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President : Mr. Foss SHANAHAN (New Zealand).

Present :

Representatives of the following States: Afghanistan, Brazil, Bulgaria, Denmark, El Salvador, Ethiopia, France, Italy, Japan, Jordan, New Zealand, Poland, Spain, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela.

Observers for the following Member States: Austria, Belgium, Czechoslovakia, Greece, India, Indonesia, Ireland, Israel, Netherlands, Portugal, Romania, Tunisia, Yugoslavia.

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, United Nations Educational, Scientific and Cultural Organization, International Civil Aviation Organization, International Bank for Reconstruction and Development, International Monetary Fund, World Health Organization, World Meteorological Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEMS 2 AND 5

World economic trends (E/3501 and Add.1-6, E/3519, E/3520 and Add.1, E/3530; E/CN.12/565 and Add.1 and Add.1/Corr.1-3; E/CN.14/67; E/ECE/419; E/L.907, E/L.908)

Economic development of under-developed countries and financing of economic development (E/3476, E/3492 and Corr.1, E/3513, E/3514)

GENERAL DEBATE (*concluded*)

1. Mr. AYARI (observer for Tunisia), speaking at the invitation of the PRESIDENT, said that he would con-

fine his remarks to one of the secretariat documents which his delegation had examined with particular interest: *World Economic Survey, 1960*, part I, chapter 2, the study on saving for economic growth in the under-developed countries (E/3501/Add.2).

2. The study, the first of its kind, was unquestionably useful in that it represented a fairly general analysis of one of the most important factors in economic growth, a factor which was moreover poorly understood and ill-defined. It was, however, less satisfactory than it might have been owing to the fact that the authors gave no indication of the methods which they had followed or of the sources on which their evaluations and conclusions were based.

3. His comments would relate to domestic saving, and more particularly, private saving, since official figures and specific sources of information were generally available for government saving. In the case of the under-developed countries, the concept of saving was difficult to define, and it would be incorrect to take it as the difference between income and consumption, as in the industrialized countries. In the under-developed countries there were forms of saving other than monetary saving which were more difficult to identify and to express in monetary terms, a point which his delegation would have liked to have seen at least mentioned in the report.

4. His delegation further opined that the sample selected was of doubtful value, as the study covered a somewhat heterogeneous group of countries at different stages of development. Statisticians normally based their research on a scientifically determined sample or on the data available to them; the authors of the study were perfectly entitled to opt for the second of those methods, but should have made it clear that they had done so. His delegation would have liked the African countries to be more strongly represented in the sample.

5. It was also sceptical as to the value of the figures given for household saving. The authors had either taken the figures from national accounts, in which case the study was merely a compilation accompanied by a commentary, or they had undertaken original research, in which case the question arose of how they had arrived at their overall estimates. The actual concept of the household was extremely vague, its interpretation varying in different social, economic and religious systems; it would be useful to know how the Secretariat had interpreted it for the purposes of the study. It was true that an attempt at an explanation was made in the second paragraph of the section on private saving: the saving of the household sector, it was said, was inclusive of saving of unincorporated enterprises. That explanation, however, itself called for clarification. It was quite possible that at a certain stage

of economic activity, before regular accounting procedures were followed, some confusion might arise between business and family activity. He had himself been confronted with that difficulty in attempting to make a similar study in his own country. It was in fact doubtful whether the concept of the household provided a really satisfactory basis for analysis. It was adequate for comparisons of aggregate figures, but was certainly not adequate for the purpose of a more detailed economic analysis designed to obtain information on economic phenomena which could not be elicited from aggregate figures. The principle of the distribution of income, which the authors of the study had adopted, was certainly useful, but its application should be supplemented by break-downs based on sources of income and on social and occupational categories, which would shed fuller light on the behaviour of the various classes of the population.

6. The same lack of precision which marked the analysis of household saving was to be found in those sections of the document which dealt with corporate saving. What were the corporations referred to? Who supervised their activities? Had any distinction been made between domestic and foreign capital?

7. Where the calculation of savings was concerned, the tables in the report were certainly useful, particularly table 2-11 on the composition of household income. He would, however, like to know why the authors of the study had divided the reference period 1950-1959 into two sub-periods, 1950-1952 and 1957-1959. Was it because those two periods had been marked by political developments resulting in economic changes which had had a particularly strong impact on savings? The authors did not indicate how far those sub-periods corresponded to the economic changes that had taken place in a number of African countries.

8. In regard to the section of the study which contained the conclusions, he noted with interest that the authors had been able to establish the fact that there was no direct link between the levels of income and of saving, and had shown very clearly that, even where the levels were equal, there might be wide variations in behaviour. Indeed, no study of saving would be accurate or complete if it did not take into account the existence of social, cultural and religious factors affecting to a varied degree, but quite, perceptibly the development of savings.

9. He was, however, in agreement with the views expressed in the study regarding the risks attached to the fact that, in the under-developed countries, small undertakings did not always have access to a banking system. Steps should certainly be taken to remedy that state of affairs, which was quite widespread, notably in North Africa.

10. Finally, the authors of the study made some interesting observations on the dividend policy of corporations, and pointed out in the fourth paragraph of the section on private saving that the effect of that policy on corporate savings could not be gauged with any accuracy at all, partly because data on corporate profits remitted abroad were not available for most countries. Since it was to be feared that considerable transfers of funds from the under-developed countries to the industrialized countries

would continue for some time to come, it would be helpful if the Secretariat could collect information on the volume of those transfers and make a special study of their effects.

11. The question of domestic saving was one to which his government attached primary importance as being the most powerful instrument of financing; foreign savings should be used only to establish the best possible conditions for domestic savings. He hoped, therefore, that the United Nations would pursue its study of the question, giving it a more sociological orientation. It also hoped the study might be given a more regional character, perhaps by entrusting it to the regional economic commissions.

