

## ECONOMIC AND EMPLOYMENT COMMISSION

## SUB-COMMISSION ON ECONOMIC DEVELOPMENT

## Second Session

## SUMMARY RECORD OF THE TWENTY-NINTH MEETING

Held at Lake Success, New York,  
on Wednesday, 16 June 1948, at 11.20 a.m.

Chairman: Mr. V.K.R.V. RAO

Vice-Chairman

and Rapporteur: Mr. Manuel BRAVO Jimenez

Members:

Mr. Roberto CAMPOS

Mr. Josef HANC

Mr. D.K. LIEU

Mr. A.P. MOROZOV

Mr. Beardsley RUMI

Representatives of Specialized Agencies:

Mr. Armando CORTESAO

United Nations Educational,  
Scientific and Cultural  
Organization (UNESCO)

Mr. J.J. ANJARIA

International Monetary Fund  
(IMF)

Mr. Hugh GOSSCHALK

Interim Commission of the  
International Trade Organi-  
zation

Consultant for Non-Governmental Organizations:

Mr. Alfred BRAUNTHAL

American Federation of Labor  
(AFL)

Secretariat:

Mr. B.G. GHATE

Secretary

Mr. Alfred J. VAN TASSEL

Secretary of the Preparatory  
Committee of the United Nations  
Scientific Conference on the  
Conservation and Utili-  
zation of Resources

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CONTINUATION OF THE DISCUSSION OF ITEM 3 OF THE AGENDA: SECRETARIAT

REPORT ON ECONOMIC DEVELOPMENT STUDIES IN PROGRESS (DOCUMENT E/CN.1/Sub.3/19)

The United Nations Scientific Conference on the Conservation and Utilization of Resources

The CHAIRMAN announced that Mr. VAN TASSEL, Secretary of the Preparatory Committee of the United Nations Scientific Conference on the Conservation and Utilization of Resources, would answer any questions the members of the Sub-Commission might wish to ask. The Preparatory Committee would be grateful for suggestions with respect to the provisional programme for the proposed Conference (document E/CNCF.7/1). He recalled that the Conference was intended to bring together experts in the field of conservation and utilization, for an exchange of experience; such an exchange should be helpful to the promotion of economic development. The Conference would not, however, formulate policies or adopt resolutions.

Speaking in his personal capacity on the provisional programme for the Conference, Mr. RAO warmly endorsed the idea of having the Conference as two series of plenary and of section meetings. He suggested that, when the Sub-Commission considered the time and place of its next session, it might try to arrange for the attendance of its members at the Conference.

He suggested two additional topics for the provisional programme:

industrial raw materials and their utilization, to be discussed in a section meeting, and the techniques of economic administration, which might be discussed either in a section or in a plenary meeting. Both topics were of utmost interest to under-developed countries which were lagging in either respect. Techniques of economic administration might possibly be included in the programme by expanding the scope of the discussion of "experience in the inter-related application of resource techniques" (page 13 of the Provisional Programme.)

/Mr. CAMPOS

Mr. CAMPOS remarked that the provisional programme appeared very comprehensive. Utilization of industrial materials was, in his opinion, already dealt with in various sections, such as that on soils, crops and livestock resources (page 23), utilization of fuels (page 34) and conservation of mineral resources (page 39). If, by his second suggestion, Mr. RAO had meant public administration of economic development, this was a most important subject. He reminded the Sub-Commission that the Brazilian delegation had proposed in the Economic and Social Council that training of such administrators be undertaken, and that the Council had decided to institute a study of available facilities, and to consider at its next session the advisability of setting up an international training centre for such administrative personnel.

Mr. VAN TASSEL (Secretariat) remarked that at the Council's last session a number of its members had felt, in connexion with the Secretary-General's report on the subject, that there had been a tendency to interpret too widely the term "economic costs and benefits", in Council Resolution 32 (IV), and that the work of the conference should be more narrowly restricted to the technical aspects of development and utilization of natural resources. Accordingly, the Preparatory Committee was endeavoring to define and limit the aspects of conservation and utilization of natural resources to be considered at the Conference. Techniques would be discussed in terms of their economic costs and benefits; authoritative opinions would be presented on what any given technique would cost to apply and what results might be expected from it. Such discussions should be of practical use to administrators in the allocation of capital and of natural resources in their respective countries in setting up programmes of economic development.

/In reply

In reply to Mr. HANC, he remarked that the Preparatory Committee had received valuable suggestions from several Governments, including that of Czechoslovakia.

