co-sponsors of the draft resolution (A/C.2/L.552) felt that the Secretariat, with the help of a group of experts, should prepare the paper described in operative paragraph 1 and submit it to the Economic and Social Council at its thirty-fourth session. That paper, together with a special chapter on planning in forthcoming issues of the *World Economic Survey*, would provide a kind of planning textbook for the under-developed countries. The initiative of ECAFE in organizing regional planning conferences was one which might be followed in other regions. The importance of such conferences was emphasized in operative paragraph 2. Finally, operative paragraph 4 stressed the importance of training planning experts and the expansion of technical assistance activities for that purpose.

26. He hoped that the draft resolution would be adopted unanimously.

27. Mr. DANGEARD (France) said that his delegation supported the eight-Power draft resolution (A/C.2/L.551/Rev.2), but wished to offer some suggestions for improving the text. The General Assembly and the Economic and Social Council had already adopted resolutions on economic projections—in particular, Gen-

eral Assembly resolution 1517 (XV) and Economic and Social Council resolution 777 (XXX)—and a reference to those resolutions might usefully be added to the preamble of the draft, for the discussions to which they had given rise had drawn attention to certain difficulties inherent in United Nations work on the subject and certain precautions which should be taken in continuing that work. The difficulties he had in mind were partly methodological and partly a result of the existence in the world of different economic systems. Those difficulties also led his delegation to believe that it might be better to speak, in operative paragraph 4, of "models" appropriate to different economic systems rather than a single comprehensive model of projections for the world economy. It also considered that the role of the Special Fund should not be confined, as operative paragraph 1 would have it, to the provision of the necessary financial resources, and that the reference to the Special Fund in paragraph 3 should not be restricted to the Governing Council.

28. The two-Power draft resolution (A/C.2/L.552) was of less immediate importance to the under-developed countries, although its financial implications were considerably greater. In his delegation's view, the chief defect of that draft was that it did not adequately take into account the work already being done in that connexion by the United Nations. The Committee for Industrial Development, in particular, had devoted considerable attention to planning and had taken decisions of great importance on the subject. He also pointed out that operative paragraph 4 of the two-Power draft embodied a suggestion similar to that made in the eight-Power draft resolution. It might therefore be possible for the sponsors of the two drafts to agree on a single text.

29. The repeated references in the two-Power draft resolution to "effective economic planning" were somewhat misleading, since they tended to obscure the fact that experience with economic planning must of necessity vary in character in countries with different economic systems. While planning in the socialist countries was largely a matter of endeavouring to achieve substantial increases in gross physical output, its function in countries like his own was more to achieve balance and coherence of development and to eliminate inequalities among regions or social groups. There was an inherent contradiction between central direction and free choice. In its planning, France hoped to stimulate growth and to avoid coercion and excessive red-tapism. In the last analysis, the under-developed countries must decide for themselves whether they wished to make planning a matter of decentralizing initiative or centralizing command.

30. Mr. PATIÑO ROSELLI (Colombia) said that two of the French representative's suggestions had been embodied in a third revised version of the eight-Power draft resolution which would shortly be circulated to the Committee. The other suggestions he had made would be considered by the sponsors of the draft resolution in conjunction with any other amendments suggested by members of the Committee.

The meeting rose at 5.25 p.m.