12. Mr. LUJÁN (Venezuela) said that the realistic manner in which the question of savings as a factor in growth and economic development had been studied in the documents before the Council had made it possible, at least in part, to divest the idea of inflation of its sinister connotation. The view was being increasingly upheld that the greatest peril was an inadequate rate of long-term growth and that the risk of inflation was not so great as to require a policy of the restriction of total demand during a slump. Furthermore, a policy directed towards growth need not necessarily mean sacrificing price stability and running into inflation, but implied, rather, a change in the methods of combating inflation. Instead of having recourse mainly to restriction of demand, policies were also being adopted to raise the rate of expansion of incomes and the offer of goods and services. For example, in Japan and the Federal Republic of Germany prices had not risen more than in the United States of America, although the rate of growth of their national product had been much higher.

13. One of the essential problems for the less developed countries was to ensure for themselves stable, if not increasing, earnings in order to finance their purchases of capital goods abroad and thus ensure a continuous and adequate rate of growth and development. Recourse to a reduction of demand for fear of inflation in the industrialized countries might lead to a reduction of their imports of primary commodities and to a consequent reduction in the earnings of the countries which could least afford to suffer such a loss. The balanced and healthy growth of the industrialized countries could have a favourable effect on that of the less developed countries. The European Economic Community was an example; its gross internal product had increased by 7 per cent in 1960 and its industrial production by more than 12 per cent as compared with 1959, while the value of its imports from the less developed countries had increased by 14 per cent. However, those aggregate increases did not mean that some less developed countries had not been harmed by the establishment of the common external tariff. Trade in primary commodities depended on various factors, and was affected mainly by fluctuations in prices and the trade policy of the industrialized countries. The GATT had recently come to the conclusion that it was necessary for the European Economic Community to adopt a liberal trade policy vis-à-vis third countries, especially those in the course of development. The Venezuelan delegation was therefore particularly interested in the recommendations of the group of experts on international compensation for fluctuations in commodity

trade, and also whole-heartedly supported the idea for the utilization of industrial surpluses put forward at the 1162nd meeting by the Brazilian delegation.

14. One consideration of prime importance which was liable to be overshadowed by all the perfectly justified economic anxieties was the human factor. In the less developed countries that factor was of particular importance owing to the shortage of skilled workers. It was one of the key aspects of savings and investment: investment must not only be ensured, there must be a guarantee of its efficient and rational use.

15. Oil was still the backbone of the Venezuelan economy and it was affected by the instability of prices on the world market. The main goal set by Venezuela in its economic reconstruction programme, which was also intended to bring about its social reconstruction, was to diversify its production and sources of income, but for that it had to rely on income from the sale of oil. In 1961 the Government would continue its basically anti-imperialist policy, founded on a realistic view of the country's vital interests.

16. Whereas in 1957, the year in which earnings from oil had been the largest in Venezuelan history, the net profits of the oil industry had been shared equally between the Treasury and private industry, in 1959 and 1960 the treasury share had been 57.15 per cent and 69 per cent. The upper limit of taxation seemed to have been reached, and the Venezuelan Government's policy was therefore directed towards an effort to restore oil prices on the international markets and to ensure that those prices remained stable. It had been able to consolidate the interests of the larger exporting countries in the Organization of Petroleum Exporting Countries which had been set up at Baghdad in September 1960, and which had recently held its second meeting at Caracas. Further measures to stabilize oil prices had been taken.

17. The iron industry had developed to such an extent that Venezuela had become the largest iron exporter in the world. The legislative reforms required to determine the Venezuelan State's share in the profits of the industry were being prepared and when that share had been equitably fixed, a close watch would be kept on the world markets to ensure that the price of iron, like that of petroleum, was stabilized at a fair level.

18. An equitable land reform system was another feature of the changes being introduced in the Venezuelan economic structure. In 1959 some 5,800 families had been settled on the land, while in 1960 the number had risen to 24,000. About a million hectares had been distributed during the existing government's tenure of office. The Government was, however, well aware that land settlement was not the sole objective to be aimed at. Greater assistance was being given to rural workers by way of education, health, credit and other measures designed to raise living standards.

19. The potential economically active population was estimated at 2.4 million, which would rise in the near future by some 90,000. In order to reduce unemployment and under-employment, job opportunities would have to be found for more than 100,000 persons annually. That was the greatest challenge facing the country and could be

met only by a strong stimulus to economic development, especially to the development of industry. Industrialization could be successful, however, only through intensified technical and industrial training.

20. Venezuela was taking many other measures to raise the living standards of its people by its own efforts. It hoped, however, that it would still be able to count on collaboration from the United Nations and the specialized agencies in working out and carrying out the necessary plans. United Nations technical assistance had played a large part in the preparation of its plans for economic development.

21. The efforts of Venezuela towards economic development had been deliberately planned against a more general background of co-ordination with the regional plans of the whole of Latin America, and it was therefore considering participating in the Latin-American Free-Trade Area. It would be represented at the meeting in August 1961 of the Inter-American Economic and Social Council to study and set on foot the "Alliance for Progress" programme proposed by the President of the United States. The President of Venezuela had recently stated that the new President of the United States and his team were on the way to correcting mistakes that had been repeatedly committed by previous United States administrations. All the Latin American countries had broken away from their status as colonies 150 years ago and their legitimate governments were prepared to conduct themselves in international life in accordance with freely assumed commitments, but without renouncing the full exercise of their sovereignty.