Mr. RUMIL regarded the Provisional Programme an admirable document, and hoped that the scope of the conference's work would not be too restricted. He proposed, for inclusion in the programme, the utilization of natural resources for recreational services, for which the demand would be growing under the effect of rising wages and lower costs of transportation. Development along these lines would be a source of foreign exchange, in addition to its social and educational value and its contribution to growth of international understanding.

Mr. RUMIL noted that the provisional programme had wisely omitted any mention of human resources, which might be a subject for another carefully prepared conference at some future time.

Mr. HANC felt that it might be useful if the Preparatory Committee or the Secretariat drew up an authoritative list of the Governmental and private institutions in each country which were concerned with conservation and utilization of resources.

Mr. BRAVO observed that the Provisional Programme was exceptionally well prepared and covered all the important aspects of the subject. He noted, in particular, that special attention had been given to requirements of under-developed areas. A number of items included might present special problems for under-developed areas as, for example, those relating to watershed management (page 19), economics of competitive fuels (page 34) and the use of substitutes (page 39).

With respect to the suggested addition of "utilization of industrial materials -- a matter of particular importance with reference to industrialization -- as a separate topic, he cited the experience of a

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recent conference in Mexico to show that it was difficult to treat the subject separately, because it would naturally flow from the discussion of other subjects, such as fuels and minerals. He thought the Secretariat might subsequently analyze the various documents produced at the Conference, and bring the analyses of the various types of resources together in a report focussed on the utilization of industrial raw materials.

Mr. CAMPOS observed that the most ancient and the most modern types of fuel had been omitted from the section dealing with that subject. The first, of particular importance in under-developed countries, was wood and other vegetable fuels. The second was atomic energy, which might be mentioned as well in the section on power.

Mr. VAN TASSEL (Secretariat) explained that when the Economic and Social Council had passed resolution 32 (IV), it had had before it a document asking specifically that no consideration should be given at the Conference to atomic energy. As the resolution made no mention of atomic energy, the implication was that the subject was to be omitted. He believed that Mr. CAMPOS' point with respect to wood was well taken. The Preparatory Committee intended to reorganize the section dealing with fuels, and to add, among other things, the use of wood and other vegetable products as fuel.

The CHILDMAN remarked that peat and manure were also used as fuel; information with respect to their utilization would be of great interest to under-developed countries.

Mr. BRUNO noted that charcoal was mentioned in the section on fuel; he wondered whether it would also be dealt with in connexion with forestry resources.

/He called

He called attention to the fact that certain materials commonly used for fuel might be utilized for industrial manufacture. Thus, attempts, hitherto unsuccessful, had been made in Latin America to manufacture paper from sugar cane bagasse, which was generally employed as fuel. It would be of great interest to Latin American countries to have the possibilities of such manufacture investigated.

The CHAIRMAN, agreeing with an observation by Mr. BRAUNTHAL (American Federation of Labor) on the role of transportation in the development and utilization of resources, suggested that it might be useful to have a discussion on utilization of resources for the development of transportation facilities -- roads and transport equipment.

Mr. MOROZOV said that, not being an expert on all the subjects covered in the Provisional Programme, he had no opinion to give as regards its contents. The general scope of the Programme had been determined by Council Resolution 32 (IV), which limited it to the exchange of ideas and experience on the techniques of conservation and utilization of resources.

The CHAIRMAN, impressed by the arguments advanced by Mr. BRAVO and Mr. VAN TASSEL, suggested that industrial utilization of raw materials, instead of being the subject of a section meeting, might be considered in a plenary meeting of the Conference, with an exchange of views among experts in the various fields.

He remarked that no resolution was required in connexion with the discussion of the proposed Conference; a summary of the views expressed and suggestions made would be contained in the Sub-Commission's report. In the name of the Sub-Commission he expressed great satisfaction that the Conference would take place; it would constitute a valuable contribution to economic development.

Mr. VAN TASSEL (Secretariat) thanked the Sub-Commission for its helpful comments, which would be considered by the Preparatory Committee.

/Studies of,

Studies of various patterns of industrialization (E/CN.1/Sub.3/W.2)

Mr. BRAVO felt that some clarification was need with regard to the purpose of the document prepared by Dr. Kuznets and its relationship to the work of the Sub-Commission.

He was unable to agree with Mr. MOROZOV's narrow definition of "industrialization" as necessarily meaning the growth of heavy industries, particularly machine construction; industrialization in this form is not open to all countries. He wished to stress the importance of the agricultural aspects of industrialization -- the development of a productive commercial agriculture. However, in spite of differences in definition, there was agreement that industrialization was important in so far as it promoted a rise in the standards of living, as expressed in a rise in per capita real income. Mr. BRAVO cited the experience of Mexico, in the first decade of this century, when industrial promotion, with the agricultural situation remaining unchanged, led to an unbalanced development in terms of distribution of real income, when ten per cent of the population owned ninety per cent of the land of the country.