22. The SECRETARY-GENERAL said that the Council had completed its debate on the major world economic trends and on the broad problems of economic development. That annual debate represented a vital part of the discharge of the United Nations responsibilities in the economic field. Without pre-judging any decisions that might be hammered out in committee for subsequent adoption in plenary meeting, it might be useful to attempt to assess the significance of the discussion.

23. He appreciated the many helpful comments that had been made on the documentation for the debate, both those in praise and those in criticism. He had taken note of the observations made at the 1161st meeting by the French representative concerning the recent economic performance of his country. Rather than pursue in public a debate on figures, he would assure the French representative that secretariat experts would be glad to examine the points mentioned with members of the French delegation staff with a view to issuing a correction of any mistakes that might have been made.

24. With regard to the debate as a whole, he wished to state his firm conviction of the great importance of the Council's annual debates on world economic trends and the development of the less developed countries, irrespective of any specific decisions that might be reached. No one could fail to be impressed by the manner in which all had come to take for granted the most far-reaching responsibilities of the international community for the economic and social progress of mankind everywhere,

responsibilities which would have been completely unthinkable only a generation previously. It must surely be conceded that the Council, through its debates and decisions, had already contributed in no small measure to that revolutionary change. Regardless how fast or how slow the progress on specific measures might be in one year or another, he was confident that the Council's contribution in that respect would continue to be great.

25. Even a moment's reflection on some of the axioms implied in the debate that had just been concluded would show how profound had been that revolution in thinking. Very broadly speaking, the revolution consisted of accepting as a basic postulate the existence of a world community for which all nations shared a common responsibility. Thus, the welfare of mankind everywhere had become a component of the national interest and of the national responsibility of the government of every State Member of the United Nations. The responsibility of the international community to set aside part of its resources in manpower, materials, equipment, finance and technical knowledge in order to assist the economic development of the less developed countries had been accepted as axiomatic. An international responsibility for reducing the disparities in levels of living between nations had thus been assumed, a responsibility parallel to that accepted earlier for greater economic and social equality within nations. Axiomatic as that had now become, it would have been considered rank national heresy only a short while previously.

26. What that had meant in concrete terms in relation to the problems discussed had been, first, that all national economic policy had become bound up with the interest of the international community. Problems and policies of economic growth and stability were no longer the exclusive concern of national governments; instead, they were regularly accepted as being also a matter for consideration, exchange of information, consultation and recommendation at the international level. The questions which regularly engaged the Council's attention were whether the rate of growth in the developed countries was as high and as stable as was consistent with requirements for reasonable price stability, for full employment, for the maximum contribution to the steady expansion of world trade; whether the less developed countries were making the maximum effort to place the process of economic development on a self-sustaining basis, and whether they were intensifying their efforts sufficiently to promote domestic saving for capital formation; and whether economic development was being accompanied by social development, by an improvement in the lot of the average individual. The debate was adequate evidence of the extent to which all such matters of national policy, in the past reserved exclusively for national consideration, had been opened to examination by the international community. No one could doubt the importance of that continuing exchange of views and sharing of experience within the forum of the United Nations. In one area after another — whether it was the significance of industry for economic development, the benefits of specialization and the international division of labour, the purposes and limitations of long-term economic projections or the relations between economic growth and inflation — that approach was leading to the progressive replacement of

dogma by pragmatic findings based on comparable experience and analysis.

27. Vital as was the consideration of national economic policies for the well-being of the world community, it was perhaps inevitable that it should nevertheless be overshadowed by examination of the courses of international action that might best contribute to an acceleration in the rate of growth of the world economy and, in particular, the rate of development of its less developed members. The Council's attention was coming to be more and more concentrated upon the twin problems of the expansion of international trade and of international aid for the promotion of economic development. For many years, the trade problems which had engaged so much of the attention of the Council, as well as of the General Assembly, had largely been centred around the question of stability in commodity trade. Though interest in that range of problems had by no means diminished — indeed it had intensified, as was evident from the report of the Commission on International Commodity Trade (E/3497) and the report on compensatory financing (E/3447) — it had nevertheless become increasingly clear that the significance of trade problems for economic development extended far beyond the area of commodity stabilization. Both the Secretariat's documentation and his own opening address at the 1157th meeting had stressed the vital importance to economic development of policies of promoting long-term expansion of the export opportunities of the less developed countries, not only in primary products but also in manufactures. The Council had just concluded a highly useful preliminary discussion of a number of aspects of those trade problems. The time might perhaps be drawing near when the Council might wish to re-examine how well the United Nations was equipped to give expert consideration to that range of problems and to formulate adequate policies to provide for the maximum contribution of international trade to economic development.

28. The discussion in the plenary meeting had underscored the growing role of the international flow of capital aid in increasing the rate of economic development in recent years. Attention had been called to the near-doubling in the average annual flow of international aid from the first to the second half of the 1950s. Significant and encouraging as that expanded flow had been — particularly in the light of the difficulties encountered in expanding domestic saving underlined in the *World Economic Survey, 1960* — there was, in his opinion, general agreement that the sum fell far short of needs. Several steps of far-reaching significance had been taken by the General Assembly at its fifteenth session, looking towards further increases in the flow of international capital. Among those had been the establishment of a target rate for international capital flow of 1 per cent of the combined national incomes of the economically advanced countries. That rate already seemed attainable, but it could be surpassed several times over if real progress could be achieved in freeing the resources that were being sidetracked into armaments production on an ever-increasing scale. The discussion would surely have brought a greater sense of urgency in relation to the study of the economic and social consequences of disarmament that

was being undertaken with the assistance of a group of experts whom he had appointed to advise him. He felt confident that, with the full co-operation of governments in that undertaking — and such co-operation was, in his judgement, vital — that study could make a major contribution to the fuller understanding of the magnitude of the armaments burden, of the policies necessary to minimize any transitional costs of a reduction in armaments, and above all, of the long-term benefits to economic and social welfare that disarmament would bring to all mankind.

29. The other ways in which the General Assembly had moved forward — its decision in principle that a United Nations capital development fund should be established (resolution 1521 (XV)) and its adoption of resolution 1496 (XV) on the role which the United Nations might play in using surplus foodstuffs for the promotion of economic development and of the resolution dealing with compensatory financing of fluctuations in commodity trade (resolution 1423 (XIV)) — had all led to intensive work reflected in reports submitted to the Council which contained specific proposals for possible courses of action. Even if it might be premature to seek to reach final decisions on all those proposals at that session of the Council, he was confident that the deliberations of the Economic Committee, to which the issues were to be referred, would significantly advance the date on which such decisions could be reached.

30. The PRESIDENT declared closed the general debate on items 2 and 5 of the agenda, both of which would be referred to the Economic Committee.

The meeting was suspended at 4.15 p.m. and resumed at 4.35 p.m.

AGENDA ITEM 4

General review of the development, co-ordination and concentration of the economic, social and human rights programmes and activities of the United Nations and the specialized agencies as a whole (E/3459 and Add.1, E/3460 and Add.1, E/3461, E/3472, E/3485 and Add.1 and 2, E/3490 and Corr.1, E/3495 and Add.1, E/3496, E/3498 and Add.1-3, E/3502, E/3504 and Add.1, E/3507, E/3518 and Corr.1, E/3531)

GENERAL DEBATE

31. The PRESIDENT invited consideration of item 4 of the Council agenda.

32. The SECRETARY-GENERAL said that item 4 of the agenda provided the opportunity for reviewing the economic and social activities of the United Nations family, their development and co-ordination. Those activities had, during the past year, been greatly intensified and expanded. New demands for international action had arisen in many fields and from many sources; the special needs of the newly independent countries had, however, been a dominant concern. In order to help to meet some of those needs, the General Assembly had voted an addition to the 1961 budget of the United Nations of \$3.5 million; largely for the same purpose,

additional provision had been made in the budgets of several of the specialized agencies, and the resources contributed to EPTA and to the Special Fund had been considerably augmented. In the case of the Special Fund, the effect on operations of that increase in resources had been cumulative, for the preliminary work on projects approved at the first meetings of the Fund's Governing Council had in any case been giving rise to a rapidly increasing volume of field activity. In many of the organizations the growth in field operations had been matched by the development of other activities at the regional — even more perhaps than at the headquarters — level. Indeed, one of the salient features of the past year had been the greatly increased vitality of regional action in certain of the specialized agencies as well as in the United Nations itself.

33. The scope of the general expansion in the work of the United Nations family was apparent from the reports of the agencies, commissions and committees before the Council. So was the fact that the United Nations organizations had been entrusted with a great and growing responsibility to the governments and peoples of their members.

34. With regard to the problem of co-ordination, most of the major activities of each of the organizations touched upon the sphere of competence of other organizations and had to be undertaken jointly or after consultation. The problems of co-ordination facing the United Nations family had been changing and had become more serious and more difficult. They had become more difficult because of the complex character of the tasks now being undertaken, the increase in the scope of those tasks, the process of decentralization and the growth of bodies within and outside the United Nations, at headquarters and at regional levels, each of which was in one way or another concerned with a wide range of subjects. The problems had changed and become more serious because it was no longer a question of a mere division of functions, but of how the various members of the United Nations family could organize themselves, each under its separate governing and executive organs, to carry out in concert a great range of operational functions. The principal objective was not to avoid at all costs discussing or studying the same things — indeed, approaching the same things from different angles might present advantages; what was essential in an operational programme was to eliminate all possible duplication in action, divided counsels and, first and foremost, competition among international organizations.

35. It should be recognized that those dangers existed. They were especially great where there was pressure for immediate action to meet urgent problems, such as those concerning newly independent States. But in the more ordinary course of administrative action the situation was also not always satisfactory. It was a fact that dispersal of responsibilities, uncoordinated initiatives, complexities of procedure and a certain degree of administrative "byzantinism" were used as an argument against the strengthening of action through the United Nations family and in favour of new and more homogeneous and centralized institutions outside the framework of the United Nations.

36. The role of the United Nations family was surely of far too crucial importance to allow the challenge to go unanswered and to meet it should be a first priority for the ACC and for the Council.

37. Through the ACC a great effort was being made to achieve full cohesion of the activities of the organizations by means of intensified consultations, by developing new arrangements for co-ordination at the regional centres and by establishing the resident representatives in a central role in pre-investment and technical assistance work. In its special report to the Council (E/3531) the Advisory Committee on Administrative and Budgetary Questions had rightly laid special stress on that point. It was clearly of key importance to the future not only of the whole programme of assistance, but also to the relations between that programme and others.

38. Great emphasis had recently been laid, in particular by the Council, on "concerted action" in respect of undertakings involving more than one agency. Some progress had been achieved by that means in certain fields such as community development, water resources, and training and education. However, the potentialities of such formulae should not be overestimated and their limitations should be accepted. "Concerted action" could become a burdensome and expensive undertaking, frequently requiring more time, energy and money than might be necessary for the effective discharge of certain functions. If it were to be undertaken solely for the reason that the mandate of certain agencies overlapped, perhaps some more efficient and more economical arrangement might be found. There should be no reluctance to entrust a single officer or a single unit with tasks on behalf of several agencies or in the field of competence of several agencies. Resources were so meagre that no opportunity should be neglected to pool and stretch them. More thought should also be given to the permanent outposting of staff from one agency to another so that staff with different backgrounds might work within integrated units. Such arrangements might be far more practical than the discussions and negotiations which were sometimes inevitable in joint projects or "concerted action". It was important that there should be a readiness to give and take without too much formality or formal concern.