With regard to Mr. Kuznet's outline, Mr. BRAVO thought that if the study was meant merely to supply statistical information it could be considered comprehensive and well conceived. However, he did not think it sufficiently complete or well oriented in reference to economic policies. It should be focused on the requirements of under-developed countries. The problem of markets for industrial products, in particular, should be carefully studied. Mr. Bravo warned against the danger of trying to use one study for a formulation of uniform industrialization policies, since industrialization could not follow any single pattern in all countries.

The CHAIRMAN, in reply, declared that the Economic and Employment Commission had requested that studies of the patterns of industrialization should be made with a view to getting a picture of the historical process in various parts of the world and in varying historical /situations.

situations. There would be no attempt to outline policy for countries to follow; that is why it was thought proper to transfer the study to outside agencies. However, each country could study the information, and, if it wished to profit from past experience, it could choose any pattern of industrialization it considered appropriate in its own economic circumstances.

Mr. CAMPOS agrees to a large extent with Mr. BRAVO. He felt that the social implications of industrialization should be more fully covered. He pointed out that in the nineteenth century the process of industrialization had occurred as a spontaneous development; whereas at the present time industrialization was the result of conscious effort on the part of many under-developed countries and was guided by consciously set social aims. This factor of social motivation was only partly and implicitly covered in Mr. Kuznet's outline (Section B-VI-4); it would be valuable to have a special chapter devoted to this phase. Also the growth of productivity, which constituted the prime measure of industrialization, should be more explicitly included.

In reply to a question of Mr. HANC, the Chairman explained that Mr. Kuznet had undertaken the study at the invitation of the Secretariat which had been requested by the Economic and Employment Commission to submit a comparative analysis of patterns of industrialization in various regions. The study had been endorsed by the Secretariat and could be considered a provisional Secretariat document, intended to suggest an outline of the type of research along those lines.

The comments of the members would be taken into consideration in the subsequent stages of the inquiry.

/Mr. HANC



Mr. HANC thought that if the study of patterns were to be of value for under-developed countries, it should concentrate mainly on countries which had become industrialized in recent times. Conditions operative in our day were different from those of the nineteenth century with regard to the functions and role of Governments; the experience of industrialization in the past century might perhaps be of value rather in a negative way.

Mr. LIEU viewed the scope suggested by Mr. Kuznet, on page 11, as insufficient. Factors such as transportation, electric power, trade, and banking systems should be included. Above all, the study should bring out the distinction between industrialization in a planned and an unplanned economy.

With regard to the substance of the study, Mr. MOROZOV wished to limit himself, for the present, to one general observation, namely, on the basic distinction to be drawn between industrialization on a capitalist and on a socialist foundation, that is, in the Soviet Union and in other countries. He wished to express himself also on the organizational aspects of the subject. He reminded the Sub-Commission that it had requested the Secretariat to inquire into the feasibility of the study. It was his conviction that the study would be feasible, in a sound and useful manner, only under the following conditions: (1) the several inquiries to be conducted within the countries concerned; (2) the plan of inquiry for each country to be approved by its government, which would appoint the experts to conduct it, inasmuch as the findings and conclusions of private persons should be of no interest to the United Nations; (3) the costs of the study - of which no estimate had been submitted by the Secretariat - to be borne by the several governments; and (4) Germany and Japan not to be included among the countries covered because of the special regimes in force there.

/ In reply

In reply to Mr. Hanc, the CHAIRMAN stated that the initiative for the studies had come from the Economic and Employment Commission and not the Economic and Social Council.

He suggested that the discussion should center around the following main headings: (1) object of the studies: whether they were to be merely a collection of research material or should also serve for an enunciation of policy; (2) type of information desired: page 8, paragraph 2 of the Outline; (3) the approach to be used: whether functional or country by country, and if the latter, what countries were to be chosen; (4) the organization of the studies: what agency was to carry them out, whether the Secretariat, the national Governments, or outside experts.

Mr. MOROZOV thought the first question that had to be answered was the feasibility of the study and also its desirability.

Mr. HANC agreed; in his opinion this would be one of the major undertakings ever attempted by the United Nations, and careful consideration should be given to its feasibility as well as to its consequences.

Mr. BRAVO pointed out that the desirability of the studies depended on their purpose; that is, on the answer to the first question suggested by the Chairman.

Mr. LIEU felt that the study would be decidedly worth while. With respect to the organizational questions raised by Mr. Morozov, he felt that in some countries which needed the studies most government-appointed experts might not be best qualified to do the work proficiently and objectively.

The meeting rose at 1:15 p.m.