39. The Congo civilian operation had provided a signal demonstration of the possibilities of co-operation and co-ordination among the United Nations organizations. It had been no less significant in terms of the contribution made towards safeguarding the country against economic and social collapse. The record of the past year had not been without encouraging developments in other areas also. Three developments of that kind might be selected, perhaps somewhat arbitrarily.

40. In his opening statement at the 1157th meeting he had referred to the new emphasis on economic and social development programming. Governments had more and more been turning to the United Nations for assistance and advice in that field. That had been particularly true with regard to the regional economic commissions, but also with regard to Headquarters, in connexion, for example, with projections, programming techniques and studies such as those on the economic implications of dis-

armament. Much would depend upon how that challenge was met. Moreover, increasing emphasis had been laid on industrial programming in the context of the establishment of the Council's Committee for Industrial Development and the Council's decision (E/3476, para.114 and resolution 817 (XXXI)) that an Industrial Development Centre should be set up within the United Nations Secretariat. Among other tasks, the centre would to promote co-ordination of international work in that field; steps to bring it into being were now under consideration with the interested specialized agencies.

41. The second broad development concerned the use of United Nations machinery in connexion with the granting of aid to the developing countries. The expansion of technical assistance and pre-investment activities had already been mentioned, and the Council would be considering the report of the Committee on a United Nations Capital Development Fund (E/3514) under item 5 of its agenda. The United Nations Secretariat and the secretariats of the specialized agencies sincerely welcomed the establishment of the International Development Association (IDA) as a complement and buttress to the work for the promotion of economic development. The need for capital investment required no stressing, and IDA should provide opportunities for it which had not so far been available within the United Nations family. The agreement between the United Nations and the new agency provided for a liaison committee for purposes of consultation, consisting of the President of IDA and the Secretary-General, with the Managing Director of the Special Fund and the Executive Chairman of TAB. That committee had recently held its first meeting in New York. As a further step in the use of machinery of the United Nations system for the granting of economic aid, the proposal in General Assembly resolution 1496 (XV) concerning arrangements for the utilization of surplus food was potentially of great importance. Under that resolution, the Director-General of FAO had submitted a broad plan for surplus utilization in a document entitled *Development through Food — a Strategy for Surplus Utilization* (E/3462). The United Nations Secretariat had submitted a brief report (E/3509) in response to the General Assembly's request, specifically on the role of the international organizations in the utilization of food surpluses for economic development. Apart from actually administering assistance for economic development, the United Nations system was well equipped to help, advise and co-ordinate bilateral programmes in that field. That function of facilitating and supplementing bilateral action had recently been exemplified by the role of IBRD in organizing consortia for aid to India and Pakistan and, on a more modest scale, by the activities of ECAFE in establishing a multilateral framework for bilateral assistance in connexion with the lower Mekong basin project.

42. The third major element in the work of the past year — the efforts to mobilize the latent resources within the developing countries themselves, with special reference to education and training and the promotion of science and technology — must also be mentioned. When reporting to the Council in 1960, he had laid special emphasis on education and training as essential to almost all work in the newly independent countries. Through the

ACC a basis was being laid for an integrated programme in that field. Special reports (E/3498/Add.1-3) submitted to the Council by the Director-General of UNESCO recorded the proceedings and findings of the Conference of African States on Education held in Addis Ababa in May 1961 under the joint auspices of UNESCO and ECA with the support of other members of the United Nations family. The Conference had unanimously adopted a plan for African educational development of great interest for the strengthening of co-operation in Africa. Of no less significance for the future had been the development of international work in science and technology. The Council had before it a proposal (E/3510) that the United Nations call a conference on the application of science and technology for the benefit of the less developed countries. If that proposal were approved, it would be an important and most challenging task in the year ahead to carry that decision through to a successful conclusion.

43. Before concluding, he would revert to the basic difficulties of the situation because he considered that the character and magnitude of those difficulties should be known and appreciated by governments. The secretariats could never fully overcome them by their own associated efforts. As the Council had time and again recognized, it was ultimately for governments, and the Council on their behalf, to take the basic decisions on which the secretariats could build. It would not, he felt sure, be taken amiss if he urged that, at that session, the Council give special attention to the question of consolidating United Nations action in the field, with particular reference to the role of the resident representatives. It would be helpful, too, if it would indicate, where required, the common lines of action to be followed and the desired distribution of primary responsibility for broad projects and programmes among the various organizations. Such guidance by the Council would help the United Nations and the specialized agencies to carry out the very heavy tasks that were being placed upon them and, thus, to give full effect to the intentions of the governments of Member States.

44. Mr. PAZHAWAK (Afghanistan), endorsing the Secretary-General's statement that the problems of co-ordination facing the United Nations family had become more serious and more difficult, said that they therefore called for the Council's close attention. He also agreed with the Secretary-General that it was essential in an operational programme to eliminate all possible duplication in action, divided counsels and, first and foremost, competition among international organizations.

45. He thanked the Secretary-General for referring to the fact that governments had been turning more and more to the United Nations for assistance and advice in the field of economic and social development programming, a matter which was of special importance to the under-developed countries. The provision of speedy and effective assistance, however, required the co-operation of all States Members of the United Nations.

46. He expressed his appreciation of the stress the Secretary-General had laid on the need for capital investment, but would point out that certain countries, despite all their efforts, had not been successful in attracting much-

needed capital investment. That problem called for the Council's attention.

47. Another important point to which the Secretary-General had referred was the efforts to mobilize the latent resources within the developing countries themselves, with special reference to education and training and the promotion of science and technology. He hoped that the Council would consider those questions at the current session. His delegation supported the proposal for a conference on the application of science and technology for the benefit of the less developed countries, although it was still unaware of its financial implications.

48. As an under-developed country, Afghanistan fully appreciated the difficulties to which the Secretary-General had referred at the end of his statement. It was, however, natural for a developing country to focus its attention on its own needs when applying for assistance.

49. His delegation noted with satisfaction the considerable improvement effected in recent years in the machinery for the co-ordination of the work of the United Nations and the specialized agencies. It believed that the prime need was for co-ordination in the countries themselves. Without co-ordination at all levels, and especially at the country level, programmes could not hope to succeed. Close co-ordination between the United Nations and the specialized agencies responsible for giving assistance, and effective co-ordination within the under-developed countries were both necessary, if full benefit was to be derived from the assistance furnished. The joint efforts of regional economic commissions and the field officers of the technical assistance programmes provided a good example of fruitful co-operation.

50. Under resolution 798 (XXX), the Council had set up an *ad hoc* working group to study the reports of the ACC, appropriate reports of United Nations organs, the annual reports of the specialized agencies and IAEA and to prepare a concise statement of the issues and problems in the field of co-ordination which arose from those documents and which called for special attention by the Council. The working group, of which Afghanistan had been a member, had prepared a report (E/3518) which was before the Council.

51. In part I of that report, the *ad hoc* working group examined three major problem areas: education and training, industrialization and rural development. An increasing interest was being shown in education and training by the under-developed countries themselves and the specialized agencies. The Council had, for its part, endorsed the emphasis on training in the work of the United Nations family in its resolution 797 (XXX). Industrialization, too, had recently attracted much attention, but it could safely be assumed that it needed even more. He was glad to note in that connexion the establishment of the Committee for Industrial Development and the decision taken by the Council to establish an industrial development centre within the United Nations Secretariat. The third area considered in part I of the report, rural development, had many aspects, including land reform, agricultural credit facilities and rural health and education. Those matters had also come to the fore in recent years.

52. Part II of the report dealt with the general problems of co-ordination procedures and practices, co-ordination at country and regional levels and concentration of activities. It was followed by an annex containing the group's suggestions regarding the procedure for consideration of co-ordination questions. Those useful suggestions would certainly assist the Council in the effective performance of its co-ordination functions. The Council might consider the advisability of maintaining the *ad hoc* working group on co-ordination on a permanent basis.

53. In that connexion, special attention should be paid to the close co-operation existing between the Special Fund and the technical assistance programmes, both at Headquarters and in the field. That co-operation gave a good example to all and held out promise of further progress. Lastly, he stressed the importance of the work done within the United Nations family and in international bodies in general in order to achieve better co-ordination of activities. That work gave useful guidance to the underdeveloped countries in dealing with their own problems and he hoped that the Council would give the matter its fullest consideration.

54. Mr. SEN, Director-General, Food and Agriculture Organization of the United Nations, said that with the increasing volume of external aid that was becoming available to the developing countries, special attention should be given to the question of greater co-ordination of efforts among the members of the United Nations family. He commended the *ad hoc* working group on co-ordination for its report, which analysed the nature of the co-ordination problem at the international, regional and country levels in three substantive areas in which problems of inter-agency co-operation had recently become acute. The report did not, however, make any new suggestions for improving co-operation among the agencies, although the useful analysis which it contained would no doubt be of assistance to the Council in considering the problem. The report of the ACC (E/3495) also dealt with the impact of the steadily increasing Expanded Programme of Technical Assistance and the Special Fund on the programme and work of the specialized agencies and the need for improvements in the arrangements for co-ordination and inter-agency consultations.

55. In considering co-ordination among United Nations agencies, it was essential to remember that each of the specialized agencies had a functional character which explained why each had its own charter, its own membership, its own budget and its own programme of work. Accordingly, co-ordination among them must be sought by a process of consultation and agreement rather than by any attempt to concentrate powers of decision in a manner inconsistent with the nature of the structure which had been adopted.

56. Dangers of duplication and confusion still remained in broad areas of work in which interagency jurisdictions were blurred. In that connexion, he recalled a suggestion, put forward by FAO at the meeting of the ILO Governing Body in Geneva on 8 March 1961, that each agency should be called upon to provide a break-down of those broad areas of common interest into a series of more specifically identifiable tasks. The tasks could then be

classified into two categories, the first consisting of tasks which should be recognized as the predominant concern of a particular agency, and the second consisting of tasks in which more than one agency's interests were involved and which necessitated prior consultation among them before any project was initiated for action. It would appear from the *ad hoc* working group's report (E/3518, paras. 37 and 38) that the group was in agreement with that approach. The problem was not simple, but if the FAO proposal were acted upon, an important step forward would have been taken in dealing with it.

57. In that connexion, the question had been raised of the powers and responsibilities of the resident representatives, who performed a very useful function, especially in dealing with administrative and other matters concerning relations between the United Nations family and national governments, and in negotiations regarding proposals for technical assistance and Special Fund programmes. Those administrative and diplomatic functions, however, were essentially distinct from the functions of advising governments on national planning, a field in which the specialized agencies should continue to exercise their several specialized responsibilities.

58. With regard to the co-ordination of assistance to countries in national planning, it should be borne in mind that the responsibility for harnessing the available natural and human resources and energies to the tasks of national development must rest with the governments concerned. The United Nations system of organizations, however, had a special responsibility in the matter of over-all development planning. It was therefore essential that, in each developing country, the United Nations family of agencies should be better co-ordinated to help governments. In considering measures for that co-ordination, certain aspects of national planning needed to be carefully analysed.

59. In the first place, the national authorities responsible for planning had to be constantly aware of the factors impeding balanced growth and had to provide measures to counteract them. The specialized agencies could, and were, providing assistance with the studies and research needed for the purpose.

60. Effective assistance in economic planning could not be made the responsibility of any single individual or authority, nor be made dependent on any inflexible arrangement. In the experience of FAO, one of the most effective ways of helping countries to improve their national programmes was to provide them with the technical assistance of qualified experts, who would give advice and guidance on specific planning areas. Regional training centres and seminars on programming and planning methods were also used for the same purpose by FAO, in co-operation with the United Nations and its regional economic commissions and other agencies.

61. The help given by specialized agencies in national planning had to be adjusted to the particular needs of each country. It was neither desirable nor feasible to adopt a uniform approach for countries at different stages of development. In the case of countries having a national plan and the administrative machinery to implement it, it was comparatively easy to fit in external aid; special-

ized advice, however, could on occasion help governments to alter the emphasis between the different components of the plan and the specialized agencies were in a good position to offer such advice. Countries at a "semi-plan" stage could benefit most from assistance in planning techniques, as emphasized by successive FAO regional conferences in the Near East. His organization had made certain country studies for that purpose, in which suggestions were made covering assistance in a variety of projects including hydrology and soil conservation, pasture development, ground-water and biology. Steps in the same direction had been taken within the United Nations itself, for example through the establishment by ECLA of planning advisory groups in Latin America. In countries having no national development plan, and in the newly independent countries of Africa, exploratory surveys and special missions had been carried out by FAO. A series of studies of individual African countries was now being undertaken, which would provide a better basis for FAO's work under the Special Fund and technical assistance programmes.

62. As to the co-ordination of multilateral and bilateral aid, assistance from different sources should, of course, be welcome to any country, but it was important that it should be purposefully directed and closely co-ordinated with the country's general development planes. The United Nations family of agencies, working as a uniform group at the country level, could provide useful guidance for co-ordinating aid from all sources.

63. With regard to the organizational aspects of the new plans to be shaped for wider surplus utilization in aid of development, the FAO report on *Development through Food—a Strategy for Surplus Utilization* (E/3462) set forth the principles on which a successful programme for expanded food aid should, in his view, be based. To be successful, such a programme demanded action by contributing countries, by recipient countries, and also by international organizations. In many recipient countries, it would be necessary to overhaul the planning machinery and to strengthen key institutions. Contributing countries and institutions would have to co-ordinate their activities in order to ensure that adequate financing and technical aid were made available at the same time as food aid. Lastly, international organizations must be ready to take an active part, if requested, in the promotion of programmes of international aid.

64. At the session of the Intergovernmental Advisory Committee on the Utilization of Food Surpluses, which had advised him on his report, the United States representative had proposed an initial programme on a multilateral basis. Of the proposed fund of \$100 million, the United States was prepared to offer \$40 million in commodities, with the possibility of a supplementary contribution in cash. The proposed programme was designed largely for emergency relief. It was true that disaster and calamities invariably evoked sympathy and that emergency action was always taken. However, in the absence of adequate machinery, such action often came too late and only after heavy suffering. In that respect, the proposal recognized the principle that international organizations should be given adequate resources to develop appropriate operating machinery. Important though

emergency relief was, it could only be a palliative. It was necessary to expand the resources available for balanced economic development and the initial programme contemplated in the proposal would accordingly provide for the experimental inclusion of other activities, such as employment promotion measures and social programmes. It was true that those new international operations must begin on a modest scale in order to gain experience, but experience should be gained all along the line by testing all types of project.

65. The pace and scope of the proposed programme would be finally determined by the attitude of the developing countries, by the progress they made with their national planning and by the scope and character of the requests and projects which they put forward for international assistance. He hoped that the Council would warmly welcome and recommend acceptance of the United States proposal for the creation of a \$100 million fund.

66. The Advisory Committee he had consulted in preparing his report had suggested that FAO should serve as the focal point in organizing a surplus utilization plan under General Assembly resolution 1496 (XV) and should assume operational responsibilities as they arose. Those special responsibilities would have to be assumed internationally if the programme was to be a success and FAO was at that time the only international body equipped to do so.

67. The final section of the FAO report set out proposals for the intensification of co-operation between FAO and other international agencies in carrying out the proposed programme. The Secretary-General, in his report on resolution 1496 (XV) (E/3509), had suggested some of the ways in which FAO and the United Nations could co-operate in the matter. The other specialized agencies might also wish to participate in any arrangements that were worked out. Lastly, governments would have to provide FAO and the other organizations with the facilities necessary to enable them to carry out their new tasks successfully.

68. With regard to the growing trend towards regionalization, on which a detailed note had been submitted by the Secretary-General (E/3522), FAO, like most specialized agencies, had recognized the importance of the subject by establishing regional offices and holding regional conferences. Regional arrangements were, of course, essential to meet regional needs and aspirations, but there were many problems which had a regional aspect but were not primarily regional. Some complicated problems could indeed only be viewed in the correct perspective at world level. The development of regional organizations and activities should not, therefore, be allowed to proceed to a point at which they might tend to impair the maintenance of an international approach and outlook in economic planning.

69. Mr. WADE (New Zealand) said that the term "co-ordination" was something of a misnomer, for it implied a rather negative approach to the problem of ensuring the most effective use of the resources available for international assistance. What was required was a constructive unity of effort on the part of all members of the

United Nations family. It was for that reason that his delegation had warmly welcomed the five-year appraisals and in particular, the consolidated report on them submitted to the Council in 1960 (E/3347/Rev.1), which had given for the first time a comprehensive picture of the economic, social and human rights activities of the United Nations and its related agencies as a whole.

70. In the year which had elapsed since that report had been submitted, events had underlined the importance of co-ordination and the need for a positive approach to it. With the emergence of many new States, the responsibilities of the United Nations and its related agencies had increased greatly. Fortunately, the resources available to them had also increased, but not in proportion to the demands for their services, especially in Africa.

71. The rapid expansion of the activities of the United Nations family had given rise to a number of problems, of which the most pressing was that of the multiplication of surveys. A number of international organizations which had been called upon to assist the new countries of Africa had felt it necessary to begin by making an assessment of the needs of the requesting countries. Sound as that procedure was, it caused delay in the actual provision of assistance and thus gave rise to a sense of frustration in the requesting countries. Moreover, there had unfortunately been instances in which several agencies had in turn carried out similar surveys; such lack of co-operation was not only wasteful, but could also seriously impair the value of the surveys themselves, and even adversely affect the standing of the organizations concerned, both in the countries surveyed and in other parts of Africa.

72. In the past twelve months, the importance of co-operation at the country level had become widely recognized. Emphasis had been placed both by representatives of the United Nations and its related agencies and by the ACC on the need for closer co-operation among the various branches of the United Nations family in individual countries. In that connexion, the ACC had recognized (E/3495, para. 31) the central role that would have to be played by the resident representatives of TAB, and had dwelt on the need to provide them with additional support from the participating organizations. His delegation would like to know what specific steps had been taken in that direction and what action the Secretary-General and the executive heads of the specialized agencies had taken, or were proposing to take, to meet the request made by the Council in operative paragraph 3 of its resolution 795 (XXX). In the light of the information provided on that question, his delegation would be glad to consider what further steps were required to achieve the objective of ensuring even closer co-operation at the country level.

73. Co-ordination at the country level, however, was only part of the problem. The resident representatives could, in co-operation with the recipient governments, prevent outright duplication of activities in individual countries, but they could not be expected to settle major differences of policy between international organizations. The value of co-ordination in the field clearly depended, in large measure, on the effectiveness of other forms of co-ordination and, in particular, the co-ordination of programmes at the headquarters level.

74. Responsibility for programme co-ordination rested in the first instance on the secretariats of the United Nations and its related agencies and especially on the heads of the various organizations represented in the ACC. In the course of the past fifteen years, a complex network of arrangements and contracts had been built up which had made it possible to reduce greatly outright duplication and to develop close working relations between organizations in a number of fields. The ACC itself had shown a growing effectiveness in dealing with the very difficult problems which arose from time to time and he congratulated it on its latest report (E/3495 and Add.1) which represented a distinct advance over those submitted in previous years. Its members would, however, be the first to recognize, as indeed the Secretary-General and the Director-General of FAO had done in the course of that debate, that there was still room for improvement in its work. That was especially true in the matter of harmonizing the policies of the various organs within the United Nations system. In that connexion, he would ask what action had been taken to comply with Council resolution 799 A (XXX) requesting the Secretary-General and inviting the executive heads of the specialized agencies to "take measures necessary to facilitate the discharge by the Administrative Committee on Co-ordination of its increasing responsibilities". He would also be interested in hearing comments on the possibility of some staff members from the secretariats of the agencies being seconded to the ACC secretariat, a step which would strengthen the ACC and further improve the quality of its work.

75. Although the ACC had undoubtedly a key role to play in the matter, the ultimate responsibility for co-ordination rested with the Council itself. The Council was in fact the only body, representative of governments, which was in a position to consider the economic and social activities of the United Nations and its related agencies as a whole. With the expansion and growing complexity of the activities under its supervision, the Council's responsibilities in the matter had become increasingly onerous, and it had set up on an experimental basis an *ad hoc* working group to assist it in its task. The report of that working group was before the Council (E/3518) and it was apparent that the group had adopted a pragmatic rather than a doctrinaire approach to its task. It had concentrated on immediate practical problems and had taken up questions of machinery and procedure only in so far as they arose from and related to those problems.

76. The working group had concentrated its attention mainly on three problem areas: education and training, industrialization and rural development. Although his delegation considered that a number of comments might have been useful on some other problems, such as oceanography and atomic energy, it recognized the impossibility of covering the whole range of co-ordination problems in one concise statement such as the working group had been requested to prepare.

77. In the field of industrialization, the problem of co-ordination took the form, in the first instance at least, of the elimination of duplication of activities between the organizations principally concerned. In the case of rural development, it was more a matter of relating an amor-

phous group of activities in such a way as to increase the impact of the total effort. In the field of education and training, the problem was that of harmonizing the policies of several organizations and their respective spheres of competence. In the matter of education and training, the ACC itself had taken the lead in strengthening arrangements for co-ordination, and all that was then required was that the Council should endorse its effort and perhaps draw attention to the underlying problem of co-ordination of policy. In the case of industrialization, the action taken by the ACC seemed scarcely adequate to meet the problems involved and the Council might find it necessary to consider some further action. Lastly, in rural development, the working group had identified a problem area which would not appear to have been previously considered as such by the ACC, but where there seemed to be some scope for action by that body.

78. The problem areas dealt with in the report of the working group would undoubtedly be examined in detail by the ACC and, at that stage, he would confine himself

to noting the success of the experiment of establishing the *ad hoc* working group. His delegation therefore felt that there would be an advantage in renewing the Group's mandate for at least another year.

79. The ability of the United Nations to fulfil its role in integrating national and international efforts for an attack on world poverty would depend largely on the success it achieved in putting its own house in order. Some governments had indicated that they might be prepared in future to channel more of their assistance through the United Nations family and to accord it a more important place in co-ordinating activities financed from other sources. It would, however, be unrealistic to expect them to go very far in that direction unless they felt assured that the resources already made available to the United Nations and its related agencies were being used to the greatest possible advantage.

The meeting rose at 6.10 p.m.